

SOUTHWEST LICKING COMMUNITY WATER & SEWER DISTRICT  
CONTRACTOR'S SECURITY AGREEMENT

BY THIS INSTRUMENT DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_, A LICENSED CONTRACTOR (HEREINAFTER "CONTRACTOR") OF THE SOUTHWEST LICKING COMMUNITY WATER AND SEWER DISTRICT (HEREINAFTER "DISTRICT"), AND DISTRICT, IN CONSIDERATION OF PERMITS TO CONSTRUCT SERVICE CONNECTION, WHICH I MAY APPLY FOR AND WILL BE GRANTED TO ME BY DISTRICT IN ACCORDANCE WITH ITS RULES AND REGULATIONS, AND IN CONSIDERATION OF THE MUTUAL PROMISES AND CONVENIENCE EACH TO THE OTHER MADE, AND IN CONSIDERATION OF OTHER GOOD AND VALUABLE CONSIDERATION, DO HEREBY PROMISE, COVENANT AND AGREE THAT:

1. CONTRACTOR HEREBY PROVIDES DISTRICT WITH A CERTIFIED CHECK MADE PAYABLE TO DISTRICT IN THE AMOUNT OF FIVE HUNDRED DOLLARS (\$500.00), TO BE USED AS SECURITY CONDITIONED UPON THE SATISFACTORY CONSTRUCTION OF SERVICE CONNECTIONS WHICH HE/SHE BELIEVES HE/SHE SHALL BE MAKING WITHIN THE DISTRICT WITHIN THIS CALENDAR YEAR.
2. CONTRACTOR AGREES THAT DISTRICT SHALL DEPOSIT SAID CHECK IN A NON-INTEREST BEARING ACCOUNT ESTABLISHED FOR SAID PURPOSE.
3. UPON COMPLETION OF A SERVICE CONNECTION BY CONTRACTOR PURSUANT TO A PERMIT OBTAINED FROM DISTRICT, SUCH SERVICE CONNECTION SHALL BE INSPECTED BY DISTRICT PERSONNEL OR ITS AGENTS.
  - 3.1 IF SUCH INSPECTOR HAS REASONABLE CAUSE TO BELIEVE THAT ANY PROBLEM WHATSOEVER EXISTS WITH SAID SERVICE CONNECTION, HE/SHE SHALL FILE A WRITTEN REPORT WITH THE GENERAL MANAGER.
  - 3.2 THE GENERAL MANAGER SHALL, AT HIS OPTION:
    - 3.2.1 CAUSE A CONTRACTOR PEER REVIEW PANEL, MADE UP OF THREE NON-LICENSED CONTRACTORS TO BE CONVENED. SAID CONTRACTOR PEER REVIEW SHALL SET THE DATE AND TIME FOR A HEARING ON SAID SERVICE CONNECTION PROBLEM, WITH CONTRACTOR BEING GIVEN AT LEAST TEN DAYS NOTICE OF SAID HEARING BY CERTIFIED MAIL ALONG WITH A COPY OF SAID REPORT. AT SUCH HEARING, CONTRACTOR SHALL BE GIVEN A FULL OPPORTUNITY TO BE HEARD TO PRESENT ALL RELEVANT EVIDENCE TO THE PANEL; OR
    - 3.2.2 CAUSE A HEARING TO BE HELD BEFORE THE DISTRICT BOARD OF TRUSTEES, WITH NOTICE AND AN OPPORTUNITY TO BE HEARD IN ACCORDANCE WITH SEC. (3.2.1) ABOVE.
  - 3.3 AFTER HEARING ALL OF THE EVIDENCE BEFORE IT, THE CONTRACTOR PEER REVIEW PANEL OR THE DISTRICT BOARD OF TRUSTEES, DEPENDING UPON WHICH BODY HEARD THE EVIDENCE, SHALL MAKE A DECISION AS TO THE EXTENT OF CONTRACTOR'S LIABILITY, IF ANY, WITH REGARD TO SUCH SERVICE CONNECTION PROBLEM AND CONTRACTOR AGREES TO ACCEPT THE DECISION OF SUCH CONTRACTOR PEER REVIEW PANEL OR THE DISTRICT BOARD OF TRUSTEES AS FINAL, BINDING AND NOT APPEALABLE.

