DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (this "**Agreement**") is made and entered into as of __________, 2026 (the "**Effective Date**"), by and among The City of Heath, Ohio, duly organized and validly existing under the Constitution and the laws of the State of Ohio (the "**City**"), and M/I Homes of Central Ohio LLC, an Ohio limited liability company (the "**Developer**"). The City and the Developer may be referred to hereinafter individually as a "**Party**" and collectively as the "**Parties**."

RECITALS:

WHEREAS, the Developer is party to a contract to purchase, from its current owner, certain real property consisting of 212.61 +/- acres generally depicted as Subareas A and B in Exhibit A-1 attached hereto and incorporated herein by reference and known on the Effective Date by those certain Licking County Auditor Parcel Numbers described in Exhibit A-2 attached hereto (collectively, the "**Development Site**"); and

WHEREAS, subject to certain exceptions described in this Agreement, the Developer intends to develop approximately 504 single-family residential parcels on the Development Site, each with a minimum lot size of 7,145 sq. ft., in multiple phases (the "**Development**"), while other portions of the developable area in the vicinity of the Development Site and identified as Subareas "C" through "F" in Exhibit A are anticipated to be owned and developed by others and, except as otherwise provided herein, are not the subject of this Agreement (such areas being referred to herein as the "**Other Development Areas**"); and

WHEREAS, the City and the Developer desire to set forth their mutual understandings and agreements with respect to such matters by and through their execution of this Agreement.

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the Parties agree to the foregoing and as follows:

AGREEMENT:

Section 1. **General**.

(a) **General Agreement and Term**. For the reasons set forth in the Recitals hereto, which Recitals are incorporated herein by reference as a statement of the public purposes of this Agreement and the intended arrangements between the Parties, the Parties shall cooperate in the manner described herein to facilitate the dedication of certain land identified in Section 5 hereof and the construction of certain Public Improvements (as such term is defined in Section 6), and the creation of certain financing incentives (as more particularly set forth in Section 9), and such other purposes as set forth herein. This Agreement shall remain effective until such time as the Parties have satisfied all of their respective obligations as set forth in this Agreement, unless sooner terminated in accordance with the provisions set forth herein.

(b) **Definitions**. In addition to the words and terms defined elsewhere in this Agreement, unless the context or use clearly indicates another meaning or intent:

"**Actual Costs**" means both actual Hard Costs and actual Soft Costs.

"**Construction Plans**" shall have the meaning ascribed to such term is used in Section 33.58 of the Development Regulations.

"**Development Regulations**" means the Development Regulations for City of Heath, dated effective March 8, 2023, as amended from time to time.

"**Hard Costs**" means the direct costs of construction and physical installation of the Public Improvements, including, without limitation: (i) labor, materials, equipment, and supplies used in the construction of such improvements; (ii) clearing, grading, excavation, and earthwork; (iii) installation of infrastructure such as roadways, utilities, stormwater systems, sidewalks, curbs, gutters, and lighting; (iv) traffic control measures and safety devices during construction; (v) on-site improvements including paving, striping, signage, landscaping, irrigation, and related features; (vi) mobilization and demobilization of construction equipment; and (vii) testing, inspection, and quality control services directly associated with construction activities.

"**Interest Rate**" means the rate of seven percent (7%) per annum. In no event shall the Interest Rate exceed the maximum rate permitted by law.

"**Soft Costs**" means all indirect, non-construction-related costs reasonably incurred in connection with the design, planning, permitting, management, and administration of the Public Improvements, including, without limitation: (i) architectural, engineering, landscape architecture, surveying, and other design-related services; (ii) legal, title, and consulting fees related to land acquisition, permitting, and regulatory compliance; (iii) environmental studies, traffic studies, and other technical reports; (iv) costs associated with land acquisition, easements, rights-of-way, and related property interests; (vii) permitting and entitlement fees, inspection fees, plan check fees, and utility connection fees; (viii) project management, construction management, and administrative support services; and (ix) insurance, bonding, document preparation, and other costs necessary to support or secure construction of the Public Improvements. Soft Costs may also include reasonable contingencies and overhead expenses directly related to the delivery of the Public Improvements.

Section 2. **Representations and Warranties of the Parties**.

(a) The City represents and warrants that as of the Effective Date:

(i) It is a municipal corporation and political subdivision of the State, duly organized and validly existing under the Constitution, the applicable laws of the State, and its charter.

(ii) It has the power and authority to enter into and perform this Agreement.

(iii) This Agreement has been duly authorized, executed and delivered by the City and constitutes the legal, valid and binding obligation of the City enforceable in accordance with its terms.

(iv) Neither the entry into nor the performance of and compliance with this Agreement has resulted or will result in any violation of, or a conflict with or a default under, any judgment, decree, order, contract or agreement by which the City is bound or any legal requirement applicable to the City.

(v) No representation or warranty of the City in this Agreement contains any untrue statement of material fact or omits a statement of a material fact necessary in order to make such representation or warranty not misleading in light of the circumstances under which it is made.

(vi) Ordinance No. _____ passed by City Council for the City ("**City Council**") on _____________, authorizing the execution and delivery of this Agreement, has been duly passed and is in full force and effect as of the Effective Date.

(b) The Developer represents and warrants that as of the Effective Date:

(i) The Developer (a) is a limited liability company duly organized, validly existing and in good standing under the laws of Ohio and (b) has all requisite power and authority and authority to conduct business in the State of Ohio as now being conducted and as presently proposed to be conducted.

(ii) This Agreement has been duly authorized, executed and delivered by the Developer and constitutes the legal, valid and binding obligation of the Developer enforceable in accordance with its terms.

(iii) Neither the entry into nor the performance of and compliance with this Agreement has resulted or will result in any violation of, or a conflict with or a default under, the organizational documents of the Developer, any judgment, decree, order, contract or agreement by which the Developer is bound, or any legal requirement applicable to the Developer.

(iv) To the Developer's actual knowledge without investigation, there is no action, proceeding or investigation pending or threatened, which questions, directly or indirectly, the validity or enforceability of this Agreement or any action taken or to be taken pursuant to this Agreement.

(v) In consideration of the City's commitments described in this Agreement, the Developer agrees to complete the Development, subject to the condition precedent that Developer purchases the Development Site from its current owner.

Section 3. **Details of the Development**. Notwithstanding the approved zoning for the Development Site, which permits up to 528 homes to be constructed on the Development Site, the Developer hereby covenants and warrants that the maximum number of homes to be constructed on the Development Site shall not exceed 504 homes except as provided herein or otherwise with the written consent of the City. The concept plan for the 504-home development is shown in Exhibit A-1.

A portion of the Development Site, comprised of 17.1± acres located on the west side of Canyon Road SE, is a “flex area” which may be used and developed as a school site or, alternatively, as a single-family residential neighborhood consistent with the development standards applicable to the surrounding developable parcels (the “Flex Site”). The Flex Site is shown on Exhibit B hereto and referred to in such exhibit as Reserve “R.”

Within 30 days after acquiring the Property, the Developer shall submit to the City a draft donation agreement with right of reverter (the “School Site Donation Agreement”) with the Granville Exempted Village School District (the “School District”) for the Flex Site. The draft agreement shall provide that:

(a) The Flex Site shall be donated to the School District within 120 days after the Developer acquires the Development Site (subject to one 90-day extension approved by the Developer, not unreasonably withheld).

(b) A deed restriction will be recorded with respect to the Flex Site to limit its use to the School District’s construction of an elementary school facility (Kindergarten-Fifth Grade or Kindergarten-Sixth Grade) (the “New Elementary School”).

(c) The Developer will notify the School District within a reasonable period of time after the 326th home in the Development has received its certificate of occupancy (the “School Notice”).

(d) Within 365 days of receiving the School Notice, the School District must commence the New Elementary School’s construction, defined as either issuance of debt or similar financing for the full construction of the New Elementary School or the execution of a bona fide construction contract for the full construction of the New Elementary School (the “Construction Deadline”).

(e) If School District construction of the New Elementary School does not commence by the Construction Deadline (subject to one 365-day extension approved by the Developer, not unreasonably withheld), the Flex Site will automatically revert to the Developer.

