

**CITY OF HILLSBORO, OHIO
ORDINANCE NO. 2025-16**

**AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF
NOT TO EXCEED \$3,000,000 OF SPECIAL OBLIGATION
DEVELOPMENT REVENUE BONDS, SERIES 2025 (LEO
CAPITAL/HILLSBORO PROJECT), OF THE CITY OF HILLSBORO,
OHIO UNDER CHAPTER 5709 OF THE OHIO REVISED CODE FOR
THE PURPOSE OF PAYING THE COST OF CERTAIN PUBLIC
IMPROVEMENTS; AUTHORIZING A PLEDGE OF AND LIEN ON
CERTAIN SERVICE PAYMENTS TO SECURE SUCH BONDS;
AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST
AGREEMENT TO SECURE SUCH BONDS; AND AUTHORIZING AND
APPROVING RELATED MATTERS AND DECLARING AN
EMERGENCY.**

WHEREAS, the City of Hillsboro, Ohio (the "City"), a municipality and political subdivision duly organized and existing under the Constitution and laws of the State of Ohio (the "State"), is authorized and empowered, by virtue of the laws of the State, including, without limitation, the Ohio Constitution and Ohio Revised Code Chapter 5709, to (a) issue its revenue bonds for the purpose of financing all or a portion of the costs of acquiring "public infrastructure improvements" as defined in Ohio Revised Code Section 5709.40, more particularly described in Exhibit B to City Council's Ordinance No. 2019-09, adopted on October 28, 2019 (collectively, the "Public Improvements"), and located within the boundaries of the City on the real property to be described in the Service Agreement (the "Exempted Property"); (b) enter into agreements with respect to the financing and acquisition of the Public Improvements and to provide for a pledge of certain revenues sufficient to pay the principal of and interest and any premium on those revenue bonds; (c) secure those revenue bonds by a trust agreement; and (d) enact this Bond Ordinance upon the terms and conditions provided herein; and

WHEREAS, the City has determined that in order to provide for the financing and acquisition of the Public Improvements, it is advantageous to enter into (i) the Trust Agreement (the "Trust Agreement"), between the City and the Trustee (as defined hereafter); (ii) the Service Agreement (the "Service Agreement"), between the City and the Redeveloper (as defined hereafter), as approved by Council and as the same may be amended, modified, or supplemented from time to time; and (iii) such other documents as may be necessary to consummate the transactions contemplated herein and in the Trust Agreement and the Service Agreement; and

WHEREAS, the Bonds (as defined hereafter) authorized in this Bond Ordinance shall be payable as provided in the Bonds, this Bond Ordinance, and the Trust Agreement from certain pledged revenues of the City, including the receipts of or on behalf of the City of (i) the Statutory Service Payments (as defined in the Service Agreement) equal to the amount of real property taxes that would have been paid on any Parcel, after credit for the Property Tax Rollback Payments (as defined in the Service Agreement), if any, had an exemption with respect to the Parcel not been applied for by the Redeveloper and allowed under Section 5709.40; and (ii) any Minimum Service Payments (as defined in the Service Agreement), if any, necessary to meet the schedule of debt service payments for the Bonds (collectively, the "Service Payments"); (iii) all other moneys

received or to be received by or otherwise pledged to the City or the Trustee and intended to be used for Debt Service, including without limitation, all moneys and investments in the funds created under the Trust Agreement and in Section 6 herein; and (iv) all income and profit from the investment of the foregoing moneys (collectively, the "Pledged Revenues"), which Pledged Revenues may be pledged towards the payment of principal of and interest on the Bonds pursuant to Ohio Revised Code Section 5709.40.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HILLSBORO, STATE OF OHIO, WITH 2/3 OF ALL COUNCIL MEMBERS CONCURRING THAT:

SECTION 1. Definitions. When used in this Bond Ordinance, capitalized words used as defined terms, to the extent not defined herein, shall have the meanings assigned to those terms in the Master Definitions List attached as Exhibit A to the Trust Agreement in the form on file with the clerk of the Council:

"Act" means Ohio Revised Code Chapter 5709, as enacted and amended at the time, and includes any other applicable law pertaining to the Bonds, as the same may be amended, modified, revised, supplemented, or superseded from time to time.

