



Storm Water Management Authority, Inc.  
216 Summit Parkway  
Birmingham, AL 35209

Phone:  
205.943.1941  
Fax:  
205.943.1943

## PERFORMANCE SURETY

A Surety is required to ensure that all erosion and sediment controls are properly installed and maintained during construction and to assure that the site is stabilized at the completion of the project.

Surety amount is calculated based on the amount of area disturbed. The amount of surety to be posted is \$3000 per acre or any fraction of an acre. Submission of surety is required prior to issuance of the permit.

SWMA accepts two types of surety:

- Bond-available from a bonding company or mortgage company
- Irrevocable Standby Letter of Credit-available from a Credit Union or Bank

If you choose to provide a Bond or Irrevocable Letter of Credit it must be made out to the city in which the site is located, or, if the site is located in an unincorporated area of the county, to the Jefferson County Commission. The Surety must state "For the installation and maintenance of erosion and sedimentation controls and stabilization of the site at--(list the site address)."

**SWMA has copies of all forms in our office. Please have your surety company contact SWMA for the correct wording, which must be included on all forms.**

**A Bond must remain active for the duration of the project and must be for at least one (1) year from the date of issue; however it must be automatically renewed without amendment for successive six (6) months periods.**

**An Irrevocable Letter of Credit (LOC) must be for at least six (6) months from the date of issue; however, it must be automatically renewed without amendment for successive periods OR state "for the duration of the project. There must be a Notary Seal on all LOC.**

Storm Water Management will hold all Sureties in its office until a final inspection, verifying that all disturbed areas are stabilized in permanent vegetation, is completed and approved. At that time, the inspector will authorize a release that can be brought to our office for the release of the surety. **No sureties will be released without a final inspection of the job site. NO EXCEPTIONS.**

- (1) any failure to complete or failure to perform such clearing, earthwork and other land disturbance activity in accordance with the plans and specifications which are the subject of the Permit; and
- (2) all liability occasioned or arising from:
  - (a) acts done or omitted by the Principal, its employees, agents and servants in performing such work; and
  - (b) any incomplete or inadequate work;

and, in addition, if such incomplete work or work not in accordance with such plans and specifications or work which otherwise has created hazardous conditions, erosion and/or drainage problems is corrected to eliminate hazardous conditions, erosion and/or drainage problems as required by the Ordinance, and if Principal shall defend all suits brought against the City based, in whole or in part, upon any act or default for which the Principal is responsible, and pay the costs and expenses thereof, and shall pay all such damages as any person, firm or corporation may sustain by reason of violation of the Ordinance by the Principal, its employees, agents or servants, or by reason of the negligence of the Principle, its employees, agents or servants, in the prosecution of such work, then this obligation to be void, otherwise to remain in full force and effect.

This bond shall remain in full force and effect until thirty (30) days after receipt by the official at Storm Water Management at 216 Summit Parkway, Birmingham, Alabama 35209 of written notice of the Surety's intent to cancel this bond. Except with respect to liability accruing prior to the effective date of the cancellation of this bond, the Surety's liability hereunder shall terminate thirty (30) days after receipt by the City Clerk of such written notice. If this bond is canceled, the Principal shall, not less than ten (10) days prior to the effective date of the cancellation of this bond, furnish the City a replacement bond, in the same amount as this bond, if, under the Ordinance, a bond is required to remain in effect after such cancellation date. Notwithstanding the foregoing, this bond may not be cancelled (effective date of cancellation) prior to one year after the date this bond has been signed by both the Principal and the Surety.

Any person, firm or corporation injured in person or whose property is damaged by reason of any violation the, Ordinance by the Principal, or by any act, default or omission constituting a breach of any of the conditions of this bond, may maintain a suit or action hereon for such injury or damage.

In witness whereof, Principal has executed this instrument, or if a corporation or other entity, has caused this instrument to be executed by its duly authorized corporate officer or representative on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, and the Surety has caused this instrument to be executed by its duly authorized attorney-in-fact on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.