Upon reversion, the Developer may develop the Flex Site generally consistent with Exhibit C.

Within ninety (90) days of acquiring the Development Site, the Developer shall sign and provide the City a copy of the signed School Site Donation Agreement and make reasonable efforts to have the School District sign as well, though permits are not dependent on the School District’s signature. If the School District declines to sign the School Site Donation Agreement within ninety (90) days of the Developer acquiring the Development Site (subject to one 90-day extension approved by the Developer, not unreasonably withheld), the Developer may then develop the Flex Site generally consistent with Exhibit C.

The School Site Donation Agreement shall further (i) require (A) a minimum building setback of 75 feet and (B) a minimum pavement setback of 50 feet, each from the edge of all public street rights-of-way and from property lines, (ii) incorporate all other development standards and requirements shall be applied to a school use in accordance with Chapter 1159, R-S Suburban Residence District, (iii) require the prior review and approval of the plans for the development of the Flex Site as a school site based on the City of Heath Planning Commission with City Engineer recommendation.

If the Flex Site is not developed and operated as the New Elementary School, the property may be developed with single-family residential uses, subject to and in compliance with the same development standards applicable to the other residential property. The Flex Site could be developed with a maximum of 42 single-family dwellings, consistent with Exhibit C.

Section 4. **Traffic Study and Roadway Improvements**. In accordance with Section 111.40 of the City's Development Regulations, the Developer has completed a traffic study prepared by EMH&T (the "**Traffic Study**") addressing the impact that the Development will have on the City's roadways. Developer shall be responsible for the (a) widening and other improvements to Canyon Road extending from the southern boundary of the Development Site to a point 600' south of the northern boundary line of the Parcel # 725-326286-00.000, as shown on Exhibit D (the "**Initial Terminus Point**"), (b) widening and other improvements to Seminary Road from the Canyon Road intersection to the eastern boundary of the Development Site, all as delineated in Exhibit D, which is attached hereto and incorporated herein by reference, including 11-foot wide travel lanes and 3-foot shoulders on each side, and (c) improvement to the intersection of Seminary Road and Canyon Road with a three-way stop rather turn lanes (collectively, the "**Initial Roadway Improvements**"). The Developer agrees to complete the Initial Roadway Improvements on or prior to the first anniversary of the date of the issuance of the first certificate of occupancy for any single-family homes constructed on the Development Site. The Developer further agrees to provide for the widening and other improvements to Canyon Road extending north from the Initial Terminus Point to the northern corporate limit of the City on or prior to the first anniversary of the date of the issuance of the first certificate of occupancy for any single-family homes in Phase 3 of the Development, including 11-foot wide travel lanes and 3-foot shoulders on each side. In addition, until completion and acceptance by the City of the Roadway Improvements to existing roads within the City, Developer shall be responsible for the maintenance of those existing roads.

Section 5. **Dedications of Rights-of-Way**. The Developer agrees that, following its acquisition of the Development Site and approval of the preliminary subdivision plan application (as such application is contemplated in the Development Regulations and the City's Codified Ordinances) for the Development Site (the "**Preliminary Plan**"), it shall transfer and convey certain rights-of-way to the City from the Development Site consisting of (a) not less than 36 feet of width from the current centerline of Canyon Road and Seminary Road along the portion of the Development Site with frontage along those roads, (b) right-of-way for a roundabout at the intersection of Canyon and Seminary Roads, and (c) such additional property interests as may be required by the City's Development Regulations or otherwise in the Traffic Study, all as generally illustrated in Exhibit D, which is attached hereto and incorporated herein by reference (the "**ROWs**"). The location(s) and width(s) of the ROWs shall be reviewed and approved as part of the Preliminary Plan in coordination with the City's Building and Zoning Department and subject to approval by City Council. The ROWs shall be transferred and conveyed to the City by and through the execution and recording of one or more deeds or plats with the Office of the Recorder of Licking County, Ohio ("**Recorder**"), the form(s) of which shall be reasonably acceptable to the City and the Developer.

ROWs to be transferred and conveyed to the City shall require the City's approval, which shall be evidenced by one of the following means: (a) if the transfer and conveyance of the ROWs are to be accomplished through the execution and recording of a final plat, City approval shall be evidenced by a resolution or ordinance of City Council indicating such approval; or (b) if the transfer and conveyance of the ROWs are to be accomplished through the execution and recording of a deed granting City fee simple ownership, City approval shall be evidenced by the mayor's signature on an acknowledgment and acceptance of said conveyance, which acknowledgment and acceptance may be contained within the deed itself. All of the Developer's obligations to transfer the ROWs to the City shall be conditioned upon the Developer first obtaining ownership of the Development Site.

Section 6. **Other Dedications**. The Developer agrees that, following such time when it has acquired the Development Site, the zoning application for the Development Site (the "**Zoning Application**") has been approved (with conditions that are acceptable to the Developer, if applicable) and is legally effective and the Preliminary Plan has been approved (with conditions that are acceptable to the Developer, if applicable) for development of the Development Site so that it is legally effective, and the Developer is in receipt of all other applicable approvals and permits for the development of the Development Site, the Developer shall cause to be conveyed to the City, at no cost to the City:

In compliance with Chapter 11111.03 of the Codified Ordinances of the City of Heath, Ohio (the "**City Open Space Ordinance**"), the Developer shall convey to the City certain portions of the Development Site as generally depicted as Subarea "**F**" on the Preliminary Plan (and referred to herein as the "**Parkland Dedication Site**"), or such lesser or greater amount as determined in accordance with the City Open Space Ordinance.

Within 30 days following legally effective approval of the Preliminary Plan, the Developer shall provide the City with a Phase 1 Environmental Site Assessment covering the Parkland Dedication Site. If the results of the Phase 1 Environmental Site Assessment are acceptable to the City, Developer shall transfer the Parkland Dedication Site to the City within thirty (30) days of acquiring ownership of the same, and it shall thereafter be forever owned, maintained and managed by the City and permanently held for open space and recreational purposes. If the results of the Phase 1 Environmental Site Assessment are not acceptable to the City, Developer shall take further action necessary to address any environmental issues to the satisfaction of the City prior to transferring the Parkland Dedication Site to the City. If environmental issues remain such that the City is not willing to accept the transfer or is only willing to accept a portion of such transfer, the Developer shall pay a fee-in-lieu to the City in accordance with the City's Open Space Ordinance. Nothing contained herein shall restrict or limit the legislative and administrative review processes and powers of the City's Planning Commission and City Council.

Section 7. **Construction of Public Improvements**. As used herein, the public improvements necessary to serve the Development as listed in Exhibit E, which is attached hereto and incorporated herein by reference, and which include design and engineering and other Soft Costs, and easements, acquisitions of rights-of-way and/or temporary work agreements necessary therefor are defined as the "**Public Improvements**." The Public Improvements shall be constructed, installed and maintained by the City. Commencement of the design for such Public Improvements shall occur within ninety (90) days of execution of this Agreement. Subject to any unforeseeable and/or excusable delays, including, but not limited to unforeseen site conditions or weather conditions, construction of the Public Improvements shall be completed within eighteen (18) months after commencement of construction of each respective component. Additionally, the time for completion of the construction of the Public Improvements may be extended if the scope work is modified or expanded. The Developer shall contribute to the costs of such Public Improvements as follows:

