

**Capital Advance Program
Off-Site Bond**

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0470
(exp. 01/31/2006)

For use under Section 202 of the Housing Act of 1959
or Section 811 of the National Affordable Housing Act

Public reporting burden for this collection of information is estimated to average 30 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. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information collection is necessary to ensure that viable projects are developed. It is important to obtain information from applicants to assist HUD in determining if nonprofit organizations initially funded continue to have the financial and administrative capacity needed to develop a project and that the project design meets the needs of the residents. The Department will use this information to determine if the project meets statutory requirements with respect to the development and operation of the project, as well as ensuring the continued marketability of the projects. This information is required in order to obtain benefits. This information is considered non-sensitive and no assurance of confidentiality is provided.

Know All Men By These Presents: That We, _____ of

_____ (hereinafter called the Principal(s)) and _____, a Corporation organized under the laws of the State of _____, (hereinafter called the Surety) are held and firmly bound unto the Secretary of Housing and Urban Development (hereinafter called the HUD) in the sum of _____ Dollars (\$ _____), for the payment whereof the Principal(s) and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally by these presents.

Whereas, _____ (hereinafter called the Mortgagor) has requested HUD to advance certain funds to Mortgagor for the purpose of constructing a Housing project to be located at _____, and identified as

Project No. _____, said funds to be secured by a _____ (hereinafter called Mortgage), said Mortgage made by the Secretary of HUD; and

Whereas, HUD is unwilling to advance said funds to the Mortgagor without assurance that all off-site facilities and/or utilities necessary to operate successfully said project will be installed not later than _____, 20 _____; and

Whereas, The Principal(s) has (have) entered into a Construction Contract dated _____ with the mortgagor for the completion of off-site facilities and utilities necessary to operate successfully said project, as set forth in Exhibit A attached hereto and shown in detail in Drawings and Specifications entitled _____, dated _____, prepared by _____ Architect.

Now, Therefore, The Condition Of This Obligation Is Such that, if the Principal(s) shall install and complete said off-site facilities and/or utilities, or cause the installation and completion of said off-site facilities and/or utilities according to the aforesaid Exhibit and Drawings and Specifications within the time hereinabove specified, free from all liens and claims of any and all persons performing the labor thereon or furnishing materials therefor, or both, or in the default thereof, the Surety shall, promptly after written notice of such default, (1) perform said obligations and agreements, or (2) promptly pay to HUD, its successors or assigns, actual damages by reason of said default, then this obligation to be void, otherwise to remain in full force and effect.

No, suit, action, or proceeding by reason of any default whatever shall be brought on this bond after two years from the date said off-site facilities and/or utilities are to be installed, as hereinabove required.

It is understood and agreed by and between the parties hereto that this Bond may be assigned to the Mortgagor together with all rights and rights of action accruing herein to any owner or owners, and to the Secretary of HUD, his/her successor in office and assigns.

Signed and Sealed this _____ day of _____, 20 _____.

Witness as to Principal:

Principal (Seal)

Surety

By