

4 **A RESOLUTION OF THE COMMON COUNCIL OF THE**  
5 **CITY OF FORT WAYNE, INDIANA, APPROVING A JOINT**  
6 **LEDGE AGREEMENT BETWEEN THE CITY OF FORT**  
7 **WAYNE, THE ALLEN COUNTY REDEVELOPMENT**  
8 **COMMISSION, THE ALLEN COUNTY COUNCIL, THE**  
9 **BOARD OF COMMISSIONERS OF ALLEN COUNTY,**  
10 **INDIANA, AND FRANKLIN ELECTRIC**

11 **WHEREAS**, Franklin Electric will be a significant employer in the City and the  
12 County; and

13 **WHEREAS**, the City deems it beneficial to support local economic development to  
14 attract business by providing certain assistance in order to encourage the expansion of job  
15 opportunities in the community; and

16 **WHEREAS**, Indiana Code 36-7-14-33 authorizes the City of Fort Wayne to enter into  
17 a joint agreement with other agencies to provide financial and other assistance for a  
18 redevelopment project; and

19 **WHEREAS**, the Allen County Redevelopment Commission, the Allen County Council  
20 and the Board of Commissioners of Allen County, Indiana, have entered into a Joint Ledge  
21 Agreement (a copy of which is attached hereto and made a part hereof as "Exhibit 1"), which  
22 will contribute to local economic development; and


23 **WHEREAS**, the Common Council of the City of Fort Wayne, Indiana, the fiscal body  
24 of the municipality, shall approve the agreement either prior or subsequent to the execution  
25 of the agreement by the respective parties.

26 **NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE**  
27 **CITY OF FORT WAYNE, INDIANA:**


28 **SECTION 1.** The Common Council of the City of Fort Wayne, Indiana, hereby  
29 ratifies and approves the Fort Wayne/Allen County Joint Ledge Agreement between and  
30 among Allen County, the Redevelopment Commission of Allen County, the Allen County  
Council, the Board of Commissioners of Allen County, Indiana and the City of Fort Wayne.

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**SECTION 2.** That, this Resolution shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.

  
Member of Council

APPROVED AS TO FORM AND LEGALITY

  
Carol Helton, City Attorney

**FORT WAYNE/ALLEN COUNTY JOINT LEDGE AGREEMENT  
WITH FRANKLIN ELECTRIC**

This Joint Ledge Agreement (the "Agreement") is entered as of the Effective Date (as hereinafter defined) by and among the Allen County Redevelopment Commission (the "Redevelopment Commission"), the Board of Commissioners of the County of Allen (the "County"), the Allen County Council ("County Council") the City of Fort Wayne, Indiana (the "City"), the Common Council of the City of Fort Wayne ("the Common Council"), and Franklin Electric Co., Inc., an Indiana corporation ("Recipient") (the Redevelopment Commission, County, County Council, City, Common Council and Recipient being collectively referred to herein as the "Parties"). The Parties, in consideration of the mutual covenants, obligations and stipulations set forth herein, agree as follows:

WHEREAS, the Recipient will be a significant employer in the community of greater Fort Wayne and Allen County; and

WHEREAS, the parties desire to enter into this Agreement to encourage the expansion of job opportunities by the Recipient in the community; and

WHEREAS, I.C. 36-7-14-33 provides for agreement between and among the entities which are parties to this Agreement to provide economic development through the furnishing of financial and other assistance for a redevelopment project;

NOW, THEREFORE, for and in consideration of the joint and mutual consideration hereinafter set forth, the parties hereto agree as follows:

1. **Purpose of the Agreement.** The purpose of this Agreement is to promote job creation by the Recipient in Allen County, Indiana. In furtherance thereof, the Joint Ledge Board (as hereinafter defined) has awarded to the Recipient certain financial assistance set forth herein as a portion of the economic development incentive package to facilitate the location of the Recipient's new Global Corporate Headquarters and Engineering Center of Excellence in Allen County, Indiana (the "Facility") and to create 225 full-time jobs (the "Project"). The annual assistance provided for the benefit of Recipient in this Agreement will be used to lease equipment at the Facility for the benefit of the Recipient.

