



## SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That We, \_\_\_\_\_ as Principal, and \_\_\_\_\_ as Surety, having a currently effective certificate of authority to transact a surety business and being a resident agent within the State of Alabama do hereby acknowledge ourselves to underwrite and be indebted and firmly bound unto the City of Dothan Alabama, Dothan Utilities, hereafter referred to as "Dothan Utilities" in the sum of \$ \_\_\_\_\_ dollars. Said surety bond is purchased for the required utility deposit payment and therefore, the Principal and the Surety bind ourselves, our successors, heirs, executors, administrators and assigns and legal representatives, jointly, severally and in solido, firmly to Dothan Utilities by these presents.

## BACKGROUND

The Principal is in need of and has made application to the Finance Department Utility Collection Division of City of Dothan, Alabama, hereinafter referred to as "Utility Collections" for utility service at \_\_\_\_\_ (Service Address). The Principal furthermore, agrees to pay ALL utility bills presented by Dothan Utilities promptly when due, then this obligation shall be void, otherwise to remain in full force and effect and furthermore, agrees to remit payment to Utility Collections pursuant to the rules and regulations as set forth by the City of Dothan Code of Ordinances.

As stated in the City of Dothan Code of Ordinances, Section 102-36: Effective October 1, 2002, Any NEW commercial Dothan Utility customer shall be afforded the privilege and as an economic development incentive to furnish a surety bond, in lieu of a cash deposit. This bond must be equal to four times the monthly average bill and must not be less than \$600.00.

## CONDITIONS

1. The surety bond will be remitted to the legal division to confirm before the bond is recognized in lieu of a commercial cash deposit for the Principal.
2. The surety bond will be kept current and upon renewal will be calculated by Utility Collections to ensure the bond amount covers four times the current average monthly bill.
3. If the Principal has incurred indebtedness to Dothan Utilities for utility service provided prior to the date of this execution of this bond, the liability of the Surety under this bond for all defaults and obligations of the Principal shall be retroactive to the date of commencement of such service.
4. It shall be the duty of the Principal to give fifteen (15) days written notice of termination of the utility service in person or by registered mail to the Utility Collections Office, Post Office Box 6728, Dothan, AL 36302, specifying therein, the effective date of such cancellation. It is expressly understood and agreed by all parties that both the Principal and Surety shall remain liable for any utility service provided and any and all payments for bills representing such utility usage, until the above stated requirements have been satisfied.

5. The surety shall have the right to cancel this bond with Dothan Utilities upon thirty (30) days written notice served upon the Utility Collections Manager in person or by registered mail, to the preceding address, specifying therein, the effective date of such cancellation.
6. The notice of cancellation shall be deemed to be effective only when received by Dothan Utilities and delivered in the manner set forth above. Upon receipt of the cancellation notice the Surety is discharged and released of any further liability, it being understood and agreed, however, that the Principal shall be liable for ALL loss (default) accruing up to the effective date of the notice, in no event however, is the Surety liable for excess of the penalty of this bond.
7. In addition to all other amounts payable hereunder, the Surety shall pay all costs and expenses including attorneys' fees incurred by Dothan Utilities in enforcing its rights under this Surety Bond, including those costs, expenses and attorneys' fees incurred by Dothan Utilities in any appellate proceedings.
8. The liability of the Surety under this bond shall not be discharged or affected by an extension of time granted to the Principal for the satisfaction of any indebtedness incurred as a result of the utility service provided by Dothan Utilities.
9. For any reason, should the surety company cancel the bond and on the effective date of such cancellation notice, the surety is discharged and relieved of any liability. The Principal of said Surety will be liable for immediate payment of a cash deposit equal to twice the monthly average bill.
10. The term of this bond will be from the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and continuous until cancelled under the provisions before stated.

IN WITNESS WHEREOF, we the Principal and Surety, have hereunto set our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

ATTEST: \_\_\_\_\_  
Principal  
BY: \_\_\_\_\_  
Principal's Title

Principal signing bond must either be owner, partner, or an officer, if a corporation. (President, Vice-President, Secretary or Treasurer). Principal's title must be shown when bond is signed.

\_\_\_\_\_  
Surety  
By: \_\_\_\_\_  
Attorney-In-Fact and Resident  
Agent for State of Alabama

**To be completed by Dothan Utilities**

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and Authorized by City Code 102-36.

By: \_\_\_\_\_ Utility Collection Manager  
BY: \_\_\_\_\_ Finance Director