

TEMPORARY RESOLUTION NO. 101-25

PERMANENT RESOLUTION NO. 102-25

A RESOLUTION APPROVING THE PETITION, PLAN, AND ARTICLES OF INCORPORATION OF THE LANCASTER REGIONAL ENERGY SPECIAL IMPROVEMENT DISTRICT, INC. AND DECLARING THE NECESSITY OF ACQUIRING, CONSTRUCTING, IMPROVING CERTAIN PUBLIC IMPROVEMENTS IN THE CITY OF LANCASTER, OHIO IN COOPERATION WITH THE LANCASTER REGIONAL ENERGY SPECIAL IMPROVEMENT DISTRICT, INC., AND DECLARING AN EMERGENCY

WHEREAS, as set forth in Ohio Revised Code Chapter 1710, the Ohio General Assembly has authorized property owners to include their properties within Energy Special Improvement Districts (“ESIDs”) upon a petition to a municipal corporation or township, which ESIDs are voluntary organizations of property owners who undertake special energy improvement projects for their properties and finance such special energy improvement projects by way of voluntary special assessments; and

WHEREAS, pursuant to the Petition for Creation of Energy Special Improvement District and for Special Assessments for Special Energy Improvement Projects (the “Petition”), including an initial plan entitled Lancaster Regional Energy Special Improvement District Program Plan (the “Program Plan”) and Articles of Incorporation, as validly amended from time to time (the “Articles”), Equity Trust Company Custodian FBO Leung Chee Kwan IRA (the “Owner”), as the owner of 100% of the real property subject to the Petition, has requested the formation of the Lancaster Regional Energy Special Improvement District, Inc., an energy special improvement district and nonprofit corporation organized under the laws of the State of Ohio, (the “District”), and its Board of Directors (the “Board”) in accordance with Ohio Revised Code Chapters 1702 and 1710; and

WHEREAS, the Owner, has identified certain real property having Fairfield County Auditor Permanent Parcel Identification Number 0535038700 (the “Property”), as an appropriate property for a Special Energy Improvement Project pursuant to Ohio Revised Code Chapter 1710; and

WHEREAS, on or before November 26, 2025 pursuant to Ohio Revised Code Chapter 1710, the Owner submitted the Petition to this City Council (the “Council”), and the Petition is on file with the Council and the Clerk of Council; and

WHEREAS, the Petition is for the purpose of developing and implementing special energy improvement projects in furtherance of the purposes set forth in Section 2o of Article VIII of the Ohio Constitution, including, without limitation, a special energy improvement project to be provided on the Property, as described more particularly in the Petition (the “Project”); and

WHEREAS, following the approval of the Petition by this Council, the Owner intends to submit to the District, and the Board, as the governing body of the District in accordance with Ohio Revised Code Chapter 1710, intends to approve the Petition, which Petition requests the formation of the District, that the Property be added to the District, and that the City levy special assessments on the Property (the “Special Assessments”) in an amount and for a length sufficient to pay the costs of the Project, which is estimated to be Eight Hundred Ninety-One Thousand Seven Hundred Fifty-Five Dollars (\$891,755.00), including other related costs of financing the Project, which may include, without limitation, the payment of principal of and interest on

obligations issued to pay the costs of the Project and other interest, financing, credit enhancement, and issuance expenses and ongoing trustee fees and District administrative fees and expenses, and requests that the Project be undertaken cooperatively by the City, the District, and such other parties as the City may deem necessary or appropriate to pay the costs of the Project; and

WHEREAS, this Council, as mandated by Ohio Revised Code Section 1710.06, must approve or disapprove the Petition within sixty (60) days of the submission of the Petition; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LANCASTER, STATE OF OHIO:

SECTION 1. This Council hereby approves the Petition, the Program Plan, and the Articles, in substantially the form now on file with the Council and the Clerk of Council. Pursuant to the Petition, the Program Plan, and the Articles, the District is hereby created.

SECTION 2. This Council hereby approves and consents to (i) any addition of real property to the territory of the District within the boundaries of any municipal corporation or any township which is contiguous to the municipal corporations or townships in which a portion of the territory of the District is located; (ii) the addition of the municipal corporation or township in which such real property is located as a "participating political subdivision," as defined in Ohio Revised Code Section 1710.01(E), of the District; and (iii) any amendment to the Articles of Incorporation necessary to recognize or effect such addition.

