

**Community HOME Investment Program (CHIP)  
ADDENDUM TO CONSTRUCTION CONTRACT**

This Addendum to Construction Contract (“Addendum”) entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“Owner”) and \_\_\_\_\_ (“Contractor”).

**WHEREAS**, the Owner and the Contractor entered into a Contract (hereinafter the “Agreement”) dated \_\_\_\_\_ for the construction or rehabilitation of the Property (hereinafter the “CHIP-Assisted Unit”) located at \_\_\_\_\_  
\_\_\_\_\_;

**WHEREAS**, all or a portion of the funds that will be disbursed for this CHIP-Assisted Unit are derived from the Community HOME Investment Program (hereinafter “CHIP”) which is funded by the Georgia Housing and Finance Authority (hereinafter “GHFA”), whose programs are administered by the Georgia Department of Community Affairs (hereinafter “DCA”), and which is administered locally by \_\_\_\_\_ (hereinafter “State Recipient/Sub-recipient”);

**WHEREAS**, the State Recipient/Sub-recipient has entered into a contract with an entity (hereinafter “Administrator”) to administer the CHIP funds on its behalf;

**WHEREAS**, CHIP funds are federal HOME Investment Partnership Act funds and are subject to program regulations set forth in the Final HOME Rule, 24 CFR 92, as may be amended;

**WHEREAS**, the State Recipient/Sub-recipient is responsible for compliance with all applicable HOME regulations and other federal, state, and local laws, regulations, codes, and ordinances;

**NOW, THEREFORE BE IT RESOLVED THAT**, for these and other reasonable considerations, the following articles are set forth and agreed upon by the Contractor and Owner:

Article 1. Contractor Warranties and Representations. Notwithstanding anything to the contrary contained in the Agreement, Contractor hereby warrants and represents as follows:

- 1.1. Contractor warrants and represents that no member, employee, officer, agent, consultant, or official of the State Recipient/Sub-recipient or Administrator, nor any member of its family or business associate, has any interest, direct or indirect, in the Agreement or any proceeds or benefits arising therefrom.
- 1.2. Contractor warrants and represents that neither it nor any of its principals are presently debarred, suspended, proposed for debarment, suspension, declared ineligible, or voluntarily excluded from participation in this transaction or CHIP by any federal department or agency.

- 1.3. Contractor warrants and represents that no federal appropriated funds, including CHIP funds, have been paid or will be paid, by or on behalf of Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- 1.4. Contractor warrants and represents that if any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with this Agreement, Contractor shall complete and submit HUD Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

**Article 2. Contractor Covenants.** Notwithstanding anything to the contrary contained in the Agreement, Contractor further covenants as follows:

- 2.1. The Contractor agrees to comply with Section 3 of the Housing and Urban Development Act of 1968, and implementing regulations, as amended, which require that, to the greatest extent feasible: (i) opportunities for training and employment arising in connection with the rehabilitation of any CHIP-Assisted Unit shall be provided to Low and Very Low Income persons residing within the area of the CHIP-Assisted Unit; and (ii) contracts for work in connection with the rehabilitation of any CHIP-Assisted Unit shall be awarded to business concerns which are located in or owned by persons residing within the area of the CHIP-Assisted Unit.
- 2.2. Contractor agrees to comply with Executive Order 11246, Executive Order 11375, the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, and the American With Disabilities Act, and their implementing regulations, as amended, which prohibit discrimination against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age or handicap.
- 2.3. Contractor agrees to comply with the Executive Orders 11625, 12432, 12138, and their implementing regulations, as amended, which require the inclusion, to the maximum extent possible, of MBE/WBEs in the carrying out of any activity pursuant to this Agreement. Contractor shall maintain records, documentation and data evidencing: (i) the racial/ethnic or gender character of each business entity performing work on any CHIP-Assisted Unit; (ii) the amount of said contract or subcontract; and (iii) that MBE/WBEs have equal opportunity to compete for and obtain business.
- 2.4. Contractor agrees to comply with the Copeland "Anti-Kickback" Act (18 U.S.C. §874 et seq.), Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. § 327 et seq.), and, for contracts covering twelve or more CHIP-Assisted units,

the Davis-Bacon Act, (40 U.S.C. §276a et seq.) and their implementing regulations, as amended.

- 2.5. Contractor agrees to comply with the Lead Paint Act, which prohibits the use of Lead Paint in the rehabilitation of any CHIP-Assisted Unit and requires that any and all lead Paint abatement activities, including but not limited to, clean up of the work site and waste disposal, shall be conducted in compliance with Lead Paint Act.
- 2.6. Contractor agrees to rehabilitate or reconstruct any CHIP-Assisted Unit which is the subject of the Agreement in accordance with all local codes (including state codes) and rehabilitation standards of the State Recipient/Sub-recipient, to comply with all locally required permitting procedures, and to correct any work which fails to conform with these standards and permits, as applicable, and will remedy any defects due to faulty materials or workmanship which appear within one (1) year from the date to completion of the work on the CHIP-assisted unit. This Section 2.6 applies to work done by subcontractors as well as to work done by direct employees of the Contractor.
- 2.7. Contractor agrees to adhere to the disbursement procedures as established by the State Recipient/Sub-recipient which may require evidence of compliance with any established insurance requirements or other contractor participation requirements, and any “hold back” or liquidating damages provisions which may reduce the amount disbursed. The Contractor further agrees that each invoice shall be accompanied by evidence in form and content satisfactory to the State Recipient/Sub-recipient clearly indicating the portion of the rehabilitation work completed at that time in accordance with any change orders approved in advance by the Owner and State Recipient/Sub-recipient, and further evidence of compliance with local permitting requirements.
- 2.8. Contractor agrees that at no time and in no event shall the State Recipient/Sub-recipient be obligated to disburse CHIP funds if, in the reasonable judgment and opinion of the State Recipient/Sub-recipient or DCA, either the Contractor, Owner or the CHIP-assisted unit itself shall have failed to satisfy or is in violation of any requirement set forth in the HOME Regulations, the CHIP Program Description, or the CHIP Administrative Manual.
- 2.9. Contractor agrees to have a written contract with each and every subcontractor performing work on any CHIP-Assisted unit that meets all applicable requirements set forth above.
- 2.10. Contractor agrees to clear all subcontractors with the State Recipient/Sub-recipient prior to entering into a written agreement with any subcontractor.
- 2.11. Contractor agrees to maintain proper and accurate books, records and accounts reflecting its performance under this Addendum. Said books, records and accounts shall be separate from any general accounting records which Contractor may maintain in connection with Contractor’s general business activities. Contractor agrees that the State Recipient/Sub-recipient, HUD, DCA, the Comptroller of the United States, or any of their authorized representatives, shall have, with at least twenty four (24) hour notice, access to any and

all said books, records and accounts for a period of not less than five (5) years after delivery of final payment to Contractor. In addition, with respect to any disputed matters (i.e. audits, disputes or litigation), Contractor shall maintain all such books, records and accounts for a period of not less than five (5) years after all such disputed matters are resolved in accordance with applicable federal or state laws, regulations or policies.

In WITNESS WHEREOF, Owner and Contractor have executed this Addendum to the Construction Contract as of the day and year first above written.

**OWNER:**

**CONTRACTOR:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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