"Administrative Expense Fund" means the City of Hillsboro Administrative Expense Fund created pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all accounts and subaccounts therein that may be created pursuant to the Trust Agreement.

"Bond" or "Bonds" means any or all, as the case may be, of the City's Special Obligation Development Revenue Bonds, Series 2025 (Leo Capital/Hillsboro Project), authorized by this Bond Ordinance and the Trust Agreement.

"Bond Fund" means the City of Hillsboro Bond Fund created pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all accounts and subaccounts therein that may be created pursuant to the Trust Agreement.

"Bond Ordinance" means this ordinance, which Bond Ordinance approves and authorizes the Trust Agreement and the Bonds.

"Bond Placement Agreement" means the Bond Placement Agreement between the City and the Placement Agent as authorized by this Bond Ordinance.

"Capitalized Interest Account" means the Capitalized Interest Account established in the Public Improvements Fund pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all subaccounts therein that may be created pursuant to the Trust Agreement.

"Certificate of Award" means the Certificate of Award authorized by this Bond Ordinance to be executed by the Finance Director and/or Mayor.

"City" means the City of Hillsboro, Ohio, together with its permitted successors and assigns.

“Costs of Issuance Account” means the Costs of Issuance Account established in the Public Improvements Fund pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all subaccounts therein that may be created pursuant to the Trust Agreement.

“Debt Service” means the principal, interest, and any redemption premium required to be paid by the City on the Bonds, as further defined in the Trust Agreement.

“Eligible Investments” means the investments defined in Section 9 hereof.

“Exempted Property” means the parcel of real estate described on Exhibit A attached hereto.

“Finance Director” or “Fiscal Officer” means the city auditor for the City.

“Interest Account” means the Interest Account established in the Bond Fund pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all subaccounts therein that may be created pursuant to the Trust Agreement.

“Interest Payment Date” or “Interest Payment Dates” means the dates identified as such in the Certificate of Award.

“Law Director” means the law director of the City.

“Leo Capital Tax Increment Fund” means the City of Hillsboro Leo Capital Tax Increment Fund created pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all accounts and subaccounts therein that may be created pursuant to the Trust Agreement.

“Mayor” means the Mayor of the City.

“Placement Agent” means Piper Sandler & Co., as placement agent for the Bonds.

“Pledged Revenues” means the following receipts of or on behalf of the City:

- (i) the Service Payments intended to be used for Debt Service pursuant to the Service Agreement;

- (ii) all other moneys received or to be received by or otherwise pledged to the City or the Trustee and intended to be used for Debt Service, including without limitation, all moneys and investments in the funds created under the Trust Agreement and under Section 6 hereof;

- (iii) any proceeds from the sale, lease, use or disposition of the Public Improvements by the City; and

- (iv) all income and profit from the investment of the foregoing moneys.

The term “Pledged Revenues” does not include any moneys or investments in the Rebate Fund or the Administrative Expense Fund.

“Prepayment Account” means the Prepayment Account established in the Bond Fund pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all subaccounts therein that may be created pursuant to the Trust Agreement.

“Principal Account” means the Principal Account established in the Bond Fund pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all subaccounts therein that may be created pursuant to the Trust Agreement.

“Public Improvements” means, collectively, the public improvements constituting “public infrastructure improvements” as defined in Ohio Revised Code Section 5709.40, as further defined in the Trust Agreement.

“Public Improvements Account” means the Public Improvements Account established in the Public Improvements Fund pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all subaccounts therein that may be created pursuant to the Trust Agreement.

“Public Improvements Fund” means the City of Hillsboro Public Improvements Fund created pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all accounts and subaccounts therein that may be created pursuant to the Trust Agreement.

“Rebate Fund” means the City of Hillsboro Rebate Fund created pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all accounts and subaccounts therein that may be created pursuant to the Trust Agreement.

“Redeveloper” means Leo Capital, LLC, a Michigan limited liability company, together with any successors or assigns.

“Reserve Fund” means the City of Hillsboro Reserve Fund created pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all accounts and subaccounts therein that may be created pursuant to the Trust Agreement.

“Service Agreement” means the Service Agreement dated October 28, 2019 between the City and the Redeveloper, as the same may be amended, modified, or supplemented from time to time, which is incorporated by reference into this Bond Ordinance.

