

DEVELOPMENT AGREEMENT

**BETWEEN
THE CITY OF GRANDVIEW HEIGHTS, OHIO
THE CITY OF COLUMBUS, OHIO
AND
1036 Ridge, LLC**

RELATED TO THE DEVELOPMENT OF A 0.93 ACRE TRACT OF LAND DESCRIBED AS LOTS 10 AND 11 OF WATERMAN'S DUBLIN AVENUE ADDITION IN GRANDVIEW HEIGHTS AND LOTS 12 AND 13 OF WATERMAN'S DUBLIN AVENUE ADDITION IN COLUMBUS.

This Agreement sets forth the elements agreeable to the parties for the simultaneous and consistent development of the 0.93 acre tract of land located and described as Lots 10 and 11 of Waterman's Dublin Avenue Addition in Grandview Heights and Lots 12 and 13 of Waterman's Dublin Avenue Addition in Columbus (hereinafter "the Subject Land"), of which a portion is located in the jurisdiction of the City of Grandview Heights and of which a portion is located in the jurisdiction of the City of Columbus. The Grandview Heights Portion is contiguous with Ridge Street and consists of approximately 0.54 acres. The Columbus Portion is contiguous with Waterman Dr. and Ridge Street adjacent to the eastern boundary of the Grandview Heights Portion and consists of approximately 0.39 acres. A copy of the legal description is attached hereto as Exhibit A.

Representatives from Grandview Heights, Columbus and 1036 Ridge, LLC (herein "Developer") have met to discuss matters related to the potential development of the Subject Land. All parties recognize that this Agreement is intended to memorialize the progress and results of those discussions. The parties hereby agree on the following principles with respect to the development of the Subject Land.

A. Land Uses

1. The site and landscape plans of the Grandview Heights Portion agreeable to the parties are attached hereto as Exhibit B and incorporated herein.
2. The site and landscape and plans of the Columbus Portion agreeable to the parties are attached hereto as Exhibit B and incorporated herein.

B. Building Plan Review, Inspection and Fire Regulations.

Grandview Heights shall be responsible for providing building plan review, issuing building permits, and performing fire and building inspections in compliance with the Ohio Basic Building Code and the applicable State Fire Code and for the Project. Fees charged for performing such building duties shall be those charged by Grandview Heights for similar buildings constructed in the City of Grandview Heights. Any building permit associated with the project shall not be issued by

Grandview Heights until Columbus has first issued a certificate of zoning clearance for said building in compliance with Columbus City Codes.

C. Zoning Services

1. After the development of the Subject Property is complete, Grandview Heights shall enforce the Grandview Heights Zoning Code for the Grandview Heights Parcel based solely on that portion of any building constructed in Grandview Heights.
2. After the development of the Subject Property is complete, Columbus shall enforce the Columbus Zoning Code for the Columbus Parcel based solely on that portion of any building constructed in Columbus.
3. Developer shall submit site plans accurately depicting the location of any building constructed on the Subject Property, delineating the Columbus/Grandview Heights municipal boundary and calculating the square footage of that portion of any building to be constructed on the Columbus Parcel and the Grandview Heights Parcel, respectively. Developer shall submit an as-built survey to Grandview Heights and Columbus, including the Columbus Division of Income Tax, upon completion of the Project, which survey shall show the calculation of the square footage of occupied space constructed in the building, the delineation of the Columbus/Grandview Heights municipal boundary, and the calculation of the square footage of those portions of the building constructed on the Columbus Parcel and the Grandview Heights Parcel.
4. The Cities may negotiate, and execute an agreement to implement a zoning overlay text to regulate the future uses of the Subject Property and any abutting or nearby properties. The enactment of a zoning overlay text will not interfere with, impede or revoke any land use rights the Company or property owner may hold to use the Subject Property in a manner consistent with this Agreement as executed by the Parties or any other rights to specific uses that the Company or the property owner has at the time: (1) any development is approved for the Subject Property or (2) lawful construction begins on the Subject Property in accordance with approved development plans.

D. Utility Services

Each city in which the taps are located shall be the primary party responsible for providing plan review, plan approval and inspection services related to the installation of water service and sanitary sewer service. Storm water drainage shall be designed and installed in accordance with Columbus utility regulations.

