

Final Payment Retainage for Punchlist Completion
Optional Clause
Fixed Fee Contract

Final Payment – A final payment of all unpaid portions of the Contract price, including any unpaid change orders, unforeseen site condition expenses, escalation charges, and fuel surcharges, shall be due and payable upon either issuance of the certificate of occupancy by the Authority Having Jurisdiction (AHJ), or if there is none, upon a certificate signed by the Contractor that the Home is substantially complete and ready for occupancy, or upon the occupancy of the Home by the Owner(s) or any third party. The amount withheld for retainage shall be due and payable upon completion of the punchlist work as provided in Section 13 of this Contract.

Optional Clause – final payment retainage for punchlist work – cost-plus provision

FINAL PAYMENT – A final payment of the remaining unpaid “Cost of Work” incurred, less _____ % of the final payment to be held as retainage for completion of punchlist items, shall be due and payable upon issuance of the certificate of occupancy by the Authority Having Jurisdiction (AHJ), or if there be none, upon a certificate signed by the Contractor that the Home is substantially complete and ready for occupancy, or upon the occupancy of the Home by the Owner(s) or any third party. The amount withheld for retainage shall be due and payable upon completion of Section 13 of this Contract. (Sect. 12 in the Cost- Plus form)

Sect. 13. FINAL INSPECTION and CERTIFICATE OF ACCEPTANCE (Sect. 12 in the Cost- Plus form)

Within three days (or alternatively _____ days) from receipt of the certificate of occupancy from the Authority Having Jurisdiction (AHJ), or if none, within three days (or alternatively _____ days) after receiving the Contractor’s certificate of substantial completion, the Owner(s) or a designated representative, will inspect the Premises in the Contractor’s presence. At the time of the inspection, the Owner(s) or their designated representative will deliver to the Contractor a signed punchlist identifying any workmanship or materials not conforming to the Contract plans and specifications, and/or any claimed deficiencies in workmanship or materials. The Owner(s) acknowledges that it is normal for minor variations to occur in the course of construction, and that the Home may not exactly correspond in some respects with the plans and specifications, such as configurations, colors, location, general appearance, outside and inside dimensions, and other structural characteristics. These changes may be attributed to a variety of events, including changes in topography, construction techniques, building code interpretations, the availability of materials, or other circumstances affecting construction. The standard for determining if any condition constitutes a deficiency shall be governed by the performance guideline description as set out in the current edition of “Residential Construction Performance Guidelines”, a publication of the National Association of Home Builders. The Contractor at his own expense shall correct all workmanship and materials that do not conform to Contract specifications, and shall rectify all deficiencies in accordance with the prescribed “corrective measure” as set out in the current edition of “Residential Construction Performance Guidelines”. Upon completion of the punchlist work, the Owner(s) shall deliver to the Contractor a signed Certificate of Acceptance on the form which is attached and marked Exhibit D. Any failure by the Owner(s) to inspect within the prescribed period and/or to deliver a signed punchlist shall constitute acceptance of the Contractor’s work by the Owner(s), and acknowledgment that the construction has been completed in accordance with the Contract plans and specifications and is without deficiencies. Nothing in this section shall serve to delay or amend the due date of final payment as set forth in Section 2.