

**COTTONWOOD IMPROVEMENT DISTRICT
WASTEWATER COLLECTION SYSTEM
CONTRACTOR PERMIT BOND**

This Contractor Permit Bond is provided by _____ of
(Contractor's Name)

_____, herein referred to as "the Principal" and
(Contractor's Address)

_____, an insurance company qualified to
(Insurance Company Name)

do business in the State of Utah herein called the "Surety", which Principal and Surety together are held and firmly bound to the Cottonwood Improvement District, a special district of the State of Utah, 8620 Highland Drive, Sandy, Utah 84093, which is referred to in this Bond as "the Obligee" for payment of the penal sum of \$5,000.00 for the payment of which the Surety and the Principal hereby bind themselves, their successors and assigns jointly and severally in consideration of the issuance by the Obligee of a Contractor Permit to the Principal. The term of the Wastewater Contractor Permit Bond issued by the Obligee to the Principal shall be for a term beginning on _____ and ending three years later on _____.

If the Principal fully complies with the rules and regulations of the Cottonwood Improvement District concerning the work of the Principal and fully indemnifies the Obligee with respect to any damage or loss occasioned by the work of the Principal, then no claim can be made under this Bond against the Principal or Surety, otherwise this Bond shall remain in full force and effect and the duty of the Principal and Surety to indemnify the Obligee shall remain in full force and effect.

This Bond shall be and remain in full force and effect during the term of the permit issued to the Principal unless cancelled by the Surety as provided herein. If the permit issued to the Principal is continued or extended for additional terms, the Bond may be extended to cover additional terms, but only upon the execution by the Surety of a continuation certificate acceptable in form to the Obligee binding the Surety to the same terms and conditions provided herein. The obligation of the Surety shall not be cumulative from year to year, nor exceed the penal sum provided above.

The Surety shall have the right to terminate its liability hereunder by notifying the Obligee of its intent to terminate the Bond thirty (30) days in advance of the date of termination of the bond.

In the event of a default by any party to this Agreement, the party not in default shall be entitled to recover costs, and attorney's fees against the party in default, together with all administrative costs, expert witness fees, and other reasonable costs of collection.

PRINCIPAL: _____
(Contractor)

By: _____
(Signature)

(Printed Name)

SURETY: _____
(Insurance Company)

By: _____
Attorney in Fact
(Signature)

(Printed Name)