Project No.
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION

PERFORMANCE BOND - DUAL OBLIGEE

Know All Men By These Presents, THAT WE,

_________________________  
_________________________  as Principal (hereinafter called the "Principal")

and  
_________________________  as Surety,

(hereinafter called the "Surety") are held and firmly bound unto  
_________________________,  
_________________________  as Owner (hereinafter called the "Owner-Obligee")

and unto  
_________________________,  
_________________________  as the successors and assigns,

of  
_________________________,  
_________________________  (hereinafter called the "Lender")

as their respective interests may appear, as OBLIGEES, in the sum of  

_________________________, lawful money of the

United States of America, for the payment of which Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has entered into a Construction Contract dated  

_________________________, with  

Owner-Obligee for the construction of a Housing Project designated as  

_________________________, a copy of which Construction Contract is by reference made a part hereof, and

WHEREAS, Lender has agreed to lend to Owner-Obligee a sum of money to be secured by a mortgage on said project and to be used in making payments under said Contract, and desires protection as to its interest may appear, in event of default by Principal under said Contract, said protection to be subject to the performance by the Obligees, or either of them, of the obligations to Principal in connection with said Contract.

NOW, THEREFORE, the condition of this obligation is such that, if Principal shall well and truly perform all the undertakings, covenants, terms, conditions and agreements of said Contract on its part, and fully indemnify and save harmless Obligees from all cost and damage which they may suffer by reason of failure so to do, and fully reimburse and repay Obligees all outlay and expense which Obligees may incur in making good any such default, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

The foregoing, however, is subject to the following further provisions:

1. The Surety shall not be liable under this Bond to the Obligees, or either of them, unless the said Obligees, or either of them, shall make payment to the Principal strictly in accordance with the terms of said Contract as to payments, and shall perform all the other obligations to be performed under said Contract at the time and in the manner therein set forth.

2. Surety agrees that any right of action that either of Obligees herein might have under this bond may be assigned to the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, and that such assignment will in no manner invalidate or qualify this instrument.
3. No suit, action, or proceeding by reason of any defects whatever shall be brought on this bond after two years from the day on which the final payment under the Contract falls due.

4. The prior written approval of Surety shall be required with regard to any changes or alternations in said Contract where the cost thereof, added to prior changes or alternations, causes the aggregate cost of all changes and alternations to exceed 10 percent of the original Contract price; but, except as to the foregoing, any alterations which may be made in the terms of the Contract, or in the work to be done under it, or the giving by the Obligee of any extension of time for the performance of the Contract, or any other forbearance on the part of either the Obligee or Principal to the other, shall not in any way release Surety or Principal of the obligations of this instrument, notice to Surety of any such alteration, extension, or forbearance being hereby waived.

5. The aggregate liability of Surety hereunder to the Obligee or their assigns is limited to the prorated sum above stated, and Surety, upon making any payment hereunder, shall be subrogated to, and shall be entitled to an assignment of, all rights of the payee, either against Principal or against any other party liable to the payee in connection with the loss which is the subject of the payment.

SIGNED and SEALED on...

Witness as to Principal:

__________________________

(SEAL)

By ______________________

Witness as to Obligee:

__________________________

By ______________________

PERFORMANCE BOND DUAL OBLIGEE

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On Behalf Of

To

Date

Expire

3/83

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HUD Park, D.C.