(a) Prepayment of Capacity Fees for Water and Sanitary Sewer. With respect to each single-family residential lot in the Development Site, the Developer agrees to pay to the City the amount of $11,120, which will satisfy the City's requirement for the payment of utility capacity fees for such lots (the "**Utility Capacity Prepayment**"). For the avoidance of doubt, the Utility Capacity Prepayment will apply only to the single-family residential lots in the Development (based on the total number of single-family residential lots shown on and approved as part of the Preliminary Plan), and no multi-family units shall be eligible for prepayment (i.e., any lots in the Development Site other than single-family residential lots) shall comply with the City's capacity fee ordinance. The first installment of the Prepayment shall be in the amount of the costs set forth in the awarded bid to a third party for the design and engineering of the off-site public water and sanitary sewer utilities necessary to serve the Development Site (such amount being referred to as the "**Design and Engineering Costs**"), and shall be paid on a monthly basis by and through the payment to the City of the amount of each invoice from the third party for such services, not to exceed a total amount equal to the product of 0.25 and the total amount of water capacity fees and sanitary capacity fees which are to be paid for the full development of the Development Site pursuant to the approval of the Preliminary Plan for the Development. Notwithstanding the foregoing, the obligation of the Developer to continue paying monthly payments toward the first installment of the Prepayment shall terminate, as will the requirement to make any additional Prepayments, if the Developer's contract to purchase the Development Site is terminated for any reason and the Developer delivers written notice of such termination to the City, both before such time as the City executes any contracts for the construction of the off-site public water and sanitary sewer infrastructure improvements. In such event, the Developer shall make a final payment to the City to cover any portion of the Design and Engineering Costs that are required to be paid under the design and engineering contracts through such reasonable period following receipt of such notice, calculated based on the total amount to be paid on those contracts and not limited by 25% of the total amount of water capacity fees and sanitary capacity fees which are to be paid for the full development of the Development Site pursuant to the approval of the Preliminary Plan for the Development. At least ten (10) days prior to awarding the bid for the construction of the off-site public water and sanitary sewer infrastructure improvements, the City shall provide the Developer with the opportunity to review and provide comments on the same; provided, however, that the final decision as to the form of such construction shall be the City's.

The next installment of the Prepayment (the "**Second Prepayment Installment**") shall be equal to the sum of (i) the product of 0.25 and the total amount of water capacity fees and sanitary capacity fees that are to be paid for the full development of the Development Site pursuant to the approval of the Preliminary Plan for the Development, plus (ii) the amount, if any, by which the first installment of the Utility Capacity Prepayment was less than 25% of the total amount of water capacity fees and sanitary capacity fees that would have been paid for the full development of the Development Site pursuant to the approval of the Preliminary Plan for the Development. The Second Prepayment Installment shall be paid by the Developer to the City within fifteen (15) days after the City notifies the Developer in writing that it has executed the contracts for construction of the off-site public water and sanitary sewer utilities necessary to serve the Development Site. Notwithstanding the foregoing, if the Developer receives said notice from the City and determines that it is not moving forward with its purchase of the Development Site, it shall provide written notice to the City as to this determination within ten (10) days after receiving the City's written notice, and except for amounts that are due and payable by the City pursuant to such contracts at the time of receipt of the Developer's cancellation notice (plus a reasonable period following receipt of such notice during which time the City has the opportunity to terminate such contracts), the Developer shall have no obligation to pay the Second Prepayment Installment or any subsequent Prepayment that otherwise would be due to the City, and the City then would not be obligated to proceed with the construction of the Public Improvements.

Each subsequent installment (each installment being in an amount equal to the product of 0.25 and the total amount of water capacity fees and sanitary capacity fees that are to be paid for the full development of the Development Site pursuant to the approval of the Preliminary Plan for the Development) shall be payable by no later than each of the two (2) subsequent anniversary dates of the date when the Second Prepayment Installment was made. In consideration for this arrangement, the City agrees that, as long as the Developer is in compliance with this Agreement, the Utility Capacity Prepayment shall not be increased. Capacity fees for other types of uses will not be subject to prepayment and will be charged at the rates in effect for such use at the time of submission of the application for the zoning permit for such parcel. The single-family portions of the Development shall not utilize a master meter configuration without the written approval of the mayor. The Utility Capacity Prepayment amounts received by the City shall be allocated to the cost of water and wastewater system improvements undertaken by the City that benefit the Development Site in the manner determined by the Mayor and the City's Public Utilities Director.

(b) Roadway Improvements. The Roadway Improvements shall be constructed by the Developer at its sole cost and expense.

Section 8. **Interest**. Interest on any unpaid portion of the amounts payable by the Developer to the City pursuant to this Agreement begins accruing at the Interest Rate (compounded monthly on the basis of a 360-day year consisting of twelve 30-day months) on each date when the Developer is to provide a particular payment to the City in accordance with this Agreement.

Section 9. **Easements and Rights-of-Way**. The Developer shall provide easements, rights-of-way and/or temporary work agreements with respect to any portion of the Development Site necessary for the Public Improvements free-of-charge. With respect to any other required easements, rights-of-way and temporary work agreements outside the Development Site, (i) the Developer shall assist with the preparation of any required exhibits for such easements, rights-of-way and temporary work agreements, and (ii) the City shall be solely responsible for obtaining such easements, rights-of-way, and/or temporary work agreements necessary for the Public Improvements at City's sole expense.

Section 10. **<u>Inspections</u>**. Notwithstanding the first sentence of Section 70.21 of the City's Development Regulations, the inspection fees payable by the Developer for each phase of the Development shall be determined based on the construction schedule for that phase provided by the Developer, reviewed and approved by the City and based on the City Engineer's estimate for the total inspection costs for that phase. Except as provided in the preceding sentence, the Developer shall comply with Section 70.21.

Section 11. **<u>Financing Incentives</u>**.

(a) **<u>Tax Increment Financing</u>**.

(i) <u>General</u>. The City agrees that it shall be a condition precedent to the Developer's and the Developer's obligations to perform under this Agreement that the City shall have created one or more tax increment financing ("**TIF**") districts covering the Development Site (the "**TIF Districts**") through the passage of legislation by City Council ("**TIF Ordinances**") in order to maximize the revenues generated from the TIF. The TIF Districts shall be created pursuant to relevant provisions of the Ohio Revised Code (the "**TIF Statutes**") and shall provide for a 100% exemption of the Improvement (as that term is defined in Ohio Revised Code Section 5709.40(A)(4)) to each parcel of real property comprising the Development Site for a period of thirty (30) years ("**TIF Exemption**"), provided that such TIF Ordinances shall provide for compensation payments to the affected school districts equal to 100% of the amount of real property taxes that such school districts would have received, but for the TIF Exemption.

(ii) <u>Service Payments</u>. The Developer hereby agrees, for itself and on behalf of its successors and assigns in interest with respect to ownership of all or any portion of the Development Site, to make service payments in lieu of taxes ("**Service Payments**") attributable to their respective periods of ownership of such portion of the Development Site which is subject to a TIF Exemption. Service Payments will be made in accordance with the requirements of the TIF Statutes and the TIF Ordinances, and any subsequent amendments or supplements thereto, and will be in the same amount as the real property taxes that would have been charged and payable against the Improvements (after credit for any property tax rollback payments received) had the TIF Exemption not been granted, including any penalties and interest. The Developer and its successors and assigns will not, under any circumstances, be required for any tax year to pay both real property taxes and Service Payments with respect to the Improvements, whether pursuant to the TIF Statutes, the TIF Ordinances, or this Agreement.

Service Payments will be made semiannually to the Licking County Treasurer (or to such Treasurer's designated agent for collection of the Service Payments) on or before the date on which real property taxes would otherwise be due and payable for the Development Site. Any late payments will bear penalties and interest at the then-current rate established under Ohio Revised Code Sections 323.121 and 5703.47 or any successor provisions thereto, as the same may be amended from time to time. Service Payments received by the City shall be deposited into the municipal public improvement tax increment equivalent funds ("**TIF Funds**") which are created by the TIF Ordinances.

(iii) Public Infrastructure Improvements. The Developer and the City acknowledge and agree that the TIF Ordinances will specify certain public infrastructure improvements (which will include but shall not be limited to the Public Improvements, the Roadway Improvements, and other public infrastructure improvements within the Development Site) made, to be made or in the process of being made that directly benefit, or that once made will directly benefit, the Development Site, and the costs of which may be paid from Service Payments. The City will use the Service Payments it receives with respect to the Development Site for any purpose authorized by the TIF Ordinances and the TIF Statutes, but in all circumstances in accordance with the terms of this Agreement.

(iv) Use of Service Payments. All Service Payments deposited into the TIF Funds and remaining after any required school compensation payments shall be applied by the City for any lawful purpose, including funding of Additional School Payments (as defined in Section 11(c) below).