2. **Definitions.**

a. "Full-time Equivalents" ("FTE") means a job requiring a minimum of thirty-five (35) hours of an employee's time each week for the entire normal year of Company operations or a job requiring a minimum of thirty-five hours (35) of an employee's time a week for that portion of the first year in which the employee commences employment at the Facility; provided, however, that jobs requiring less than thirty-five (35) hours may be aggregated to FTEs with each aggregate equivalent considered to be a FTE.

b. "Facility" means the Recipient's headquarters and engineering facility located at 9300 block of Coverdale Road, Fort Wayne, Indiana.

c. "Joint Ledge Board" means a board created by this Agreement and composed of two (2) members of the Redevelopment Commission and two (2) members appointed by the Mayor of the City, which is charged with implementation and enforcement of this Agreement. The Redevelopment Commission shall execute the Lease Agreement and Sublease (as hereinafter defined) on behalf of the Joint Ledge Board.

d. "Taxable Year" means a calendar year identified in Section 4 for which a benefit may be allowed subject to the Recipient's compliance with this Agreement.

e. "Total annual payroll" means the ERA Statement of Benefit or IAC 50-10.

f. "Benefit" means an amount (not to exceed the amount set forth in Section 8) which may be claimed by Recipient in the corresponding Taxable Year, subject to compliance with this Agreement.

3. **Term of the Agreement.** This Agreement shall commence effective the date signed by the Recipient (the "Effective Date") and shall continue until the earlier of: (a) the expiration of the term of the Lease Agreement and Sublease between the Recipient and the Joint Ledge Board, the form of which is attached hereto as Exhibit A (the "Lease Agreement") or (b) the tenth (10<sup>th</sup>) anniversary date of the Effective Date. The Recipient shall use its best commercial efforts to maintain normal business operations at the Facility for a minimum period of ten (10) consecutive years.

4. **Description of the Project.** Recipient will invest the sum of Nineteen Million Three Hundred Thousand Dollars (\$19,300,000) in constructing the Facility prior to December 31, 2014 (the "Project"). Total annual payroll of Recipient's employees employed at the Facility including those to be employed as a result of the Project, shall exceed the amounts set forth below (2013 Payroll to be prorated to the opening date of the Facility).

Year	Cumulative # New Jobs	Annual Payroll
2013	225	\$17,784,000
2014	230	\$18,657,600
2015	240	\$19,968,000

5. **Duration of the Benefit.** Recipient may claim a Benefit under this Agreement for any one (1) or more Taxable Years (as hereinafter defined), provided that Recipient may not claim a benefit under this Agreement in any year after 2017.

6. **First Taxable Year for Which the Benefit is Claimed.** The first year in which a benefit may be claimed under this Agreement is Recipient's fiscal year ending on or before December 31, 2013.

7. **Contribution Limits.** The City shall contribute seventy-five percent (75%) and the County shall contribute twenty-five percent (25%) of the Ledge Benefit (as hereinafter defined) in each year a benefit is paid. Failure of either the City or the County to contribute its share of the Benefit shall not require the other party to make up any deficiency.

The City and the County shall each be responsible for making the annual payment to the Recipient for its respective share of the Ledge Benefit.

8. **The Ledge Benefit Allowed for Each Taxable Year.** The Ledge Benefit shall not, in any event, exceed a maximum of \$360,000 and will be paid over a period of three (3) years. The maximum Ledge Benefit amount that will be allowed for each such year is set forth below.