E. Police and Fire Service

Each City shall be the primary party responsible for providing police and fire services to that portion of the Subject Property within its respective jurisdiction. To the extent that a tenant of the building occupies space within both jurisdictions, the municipality with the greatest proportion of building space occupied by the tenant will provide police and fire service to the entire portion of the project occupied by the tenant. All such services provided pursuant to the Mutual Aid Agreement between Grandview Heights and Columbus shall remain intact.

F. Tax Revenue

1. Income Tax

- a) Columbus and Grandview Heights agree that each community will administer and collect income tax based upon net profits and/or employee withholding due as a result of operations and employees within the building, as well as any liabilities accruing during the construction phase of the Project.
- b) Columbus and Grandview Heights agree that all income tax generated from the project, both during the construction phase as well as post construction shall be determined as follows:
 1. During the construction phase, contractors shall split the wages earned by their employees at the site so that 60% of the wages of each employee has tax withheld at a rate of 2.5% to be remitted to Grandview Heights and 40% of the wages of each employee has tax withheld at a rate of 2% to be remitted to Columbus, consistent with the ratio of approximate acreage within each jurisdiction.

As an example, during a given pay period, an employee worked 40 hours on the construction phase of the project. For the purpose of withholding municipal income tax, 24 hours of wages are attributed to Grandview Heights and a tax of 2.5% is to be applied to the wages paid for those 24 hours and remitted to Grandview Heights, 16 hours of wages are attributed to Columbus and a tax of 2% is to be applied to the wages paid for those 16 hours and remitted to Columbus.

This same ratio is to be used in the application of local income tax to corporate net profits attributable to the construction phase of the Project.

2. Post construction income tax generated from the Project will be determined by establishing the ratio of building space in each jurisdiction to total building space with the tax rate of each jurisdiction being applied to its portion of the ratio to determine the amount of tax due from either net profits or withheld from employee wages, unless conditions exist as outlined in subsection **c** below.

c) In the event that multiple tenants locate within the building, any tenant with operations totally within one jurisdiction will remit income tax to that jurisdiction at the appropriate rate. In the event that a tenant occupies a portion of the building located within both jurisdictions, a ratio must be developed establishing the percentage of space occupied by the tenant within each jurisdiction. The tax collected must reflect the application of the tax rate of each jurisdiction to that portion of net profits and /or wages determined by the ratio.

d) It is the continuing obligation of the Developer/Owner and any subsequent Owner to provide tenant information, in the form of the name and telephone number of a contact, to the City of Columbus and to Grandview Heights Income Tax offices on an annual basis, **and** notice whenever there is a change in tenant or a change in the configuration of the use of space within the building by any tenant.

2. Real and Personal Property Tax Revenue

Columbus and Grandview Heights agree to share all real and personal property tax generated from the Subject Land in a ratio determined by the Franklin County Auditor.

G. Other Sources of Municipal Revenues and Fees

Columbus and Grandview Heights shall retain any fees or charges for municipal services provided by each municipality to that portion of the Subject Property that is sited in its respective jurisdiction.

H. Successors and Assigns

This Agreement shall inure to the benefit of and be binding on all parties and their respective successors and assigns.

I. Public Record

Developer shall cause an affidavit to be filed of record with the Franklin County Recorder, which affidavit shall have attached thereto this Agreement and shall refer to the ordinances or resolutions passed or adopted by the respective City Council of Grandview Heights and Columbus authorizing the execution of this Agreement. Said affidavit shall state that any amendment to the Agreement shall be in writing executed by each party, with both Grandview Heights and Columbus' execution thereof first authorized by its respective City Council.

IN WITNESS WHEREOF, the Parties hereby agree to the terms and conditions of this Memorandum of Understanding

CITY OF GRANDVIEW HEIGHTS, OHIO

CITY OF COLUMBUS, OHIO

By: _____
Mayor Ray E. DeGraw

By: _____
Mayor Michael C. Coleman

Approved as to form:

Marie-Joelle C. Khouzam
City Law Director

Richard C. Pfeiffer, Jr.
City Attorney

1036 Ridge, LLC

By: _____
Title:

