

TERMS SHEET REGARDING THE PROPOSED ANNEXATION OF 31 ACRES OF REAL PROPERTY AT THE INTERSECTION OF STILLWAGON ROAD AND NILES VIENNA ROAD AND A PROPOSED ANNEXATION AGREEMENT AMONGST THE CITY OF NILES, HOWLAND TOWNSHIP, AND VIENNA TOWNSHIP

This is a terms sheet for a proposed annexation agreement to be entered into by the City of Niles, Howland Township, and Vienna Township, pursuant to ORC 709.192.

1. The current annexation petition before the Trumbull County Board of Commissioners shall be permitted to go forward under an agreement of the parties as a Type I expedited annexation and a copy of this agreement shall serve as that agreement of the parties. The City agrees to ensure that the Townships shall continue to receive current tax revenue generated from the Bagnoli and Preston properties (the properties involved in the current annexation petition before the Commissioners) pursuant to ORC 709.19 as calculated on the effective date of the annexation's approval by the Board of Commissioners, but extending for a period of 99 years.

2. (a) The parties recognize that the City has enacted Ordinance 58-19 (requiring the annexation of properties receiving utility extensions) and that one of the express purposes of the proposed annexation agreement is establish how the City will apply Ordinance 58-19 (or any other or future ordinance on this subject matter) to the City's existing customers. An existing customer is defined as a customer currently enrolled with the City of Niles for at least one utility. Existing customers also shall include any successor to the existing customer at the property, the property owner, or the tenants of the property owner.

(b) The City agrees that any existing customer defined above in Howland Township and Vienna Township will not be required to annex into the City or enter into a Development Incentive Agreement similar to the one in Ordinance 58-19 in order to continue receiving the existing utility or utilities.

(c) Any property owner in the Township located along Stillwagon Road adjacent to the current annexation and adjacent to any future sewer line to be installed and used to provide Niles City sewer services will be treated as an existing customer under Paragraph 2, if required to obtain sewer service by Ohio EPA or other health department or governmental order. However, if the City desires or so requires, the City may impose a reasonable development incentive fee (similar to but no greater than that would otherwise be imposed under Ordinance 58-19 (or any other or future ordinance on this subject matter)) on the owner or customer who voluntarily requests the extension of the additional City utility. The development incentive fee is defined as an amount reasonably determined by the City to be commensurate with the amount of income tax the City would otherwise have received if the existing customer had annexed into the City. The City may also impose its tap-in, permit, or similar fees on any such connection.

3. The term for all provisions of this agreement except for Paragraphs 1 shall be 20 years with five, 20-year renewal periods. The agreement shall be renewed unless all sides notify the other's fiscal officer in writing within 30 days of the termination of a particular 20-year period that they do not wish to renew the agreement. In other words, unless all sides mutually agree not to renew, the agreement shall be renewed.

4. The proposed annexation agreement will not change or modify any prior agreements involving any of the parties or third parties.

5. (a) The parties agree that if a proposal for a Route 11 Niles Vienna Road Interchange shall arise in the future, then the City of Niles, Howland Township, and Vienna Township agree to meet, discuss, and jointly address and clarify any future interchange before an interchange proposal is submitted to the State of Ohio authorities.

(b) The parties acknowledge a current bulk water agreement between the City of Niles and Trumbull County pertaining to the Southeast Water District (SEWD). Pursuant to that agreement, if at any time Niles purchases or takes control over any waterlines in the SEWD that are currently owned by Trumbull County, then Niles agrees to remain neutral to any request by the Townships to the Trumbull County Board of Commissioners that Trumbull County apply any such funds to the credit and benefit of the users in the SEWD that paid for the waterline through their rates and assessments, if it is determined that users in the SEWD paid for the waterline through their rates and assessments

6. The parties agree to the following ground rules regarding annexation to establish certainty going forward.

(a) Currently Residential Property and Expedited Type II Annexations.

(1) Currently Residential Property. For any currently residential property the owners of which request any type of annexation pursuant to ORC 709.02 et seq., the Townships agree to consent and cooperate with the annexation of that currently residential property so long as the property owner or the petitioner desires it for continued residential use and agrees to such use for no less than 5 years and is not being required to annex in order to continue receiving City utilities.

(2) Expedited Type II Annexations. For any currently Commercial, Business, Industrial, and/or Undeveloped tracks of land the owner of which requests a Type II Annexation pursuant to ORC 709.023, the townships agree to consent and cooperate with the property owner's request. The property taxes will be distributed in accordance with ORC 709.023(H).

(b) All Other Types of Annexations. Should any other type of annexation to be proposed, other than Type II Expedited, then all parties agree to meet in good faith and use best efforts to attempt to craft an agreement that permits the annexation and commit to sharing the costs and benefits of development among the parties. By way of example, such an agreement may include the townships retaining all of the property tax with the City maintaining all of the income tax, with adjustments to each depending on services and any additional improvements to the property, such as new infrastructure. If no agreement can be reached, then these types of annexation may be contested by the parties.

7. All provisions of this agreement are essential to the understanding and agreement of the parties. The proposed Annexation Agreement shall be interpreted in a manner to effectuate the parties' express intent herein. In the event that any future ordinances passed by the City of

Niles, or future resolutions passed by the Townships of Howland and Vienna conflict with this agreement, then the provisions of this Agreement shall prevail.