Year	Maximum Ledge Benefit	Projected Jobs
2013	\$60,000	225
2014	\$120,000	230
2015	\$120,000	240
2016	\$60,000	250

No Ledge Benefit under this Agreement shall be allowed in any Taxable Year in which Recipient's net FTE at the Facility falls below eighty percent (80%) of projected jobs for more than three (3) months in such Taxable Year or in which Recipient is otherwise in default in the performance of its obligations hereunder. Notwithstanding the foregoing, 2013's FTEs at the Facility, for the purposes of the above requirement, shall be evaluated based on June 1, 2013 through December 31, 2013.

Recipient shall not be responsible or liable in any way for its failure to perform its obligations hereunder, if such failure to perform is beyond the control of said party, whether caused by acts of God, unavailability or shortages of raw materials from normal sources of supply, or unavailability or shortages of energy necessary to produce and/or deliver the products by usual modes of transportation, fire, flood, war, terrorism, unforeseen market forces, embargo, explosions, riots, or loss, rules, regulations, restrictions and orders of any governmental authority to which such entity is subject, or any other cause (excepting labor disputes and strikes), excepting financial, beyond the reasonable control of the Recipient. Such failure shall not terminate this Agreement but the obligations of the Recipient shall be suspended during the period when performance is so suspended, unless such period exceeds one hundred and eighty (180) days, in which event any party hereto shall have the right at any time thereafter during the existence of such force majeure condition to terminate this Agreement upon written notice to the other parties. Recipient shall immediately notify and keep the other parties from time to time apprized regarding such force majeure condition and shall exercise its best efforts to remove or overcome the cause of such inability to comply with its obligations under this Agreement. Nothing herein shall be construed to require the settlement of strikes, lockouts or other labor difficulties by the Recipient contrary to its wishes.

The foregoing notwithstanding, the Ledge Benefit for any Taxable Year shall be reduced in an amount equal to any assessed and unpaid real or personal property taxes associated with the Facility regardless of ownership of the Facility at the time of assessment. If subsequently paid, said Ledge Benefit shall be restored by the amount of taxes paid.

9. **Responsibilities of Recipient.** Recipient has made certain representations and covenants to the Joint Ledge Board regarding the Project including the amount of private sector investment, the number of jobs to be created in Allen County, and the annual payroll to be generated

by the Project during each Taxable Year. Recipient represents and covenants that it will use commercially reasonable efforts to maintain normal business operations at the Facility for a minimum of ten (10) consecutive years. In the event Recipient breaches any of such representations or covenants or breaches the obligations set forth in Section 4 or, in any other provision of this Agreement, as determined solely by the Joint Ledge Board, the Benefit allowed shall be repaid by Recipient according to the following schedule:

In the event that the FTE employment at the Facility falls below eighty percent (80%) of the projected jobs based on the annual average FTE in any year of the ten (10) year covenant, then for each year of non-compliance, the LEDGE benefit reduction will be calculated as follows:

$$\frac{(\text{Projected Jobs} - \text{Average annual FTE})}{\text{Projected Jobs}} \times (\text{Benefit Received}) \times .1 \times \text{Total number of years of non-compliance}$$

The parties hereto acknowledge that the Recipient's investment in the Project and the Joint Ledge Board's investment in granting the Benefit described in Section 8 will encourage economic growth within the County. The Joint Ledge Board acknowledges that in certain instances, economic conditions or other factors not within the Recipient's control may prevent the Recipient from complying fully with this Agreement. In such event, Recipient may notify the Joint Ledge Board of such conditions or factors and request an opportunity to explain the conditions or factors which are preventing Recipient from complying in all respects with this Agreement, and the Joint Ledge Board will exercise good faith in evaluating the conditions or factors affecting the Recipient's performance hereunder prior to taking any action authorized under this Agreement. Notwithstanding the above, under no circumstance shall Recipient be required to pay back an amount greater than the Benefit received.

