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CONSENSUSDOCS 263 WARRANTY BOND

(For Correction of Work Period)

This document was developed through a collaborative effort of entities representing a wide cross-section of the construction industry. The organizations endorsing this document believe it represents a fair and reasonable consensus among the collaborating parties of allocation of risk and responsibilities in an effort to appropriately balance the critical interests and concerns of all project participants.

These endorsing organizations recognize and understand that users of this document must review and adapt this document to meet their particular needs, the specific requirements of the project, and applicable laws. Users are encouraged to consult legal, insurance and surety advisors before modifying or completing this document. Further information on this document and the perspectives of endorsing organizations is available in the ConsensusDOCS Guidebook.

The Owner, _____, (the "Owner") and the Contractor, _____, (the "Contractor") have entered into a Contract (the "Contract") dated _____ for _____ (the "Project"). The Contract is incorporated by reference into this Warranty Bond (the "Bond").

By virtue of this Bond, the Contractor as Principal and _____ as Surety (the "Surety"), are bound to the Owner as Obligee in the maximum amount of _____

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_____ Dollars (\$ _____) (the "Bond Sum"). The Contractor and Surety hereby bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein.

1. **GENERAL CONDITIONS** It is the condition of this Bond that if the Contractor, upon receipt of written notice in accordance with the Contract of a defect in the Work, promptly performs its obligations under the Correction of Work provisions of the Contract, which said defect may be discovered during the one-year Correction of Work period commencing on the Date of Substantial Completion, or on _____ Day of _____, _____ as mutually agreed by the Owner and Contractor, the Surety's obligations pursuant to this Bond are null and void. Otherwise, the Surety's obligations shall remain in full force and effect.
2. **SURETY OBLIGATION** If the Contractor fails to fulfill its obligation as set forth above, the Surety shall pay out, reimburse, and make good to the Owner the cost to correct such defect. In no event shall this obligation exceed the Bond Sum stated above.
3. The Surety shall not be required to remedy any defect in the Work arising from unsuitable or inadequate design.

This Bond is entered into as of _____ (date)

SURETY: _____ (seal)

By:

Print Name: _____

Print Title: _____

(Attach Power of Attorney)

Witness:

(Additional signatures, if any, appear on attached page)

CONTRACTOR: _____ (seal)

By:

Print Name: _____

Print Title: _____

Witness:

(Additional signatures, if any, appear on attached page)

IMPORTANT: A vertical line in the margin indicates a change has been made to the original text. Prior to signing, recipients may wish to request from the party producing the document a "redlined" version indicating changes to the original text. Consultation with legal and insurance counsel and careful review of the entire document are strongly encouraged.

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