4. IF CONTRACTOR IS DETERMINED TO BE LIABLE FOR A PORTION OF SAID DAMAGES, CONTRACTOR SHALL ALLOW DISTRICT, AT ITS OPTION, TO ARRANGE FOR THE NECESSARY REPAIRS TO THE SERVICE CONNECTION AND APPURTENANCES THERETO, AS WELL AS THE RESTORATION OF THE PROPERTY, OR TO REQUIRE THAT CONTRACTOR REPAIRS ANY AND ALL PROBLEMS INDICATED. IF DISTRICT ARRANGES FOR THE NECESSARY REPAIRS, AND SAID SERVICE CONNECTION THERAFTER PASSES FINAL INSPECTION, THE COST OF SAID REPAIRS SHALL BE TAKEN FROM CONTRACTOR'S CASH BOND. IF THE COST OF SAID REPAIRS EXCEEDS FIVE HUNDRED DOLLARS (\$500.00), CONTRACTOR HEREBY AGREES TO PAY THE ADDITIONAL AMOUNT WITHIN TEN (10) DAYS OF BEING BILLED FOR SUCH ADDITIONAL CHARGES.
5. IF AT ANY TIME THE BALANCE OF SUCH CASH BOND FALLS BELOW FIVE HUNDRED DOLLARS (\$500.00), CONTRACTOR AGREES TO PROVIDE TO DISTRICT ADDITIONAL SECURITY IN AN AMOUNT THAT WILL RETURN SAID BALANCE TO FIVE HUNDRED DOLLARS (\$500.00). NO PERMITS WILL BE ISSUED TO CONTRACTOR UNLESS THE FULL FIVE HUNDRED DOLLARS (\$500.00). NO PERMITS WILL BE ISSUED TO CONTRACTOR UNLESS THE FULL FIVE HUNDRED DOLLARS (\$500.00) CASH BOND IS ON DEPOSIT WITH DISTRICT.
  - 5.1 IF CONTRACTOR SO CHOOSES, AT THE END OF THE CALENDAR YEAR HE/SHE MAY INSTRUCT DISTRICT TO ROLL OVER SUCH CASH BOND TO SERVE AS SECURITY FOR CONNECTIONS CONSTRUCTED DURING THE FOLLOWING YEAR.
  - 5.2 IF CONTRACTOR INTENDS TO DISCONTINUE THE CONSTRUCTION OF SERVICE CONNECTIONS WITHIN THE DISTRICT, CONTRACTOR MAY APPLY TO DISTRICT FOR A RETURN IN FULL OF HIS CASH BOND, PROVIDED THE FOLLOWING CONDITIONS ARE MET:
    - 5.2.1 CONTRACTOR HAS NO OUTSTANDING PERMITS WITHIN THE DISTRICT.
    - 5.2.2 CONTRACTOR HAS HAD ALL SERVICE CONNECTIONS INSPECTED BY DISTRICT PERSONNEL OR ITS AGENTS AND NO PROBLEMS HAVE BEEN IDENTIFIED, OR IF PROBLEMS HAVE BEEN IDENTIFIED ALL SUCH PROBLEMS, ALL SUMS OWING TO DISTRICT HAVE BEEN PAID.
6. THIS AGREEMENT SHALL, IN ALL RESPECTS, BE SUBJECT TO THE PROVISIONS OF ANY INDENTURE OF MORTGAGE, TRUST AGREEMENT, TRUST INDENTURE AGREEMENT, BOND AGREEMENT, LOAN AGREEMENT, OR OTHER FINANCING AGREEMENT, WHICH MAY BE ENTERED INTO BY THE DISTRICT TO SECURE BONDS, NOTES OR OTHER FINANCING TO BE THE COST THEREOF, OF EXTENDING AND IMPROVING ITS WATER DISTRIBUTION SYSTEM.
7. DISTRICT AND CONTRACTOR, THEIR SUCCESSORS AND ASSIGNS, HAVE BOUND THEMSELVES TO THIS AGREEMENT. NEITHER PARTY SHALL BE PERMITTED TO ASSIGN, SUBLET OR TRANSFER ANY PART OF ITS INTEREST IN THIS AGREEMENT WITHOUT WRITTEN CONSENT OF THE OTHER PARTY.

8. THE WAIVER BY EITHER PARTY OF A BREACH OR VIOLATION OF ANY REVISION OF THIS AGREEMENT SHALL NOT OPERATE OR BE CONSTRUCTED TO BE A WAIVER OF ANY SUBSEQUENT BREACH THEREOF.
9. THIS AGREEMENT CONTAINS THE ENTIRE CONTRACT BETWEEN THE PARTIES AND MAY NOT BE MODIFIED ORALLY, BUT BY WRITTEN AGREEMENT IN WRITING SIGNED BY BOTH PARTIES AND ATTACHED TO THIS AGREEMENT AS AN AMENDMENT THERETO.
10. PROVISIONS OF THIS SHALL BE GOVERNED BY AND CONSTGRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO.
11. NOTHING CONTAINED IN THIS AGREEMENT SHALL LIMIT THE AUTHORITY OF THE DISTRICT, OR PREVENT IT FROM PURSUING ANY OTHER REMEDIES AVAILABLE AT LAW.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE MADE AND EXECUTED THIS AGREEMENT THIS \_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_.

CONTRACTOR

DISTRICT

BY: \_\_\_\_\_

BY: \_\_\_\_\_