

SECURITY DEPOSIT

This irrevocable security deposit agreement (the “Security Deposit”) is made as of _____, 2022 (the “Effective Date”) between Science One, LLC, an Ohio limited liability company (“Contractor”), and the City of Gahanna, Ohio (“Gahanna”).

BACKGROUND

- A. Gahanna desires to engage Contractor to oversee and contract for certain construction services to construct infrastructure that will be built for and/or transferred to Gahanna and is being built as part of the construction of Tech Center Drive Extension (The “Work”) and Contractor desires to be so engaged.
- B. Gahanna agrees to provide funds to Contractor necessary to pay for the Work from a loan through the State Infrastructure Bank program pursuant to Ohio Revised Code Chapter 5531 (the “SIB Loan”).
- C. Contractor agrees to repay the balance of the SIB Loan, in accordance with the terms of the Note. Contractor further agrees to grant Gahanna, as security for the Note, this Security Deposit.

NOW THEREFORE, in consideration of the foregoing and the mutual and dependent covenants hereinafter set forth, the Parties agree as follows.

AGREEMENT

- 1. Contractor shall, contemporaneous with the execution of this Security Deposit, provide to Gahanna, in immediately available funds, the sum of One Million Five Hundred Thousand Dollars (\$1,500,000.00). These funds are hereby designated the “Security Deposit Money”.
- 2. Gahanna shall hold the Security Deposit Money separate and apart from all other funds of Gahanna, and shall separately account for the Security Deposit Money from all of its other funds.
- 3. Gahanna may only dispense of the Security Deposit Money in accordance with this Security Deposit.
- 4. Contractor, contemporaneous with the execution of this Security Deposit, is executing a promissory note (the “Note”) in favor of Gahanna, and this Security Deposit is given as security for the obligations of Contractor set forth in the Note.
- 5. If Contractor defaults pursuant to the requirements of the Note, Gahanna may after five (5) business days’ notice to Contractor, draw any sum necessary from the Security Deposit Money, to cure the Contractor’s default pursuant to the Note.
- 6. Pursuant to the terms of the Note, at such time as Gahanna has determined the Total Amount of Note, as defined in the Note, it shall pay that sum to itself from the Security Deposit Money,

provide Contractor with an accounting of the Security Deposit Money, and issue to Contractor payment of any remaining balance of the Security Deposit Money.

7. Contractor shall have 30 days from receipt of the accounting, set forth in Section 6, to raise any objections in writing to Gahanna relating to the accounting. If Contractor does not within thirty (30) days raise any objections to the accounting, then any such objections are forever waived by the Contractor. If the Contractor raises objections to the accounting, the Parties shall work diligently to resolve any issues that exist.
8. Gahanna will not pay any interest upon the Security Deposit Money.
9. This Security Deposit is irrevocable.
10. Events of Default. The occurrence and continuance of any of the following shall constitute an “Event of Default” hereunder:
 - a. Contractor fails to pay any amount due on the Note in accordance with the terms of the Note.
 - b. Contractor is in default of any term of the Note, and the default is not cured within the time permitted by the Note.
 - c. Any voluntary petition filed by Contractor or involuntary petition (which is not dismissed within ninety (90) days) against the Contractor, is filed pursuant to any chapter of the United States Bankruptcy Code, or Contractor makes an assignment for the benefit of creditors, or there shall be any other marshaling of the assets and liabilities of the Contractor for the benefit of the Contractor’s creditors.

11. Default Rate; Remedies.

- a. Upon the occurrence, and during the continuance of an Event of Default, Gahanna may, at its option, by written notice to the Borrower (a) pay itself from the Security Deposit Money any sum due pursuant to the Note; and/or (b) exercise any or all of its rights, powers or remedies under applicable law.

12. Miscellaneous.

- a. Notices. All notices and communications required, necessary or desired to be given pursuant to this Security Deposit, including, but not limited to, a change of address for purposes of such notices and communication, shall be in writing and shall be deemed given and received (i) upon personal delivery (which shall include delivery by commercial overnight courier) or refusal to accept delivery or (ii) three (3) days after deposit in the United States Mail, certified mail, return receipt requested, postage prepaid. The addresses for notice are as follows:

If to Contractor: Science One LLC c/o Amy Biondi-Huffman 8400
Industrial Parkway Plain City OH 43064

With a copy to:

Robert J. Behal
501 South High St.
Columbus, Ohio 43215

If to Gahanna:

City of Gahanna
Attention Mayor
200 Hamilton Road
Gahanna, Ohio 43230

With copies to:

City of Gahanna
Attention City Attorney
200 Hamilton Road
Gahanna, Ohio 43230

Albers and Albers, Attorneys at Law
Attn: John Albers
1086 North 4th St. Suite 105
Columbus, OH 43201

- b. Law. This Security Deposit shall be construed and interpreted under the laws of the State of Ohio.

- c. Assignment. Gahanna may not assign this Security Deposit without the prior written consent of Contractor. Contractor may assign this Security Deposit or any of its rights or obligations herein, with the written consent of Gahanna, which shall not be unreasonably withheld.
- d. Amendment. This Security Deposit may be amended, but only by a written amendment signed by Contractor and by Gahanna.
- e. Counterparts. This Security Deposit may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
- f. Entire Agreement. This Security Deposit, along with the other documents referenced herein, represent the entire agreement with respect to the subject matter hereof, supersede all prior negotiations and understandings (oral or written), and may only be amended by the written agreement of both Parties.
- g. Claims against Gahanna. Any claims by the Contractor against Gahanna pursuant to this Agreement, are solely limited to claims for specific performance of Gahanna's obligations pursuant to this Agreement, and shall not include claims for damages or attorney's fee or costs. Contractor shall hold Gahanna harmless from any and all claims made by third parties relating to this Agreement, including any reasonable attorney fees and costs incurred by Gahanna relating to such claims.
- h. Partial Invalidity. If any provision of this Agreement or the application of any such provision to any such person or any circumstance shall be determined to be invalid or unenforceable, then such determination shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, all of which other provisions shall remain in full force and effect; and, if any provision of this Agreement is capable of two constructions one of which would render the provision invalid, then such provision shall have the meaning which renders it valid.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Contractor and Gahanna have caused this Security Deposit to be executed in their respective names by their duly authorized officers as of the date hereinabove written.

SCIENCE ONE, LLC, an Ohio limited liability company

By: _____

Dated: _____

THE CITY OF GAHANNA, OHIO

By: _____

Laurie Jadwin, Mayor

Approved as to Form

Raymond J. Mularski, City Attorney

FISCAL OFFICER'S CERTIFICATE

As fiscal officer for the City of Gahanna, Ohio, I hereby certify that funds sufficient to meet the obligations of Gahanna in this Agreement (including specifically the funds required to meet the obligation of Gahanna in the year 2022) have been lawfully appropriated for the purposes thereof and are available in the treasury, and/or are in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. Gahanna has no obligation to make payments to Contractor pursuant to this Agreement except from Security Deposit Monies. This certificate is given in compliance with Ohio Revised Code Sections 5705.41 et seq.

Dated: _____

Fiscal Officer

City of Gahanna, Ohio