(b) **New Community Authority**. Pursuant to that certain *Petition for Establishment of the Heath Community Authority as a New Community Authority under Ohio Revised Code Chapter 349*, filed with the City on October 21, 2024, and approved by Ordinance No. 92-2024, adopted by City Council on December 16, 2024, the City established the Heath Community Authority (the "**NCA**"). Developer agrees to present to City Council a petition to add the Development Site to the NCA in accordance with Section 349.03(B) of the Ohio Revised Code (such petition, the "**NCA Application**"). Within sixty (60) days of the City Council approving the NCA Application, Developer shall record a Declaration of Covenants and Restrictions ("**Declaration**") for the Development Site that will require, among other things, each current and future owner of all and any portion of the Development Site (including all future homeowners) to pay the annual NCA Millage Charge.

The form and contents of the NCA Application, the Declaration, and other documents necessary for adding the Development Site to the NCA or effectuating the NCA Millage Charge (the "**NCA Documents**") shall be prepared by the City, or by outside counsel on behalf of City, and shall be delivered to the Developer for its reasonable review and approval prior to the NCA Application being provided to City Council. The NCA Application shall provide, among other things, for the collection of a community development charge (as such term is defined in Ohio Revised Code Section 349.01) imposed on all parcels comprising the Development Site (except for parcels owned by a political subdivision) in various components, which community development charge components shall include (among other charges permitted by Ohio Revised Code Chapter 349) an amount not greater than 7.5 mills (the "**NCA Millage Charge**") charged against the assessed valuation of such parcels to be paid to the City and used, in the City's sole discretion, to fund "costs of community facilities" (as such terms are defined in Ohio Revised Code Section 349.01).

Among other things, the Declaration shall provide that, if by reason of any change of law, rate or common level of assessment the assessed valuation for purposes of the tax duplicate is to be determined as an amount which is less or more than thirty-five percent (35%) of the true value of the real property assessed, then upon determination of the Board, and with City Council approval, Assessed Valuation shall mean the assessed valuation shown on the tax duplicate adjusted to equal thirty-five percent (35%) of the fair market value.

The NCA Documents shall further provide that the NCA Charge shall not begin accruing on each parcel within the Development Site until (i) it has been subdivided from the Development Site and (ii) a certificate of occupancy has been issued for a home on that parcel. The Developer shall be responsible for paying the costs associated with adding the Development Site to the NCA, preparing the NCA Documents, and recording the Declaration.

(c) **Additional School Payments**. Subject to the fulfillment of the terms of this Agreement, the Parties express the intent for the provision of further amounts (in addition to the "non-school TIF payments" to the School District as provided in Section 11(a)(i) hereof) to be paid to the School District (the "Additional School Payments"). The Additional School Payments, which may be payable from the NCA Millage Charge (as may be included in the proceedings for the addition of the Development Site to the NCA) or from a portion of the amounts in the TIF Fund, or a combination of the foregoing, shall be equal to: (a) starting with the first year in which the NCA Millage Charge is collected with respect to a parcel for which a certificate of occupancy for a home constructed on such parcel and continuing for a 20-year period, an amount equal to 2.25 mills charged against the assessed valuation of such parcels, and (b) if the School District opens New Elementary School within the time frames set forth in Section 3 hereof, then beginning in the year following the opening of the New Elementary School, an amount equal to 1 mill from each home which is then subject to the NCA Millage Charge to be paid to the School District for 15 years.

Section 12. **Events of Default and Remedies**.

(a) **Events of Default**. Any one or more of the following constitutes an "**Event of Default**" under this Agreement:

(i) The Developer fails to pay any Service Payment within 30 days of the due date, provided, however, that should any successors or assigns of the Developer with respect to a subdivided portion of the Property (such as an individual homeowner) failure to so timely pay any Service Payment within 30 days of the due date, this shall not constitute an Event of Default of the Developer under this Agreement;

(ii) Any of the Developer's or the City's representations and/or warranties in this Agreement that is materially false or misleading at the time it is made;

(iii) The Developer files a petition for the appointment of a receiver or a trustee with respect to it or any portion of the Development Site;

(iv) The Developer makes a general assignment for the benefit of creditors;

(v) The Developer files an insolvency proceeding with respect to itself or any proceeding with respect to itself for compromise, adjustment or other relief under the laws of any country or state relating to the relief of debtors; or

(vi) Either the City or the Developer fails to perform or observe any other material obligation punctually and as due under this Agreement.

(b) **General Right to Cure.** In the event of the occurrence of an Event of Default described in Section 9(a) above, the defaulting Party will, upon written notice from the non-defaulting Party, proceed as soon as reasonably possible to cure or remedy such Event of Default and, in any event, within 30 days after receipt of such notice. In the event such Event of Default or breach is of such nature that it cannot be cured or remedied within said 30-day period, then the defaulting Party shall immediately deliver written notice to the non-defaulting Party detailing the reasons therefor and proposing an alternative timeframe for completing such cure or remedy. If the defaulting Party and the non-defaulting Party are unable to agree in writing upon an extension of the time period for the defaulting Party to cure or remedy the Event of Default, then such cure or remedy shall be completed within the 30-day period following the defaulting Party's receipt of the written notice of an Event of Default from the non-defaulting Party.

(c) **Remedies**.

(i) **General**. Upon the occurrence and continuation of an Event of Default, the non-defaulting Party may institute such proceedings against the defaulting Party as may be necessary or desirable in its opinion to cure and remedy such default or breach. Such remedies include, but are not limited to: (i) terminating this Agreement, (ii) instituting proceedings to compel specific performance by the defaulting Party and (iii) any other rights and remedies available at law, in equity or otherwise to collect all amounts then becoming due or to enforce the performance of any obligation under this Agreement.

(ii) **Unforeseeable Delay**. Neither party shall be considered in breach of its obligations under this Agreement, and neither party shall be entitled to terminate this Agreement, due to unforeseeable causes beyond its reasonable control and without its fault or negligence, including, but not restricted to, acts of God, acts of the public enemy, acts of the federal government or any state or local government, orders of courts, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, material shortages, freight embargoes, and unusually severe weather or delays of subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such unforeseeable delay, the time for performance of the obligations shall be extended for the period of the unforeseeable delay. The party seeking the benefit of the provisions of this subsection shall, within thirty (30) days after such party's discovery of the impact of any such unforeseeable delay, have first notified the other party thereof in writing, and of the cause or causes thereof, and requested an extension for the anticipated period of the unforeseeable delay. Delays or failures to perform due to lack of funds shall not be deemed unforeseeable delays beyond the reasonable control of such party.

Section 13. **Agreement Binding on Parties; No Personal Liability**. All covenants, obligations and agreements of the Developer and the City contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the City in other than their official capacity or of any individual person who is an officer, director or shareholder of the Developer other than in their capacity as an officer, director or shareholder, and neither the members of City Council nor any City official executing this Agreement, or any individual person executing this agreement on behalf of the Developer, shall be liable personally by reason of the covenants, obligations or agreements of the Developer or the City contained in this Agreement.

Section 14. **Miscellaneous**.

(a) **Conflict of Interest**. No official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interest of any corporation, partnership, or association in which he or she is, directly or indirectly, interested.

(b) **Cooperation Clause**. If the terms of this Agreement, or any amendment or amendments to the City's Planning and Zoning Code or any provision of City laws that are required to be enacted or amended as a consequence of this Agreement, are challenged by either referendum or administrative appeal to the courts or such other legal or equitable remedies sought by those who may oppose this Agreement, the parties agree to cooperate with each other to uphold the validity and enforceability of this Agreement, because the parties recognize that it is within the discretion of the City under the City's Charter and laws, as well as the laws and Constitution of the State of Ohio to provide for agreements between landowners and municipalities to further what is in the best interest of the public health, safety and welfare of a municipality and the other rights of private property there under. This cooperation clause only pertains to City Council decisions relating to this Agreement, and this cooperation clause cannot be used to attempt to force City Council to override other legislative or administrative decisions relating to the Development, including the Development Standards.

(c) **Relationship of Parties**. Nothing contained in this Agreement shall be deemed or construed, either by the Parties or by any third party, to create the relationship of principal and agent or to create any partnership, joint venture or other association between the Developer and the City.