The Recipient shall submit to the Joint Ledge Board no later than March 31<sup>st</sup> of each year following the Taxable Year in which this Agreement is in force, the information listed below:

- a. The number of FTE at the Project for each month during the previous Taxable Year.
- b. The average annual FTE during the previous Taxable Year.
- c. The Recipient's federal identification number and taxpayer account number as assigned by the Indiana Department of Workforce Development for the purpose of unemployment insurance, to assist in the verification of the provided information.
- d. The total annual payroll paid to all employees employed at the Facility during the previous Taxable Year. W-2 tapes provided to the State of Indiana shall be the basis for this information. Recipient will not be required to provide individual payroll information for employees at the Facility.
- e. Any other information reasonably required by the Joint Ledge Board to perform its duties, so long as Recipient is given notice of such information requirements sufficient to allow Recipient reasonable time to prepare such

information and so long as such information is available from the records maintained by Recipient in the ordinary course of its business.

f. In addition to the information provided under the provisions of the subsections contained in this Section 9, within ten (10) days of any modification, any changes in the Lease Agreement.

However, as an alternative to the requirements set forth above, the Joint Ledge Board will accept the annual Compliance with the Statements of Benefits Form (CF-1) for any year Recipient is required to file same.

Recipient shall certify under oath the accuracy of the above information submitted to the Joint Ledge Board. The information submitted to the Joint Ledge Board shall be kept confidential by the Joint Ledge Board unless law or judicial order requires disclosure of such information. The Joint Ledge Board may, upon request, share such information with the other Parties to this Agreement, who shall also keep said information confidential financial information pursuant to IC 5-14-3-4(a)(5), unless applicable law or judicial order required disclosure of such information. The Joint Ledge Board will provide notice to the Recipient (30 days if possible) before the release of any information as required above.

Any repayment of a prior Benefit under Section 9 shall be paid by the Recipient to the Joint Ledge Board within one-hundred eighty (180) days of a written request from the Joint Ledge Board.

**10. Exclusive Use of the Benefits by Recipient for Lease Payments on the Project.** Subject to appropriation, the Joint Ledge Board shall use the benefits provided under the provisions of this Agreement exclusively from the Recipient for the payment of lease obligations pursuant to the Lease Agreement.

**11. Duties and Responsibilities of the Joint Ledge Board.** Upon the timely receipt from Recipient of the information described under Section 9 of this Agreement, the Joint Ledge Board shall review the claim for prior Taxable Year Benefit and supporting information and shall within forty-five (45) days thereafter provide the Recipient with (1) written notice of concurrence with the Benefit claimed for the prior Taxable Year, or (2) written notice of the adjusted Benefit the Joint Ledge Board determined appropriate, Based on Recipient's performance hereunder, for the prior Taxable Year together with justification of the modification from the amount claimed. Subject to the terms and conditions of this Agreement, City and County shall concurrently pay the Benefit to Recipient. The City and County shall have no obligation to make any payment to or for the benefit of Recipient in any Taxable Year in which Recipient is in default under this Agreement.

If the Joint Ledge Board determines that the Recipient is not in compliance with the requirements of this Agreement, it may, upon notice to all Parties and upon providing the Recipient an opportunity to explain the reasons for the noncompliance and the reasonable opportunity to cure, take any action it deems appropriate, including the termination of this Agreement. Recipient hereby releases each of the Parties hereto, and the Joint Ledge Board from any and all claims, demands, liabilities or causes of action, whether now existing or hereafter arising, known and unknown, which Recipient may have against any such party resulting from the termination of this Agreement.

**Notice to Parties.** Any notice, statement or other communications sent to the Joint Ledge Board or the Recipient, shall be sent to the following addresses, unless otherwise specifically advised.

