

**DEVELOPER-INSTALLED WATER MAINS
SEATTLE PUBLIC UTILITIES**

SURETY INSTRUMENT

Surety instruments need to be executed by the Property Owner. Acceptable surety can be provided via

- Bonds,
- Irrevocable, renewable Letter of Credit, or
- Money Market Account with the City of Seattle

1. Samples of Permit and Performance Bonds are attached.
2. Letter of Credit needs to conform to the following criteria:
 1. Bank is known to SPU and deemed reputable.
 2. Letter of credit is irrevocable.
 3. Letter of credit includes a clear statement of authorization for SPU to draw on the resources of the bank. Terms shall be favorable to SPU in requiring minimal effort to acquire funds.
 4. Letter of credit is renewable by SPU. The original expiration date needs to be distant enough to reasonably cover the installation period.
 5. The amount of credit shall be sufficient to cover the entire cost of the project.
3. Property owner may deposit with the City of Seattle the full amount required for surety and provide the City with his/her Social Security No. The City will deposit this in a money market account and return the funds with interest at the successful completion of the project. Sample agreement is enclosed.

PERFORMANCE BOND No. _____

KNOW ALL MEN BY THESE PRESENTS:

That _____ as principal, and _____ a Washington corporation, authorized to do, and doing, business as a surety company in the State of Washington, as surety, are held and firmly bound Unto the City of Seattle, a municipal corporation of the State of Washington, in the sum of _____ Dollars (\$ _____), for the payment of which we jointly and severally bind ourselves, and each of our heirs, executors, administrators, successors, assigns, firmly by these presents:

WHEREAS this bond is executed in pursuance of RCW Chapter 39.08, inclusive, and is subject to the provisions of the Charter of The City of Seattle so far as the same is not in conflict with the laws of this State, and is entered into with said City for the use and benefit of said City, and also for the use and benefit of all laborers, mechanics, subcontractors, materialmen, and all persons who supply such person or persons, or subcontractors, with provisions or supplies for the carrying on of the work covered by the contract entered into on the _____ day of _____, 20____ between the above named, undersigned, and bounden principal ____ and the City of Seattle, for _____

_____ as authorized by Ordinance No. _____; and

WHEREAS the conditions of this obligation are such, that, if the above named Principal _____ shall faithfully perform said contract according to its terms, provisions, and stipulations, which contract by this reference is made a part hereof, and shall pay all laborers, mechanics, Subcontractors and materialmen, and all persons who shall supply such person of persons, or subcontractors, with provisions and supplies for carrying on such work, and all just debts, dues and demands incurred in the performance of such work, and comply with all the requirements of the laws of the State of Washington and the Chapter and Ordinances of The City of Seattle and amendments thereto not in conflict with the laws of the state; provided, however, that the conditions of this obligation shall not apply to any money loaned or advanced to any such contractor or subcontractor, or other person, in the performance of such work, then this obligation to be void; otherwise it shall remain in full force and effect.

SIGNED, sealed and dated this _____ day of _____ 20_____

SURETY PRINCIPAL

Surety Company: _____ Principal : _____
Type or print name of Signatory Type or print name of Signatory

Address : _____ Address : _____

Authorized signature: _____ By Attorney in fact: _____

Attest: _____ Attest: _____
Secretary Secretary

INDIVIDUAL PERMIT BOND

KNOW ALL MEN BY THESE PRESENTS: That _____ as principal, and _____ a Washington corporation, authorized to do, and doing business as a surety company in the State of Washington, as surety, are held and firmly bound unto the City of Seattle, a municipal corporation of the State of Washington, in the sum of _____ Dollars (\$_____), for the payment of which we jointly and severally bind ourselves, and each of our heirs, executors, administrators, successors, assigns, firmly by these presents.

WHEREAS on the _____ day of _____, 20____, pursuant to the provisions of Title 15 of the Seattle Municipal Code, the above-named principal filed with the Director of Seattle Public Utilities an application for Permit No. _____ to use certain public area described as follows:

which permit is hereby referred to and made a part hereof, and

WHEREAS said Application has been approved and the Director of Seattle Public Utilities has consented to the furnishing of this bond in lieu of a cash indemnity fund as provided for in SMC 15.04.040; Now therefore, the condition of the foregoing obligation is such that if the above named principal shall:

Faithfully comply with all the terms of said permit and all applicable provisions in the laws of the State of Washington and ordinances of The City of Seattle, particularly Title 15 of the Seattle Municipal Code, all as of the date of this agreement,

Indemnify and save the City of Seattle free and harmless from any and all claims, actions or damages of every kind and description which may accrue to, or be suffered by, any person by reason of the use or occupation of public area as authorized by said permit, or by reason of the construction, existence, maintenance, or use of the structure authorized by said permit;

Pay the cost of inspection under said permit upon presentation of a bill therefore by the City;

Remove any permitted structure or obstruction that becomes insecure or unsafe, or is not constructed or maintained in accordance with the terms of said permit, upon notice by the City to do so;

Reimburse the City of Seattle for any and all expenses incurred pursuant to Title 15 of the Seattle Municipal Code;

Pay the cost of restoring said public area to its proper condition, plus 15% of such cost, together with any other expense that the City may sustain in the premises; and

Pay all permit fees as required by ordinances of the City of Seattle, then this obligation to be void, otherwise it shall remain in full force and effect.

SIGNED, sealed and dated this _____ day of _____ 19_____

Surety Company: _____ Principal: _____
Type or print name of Signatory Type or print name of Signatory

Address _____ Address: _____
:

Authorized signature: _____ By Attorney in fact: _____

Attest: _____ Attest: _____
Secretary Secretary

**DEVELOPER-INSTALLED WATER MAINS
SEATTLE PUBLIC UTILITIES**

SURETY RECEIPT AND DEPOSIT

SPU Project Name and No. _____

The City of Seattle (the "City"), Seattle Public Utilities (the "Department") acknowledges receipt in Seattle, WA of \$ _____ from _____ pursuant to the Property Owner Contract (the "contract") executed by _____ on _____ regarding improvements to the Department's water distribution system that are intended to be used by and benefit the real property located at _____ (the "improvements").

By this receipt, the Department acknowledges that _____ has fulfilled his/hers/its/their obligations under Section 4 of the contract to provide a surety instrument prior to starting construction of the improvements.

The City shall deposit said \$ _____ in an interest-bearing money market account at Seafirst Bank in the name of the City in trust for _____ Social Security No. _____. Money so deposited shall be either used by the Department, or released to _____ with interest earned, in accordance with Section 4 of the contract.

By _____
Audrey C. Hansen,
for Director, Seattle Public Utilities, City of Seattle

Date _____

APPROVAL OF DEPOSIT

By: _____
Property Owner:

Type or print name

Title: _____

Date: _____