Exhibit A

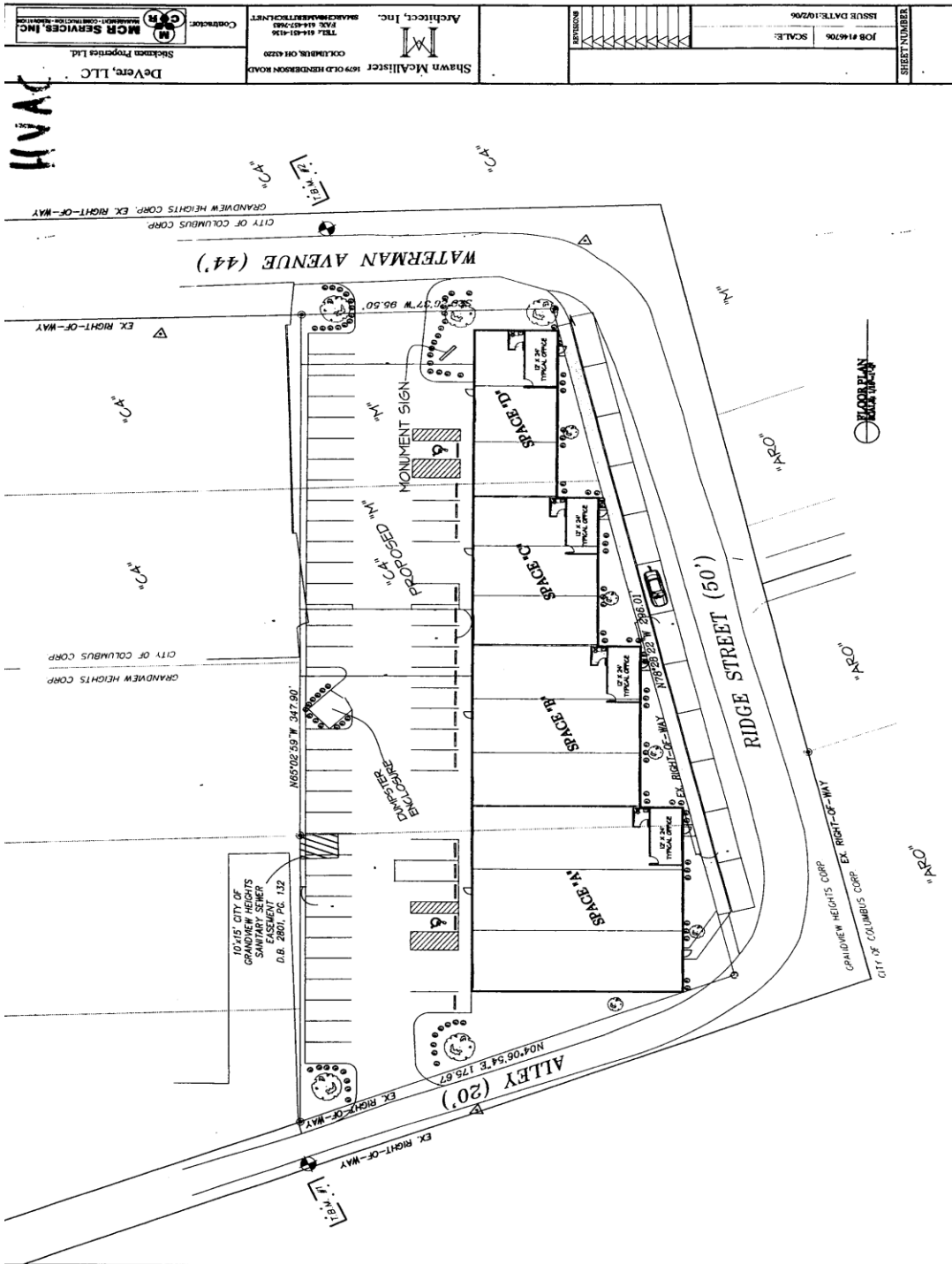
Legal Description

Parcel numbers: 030-002585; 030-002586; 010-129628

Situated in the County of Franklin, in the State of Ohio, and in the city of Columbus, and bounded and described as follows:

Being Lots Numbered Ten (10), Eleven (11) Twelve (12) and Thirteen (13), of WATERMAN'S DUBLIN AVENUE ADDITION, as the same is numbered and delineated upon the recorded plat thereof, of record in Plat Book 7, page 332, Recorder's Office, Franklin County, Ohio.

Exhibit B



MCR SERVICES, INC. Mechanical Contractors 20100 S. BROADWAY SUITE 100 COLUMBUS, OH 43220 TEL: 614-831-1126 FAX: 614-831-1126	Shawn McAllister Architect, Inc. 1679 OLD HENDERSON ROAD COLUMBUS, OH 43220 TEL: 614-831-1126 FAX: 614-831-1126	JOB #146706 SCALE: ISSUE DATE: 12/27/06	SHEET NUMBER
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HVAC