SECTION 3. Pursuant to Ohio Revised Code Section 1710.02(G)(4), this Council determines that the Project is not required to be owned exclusively by the City for its purposes, for uses determined by this Council, as the legislative authority of the City, as those that will promote the welfare of the people of such participating political subdivision; to improve the quality of life and the general and economic well-being of the people of the City; to better ensure the public health, safety, and welfare; to protect water and other natural resources; to provide for the conservation and preservation of natural and open areas and farmlands, including by making urban areas more desirable or suitable for development and revitalization; to control, prevent, minimize, clean up, or mediate certain contamination of or pollution from lands in the state and water contamination or pollution; or to provide for safe and natural areas and resources. This Council accordingly authorizes the Board to act as its agent to sell, transfer, lease, or convey the Project. The consideration the Board must obtain from any sale, transfer, lease, or conveyance of the special energy improvement project on the Property is any consideration greater than or equal to One Dollar and Zero Cents (\$1.00).

SECTION 4. This Council determines and declares that the Project is an essential and vital public, governmental purpose of the City as a Special Energy Improvement Project, as defined in Ohio Revised Code Section 1710.01(I); and that in order to fulfill that essential and vital public purpose of the City, it is necessary and proper to provide, in cooperation with the District, for (i) the acquisition, construction, and improvement of the Project by Equity Trust Company Custodian FBO Leung Chee Kwan IRA, as set forth in the Petition and the Plan, and (ii) the payment of the costs of the Project, including any and all architectural, engineering, legal, insurance, consulting, energy auditing, planning, acquisition, installation, construction, surveying, testing, and inspection costs; the amount of any damages resulting from the Project and the interest on such damages; the reasonable costs incurred in connection with the preparation, levy and collection of the special assessments; the cost of purchasing and otherwise acquiring any real estate or interests in real estate; reasonable expenses of legal services; costs of labor and material; trustee fees and other financing costs incurred in

connection with the issuance, sale, and servicing of securities, nonprofit corporate obligations, or other obligations issued or incurred to provide a loan or to secure an advance of funds to Equity Trust Company Custodian FBO Leung Chee Kwan IRA or otherwise to pay costs of the Project in anticipation of the receipt of the Special Assessments, capitalized interest on, and financing reserve funds for, such securities, nonprofit corporate obligations, or other reasonable obligations so issued or incurred, including any credit enhancement fees, trustee fees, program administration fees, financing servicing fees, and reasonable District administrative fees and expenses; an amount to reflect interest on unpaid Special Assessments which shall be treated as part of the cost of the Project for which the Special Assessments are made at an interest rate which shall be determined by the District to be substantially equivalent to the fair market rate that would have been borne by notes or bonds if notes or bonds had been issued by the District or another issuer of notes or bonds to pay the costs of the Project; together with all other necessary expenditures, all as more fully described in the Petition, the Plan, and profiles, specifications, and estimates of cost of the Project, all of which are on file with the Clerk of Council and open to the inspection of all persons interested. This Council further determines and declares that the Project is conducive to the public peace, health, safety and welfare of the City and the inhabitants of the City.

SECTION 5. This Council determines that the Project's elements are so situated in relation to each other that in order to complete the acquisition, construction, and improvement of the Project's elements in the most practical and economical manner, they should be acquired and improved at the same time, with the same kind of materials, and in the same manner; and that the Project's elements shall be treated as a single improvement, pursuant to Ohio Revised Code Section 727.09, and the Project's elements shall be treated as a joint improvement to be undertaken cooperatively by the City and the District pursuant to Ohio Revised Code Section 9.482 and Ohio Revised Code Chapter 1710.

SECTION 6. Pursuant to and subject to the provisions of a valid Petition signed by the Owner, which is the owner of one hundred percent (100%) of the Property, the entire cost of the Project shall be paid by the Special Assessments levied against the Property, which is the benefited property. The City does not intend to issue securities in anticipation of either the levy of the Special Assessments or the collection of the Special Assessments.

SECTION 7. The method of levying the Special Assessments shall be in proportion to the benefits received from the financing of the Project, allocated among the parcels constituting the Property as set forth in the Petition.

SECTION 8. The lots or parcels of land to be assessed for the Project shall be the Property, described in Exhibit A to the Petition, all of which lots and lands are determined to be specially benefited by the Project.