(d) **Periodic Review**. This Agreement shall be reviewed periodically by the City. At the review, the Developer and its affiliates shall provide such information as shall be reasonably required by the City to demonstrate good faith compliance with the terms of this Agreement.

(e) **Income Tax**. The Developer shall withhold all City income taxes due or payable under the provisions of the Income Tax Ordinance for wages, salaries and commissions paid to its employees (if any) pursuant to Chapter 183 of the Codified Ordinances of the City of Heath, Ohio. The Developer shall use commercially reasonable efforts to require contractually its contractors (i) to withhold any such City income taxes due for services arising from or in relation to the Development or this Agreement and (ii) to pay the same to the City when due and (iii) to provide, upon request of the City, an accounting of the number of days worked by each employee, contractor, or subcontractor of such entity at the Development Site. The Developer shall provide the City upon the City's request with a list of all of Developer's sub-contractors and sub-contracts of those sub-contractors and their employees working on the Development. Upon request, the Developer shall submit, in a format acceptable to the Fiscal Officer, a reconciliation of all wages paid to its employees that performed work in the City with respect to the Development, and, upon request of the City, an accounting of the number of days worked by each such employee at the Development Site.

(f) **Waivers**. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City and the Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and the Developer. No consent or waiver, express or implied, by either party to or of any breach of any covenant, condition, or duty of the other party shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty to be observed by the other party.

(g) **Municipal Power**. Nothing in this Agreement shall be construed to be in derogation of the powers granted to the municipal corporations by Article XVIII of the Ohio Constitution, including the right to protect the health, safety and welfare of its citizens.

(h) **No Other Municipal Incentives**. The Developer acknowledges and agrees that the Development, including tenants thereof, shall not be entitled to any additional incentives from the City with respect to the Development except those which are explicitly set forth herein, unless otherwise approved by the City.

(i) **Indemnification**. The Developer shall at its cost and expense, defend, indemnify and hold the City and any officials and employees of the City (collectively the "**Indemnified Parties**" and each an "**Indemnified Party**"), harmless from and against, and shall reimburse the Indemnified Party for, any and all loss, cost, claim, liability, damage, judgment, penalty, injunctive relief, expense or action (collectively the "**Liabilities**" and each a "**Liability**"), other than Excluded Liabilities, whether or not the Indemnified Party shall also be indemnified as to any such claim by any other person, the basis of which claim (a) was caused by or results from the actions or failures to act of any the Developer, its affiliates, agents, employees, contractors, subcontractors and material suppliers (b) is based, in whole or in part upon failure or alleged failure of any the Developer, or its affiliates to satisfy their obligations under this Agreement; (c) relates to fraud, misapplication of funds, illegal acts, or willful misconduct on the part of any the Developer or its affiliates; or (d) relates to the bankruptcy or insolvency of any the Developer or its affiliates. The indemnity provided for herein shall survive the expiration or termination of this Agreement.

"**Excluded Liability**" means each Liability to the extent it is attributable to (i) the gross negligence, recklessness or willful misconduct of any Indemnified Party or (ii) the failure of any Indemnified Party that is a party or third-party beneficiary of this Agreement to perform any obligation required to be performed by the Indemnified Party, including without limitation, the settlement of any Liability without the consent of the Developer, or, to the extent the Developer's ability to defend a Liability is prejudiced materially, the failure of an Indemnified Party to give timely written notice to the Developer of the assertion of a Liability.

Upon notice of the assertion of any Liability, the Indemnified Party shall give prompt written notice of the same to the Developer. Upon receipt of written notice of the assertion of a Liability, the Developer shall have the duty to assume, and shall assume, the defense thereof, with power and authority to litigate, compromise or settle the same; provided that, the Indemnified Party shall have the right to approve any obligations imposed upon it by compromise or settlement of any Liability or in which it otherwise has a material interest, which approval may be withheld in its sole discretion.

If it is ethically inappropriate for one firm to represent the interests of the Developer and the Indemnified Party, the Developer will pay the legal expenses of the Indemnified Party in connection with its retention of separate counsel. At its own expense, an Indemnified Party may employ separate counsel and participate in the defense of any Liability. Upon the request of the Developer, the Indemnified Party will cause its counsel to provide periodic updates of its fees and expenses. The Developer shall not be liable for any settlement of any Liability made without its written consent, but if settled with the written consent of the Developer, or if there is a final judgment for the plaintiff in an action, the Developer agrees to indemnify and hold harmless the Indemnified Party, except only to the extent of any Excluded Liability.

(j) **Severability**. In the event that any portions, sections or subsections of this Agreement are rendered invalid by the decision of any court or by the enactment of any law, ordinance or regulation, such provision of this Agreement will be deemed to have never been included therein and the balance of the Agreement shall continue in full force and effect.

(k) **Assignment**. Except as expressly provided hereunder, this Agreement may not be assigned without the prior written consent of the non-assigning Parties. Notwithstanding the foregoing or any other provision of this Agreement:

(i) The Developer shall be permitted to assign its rights and obligations under this Agreement to an affiliated business entity with the City's consent, which shall not be unreasonably withheld; and

(ii) The Developer shall be permitted to assign this Agreement in whole or part to one or more construction lenders without the City's consent but with written notice of such assignment to the City.

It is expressly agreed and acknowledged by the City that the obligation of the Developer to pay Service Payments and the NCA Millage Charge shall apply to the Developer only with respect to its periods of ownership of each relevant portion of the Development Site. The obligation to pay Service Payments and the NCA Millage Charge with respect to each particular parcel within the Development Site shall apply only to relevant successors or assigns in interest of the Developer after such time as the Developer has transferred and conveyed ownership of that parcel to another party.

(l) **Binding Effect**. The provisions of this Agreement shall be binding upon the successors and/or assigns of the Parties. The obligations of the Developer shall bind and run with the Development Site.

(m) **Captions**. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

(n) **Day for Performance**. Wherever herein there is a day or time period established for performance and such day or the expiration of such time period is a Saturday, Sunday or legal holiday, then such time for performance shall be automatically extended to the next business day.

(o) **Entire Agreement**. This Agreement constitutes the entire Agreement between the Parties on the subject matter hereof and supersedes all prior negotiations, agreements and understandings, both written and oral, between the Parties with respect to such subject matter. Notwithstanding the foregoing, this Agreement is not meant to and shall not supersede, replace, amend, or modify the Pre-Annexation Agreement. This Agreement may not be amended, waived or discharged except in an instrument in writing executed by the Parties.

(p) **Executed Counterparts; Recording of Memorandum**. This Agreement may be executed in several counterparts, each of which shall be deemed to constitute an original, but all of which together shall constitute but one and the same instrument. It shall not be necessary in proving this Agreement to produce or account for more than one of those counterparts. Signatures transmitted by facsimile or electronic means are deemed to be original signatures. Upon the full execution of this Agreement, the Parties also shall execute a memorandum of this Agreement (a "**Memorandum of Agreement**"), in a form which is mutually acceptable to the Parties, which shall be recorded by the Developer with the Recorder at its sole cost and expense and only if and after such time as the Developer or an affiliated entity has acquired ownership of the Development Site. The Memorandum of Agreement shall serve the purpose of placing purchasers and future owners of the Development Site (or any portion thereof) on notice of the existence of this Agreement and its applicability to the Development Site and that the covenants contained herein shall be covenants running with the land and that such covenants are binding upon and inure to the benefit of the Parties and any successors and assigns of the Parties, including any future owners of the Development Site, who shall be subject to the provisions of this Agreement applicable to the Developer, to the fullest extent permitted by law and equity for the benefit of the City, whether or not such provision is included in any succeeding deed to the Developer's successors and assigns. Such Memorandum of Agreement shall further provide that a copy this Agreement may be reviewed by interested parties by making a public records request with the City. The Memorandum of Agreement shall not disclose any of the substantive terms of this Agreement.

(q) **Extent of Covenants; No Personal Liability**. All covenants, obligations and agreements of the Parties contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, owner, officer, agent or employee of the City and/or the Developer other than in his or her official capacity.

