

Once a parcel is under contract, M/I conducts in-depth due diligence to confirm the results of our preliminary investigation and continues to define site layout, site development, and construction. Our process includes multiple layers of investigation to help ensure the maximum positive environmental impact on a site from our development activities, including:

- American Land Title Association land title survey;
- Soil borings to determine soil characteristics/depths, preliminary percolation tests, and ability to achieve a bearing capacity of 3000 p.s.f. to construct homes;
- Environmental Site Assessments (Phase I and potentially Phase II) to determine if there are any hazardous materials or other conditions that will require clean-up/disposal;
- Demographic/Fiscal Impact Study;
- Traffic Impact Study;
- Archaeological Investigation and sign-off from an applicable Historical Preservation Association or Office;
- Threatened and Endangered Species Investigation and sign-off from the U.S. Fish and Wildlife Service and/or applicable state agency;
- Wetland delineation and identification of other Waters of the United States to determine if any are located on the property, and whether they fall under any federal or state jurisdiction; and
- Review of FEMA floodplain and floodway maps.

Our due diligence process is especially sensitive to the presence (or absence) of aquatic resources. In many of our divisions, streams and wetlands are routine environmental features occurring on prospective development sites. We do not walk away from a site just because of the presence of these features. Instead, we evaluate how they can be avoided, protected, preserved, and maintained as valuable wildlife habitat. This not only benefits our natural environment but also represents an amenity that our customers desire. We believe that natural amenities are one of the most distinguishing features of an M/I Homes' community and set us apart from our competitors.

Avoidance of wetland and stream areas is our primary goal during site design. If, however, impact to a wetland or stream area is unavoidable, we are

committed to fully complying with environmental protection and mitigation requirements imposed by regulatory agencies. The disturbance of wetland and stream areas and subsequent mitigation efforts to reduce impact on them can result in extremely high costs, which can potentially impact the affordability of a home or community. However, sometimes crossing of streams may be unavoidable. In those situations, we have discovered that 3-sided or arch structures that "span" the stream without disturbing it allows



us to avoid impacts, as well as the added costs and complexity. Once site development is complete, lots are typically laid out adjacent to these sensitive areas, while maintaining vegetation and tree lines as much as possible, resulting in a highly desired lot amenity while maintaining protection for the valuable resource and any associated wildlife and vegetation habitat.

Our commitment to open space, vegetation, and wetland and stream preservation does not stop when the design of a community is complete. Because of the resources that we expend to develop the optimal design development plans, executing these design plans during construction is of utmost importance. Typically, one of our initial measures in site construction is to educate the site contractors as to the presence of the natural features we are trying to preserve, as well as delineate the areas where these features are located with snow fencing so that they remain protected. M/I Homes' employees are continually aware of these areas and monitor site construction progress to ensure that they remain unimpacted. We also put in place systems to minimize the ongoing impact of our communities. For example, we have incorporated storm water reuse systems in several of our new communities. The system involves pumping storm water runoff from ponds in order to irrigate yards and common open spaces. This system not only helps to conserve ground water resources, but also reduces storm water runoff.

As just one example of how existing features are protected and integrated into our communities, we designed our Friendship Station community in Raleigh, North Carolina around the streams that surround the development site, and greenways were sited to integrate these natural areas into the community. Our Bass Lake Crossing community outside of Minneapolis and Walnut Woods community outside of Columbus are carefully interlaced around existing wetland and pond areas on the interior and perimeter of the communities, creating an environmentally beneficial and beautiful natural centerpiece. Finally, where possible, such as at Raleigh's Wykoff community, we utilize existing ponds on properties for stormwater management or ornamental purposes rather than draining and building over the feature.

*In 2020, M/I Homes' commitment to conservation resulted in the preservation or dedication of over 3,000 acres of open space and just over 900 acres of valuable wildlife habitat.*

*M/I's Friendship Station Community in Apex, North Carolina*