“Service Payments” means, collectively, the Statutory Service Payments and the Minimum Service Payments, both having the meaning provided in the Service Agreement.

“Statutory Service Payment Account” means the Statutory Service Payment Account established in the Leo Capital Tax Increment Fund created pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all subaccounts therein that may be created pursuant to the Trust Agreement.

“Supplemental Payment Account” means the Supplemental Payment Account established in the Leo Capital Tax Increment Fund created pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all subaccounts therein that may be created pursuant to the Trust Agreement.

“Surplus Fund” means the City of Hillsboro Surplus Fund created pursuant to Section 6 of this Bond Ordinance and the Trust Agreement, and includes all accounts and subaccounts therein that may be created pursuant to the Trust Agreement.

“Trust Agreement” means the Trust Agreement expected to be dated as of May 1, 2025 by and between the City and the Trustee, securing the Bonds, as it may from time to time be amended and supplemented in accordance with its terms.

“Trustee” means The Huntington National Bank, Cincinnati, Ohio, or any bank or trust company that is appointed successor trustee under the terms of the Trust Agreement as referred to in Section 11 hereof.

SECTION 2. It is necessary to issue and the Council determines to sell not to exceed \$3,000,000 of Special Obligation Development Revenue Bonds, Series 2025 (Leo Capital/Hillsboro Project) (the “Bonds”) of the City for the purpose of financing all or a portion of the costs of purchasing the Public Improvements to be constructed by the Redeveloper under the supervision of the City and located within the boundaries of the City, paying capitalized interest, together with the payment of costs related to the issuance of the Bonds, secured by a pledge of Pledged Revenues; provided, however, that nothing in this Bond Ordinance shall be construed as pledging the general credit of the City to the payment of said Bonds or any part thereof, or the interest thereon.

SECTION 3. The Bonds shall be dated such date as may be provided in the Certificate of Award and shall finally mature and be subject to mandatory and optional redemption as provided in the Certificate of Award. Interest on the Bonds shall be payable at the times, in the manner, and at the rate all as set forth in the Certificate of Award, which is hereby authorized and which shall be executed by the Finance Director without further action of the Council. The interest rate on the Bonds shall not be in excess of eight percent (8.00%) per annum. The Bonds will be issued in denominations of \$100,000 and integral multiples of \$5,000, or otherwise as set forth in the Certificate of Award and approved by the Finance Director.

The Council hereby authorizes the Finance Director and/or Mayor to take any and all actions which may be necessary to issue the Bonds in book-entry only form without further action by the Council, and further authorizes the Mayor and the Finance Director to execute any documents necessary or appropriate to accomplish the issuance of the Bonds, including, without implied limitation, the Trust Agreement.

SECTION 4. The Bonds to be redeemed shall have a notice of the call for redemption of the Bonds, specifying the numbers of the Bonds to be redeemed, shall be sent by the Trustee by registered mail to the registered holders thereof, not less than thirty (30) days nor more than sixty (60) days prior to the date of redemption, upon which date all interest upon the Bonds or portions thereof so called shall cease except those as to which default shall be made, upon presentation, in the payment of the redemption price. Prior to any notice of call for redemption funds for such redemption shall be on deposit with the Trustee and the City shall direct the Trustee in writing to make any notice of call for redemption.

The Bonds shall initially be numbered from R-1 upwards; provided, however, that in the event of the exchange or transfer of any Bond, any new Bonds issued by the Trustee as a result of such exchange or transfer shall be numbered in a manner which will assure that such new Bonds retain the same terms with respect to redemption as were possessed by the exchanged or transferred Bonds.

The principal of, and interest on, the Bonds shall be payable to the registered holders thereof by check or draft of the Trustee as paying agent, and such payment shall be made without deduction for the services of such paying agent. At the written request of the registered owner of at least \$100,000 aggregate principal amount of the Bonds received by the Trustee at least one business day prior to the corresponding record date, interest accrued on the Bonds will be payable by wire transfer within the continental United States in immediately available funds to the bank account number of such owner specified in such request and entered by the Trustee on the registration records; provided that interest payable at maturity or upon redemption shall be paid only upon presentation and surrender of such owner's Bonds.

The Bonds shall be designated "Special Obligation Development Revenue Bonds, Series 2025 (Leo Capital/Hillsboro Project)" or as otherwise designated by the Finance Director in the Certificate of Award.