(r) **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio without regard to its principles of conflicts of laws. All claims, counterclaims, disputes and other matters in question between the City, its agents and employees, and/or the Developer and its employees and agents, arising out of or relating to this Agreement or its breach will be decided in a court of competent jurisdiction within Licking County, Ohio.

(s) **Notices**. Except as otherwise specifically set forth in this Agreement, all notices, demands, requests, consents or approvals given, required or permitted to be given hereunder shall be in writing and shall be deemed sufficiently given if actually received or if hand- delivered, sent by recognized, overnight delivery service or by certified mail, postage prepaid and return receipt requested, addressed to the other parties hereto at the addresses set forth in this Agreement, or to such other address as the recipient shall have previously notified the sender of in writing, and shall be deemed received upon actual receipt, unless sent by certified mail, in which event such notice shall be deemed to have been received when the return receipt is signed or refused. Notices may also be sent by e-mail but will be deemed effective only upon acknowledgement by the recipient. For purposes of this Agreement, notices shall be addressed to:

The City:
City of Heath
Attn. Mayor Mark Johns
1287 Hebron Road
Heath, Ohio 43056
E-mail: mayor@heathohio.gov

With a copy to:
Bricker Graydon Wyatt LLP
Attn. Price Finley, Esq.
100 South Third Street
Columbus, Ohio 43215
Email: pfinley@bricker.com

The Developer:
M/I Homes of Central Ohio LLC
Attn: Josh Barkan
4131 Worth Avenue, Suite 310
Columbus, Ohio 43219
E-mail: jbarkan@mihomes.com

With a copy to:
Underhill & Hodge LLC
Attn: Aaron Underhill, Esq.
8000 Walton Parkway, Suite 120
New Albany, Ohio 43054
E-mail: aaron@uhlawfirm.com

The Parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices; certificates, requests or other communications shall be sent.

(t) **<u>No Exclusivity of Rights and Remedies</u>**. No right or remedy herein conferred upon or reserved to any Party is intended to be exclusive of any other right or remedy, and each and every right or remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter legally existing upon the occurrence of any event of default hereunder. The failure of any Party to insist at any time upon the strict observance or performance of any of the provisions of this Agreement or to exercise any right or remedy as provided in this Agreement shall not impair any such right or remedy or be construed as a waiver or relinquishment thereof. Every right and remedy given by this Agreement to the Parties hereto may be exercised from time to time and as often as may be deemed expedient by the Parties hereto, as the case may be.

Remainder of Page Intentionally Left Blank –

Signature Page Immediately Follows

IN WITNESS WHEREOF, the City and the Developer have caused this Development Agreement to be executed by their duly authorized officers as of the dates set forth below.

The City:

THE CITY OF HEATH

By:___________________________

Its:___________________________

Name:_________________________

The Developer:

M/I HOMES OF CENTRAL OHIO LLC,

an Ohio limited liability company

By:___________________________

Its:___________________________

Name:_________________________

CITY FISCAL OFFICER'S CERTIFICATE

The undersigned, City Auditor for the City of Heath, Ohio (the "**City**"), hereby certifies in connection with the Development Agreement by and among the City and M/I Homes of Central Ohio LLC, dated _______________, 2026 (the "**Agreement**"), that:

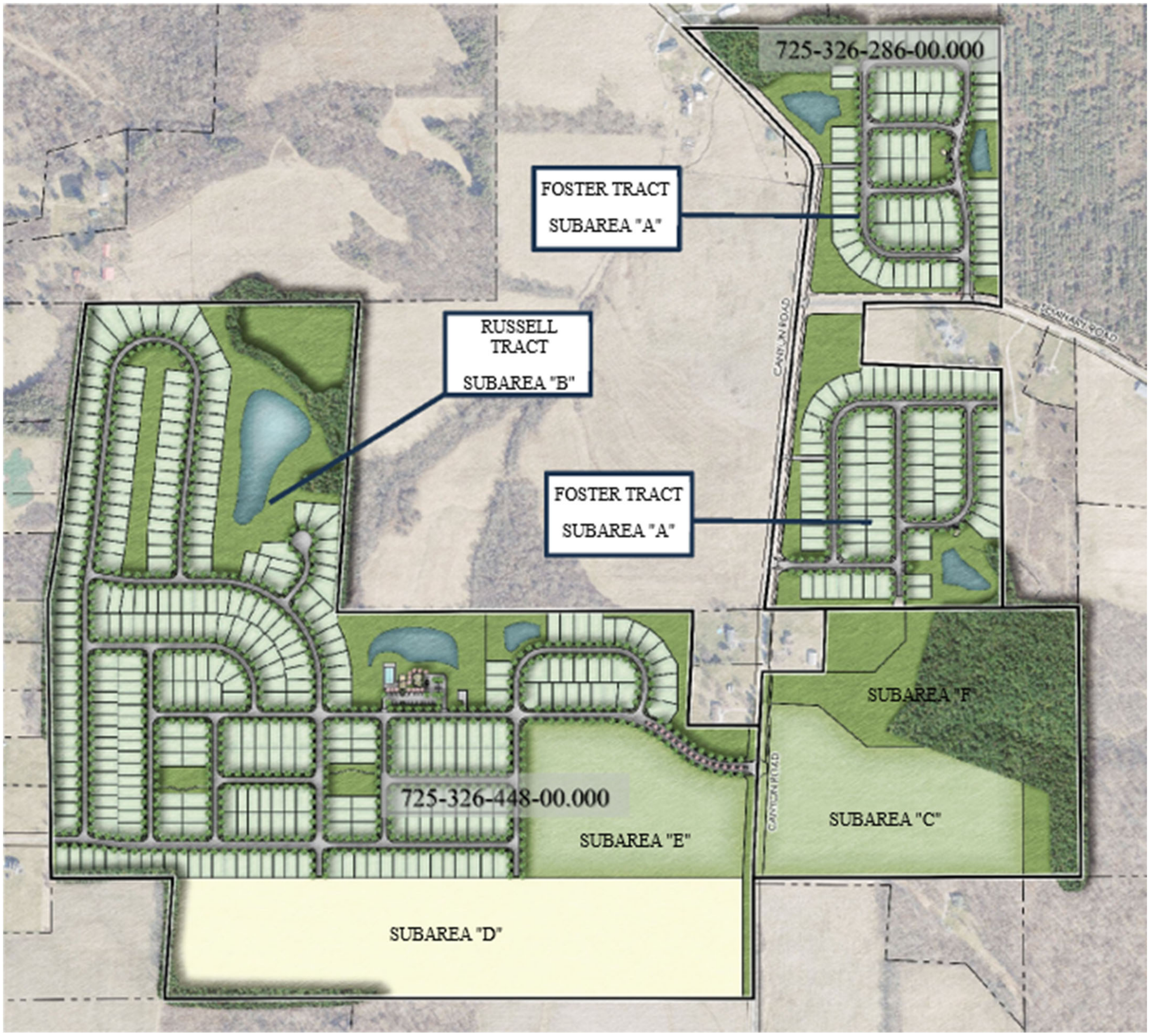
> The amount required to meet the contract, obligation, or expenditure of the City during fiscal year 2026 for the foregoing Agreement, has been lawfully appropriated for the purpose, and is in the treasury or in process of collection to the credit of an appropriate fund, free from any outstanding obligation or encumbrance.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of __________, 2026.

