



**WARRANTY BOND**

**Warranty Bond for**

\_\_\_\_\_ (Name of Plans)

**Date:** \_\_\_\_\_

**Penal Sum:** \$ \_\_\_\_\_ and \_\_\_\_\_/100  
U.S. Dollars

**OBLIGEE:**  
City of Pflugerville  
PO Box 589  
Pflugerville, Texas 78691  
(512) 990-6300

**PRINCIPAL:**  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

**SURETY:**  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

KNOW ALL BY THESE PRESENTS,

That we \_\_\_\_\_ as  
Principal, and

\_\_\_\_\_, a  
Corporation of the State of \_\_\_\_\_, authorized to write Surety Bonds in the State  
of Texas, as Surety, are jointly and severally held and firmly bound unto the City of Pflugerville,  
Texas as Obligee, in the Penal Sum of  
\_\_\_\_\_ (\$ \_\_\_\_\_ )

(Insert written amount = 35% of the cost of the improvements inspected)

which payment well and truly to be made we do bind ourselves, our and each of our heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents.

WHEREAS, the said Principal has constructed, or caused to be constructed the following public infrastructure (“Improvements”) in accordance with the approved construction plans:

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(Legal Description and items to be warranted [i.e. Streets, Drainage, Water, Wastewater, etc.])

WHEREAS, the City of Pflugerville requires the Principal to furnish a Warranty Bond in the amount of 35% of the cost of the Improvements guarantying all workmanship and materials used to construct the Improvements are free from any defect for a two year period beginning at the date of acceptance. The Warranty Bond guarantees that the Principal will repair, or cause to be repaired, to the original condition at acceptance for (2) two years from the date of acceptance by the City of Pflugerville (“Warranty Period”), all defects in workmanship and material including any deterioration resulting from any defects in workmanship and materials of the Improvements, which may become apparent during the Warranty Period.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH that,

1. The foregoing recitals and statements are each and all true and correct.
2. Whenever Principal shall be, and is declared by the Oblige to be, in default with respect to its warranty of the Improvements, provided that the Obligee is not then in material default thereunder, Surety shall promptly take one of the following actions with the consent of the Obligee:
  - a. Not later than thirty (30) days following Surety’s receipt of written notice that the Principal had failed or refused to correct or repair the defects, Surety shall commence and complete construction, re-construction, replacement or repair of the Public Improvements in accordance with the City’s Unified Development Code, the City’s Engineering Design Guidelines and Construction Standards, and the City-approved construction plans for the Public Improvements (the “Plans”) applicable to the original construction; or
  - b. Notify the City if writing, not later than thirty (30) days following Surety’s receipt of written notice that the Principal has failed or refused to correct or repair the defects that the Surety elects not to complete, re-construct, replace or repair the Public Improvements. The Surety shall be obligated to pay the City, within the Penal Sum of the Bond, all loss, cost, and expense occasioned thereby. If the Surety fails to give such written notice, then it will be deemed to have elected not to complete, re-construct, replace, repair the Public Improvements, and shall be obligated to pay the City, within the Penal Sum of the Bond for all loss, cost, and expense occasioned thereby to complete, re-construct, replace or repair the Improvements.

In the event that Surety elects to proceed under 2(a) above, the contractor selected by Surety to perform such work shall be approved by Obligee, which approval shall not be unreasonably withheld.

3. If Surety does not proceed as provided in Paragraph 2 with reasonable promptness, Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Obligee to Surety demanding that Surety perform its obligations under this Bond, and the Obligee shall be entitled to enforce any remedy available to the Obligee. If Surety proceeds as provided in Subparagraph 2.b, and the Obligee refuses the payment tendered or Surety has denied liability, in whole or in part, without further notice, the Obligee shall be entitled to enforce any remedy available to the Obligee.
4. After the Obligee has terminated the Principal's right to complete corrections of all defects in materials or workmanship, and if Surety elects to act under Subparagraph 2.a. or b., above, then the responsibilities of Surety to the Obligee shall not be greater than those of the Principal under the Agreement, and the responsibilities of the Obligee to Surety shall not be greater than those of the Obligee under the Agreement. To the limit of the Penal Sum to mitigate costs and damages on the Agreement, Surety is obligated without duplication for:
  - a. the responsibilities of the Principal for correction of defective work; and
  - b. actual damages, including but not limited to additional legal and design professional costs resulting from Principal's default, and resulting from the actions or failure to act of Surety under Paragraph 2.
5. No alteration, modification or supplement to the Warranty or the nature of the work to be performed thereunder, including without limitation any extension of time for performance, shall in any way affect the obligations of Surety under this bond. Surety waives notice of any alteration, modification, supplement or extension of time.
6. The Principal and Surety shall not have any obligations under this Bond to correct, repair or replace any damage to the Improvements caused by any third parties or damage resulting from lack of proper maintenance of the Improvements.
7. The obligations of the Principal and the Surety under this Bond does not include any obligation to maintain the Improvements.
8. The obligations of the Principal and Surety under this Bond shall terminate at the end of the Warranty Period and, at that time, this Bond shall become void and shall be of no further force or effect.

Signed, sealed and dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**PRINCIPAL:**

Date: \_\_\_\_\_

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

**SURETY:**

Date: \_\_\_\_\_

By: \_\_\_\_\_

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

Title: \_\_\_\_\_