SECTION 9. The Special Assessments shall be levied and paid in sixty (60) semi-annual installments pursuant to the list of estimated Special Assessments set forth in the Petition, and the Owner has waived its option to pay the Special Assessment in cash within thirty (30) days after the first publication of the notice of the assessing Resolution. The aggregate maximum amount of Special Assessments estimated to be necessary to pay the costs of the Project is Two Million Four Hundred Eighty-Five Thousand Four Hundred Six Dollars and Fourteen Cents (\$2,485,406.14). Each semi-annual Special Assessment payment represents payment of a portion of any principal repayment, interest, and administrative fees payable with respect to the Project. The interest portion of the Special Assessments, together with amounts used to pay administrative expenses, are determined to be substantially equivalent to the fair market rate or rates of interest that would have been borne by securities

issued in anticipation of the collection of the Special Assessments if such securities had been issued by the City. In addition to the Special Assessments, the County Auditor of Fairfield County, Ohio may impose a special assessment collection fee with respect to each semi-annual payment, which amount will be added to the Special Assessments by the County Auditor of Fairfield County, Ohio.

SECTION 10. The Council and the Clerk of Council, or their designee, are authorized and directed to prepare and file in the office of the Council and the Clerk of Council the estimated Special Assessments for the costs of the Project in accordance with the method of assessment set forth in the Petition and this Resolution, showing the amount of the assessment against each lot or parcel of land to be assessed.

SECTION 11. Upon the filing of the estimated Special Assessments with the Council and the Clerk of Council, notice of the adoption of this Resolution and the filing of the estimated Special Assessments shall be served upon the Owner of the Property, as provided in Ohio Revised Code Section 727.13. The appropriate officials of the City shall also comply with the applicable procedural requirements of Ohio Revised Code Chapter 727.

SECTION 12. The Council and the Clerk of Council, or their designee, is authorized, pursuant to Ohio Revised Code Section 727.12, to cause the Special Assessments to be levied and collected at the earliest possible time including, if applicable, prior to the completion of the acquisition and construction of the Project.

SECTION 13. The Special Assessments will be used by the City to provide the Project in cooperation with the District in any manner, including assigning the Special Assessments actually received by the City to the District or to another party the City deems appropriate, and the Special Assessments are appropriated for such purposes.

SECTION 14. This Council accepts and approves the waiver of all further notices, hearings, claims for damages, rights to appeal and other rights of property owners under the law, including but not limited to those specified in the Ohio Constitution, Ohio Revised Code Chapter 727, Ohio Revised Code Chapter 1710, and consents to the immediate imposition of the Special Assessments upon the Property. This waiver encompasses, but is not limited to, waivers by the Owner of the following rights:

- (i) The right to notice of the adoption of the Resolution of Necessity under Ohio Revised Code Sections 727.13 and 727.14;
- (ii) The right to limit the amount of the Special Assessments under Ohio Revised Code Sections 727.03 and 727.06, including the right to consider the Special Assessments authorized by the Petition within the limitations contained in Ohio Revised Code Section;
- (iii) The right to file an objection to the Special Assessments under Ohio Revised Code Section 727.15;
- (iv) The right to the establishment of, and any proceedings by and any notice from an Assessment Equalization Board under Ohio Revised Code Sections 727.16 and 727.17;
- (v) The right to file any claim for damages under Ohio Revised Code Sections 727.18 through 727.22 and Ohio Revised Code Section 727.43;
- (vi) The right to notice that bids or quotations for the Project may exceed estimates by 15%;
- (vii) The right to seek a deferral of payments of Special Assessments under Ohio Revised Code Section 727.251;

(viii) The right to notice of the passage of the assessing Resolution under Ohio Revised Code Section 727.26; and

(ix) Any and all procedural defects, errors, or omissions in the Special Assessment process.

SECTION 15. The Council is authorized to enter into agreements by and among the City, the District, and such other parties as the City may deem necessary or appropriate in order to provide the Project, and that the Mayor and the Council, the President of the Council, or any of them, is authorized to execute, on the City's behalf, such agreements.

SECTION 16. This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this legislative Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Ohio Revised Code Section 121.22.

SECTION 17. That this Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that this Resolution is necessary for the timely completion of the Project described above; wherefore this Resolution shall be in full force and effect immediately upon its passage and approval by the Mayor.

Passed: 12-1-2025 after 1 reading. Vote: Yeas 10 Nays 0

Date Approved: December 1, 2025

Clerk: [Signature]

[Signature]
President of Council

[Signature]
Mayor

Offered by: Alayna Hoop

Second by: Michael Wing

Requested by Economic Development Committee

CERTIFICATE

The undersigned Clerk of Council hereby certifies that the foregoing is a true copy of Resolution No. 102-25 duly adopted by the City Council of the City of Lancaster Ohio on December 1, 2025.



Clerk of Council
City of Lancaster, Ohio