____
Jay Morrow, City Auditor
City of Heath, Ohio

Exhibit A-1

Development Site Depiction



19717629v20

Exhibit A-2

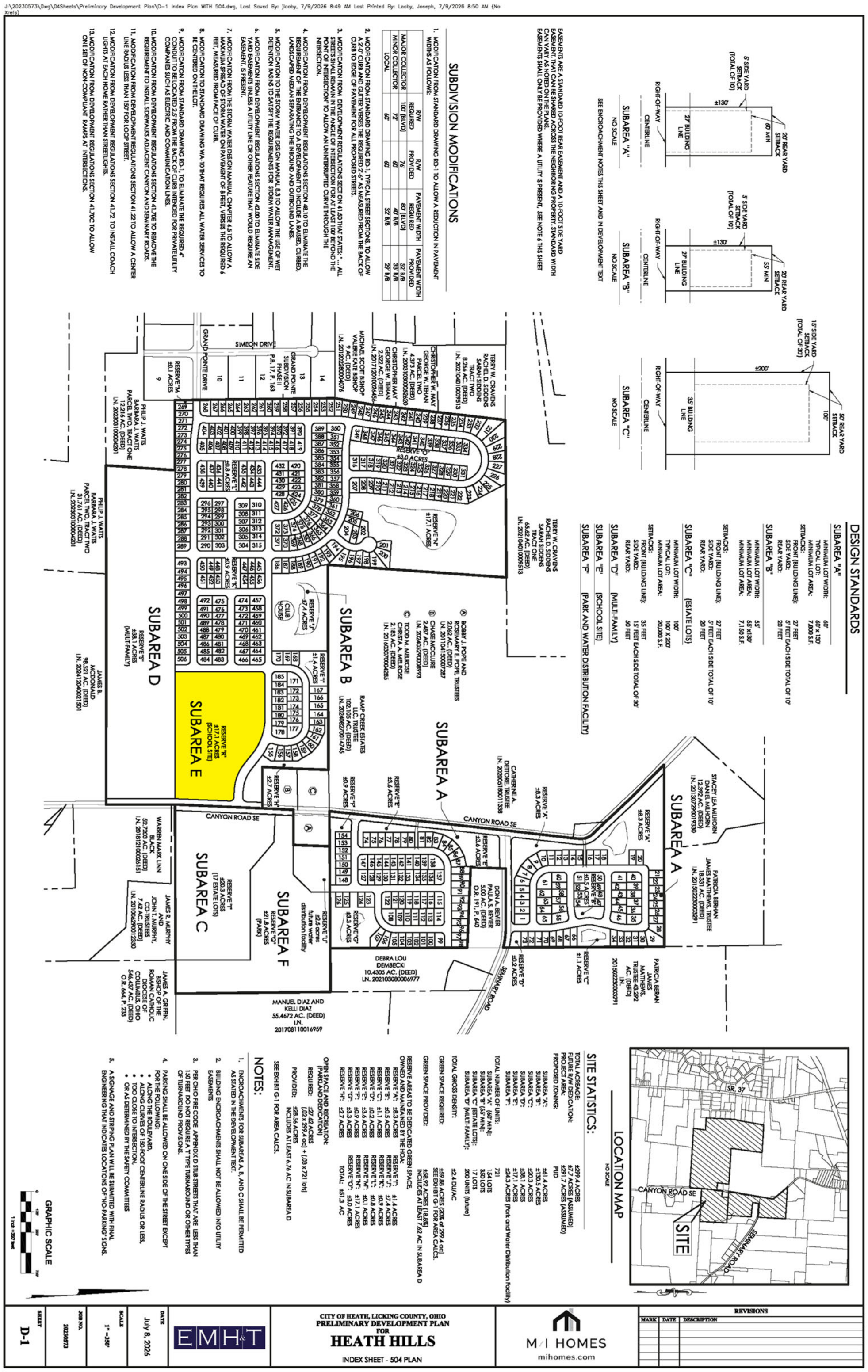
Development Site Parcel Descriptions

The Development Site consists of those parcels identified in the records of the Licking County Auditor as having the permanent parcel identification numbers noted below as of the effective date of the Development Agreement to which this Exhibit A-2 is attached, as such Parcels may be sub-divided, combined, re-combined, re-numbered, or re-platted from time to time.

Parcel Number	Address	Acreage
725-326286-00.000	Seminary Road Newark, Ohio 43056	65.66 Acres
725-326448-00.000	6120 Canyon Rd Hebron, Ohio 43025	146.95 Acres
		Total: 212.61 Acres

