

Project No. _____

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

PERSONAL UNDERTAKING

Know All Men By These Presents, THAT WE, _____

_____ of _____

_____ as Principal, (hereinafter called the Principal)

and _____ of _____

and _____ of _____

_____ as Surety,

(hereinafter called the Surety) are held and firmly bound unto _____

_____ (hereinafter called the "Owner-Obligee")

and unto _____, its successors and assigns,

of _____ (hereinafter called the "Lender")

as their respective interests may appear, as OBLIGEES, 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, ex-
ecutors, 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 Rental 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 its inter-
ests may appear, in event of default by Principal under said Contract.

NOW, THEREFORE, the condition of this obligation is such that, if Principal shall well and truly per-
form 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, and further, that if Principal shall pay all persons who have contracts
directly with Principal for labor or materials furnished pursuant to the provisions of said Contract, failing
which such persons shall have a direct right of action against Principal and Surety under this obligation,
subject to Obligees' priority, 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. Surety agrees that any right of action that either of Obligees herein might have under this under-
taking 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.



2. No suit, action, or proceeding by reason of any default whatever shall be brought on this undertaking after two years from the day on which the final payment under the Contract falls due .

3. 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 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 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 .

4. The aggregate liability of Surety hereunder to the Obligees on 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 _____, 19

Witness:

_____ (SEAL)
(Principal)

By _____

(Surety)

(Surety)

(Surety)

(Surety)