SECTION 5. Upon the face of each of the Bonds shall be recited a reference to the Act and the ordinance under which issued. Each of the Bonds shall express upon its face the purpose for which the same is issued; that the Bond is payable solely from the Pledged Revenues. The Bonds shall bear the manual or facsimile signatures of the appropriate officers of the City, shall be authenticated manually by the Trustee, and shall bear manual or facsimile impression of the corporate seal of the City. The Bonds shall be prepared, issued, and delivered to the original purchasers of the Bonds identified by the Placement Agent pursuant to the Bond Placement Agreement (the "Original Purchasers") under the direction of the appropriate officers of the City as hereinafter provided.

SECTION 6. The Bonds are hereby awarded and shall be delivered to the Original Purchasers identified by the Placement Agent pursuant to the Bond Placement Agreement upon payment for the Bonds. The appropriate officers of the City are hereby authorized and directed in the name of and on behalf of the City to make, execute and deliver the Bonds to the Original Purchasers in accordance with the terms of this Bond Ordinance, the Certificate of Award and the Bond Placement Agreement. The Bonds shall be payable solely from Pledged Revenues. THE BONDS ARE NEGOTIABLE INSTRUMENTS BUT DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE CITY AND THE GENERAL CREDIT AND TAXING POWER OF THE CITY ARE NOT PLEDGED PAYMENT THEREOF, OR ANY PART THEREOF, OR THE INTEREST THEREON, AND THE BONDS ARE PAYABLE AS TO PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ONLY FROM THE PLEDGED REVENUES.

SECTION 7. There is hereby authorized to be created and established, and the Trust Agreement shall create and establish, the following funds, each as a separate fund (except when invested as hereinafter provided) in the custody of the Trustee, each designated as indicated and including therein the accounts and subaccounts described herein, and such additional accounts and

subaccounts that may be created by the Trust Agreement or as the Trustee shall, in its discretion, deem expedient for implementing the purposes of this Bond Ordinance and the Trust Agreement:

(a) A fund designated the "City of Hillsboro Public Improvements Fund" and the "Costs of Issuance Account," the "Capitalized Interest Account" and the "Public Improvements Account" therein;

(b) A fund designated the "Leo Capital Tax Increment Fund" and the "Statutory Service Payment Account" and the "Supplemental Payment Account" therein;

(c) A fund designated the "City of Hillsboro Rebate Fund," any provision hereof to the contrary notwithstanding, amounts credited to the fund shall be free and clear of any lien hereunder;

(d) A fund designated the "City of Hillsboro Administrative Expense Fund;" provided that, any provision hereof to the contrary notwithstanding, amounts credited to the fund shall be free and clear of any lien hereunder;

(e) A fund designated the "City of Hillsboro Bond Fund," and the "Interest Account," the "Principal Account," and the "Prepayment Account" therein;

(f) A fund designated the "City of Hillsboro Reserve Fund";

(g) A fund designated the "City of Hillsboro Surplus Fund";

SECTION 8. The proceeds from the sale of the Bonds, as and when paid by the Original Purchasers, excluding any amounts representing accrued interest, if any, shall be deposited to the credit of the Capitalized Interest Account of the Public Improvements Fund, the Costs of Issuance Account of the Public Improvements Fund, and the Public Improvements Account of the Public Improvements Fund pursuant to and in accordance with this Bond Ordinance and the Certificate of Award. From and after the date of issuance and delivery of the Bonds, the Pledged Revenues shall be set aside and deposited by the City in the Leo Capital Tax Increment Fund, which shall be administered pursuant to the Trust Agreement.

SECTION 9. Moneys in the funds, accounts, and subaccounts held by the Trustee shall be invested by the Trustee, pursuant to written instructions from the City, in any Eligible Investments of those funds, accounts and subaccounts as provided in the Trust Agreement; provided, however, moneys in the Bond Fund and moneys in the Public Improvements Fund shall only be invested in Eligible Investments that mature or are subject to redemption by and at the option of the holder not later than five (5) years from the date of that investment. Any investment made from moneys in any fund, account, or subaccount shall constitute part of that fund, account, or subaccount. All proceeds of sale and income from any investment in any fund, account, or subaccount shall be credited to that fund, account, or subaccount.

