

**PERFORMANCE BOND-
DUAL OBLIGEE**

**U.S DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION**

OMB Approval No. 2502-0029
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Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This is part of the basic application package for insured mortgages for construction of rental housing projects. This is a requirement under Section 207(b) of the National Housing Act (Public Law 479, 48 Stat. 1246, 12 U.S.C., 1701 et. seq.), authorizing the Secretary of HUD to insure mortgages. The information requested enables HUD to approve the general contractor. The information is required to obtain benefits. The agency may not collect this information, and you are not required to complete this form, unless it has a currently valid OMB control number.

Project No. _____

Know All Men By These Presents, That We, _____
_____ of _____
_____ as Principal, (hereinafter called the Principal) and
_____, a _____ as Surety
(hereinafter called the Surety) and held and firmly bound onto _____
_____ Owner, (hereinafter called the "Owner-Obligee")
and unto _____, its successors and assigns,
of _____ (hereinafter called the "Lender")
as their respective may appear, as OBLIGEEES, in the sum of _____
_____ Dollars (\$ _____), 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 assured by a mortgage on said project and to be used in making payments under said Contract, and desires protection as its interests 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 obligations to Principal in connection with said Contract.

NOW, THEREFORE, the condition 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 such default, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

The forgoing, 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 payments to the Principal strictly in accordance with the terms of 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 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 default 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 alterations in said Contract where the cost thereof, added to prior changes or alterations, causes the aggregate cost of all changes and alterations to exceed 10 percent of the original Contract price; but, except as to the forgoing, any alterations which may be made in terms of the Contract, or in the work to be done under it, or the giving by the Obligees of any extension of time for the performance of the Contract, or any other forbearance on the part of either the Obligees 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 Obligees or their assigns is limited to the penal 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 this _____ day of _____, 20____

Witness as to Principal - _____(SEAL)
 _____(Principal)

 By _____
 _____(Surety)

By _____