To the Joint Ledge Board:

Mark Royse  
Allen County Redevelopment Commission  
200 East Berry St., Suite 150  
Fort Wayne, IN 46802  
PH: (260) 449-7607  
FAX: (260) 449-7682  
e-mail: mark.royse@co.allen.in.us

To the Recipient:

Franklin Electric Co., Inc  
3801 West Ferguson Road, Suite 209  
Fort Wayne, IN 46809-3194  
ATTN: Patrick Davis  
PH: (260) 827-5103  
FAX:  
e-mail: pdavis@fele.com

12. **Authority to Bind.** Notwithstanding anything in this Agreement to the contrary, the signatory for the Recipient represents that he/she has been duly authorized by the Recipient to execute this Agreement and to bind the Recipient to each of the representations, covenants, and obligations of Recipient entered herein.

13. **Amendment of this Agreement.** This Agreement or any portion hereof may only be amended by written amendment executed by all parties hereto.

14. **Assignability.** The Recipient shall not assign this Agreement or any portion thereof without the prior written consent of the Joint Ledge Board, which consent shall not be unreasonably withheld.

15. **Remedies not Impaired.** No delay or omission of any party in exercising any right or remedy available under this Agreement shall impair any such right or remedy, or constitute a waiver of any default or acquiescence thereto.

16. **Compliance with Laws.** The Recipient agrees to comply with all applicable federal, state and local laws, rules, regulations and ordinances and all provisions required thereby whether now existing or hereafter enacted, are included and incorporated by reference herein.

Pursuant to I.C. '22-9-1-10 and the Civil Rights Act of 1964, Recipient shall not discriminate against any employee or applicant for employment, to be employed in the performance of this contract, with respect to the hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of his race, color, religion, sex, disability, national origin, handicap or ancestry. Breach of this covenant may be regarded as a material breach of this Agreement.

The Recipient affirms under the penalties of perjury that he/she/it does not knowingly employ an unauthorized alien. The Recipient affirms under the penalties of perjury that he/she/it has enrolled and is participating in the E-Verify program as defined in IC 22-5-1.7-3. The Recipient agrees to provide documentation to the State that he/she/it has enrolled and is participating in the E-Verify program. Additionally, the Recipient is not required to participate if the Recipient is self-employed and does not employ any employees. The State may terminate for default if the

Recipient fails to cure a breach of this provision no later than thirty (30) days after being notified by the State.

17. **Governing Laws.** This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana, notwithstanding its choice of law rules to the contrary or any other state's choice of law rules. Suit, if any, shall be brought in a court of applicable jurisdiction situated in Allen County, Indiana.

18. **Entire Agreement.** This Agreement, together with the Lease Agreement(s) entered into of even date herewith, and any attachments hereto, contain the entire understanding of the parties and this Agreement supersedes all prior agreements and understandings, oral or written, with respect to the subject matter.

19. **Indemnification.** The Recipient shall indemnify, defend and hold harmless each of the other Parties hereto and their respective representatives, agents, officers and employees (collectively, the "Indemnitees") from and against all claims, demands, charges, lawsuits, costs and expenses (including legal costs and, attorneys fees) caused by any act or omission of the Recipient and/or its subcontractors, vendors, suppliers, employees, representatives, licensees and authorized agents and in connection with the design, construction, operation, management and control of the Facility. No other Party hereto shall provide any indemnification hereunder to the Recipient. Recipient hereby forever releases Indemnitees and each of them from any and all claims, demands and charges, known and unknown, whether now existing or hereafter arising, that Recipient has or may have against Indemnitees, or any of them, under this Agreement. Notwithstanding anything herein contained, Recipient shall not be obligated to indemnify, defend or hold harmless any Indemnitee for any action or injury above due to the gross negligence or intentional act of said Indemnitee.


20. **Penalties and Interest.** The Indemnitees will in good faith perform their required obligations hereunder and shall not in any event be required to pay any direct, liquidated, incidental, specific, punitive or consequential damages in the event of breach of this Agreement by Indemnitees or any of them.

21. **Mutual Attorneys Fees Provision.** If any Party hereto brings an action or proceeding to enforce the terms of this Agreement or of the Lease Agreement (or Sublease) executed of even date herewith between the Parties hereto, the prevailing party in any such proceeding, action or appeal thereon, shall be entitled to reasonable attorneys fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment or the abandonment by the party of its claims or defense. The attorneys' fee award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all reasonable attorneys fees incurred.

