

PAYMENT BOND - DUAL OBLIGEE

KNOW ALL BY THESE PRESENTS, that we, _____,
a _____, having a principal place of business at _____,
_____ as Principal, and _____,
having a principal place of business at _____,
_____ as Surety, are held and firmly bound unto
_____ (the "Owner-Obligee"), having a principal place of business at _____,
and the PENNSYLVANIA HOUSING FINANCE AGENCY (the "Lender-Obligee"), having a mailing address of P. O. Box 8029, Harrisburg, Pennsylvania 17105-8029 as their respective interests may appear, in the amount of _____ Dollars (\$ _____), lawful money of the United States of America, for the payment whereof 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 _____, and Contract Documents as defined in the Construction Contract (collectively called the "Contract Documents"), which are by reference made a part of this Bond, with the Owner-Obligee for the construction and/or rehabilitation of a Project designated as _____; and

WHEREAS, the Lender-Obligee, under a certain Building Loan Agreement, which is by reference made a part of this Bond, has agreed or will agree to lend to the Owner-Obligee a sum of money to be secured by a mortgage on said Project and to be used by the Owner-Obligee in making payments to the Principal under said Contract Documents, and the Obligees desire assurance of the prompt payment by Principal for all labor and material furnished in the performance of the Contract Documents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal shall promptly make payment to all claimants as defined below for all labor and material used or reasonably required for use in the performance of the Contract Documents, then this obligation shall be void; otherwise it shall remain in full force and effect, subject to the following conditions:

1. A Claimant is defined as one having a direct contract with the Principal or with a subcontractor of the Principal for labor, material or both, used or reasonably required for use in the performance of the Contract Documents, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract Documents.

2. The above-named Principal and Surety hereby jointly and severally agree with the Owner-Obligee and the Lender-Obligee that every Claimant who has not been paid in full before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labor was done or performed, or materials were furnished by such Claimant, may sue on this Bond for the use

of such Claimant, prosecute the suit to final judgment for such sum or sums as may be justly due Claimant, and have execution thereon; however, that the Owner-Obligee and the Lender-Obligee hereunder shall not be liable for the payment of any costs or expenses of any such suit.

3. The prior written approval of Surety shall be required with regard to any changes or alterations in the Contract Documents where the cost thereof, added to prior changes or alterations, causes the aggregate cost of all changes and alterations to exceed ten percent (10%) of the original Construction Contract price; but except as to the foregoing, any alterations which may be made in the terms of the Contract Documents or Building Loan Agreement, or in the work to be done under it, or the giving by Obligees of any extension of time for the performance of the Contract Documents, or any other forbearance on the part of either the Obligees or Principal to the Contract Documents, 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 alterations, extension, or forbearance being hereby waived.

4. No suit or action shall be commenced by any Claimant:

(a) Unless the Claimant shall have given written notice to the Principal, Obligees and the Surety, within the period of time specified in condition 2 above, stating with substantial accuracy the amount claimed and the name of the party to whom materials were furnished, or for whom the work or labor was done or performed. Such notice shall be served by mailing the same by registered or certified mail, postage prepaid, in envelopes addressed to the Principal, the Obligees, and the Surety, at any place where an office is regularly maintained by the addressee for the transaction of business.

(b) After the expiration of one (1) year following the date on which Principal ceases work pursuant to the Contract Documents, it being understood, however, that if any such limitation embodied in this Bond is prohibited by any law controlling the construction and/or rehabilitation hereof such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by law.

(c) Other than in a state court of competent jurisdiction in and for the county in which the Project, or any part thereof, is situated, or in the United States District Court for the District in which the Project, or any part thereof, is situated, and not elsewhere.

5. The amount of this Bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder, inclusive of the payment by Surety of liens which may be filed of record on account of any labor or material furnished under the Contract Documents, whether or not claim for the amount of such lien be presented under and against this Bond.

Intentionally Left Blank

SIGNED and SEALED, with intent to be legally bound hereby, this ____ day of _____,
_____.

WITNESS (ATTEST)

Principal:

a _____

By: _____

Name: _____

Title: _____

WITNESS (ATTEST)

Surety:

By: _____

Name: _____

Title: _____