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**Important: The Bonding Company must be licensed to do business within the State of Alabama**

**Municipality Form**

**CLEARING, EARTHWORK AND OTHER  
LAND DISTURBING ACTIVITY BOND**

BOND NO. \_\_\_\_\_

Know all men by time presents that we, the undersigned \_\_\_\_\_  
\_\_\_\_\_ as principal ("Principal"),  
and \_\_\_\_\_

As surety ("Surety"), are held and firmly bound unto the City of \_\_\_\_\_,  
Alabama municipal corporation, ("City"), in the sum of \_\_\_\_\_  
\_\_\_\_\_ dollars (\$ \_\_\_\_\_ ) for the payment of which well  
and truly to be made, the Principal and the Surety bind themselves, their heirs, administrators,  
executors, successors and assigns, jointly and severally, firmly by these presents.

The condition of the foregoing obligation is such, however, that:

Whereas, the Principal has made application to the City for a permit to perform  
clearing, earthwork and other land-disturbing activity on the land described as follows  
("Permit"):

Whereas, as a condition precedent to the issuance of the Permit, the Principal is  
required under the erosion and sediment control ordinance of the City ("Ordinance") to furnish  
a bond to the City, conditioned as therein set forth.

Now, therefore, if the Principal shall well and truly do, perform and accomplish in due  
time, form and manner all the terms and conditions of the Ordinance and the Permit upon the  
Principal's part to be done, performed and accomplished, and shall indemnify and save  
harmless the City from and against:



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**Letter of Credit Wording  
Municipalities**

**IMPORTANT: This Letter of Credit Must be obtained from a bank with an office located in Jefferson County, Alabama.**

**SWMA Requires the Original Letter of Credit**

**Letters of Credit must contain the Wording Below and**

**MUST BE ON BANK'S LETTERHEAD**

**WILL NOT BE ACCEPTED WITH A FIRM EXPIRATION DATE**

**NOR WILL IT BE ACCEPTED WITHOUT A NOTARY SEAL**

Irrevocable and Transferable  
Letter of Credit No. \_\_\_\_\_

In Favor of: City of \_\_\_\_\_  
(Beneficiary)  
c/o Storm Water Management Authority, Inc.  
216 Summit Parkway  
Birmingham, AL 35209  
Phone: (205) 943-1941

We hereby open our clean, irrevocable sight **Letter of Credit No.** \_\_\_\_\_ in your favor for the account of **(Principal name and Address)** for a sum or sums aggregating U.S. **(Dollar Amount)** which are payable to you against your presentation to us of your sight draft drawn on us accompanied by:

1. Your signed statement that if "The applicant, or its assigns, has failed to comply with the City of **(Beneficiary) Erosion and Sedimentation Control Ordinance** or the plans for earthwork and erosion and sediment control as submitted to the Storm Water Management Authority, Inc., for improvements on **(Provide Legal Description or Address of the Project Site)** for which this Letter of Credit stands as surety."

Partial Drawings are permitted under this credit.

We hereby agree with you that drafts drawn under and in compliance with the terms of this letter of credit will be duly honored on presentation to **(Bank Name and Address)** on or before \_\_\_\_\_ at our counters.

**This Letter of Credit is irrevocable for six (6) months from the date of issue; However, it will be automatically renewed without amendment for successive periods of six (6) months each, unless at least ninety (90) days prior to the initial expiration date or any successive expiration date, the issuing bank gives the Beneficiary notice by registered letter, to the address above, that the issuing bank elects not to have this Letter of Credit renewed for such additional six (6) month periods.**

Except as otherwise expressly stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500 and engages us in accordance with the terms thereof.

As to matters not covered by the UCP this Letter of Credit shall be subject to and governed by the laws of the State of Alabama.

\_\_\_\_\_  
Authorized Signature  
(Print Name of Authorized Signature)  
Notary Seal

Witness

Principal

ATTEST:

\_\_\_\_\_  
Its \_\_\_\_\_

\_\_\_\_\_  
By \_\_\_\_\_

Its \_\_\_\_\_  
Principal

\_\_\_\_\_  
Witness

\_\_\_\_\_  
By \_\_\_\_\_  
Attorney-in-Fact for Surety

**Notary Seal**

Surety's Attorney-in-Fact:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone No: \_\_\_\_\_

A copy of the Attorney-in-Fact's power of attorney must be attached to this bond.