

Payment Bond

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

(This Bond is issued simultaneously with Performance Bond in favor of
Owner conditioned on the full and faithful performance of the contract)

Project Number: _____

Know All Men By These Presents, that we, _____
of _____
as Principal, (hereinafter called the Principal) and _____,
a _____ as Surety, (hereinafter called the Surety) are held and firmly bound
unto _____ as Oblige, (hereinafter called the "Owner"), for the use and
benefit of claimants as hereinafter defined, 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 for the construction of a Housing
Project designated as _____ a copy of which Construction Contract is by reference made
a part hereof; and is hereinafter referred to as the Contract.

Now, therefore, the conditions of this obligation is such that, if
Principal shall promptly make payment to all claimants as hereinafter
defined, for all labor and material used or reasonably required for use in
the performance of the Contract, then this obligation shall be void;
otherwise it shall remain in full force and effect, subject, however, 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, 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.

2. The above name Principal and Surety hereby jointly and severally
agree with the Owner that every claimant as herein defined, 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. The Owner shall not be liable for the payment of any
costs or expenses of any such suit.

3. No suit or action shall be commenced hereunder by any claimant:

a) Unless claimant, other than one having direct contract with the
Principal, shall have given written notice to any two of the following:
The Principal, the Owner, or the Surety above named, within ninety

(90) days after such claimant did or performed the last of the work or
labor, or furnished the last of the materials for which said claim is made,
stating with substantial accuracy the amount claimed and the name of
the party to whom the 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 mail or certified mail, postage prepaid, in an
envelope addressed to the Principal, Owner or Surety, at any place
where an office is regularly maintained for the transaction of business,
or served in any manner in which legal process may be served in the state
in which the aforesaid project is located, save that such service need not
be made by a public officer.

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

c) Other than in a state court of competent jurisdiction in and for the
county or other political subdivision of the state 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.

4. 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 mechanics' liens which may be filed of record
against said improvement, whether or not claim for the amount of such
lien be presented under and against this bond.

Signed and Sealed this _____ day of _____, 19_____.

Witness as to Principal:

(Principal)

(Seal)

By: _____

(Surety)

By: _____

\$ _____

(Surety)

PAYMENT BOND

No. _____

On Behalf of

To

Date _____, 19 _____

Expires _____, 19 _____