

EXHIBIT A-1

PERFORMANCE BOND AGREEMENT

THIS AGREEMENT is entered into by and between **AVON SANDBOX, LLC**, an Ohio limited liability company, hereinafter referred to as "Subdivider", and the **CITY OF AVON**, Lorain County, Ohio, hereinafter referred to as "City." "Council" as referred to herein, shall refer to the City Council of Avon, Lorain County, Ohio, and "City Engineer" shall refer to the Consulting Engineer of the City of Avon, Lorain County, Ohio or the Engineer designated by City Ordinance.

WHEREAS, the Subdivider has agreed to construct the improvement in Palmer Village Subdivision No. 6 (hereinafter "Subdivision") in accordance with the Subdivision Regulations of the City of Avon, and in accordance with a Subdivider's Agreement entered into between Subdivider and the City of Avon on or about the 29th day of May, 2018; and

WHEREAS, the Subdivision Regulations of the City of Avon and the Subdivider's Agreement provide that Subdivider shall furnish a bond or deposit funds to cover 110% of the estimated construction costs, engineering and inspection fees to the satisfaction of the City of Avon; and

WHEREAS, based upon the estimates of cost of construction of the improvements in the Subdivision by the Subdivider's Engineer, approved by the City Engineer, Subdivider is required to provide a financial guarantee of performance to the Finance Director of the City of Avon in the amount of Four Hundred Fourteen Thousand Eight Hundred Twenty Six and 50/100 (\$414,826.50) Dollars.

NOW, THEREFORE, in consideration of the foregoing promises and to ensure the faithful performance of said Subdivider's Agreement, the Subdivider has undertaken the following:

1. Subdivider will open an Escrow Account (hereinafter called "Acquisition and Development Escrow Account") at a lending institution, and deposit therein the sum of Four Hundred Fourteen Thousand Eight Hundred Twenty Six and 50/100 (\$414,826.50) Dollars

2. The funds in said Acquisition & Development Escrow Account shall be used for the sole purpose of payment of the cost of construction of improvements in the Subdivision and charges of the City of Avon for engineering and/or legal fees related to said Subdivision and are hereby irrevocably assigned to the City of Avon for said purpose.

3. All contractor invoices submitted to Subdivider for payment for work performed or materials delivered for said Subdivision shall be paid by the lending institution from said Acquisition and Development Escrow Account only when said invoices are accompanied by letters from the City Engineer approving such payments.

4. Four percent (4%) of the invoice amount will be retained by the lending institution throughout the course of construction until improvements are completed.

5. Before delivering checks in payment for the aforesaid invoices, the lending institution shall require the contractor, subcontractor or supplier to furnish the appropriate Affidavit stating that all subcontractors, labor, machinery, material and fuel have been paid for, and require copies of insurance, Worker's Compensation certificates and lien waivers.

6. The Subdivider and its lending institution shall at all times keep the records of said Acquisition and Development Escrow Account open to inspection by the Engineer of the City or any other duly authorized agent of the City.

7. Subdivider shall be free to select contractors and suppliers of Subdivider's own choosing so long as their quality of construction meets approval of the City Engineer.

8. Upon completion of all improvements in the Subdivision to the satisfaction of the City Engineer, acceptance of dedication of Subdivision improvements, payment of all engineering and legal expenses of the City of Avon, and compliance with all provisions of the Subdivider's Agreement upon written instruction from the Director of Finance of the City of Avon, the lending institution may disburse the remainder of the finance guarantees to the Subdivider, or as otherwise directed by the Director of Finance of the City of Avon.

9. In the event of Subdivider's default, as defined in the Subdivider's Agreement, the City shall have the right to draw from the Subdivider's financial guarantees to complete construction of improvements at the Subdivision, or any part thereof, and to pay any engineering or legal fees for the Subdivision over and above the Subdivider's deposit, and the lending institution is authorized to release the funds upon certification by the Director of Finance of the City of Avon that the funds will be used for completion of construction of improvements for the Subdivision and any applicable fees.

10. The lending institution shall accept as full and complete evidence of default and of the resulting right of the City of Avon to complete said project or any portion thereof a copy of the resolution from the City of Avon duly authenticated by the Clerk of Council declaring said default and the intention of the City of Avon to proceed to complete the performance of said Subdivision or any portion thereof.

WITNESSES:
(Avon Sandbox Signatures)

AVON SANDBOX LLC
By: Garrett Development, Inc.,
Its Managing Member,

Printed Name _____

By: Richard T. Garrett, Managing Member

Printed Name _____

WITNESSES:
(City Signatures)

CITY OF AVON

Printed Name _____

By: Bryan K. Jensen, Mayor

Printed Name _____

By: Craig Witherspoon, Council President

APPROVED AS TO FORM

John A. Gasior, Esq.
Law Director, City of Avon

**ACKNOWLEDGMENT AND ACCEPTANCE
BY LENDING INSTITUTION**

The lending institution for **AVON SANDBOX LLC** for Palmer Village Subdivision No. 6 does hereby acknowledge receipt of a copy of this Performance Bond Agreement and the Subdivider's Agreement, accepts same, is willing to be bound by these documents as additional escrow instructions for the financial guarantees therein provided.

Signature of Officer

Printed Name of Bank or Surety

Title of Officer

Date