

PENNSYLVANIA HOUSING FINANCE AGENCY

**ADDENDUM TO OWNER/ARCHITECT
AGREEMENT FOR DESIGN SERVICES**

THIS ADDENDUM shall amend the American Institute of Architects Document B141 or B181, Standard Form of Agreement Between _____, a _____ ("Owner") and _____, a _____ ("Architect"), 1987 or 1997 Edition, (the "Agreement") between the parties named herein and shall be binding unto the parties as part of the whole. This Addendum does not limit in any way the terms and conditions set forth in the Agreement but shall amend the Agreement to include the following:

Owner holds a fee simple interest in certain real estate situate in _____ County, Pennsylvania, described in Exhibit A, attached hereto and made a part hereof; and

Owner plans to rehabilitate and/or construct residential rental units on said real estate (hereinafter called "Development"); and

The Pennsylvania Housing Finance Agency ("PHFA") will make a loan to Owner to rehabilitate and/or construct the Development.

The Design Architect and Owner agree that the provisions of this Addendum and the Agreement and the rights and obligations of the parties hereunder shall at all times be subject to and in conformity with the provisions of the Housing Finance Agency Law ("Act") and the rules and regulations of PHFA, as of this date.

The provisions of this Addendum supersede and void all inconsistent provisions in the Agreement and in any prior contract between the parties for the services to be performed hereunder.

1. Owner agrees to pay the Architect a total fee of _____ Dollars (\$_____) for the work required by the Agreement and this Addendum provided that the work, including but not limited to the drawings and specifications for the Development, are approved by Owner and PHFA. Said fee shall be payable in full from the initial draw as set forth in the Building Loan Agreement subject to the following retention:

(a) If there is a separate Supervising Architect on the Development, two and one half percent (2.5%) of the design fee (but not less than \$1,600) will be retained.

(b) The retention will be paid out at construction completion provided "Record Drawings" ("As-Built Drawings" have been submitted to and approved by PHFA).

2. Drawings and specifications as instruments of service are the property of the Design Architect whether the work for which they are made is executed or not; and their use for any other Development is not authorized. However, if the work for which the drawings and specifications are executed has not been completed and there is a default or foreclosure under the mortgage, PHFA may use the drawings and specifications to complete construction of the work without additional fee or other costs.

3. The Design Architect and Owner recognize the interest of PHFA in the Development being designed pursuant to the Agreement and this Addendum, and any action, inaction, or determination made pursuant to the Agreement and this Addendum by either the Design Architect or Owner is subject to acceptance or rejection by PHFA. The Design Architect is required to act and serve in a professional capacity without bias or partiality.

4. The Design Architect agrees that, when requested by Owner or PHFA, he/she will provide needed clarification or interpretation of any feature of the drawings and specifications without further charge.

5. The Design Architect shall provide, in addition to such other drawings and specifications as the Contractor shall require, the following documents to Owner and PHFA under the provisions of the Agreement:

(a) Five (5) copies of final working drawings and specifications.

(b) Upon actual completion of construction, two (2) sets of "As Built Drawings" (prints) indicating any changes in the buildings or plans.

6. Architect shall monitor progress of the construction and/or rehabilitation of the Development against the schedule in the Construction Contract and recommend action to be taken to achieve compliance with the schedule.

7. Architect shall maintain a professional liability policy during the period of construction and/or rehabilitation of the Development and for one (1) year following construction completion if any such policy is written on a "claims made" basis. The policy shall afford coverage for Owner and PHFA for Architect's errors, omissions or negligence in connection with the work. Such policy shall be issued by a company in an amount and form acceptable to PHFA. Said insurance shall not be construed as a waiver of any obligations or liabilities that Architect otherwise has to Owner or PHFA in law or equity.

In the event Architect fails to maintain such insurance for the required period, Owner immediately becomes responsible for providing such coverage. Failure of owner to obtain required coverage upon default by Architect will result in PHFA action. In such event, PHFA shall, based on sound business judgement, and at its sole discretion, take either or both of the following action:

(a) Obtain said insurance (deducting the related cost from any funds held by PHFA for Architect or Owner;

(b) Deduct from any funds held by PHFA for such purposes an amount to indemnify PHFA against the possibility of loss resulting from errors, omissions or negligence by Architect in connection with the work or default by the Architect and/or Owner.

8. In connection with the performance of work hereunder, Design Architect agrees not to discriminate against any employee or applicant for employment because of race, creed, religion, color, age, sex, disability or national origin.

9. At the time working drawings and specifications are delivered to Owner and PHFA, the Design Architect shall submit a certificate stating any interest, direct or indirect, which he/she may have

in a proprietary system of construction or a patented building design or a business or industry that manufactures materials that are shown in the drawings and specifications as specified for the Development.

10. The Agreement and this Addendum shall not be modified except by a written statement signed by Owner, the Design Architect and PHFA.

11. No portion of the Design Architect's work or responsibility hereunder may be assigned, sublet or delegated to any person or entity without PHFA's written consent.

12. It is expressly agreed and understood that PHFA is not, and nothing contained within this instrument shall be construed to constitute PHFA as the partner of or joint venturer with the Owner or Architect with respect to the Development or any aspect thereof.

13. The Design Architect represents and covenants that (a) he/she has not nor shall he/she administer the construction of the Development or any portion thereof, (b) he/she is not a "contractor" within the meaning of the Mechanics' lien Law of 1963, that it shall not file a mechanics' claim against the Development, and that in the event, however, a lien is filed by or on behalf of the Design Architect, counsel for PHFA is nominated, designated and appointed its attorney-in-fact by virtue hereof to enter a satisfaction thereof paid from appropriate accounts in the loan proceeds.

14. The Design Architect shall submit to PHFA a completed copy of "Architect's Certification".

15. This Addendum shall bind, and the benefits inure to, the respective parties hereto, their legal representatives, executors, administrators, successors and assigns.

16. The invalidity of any clause, part or provision of the Agreement shall not affect the validity of the remaining portions thereof.

Intentionally Left Blank

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum this ____ day of _____, _____.

Owner:

WITNESS (ATTEST)

_____,
a Pennsylvania Limited Partnership

By: _____,
General Partner

By: _____
Title: _____

WITNESS (ATTEST)

By: _____

By: _____

Architect:

WITNESS (ATTEST)

_____,
a _____

By: _____
Title: _____

Attach EXHIBIT "A" Legal Description of the Property