Exhibit B

Depiction of Flex Site



B-1

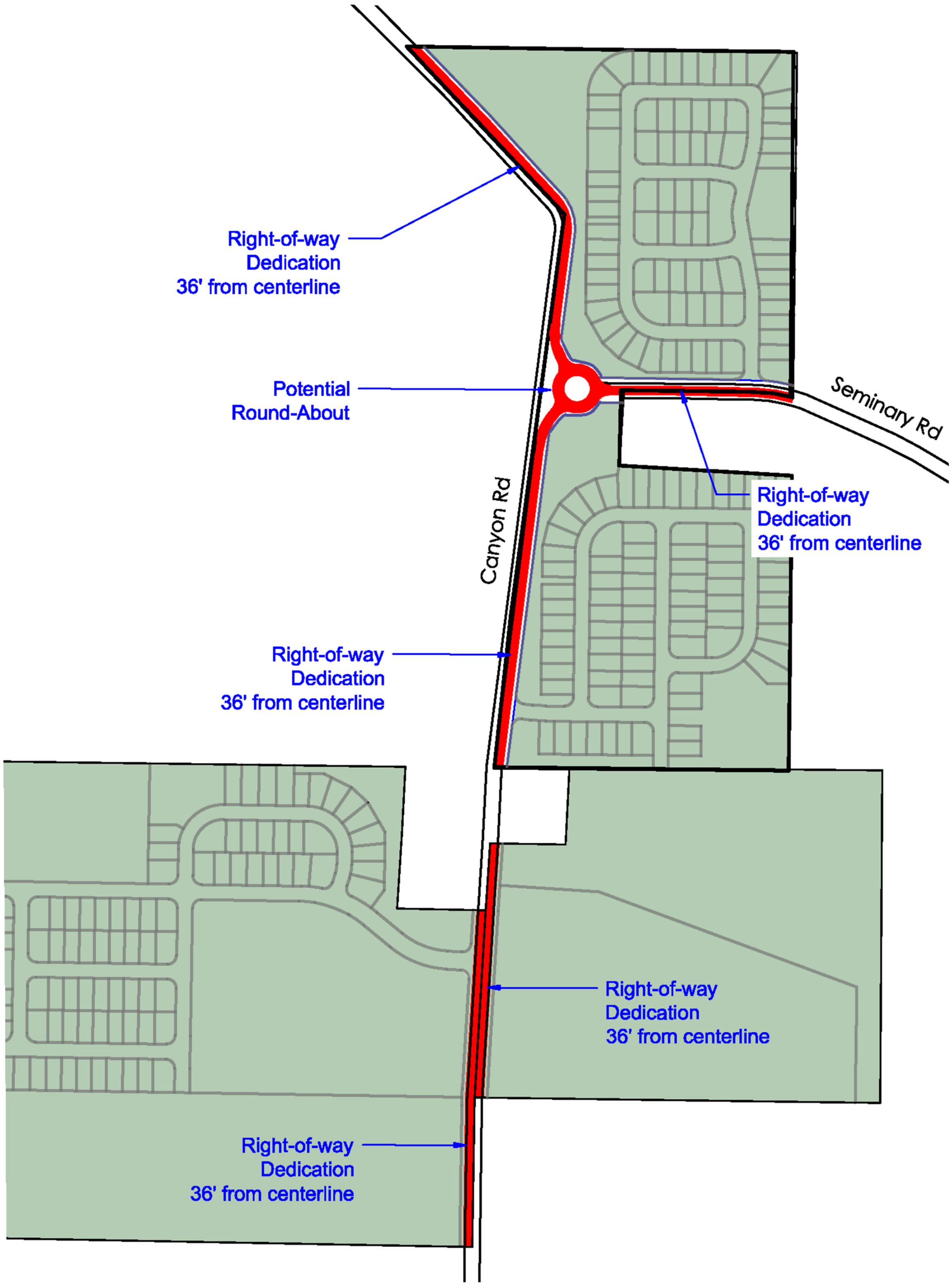
Exhibit C

Depiction of Flex Site if Not Developed for New Elementary School

19717629v20

Exhibit D

Depiction of ROW



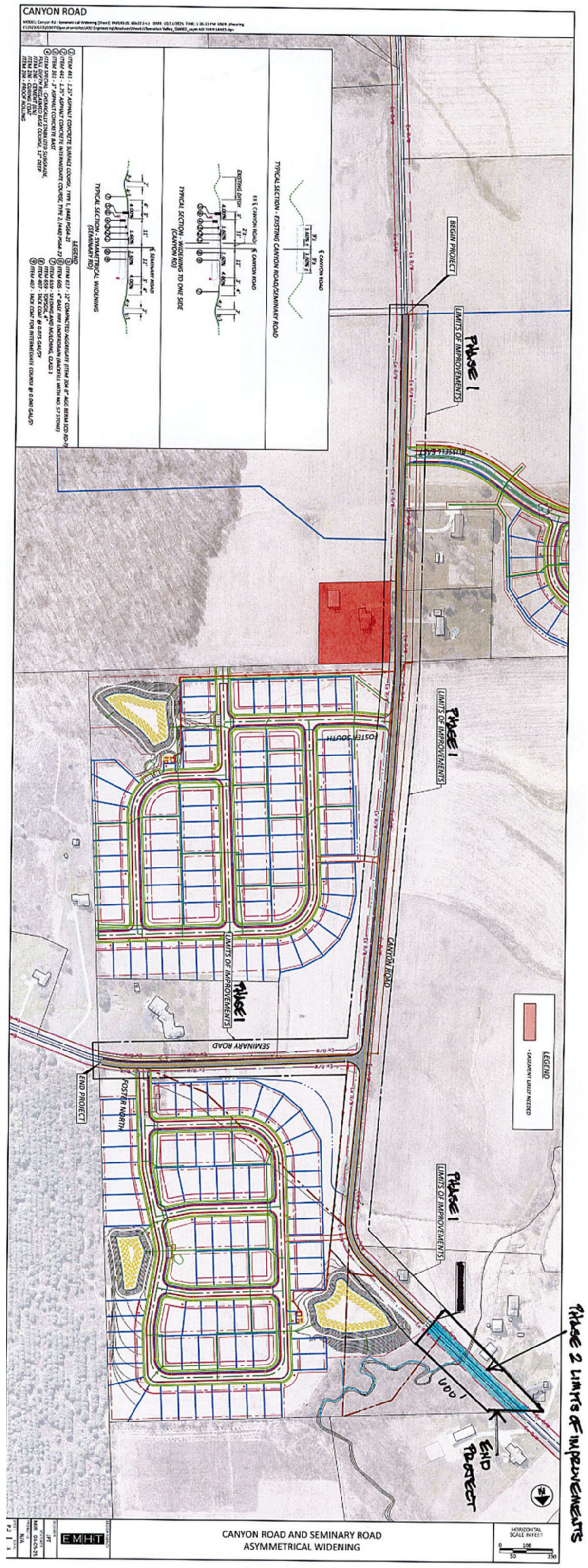

CANYON ROAD
BEGIN PROJECT
LIMITS OF IMPROVEMENTS
PHASE 1
FOSTER SOUTH
CANYON ROAD
SEMINARY ROAD
END PROJECT
FOSTER NORTH
LEGEND
PHASE 2 LIMITS OF IMPROVEMENTS
600'
END PROJECT
EMHT
CANYON ROAD AND SEMINARY ROAD
ASYMMETRICAL WIDENING
HORIZONTAL SCALE IN FEET

Exhibit E

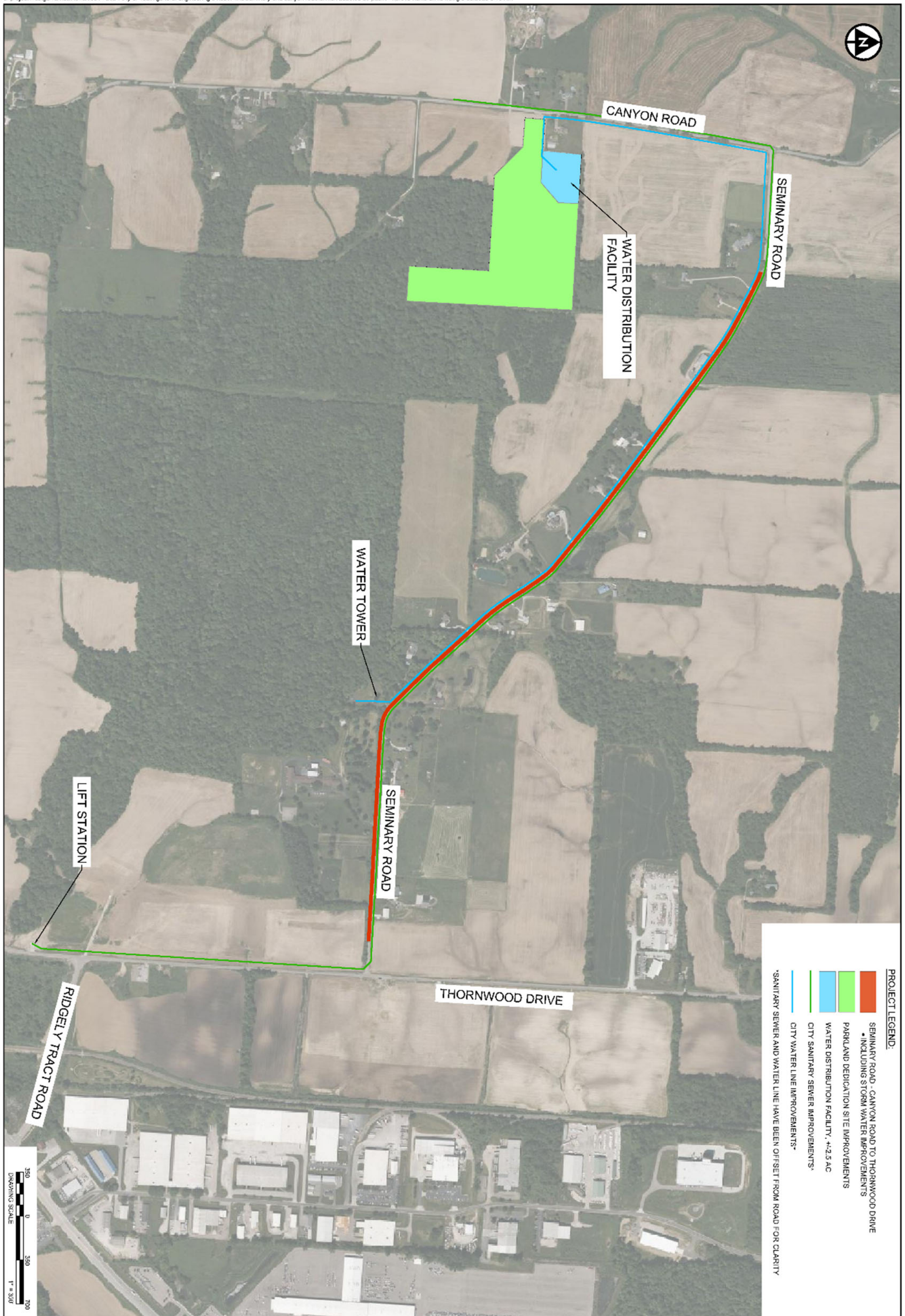
Public Improvements

The Public Improvements, to the extent not funded from other sources, include the following:

- Improvements to the City's water utility system, including water treatment capacity improvements, water line extensions to the boundary of the Development Site, and related improvements;
- Improvements to the City's sanitary sewer utility system, including sewage treatment capacity improvements, sanitary sewer line extensions to the boundary of the Development Site, and related improvements;
- Improvements to Seminary Road from Thornwood Drive to the eastern edge of the Development Site on Seminary Road, including stormwater improvements; and
- Improvements to the Parkland Dedication Site.

See attached drawing.

z:\project files\ga h2\heathoh\20381 - 2024 city of heath general engineering s\heath hills\seminary and canyon road\exhibit\2026.05.29 public improvements exhibit.dwg 5/29/2026 9:16 AM



HEATH~LICKING COUNTY~OHIO

HEATH HILLS

PUBLIC IMPROVEMENTS EXHIBIT D

verdantas

1555 WEST MAIN STREET
NEWARK, OH 43055-3939
TEL. 740.344.5451

DATE 05/29/2026

SCALE 1" = 350'

SHEET 1 OF 1