SECTION 10. Should it be judicially determined by a court having jurisdiction to pass upon the validity of this Bond Ordinance, the Trust Agreement or Bonds herein authorized, that any provision of this Bond Ordinance is beyond the powers of this Council or the City, or is otherwise invalid, then such decision shall in no way affect the validity of said Trust Agreement

or the validity of the Bonds, or any proceeds related thereto, except as to the particular matters found by such decision to be invalid.

SECTION 11. The funds derived from the sale of the Bonds authorized by this Bond Ordinance become and they are hereby set aside and appropriated for the payments as described in this Bond Ordinance. The City will not make any pledge or assignment of or create or suffer any lien or encumbrance upon the Pledged Revenues prior to or on a parity with the pledge thereof hereunder, except as and if authorized or permitted under this Bond Ordinance and the Trust Agreement.

SECTION 12. Subject to any limitations set forth in the Service Agreement, the City covenants that, prior to the delivery of the Bonds, it will determine the amount of Pledged Revenues necessary to satisfy the projected Debt Service of the Bonds and shall enter into such valid and legally enforceable agreement or agreements to cause such Pledged Revenues to be collected at such times and in such amounts which will provide amounts sufficient and appropriate to (i) pay when due all Debt Service on Outstanding Bonds, (ii) provide terms for any costs of operation, maintenance and repair of the Public Improvements, and (iii) provide for the establishment and maintenance of any reserve requirement.

SECTION 13. That sums which are expended from the above appropriations and which are proper charges against and are repaid by any other department, any firm, person or corporation, shall be considered reappropriated for such original purpose; provided that the total appropriation as increased by any such repayment shall not be exceeded.

SECTION 14. The City will at any and all times adopt, make, do, execute, and deliver such further ordinances, instruments, and assurances as may be necessary or desirable to carry out the purposes of this Bond Ordinance and the Trust Agreement.

SECTION 15. That the Finance Director of the City of Hillsboro be and he or she is hereby authorized to draw his warrants of the City treasury and depository for payments from any of the foregoing appropriations upon receiving proper approval in accordance with the ordinances of the City of Hillsboro.

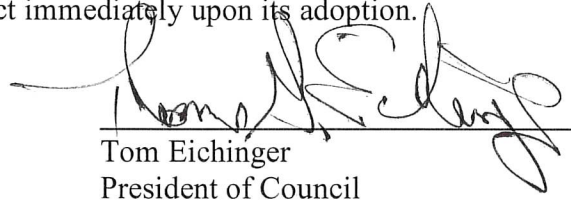
SECTION 16. This Council, for the City, hereby covenants that it will restrict the use of the proceeds of the Bonds hereby authorized in such manner and to such extent, if any, and take such other action as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute obligations the interest on which is subject to federal income taxation or "arbitrage bonds" under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations prescribed thereunder. The Finance Director or any other officer having responsibility with respect to the issuance of the Bonds is authorized and directed to give an appropriate certificate on behalf of the City, on the date of delivery of the Bonds, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of said Sections 103(b)(2) and 148 and regulations thereunder.

SECTION 17. This Council hereby finds and determines that all formal actions relative to the passage of this Bond Ordinance were taken in an open meeting of this Council, and that all

deliberations of this Council and of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

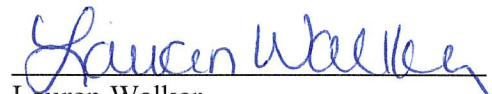
SECTION 18. That this Bond Ordinance is hereby declared to be an emergency measure for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the City for the reason that the City must act in a timely fashion to take advantage of the time of year best suited for construction, and shall take effect immediately upon its adoption.

PASSED 5/15, 2025
Date


Tom Eichinger
President of Council

ATTEST:

Lauren Walker, the duly appointed Clerk of Council, attests that this ordinance was passed at a regular/special meeting of Hillsboro City Council on the 15 day of May, 2025 in compliance with the rules of Hillsboro City Council and the laws of the State of Ohio. The foregoing ordinance was submitted to the Mayor of the City of Hillsboro, Ohio for his signature on the 15 day of May, 2025.


Lauren Walker
Clerk of Council

APPROVED 5/25, 2025
Date


Justin Harsha
Mayor