

EXHIBIT 7.3

SECURITY BOND

Surety Bond No. _____

STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF _____ §

THAT we, _____, as Principal, and hereinafter called the Principal, and _____, as Surety, and hereinafter called the Surety, are held and firmly bound unto **San Antonio Water System**, as Obligee, and hereinafter called the Obligee in the penal sum amount of \$_____, the payment of which sum well and truly to be made, the said Principal and the said Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

WHEREAS, Principal has entered into a Design-Build Services Agreement, Contract No _____, dated _____, 2020 (the “Agreement”) with Obligee in connection with the design and construction of the Project, under the terms of which said Principal is obligated to timely submit to the Obligee a Final Guaranteed Maximum Price Proposal following the completion of the Design Phase to finally establish the Guaranteed Maximum Prices (“GMP”) for all Services and Work required under the Agreement for the Project; and

WHEREAS, upon the Obligee’s Approval of the Principal’s Final GMP Proposal, and Principal’s receipt thereof, Principal is obligated to execute a Contract Amendment to finally establish the Guaranteed Maximum Price, and to thereafter to timely submit to the Obligee statutory payment and performance bonds for the total amount thereof, as finally established under the Agreement;

NOW THEREFORE, if Principal shall, in a timely manner and as required under the Agreement:

- (i) submit its Final GMP Proposal as required by the Agreement for all Services and Work required under the Agreement; and
- (ii) execute a Contract Amendment in the form required by the Agreement to finally establish the Guaranteed Maximum Price for all Services and Work required under the Agreement; and
- (iii) deliver to the Obligee, within ten (10) days thereafter the statutory payment and performance bonds for the GMP, as required by the Agreement, or
- (iv) cause the Design Principal of Record (“DPOR”) to continue in the performance of the Design Services pursuant its Joinder in the Agreement

and the collateral assignment of its agreement to the Principal in the event the Principal fails to submit a Final GMP Proposal in accordance with the requirements of the Agreement and/or the Principal and Obligees cannot agree on a Final GMP, and the Obligees elects to accept and assume such assignment; or

- (v) if the Principal shall subsequently cure any failure on the part of said Principal to timely execute the Contract Amendment and deliver to Obligees the Payment and Performance Bonds, within ten (10) days after Obligees' written notice of such default to the Principal and Surety, or cause the DPOR to continue the performance of the Design Services as provided in subpart (iv), above, then,

this obligation shall be null and void, otherwise to remain in full force and effect. Principal's failure either to perform in a timely manner or remedy any default within the cure period referenced herein shall entitle Obligees to immediate payment of the full penal sum of this Security Bond without further notice.

SIGNED, SEALED and DATED this _____ day of _____ in the year.

(SEAL) _____
Principal

ATTEST:

By: _____ By: _____

(Typed Name and Title) (Typed Name and Title)

(SEAL) _____
Surety

ATTEST:

By: _____ By: _____

(Typed Name and Title) (Typed Name and Title)