SURETY BOND
WASTEWATER PROJECT IMPROVEMENT BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, ___________________________________________ as Principal, and ________________________________ as Surety, are jointly and severally bound
unto the Snyderville Basin Water Reclamation District, a local district of the State of Utah, in the
sum of ________________________, ($__________________), for
which payment we jointly and severally bind ourselves, our heirs, executors, administrators,
successors, and assigns by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

Whereas the Snyderville Basin Water Reclamation District, a local district of the State of Utah, (“the District”) has approved a sewer improvement project and entered into a Line
Extension Agreement (Exhibit 1) with the Principal for the improvement of the ________________
Project or Subdivision dated the ______ day of ________, 20___ which requires that the Principal file with the District a bond in
the sum of ________________________, ($__________________), with Surety satisfactory to
the District securing to the District the actual compliance of the Principal with the terms and conditions of the approval of the Plat of the ________________
Subdivision or Project and completion of all required improvements within one (1) year or as
otherwise provided in the Line Extension Agreement for the Project or Subdivision as more fully appears in the record of the approval of the Project or Subdivision by the District on the
Principal’s application, which record is hereby made a part hereof.

Now, therefore, if the Principal shall not complete the improvements, work and installations herein referred to as required by the District according to the District approved designs, plans and specifications, the Principal and Surety shall be in default of the Line
Extension Agreement.

Whenever the Principal shall be, and is declared by District to be in default under the
Line Extension Agreement for failure to timely complete the required improvements and the
District having performed District’s obligations thereunder, the Surety shall either promptly
remedy the default, or shall promptly cause the completion of the improvements in accordance with the Line Extension Agreement; or, within 60 days of the declaration of default by the District, obtain a bid or bids for completing the improvements in accordance with the Line Extension Agreement and approved Plans and specifications, and upon determination by the District of the lowest responsible bidder, arrange for a contract between such bidder and District, and pay under the contract as work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion.

Any suit under this bond must be instituted before the expiration of three (3) years from the date on which District declares a default of the Principal in completion of the required improvements. No right of action shall accrue on this bond to or for the use of any person or corporation other than the District named herein or successors of District.

If it becomes necessary for the District to commence litigation or other informal proceedings to obtain compliance with the Principal and/or Sureties’ obligations herein or to collect the amount of the obligation herein when justly due, the Surety shall pay for the use and benefit of the District all costs and fees of every kind and nature, including attorney’s fees, expended by the District in the enforcement of the rights of the District hereunder.

In witness whereof the said Principal and Surety have caused these presents to be signed and their seals to be affixed hereunto: ______________________ 20__.

PRINCIPAL: SURETY:

__________________________________________  ________________________________

BY: ________________________________  BY: ________________________________

ITS: ________________________________  BY: ________________________________