

**PERFORMANCE BOND - DUAL OBLIGEE**

KNOW ALL BY THESE PRESENTS, that we, \_\_\_\_\_,  
\_\_\_\_\_, 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 \_\_\_\_\_,  
a \_\_\_\_\_, (the "Owner-Obligee"), having a  
principal place of business at \_\_\_\_\_,  
a \_\_\_\_\_, 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  
\_\_\_\_\_ (the "Project"); and

WHEREAS, Lender-Obligee, under a certain Building Loan Agreement, which is by reference  
made a part of this Bond, has agreed to or will agree to lend to the Owner-Obligee a sum of money to be  
secured by mortgages on said Project and to be used in making payments under said Contract Documents,  
and desires protection as its interests may appear in the event of a default by Principal under the Contract  
Documents, 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 Documents.

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  
Documents on its part, and fully indemnify and save harmless Obligees from all costs and damages 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 the 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  
Obligees, or either of them, shall make payments to the Principal, or others on behalf of Principal, in  
accordance with the terms of said Contract Documents as to payments, and shall perform all the other  
obligations to be performed by the Owner-Obligee under said Contract Documents.

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

3. The prior written approval of Surety shall be required with regard to any changes or alterations in the Contract Documents where the cost of those changes or alterations when added to prior changes or alterations, causes the aggregate cost of all changes and alterations to exceed ten (10%) percent 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 them, 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. Upon default by Principal under the Contract Documents, and upon receipt of written notice of default from Lender-Obligee, or Owner-Obligee with Lender-Obligee's written approval, Surety will promptly cause the performance of the provisions of said Contract Documents or cause to be cured the defaults thereunder.

5. The obligation of the Surety hereunder shall extend to any liquidated damages or penalties incurred by reason of failure of Principal to complete construction of the Project by the Required Completion Date (as defined in the Construction Contract).

6. The aggregate liability of Surety hereunder to the Obligee or their assigns is limited to the 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 payee in connection with the loss which is the subject of the payment.

*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: \_\_\_\_\_