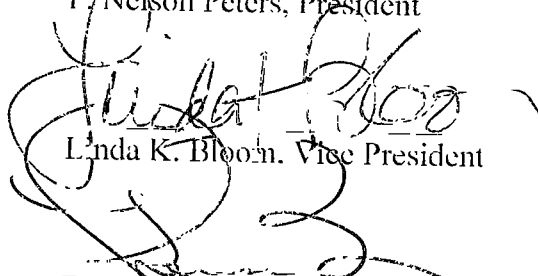
22. **Severability.** The invalidity of any section, subsection, clause or provision of this Agreement shall not affect the validity of the remaining sections, subsections, clauses, or provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereby, by their duly authorized representatives, have executed this Agreement on the dates entered below.

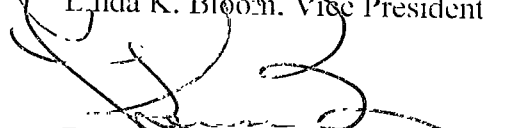
**The Board of Commissioners of the County of Allen**


  
F. Nelson Peters, President

Date: 5/14/13

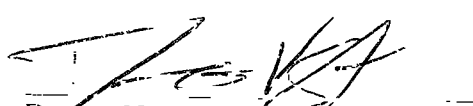
  
Linda K. Bloom, Vice President

Attest:

  
Therese Brown, Secretary

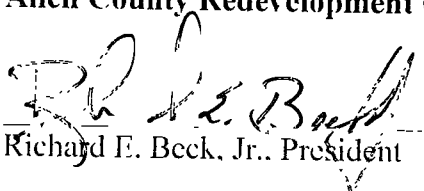
  
Tera Klutz, Auditor

**Allen County Council**

  
Darren Vogt, President

Date: 5/9/13

**Allen County Redevelopment Commission**

  
Richard E. Beck, Jr., President

Date: 5/14/13

**Fort Wayne City Council**

Tom Didier, President

Date: \_\_\_\_\_

**City of Fort Wayne**

Tom Henry, Mayor

Date: \_\_\_\_\_

**Franklin Electric Co., Inc.**

-----

Date: \_\_\_\_ \_\_\_\_

Its: -----

Admn. Appr.

DIGEST SHEET

TITLE OF ORDINANCE: **Resolution Authorizing Fort Wayne Common Council to enter into a Joint Ledge Agreement with Allen County**

DEPARTMENT REQUESTING ORDINANCE: **Community Development Division**

SYNOPSIS OF ORDINANCE: **This Resolution authorizes Fort Wayne Common Council to enter into a Joint Ledge Agreement with Allen County. The Agreement provides for the City's participation in local economic development incentives offered to Franklin Electric.**

EFFECT OF PASSAGE: **Will allow the City to offer Franklin Electric local economic development incentives for the development of a global corporate headquarters and engineering center of excellence and will aid in the creation of 225 full-time jobs**

EFFECT OF NON-PASSAGE: **Potential loss of new development**

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS): **No expenditures of public funds required.**

ASSIGNED TO COMMITTEE (PRESIDENT): **Glynn Hines and Russell Jehl**

Public Hearing Date, if applicable

Read the first time in full and on motion by Councilman Tom Smith  
Read the second time by title and referred to the Finance Committee  
Committee. Read the third time in full and on motion by Councilman  
Smith, placed on passage by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	7		1	1
BENDER	✓			
CRAWFORD				✓
DIDIER	✓			
HARPER			✓	
HINES	✓			
JEHL	✓			
PADDOCK	✓			
SHOAFF	✓			
SMITH	✓			

DATED: 7-23-13 Sandra E. Kennedy  
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as  
(ANNEXATION) (APPROPRIATION) (GENERAL) (SPECIAL) (ZONING) - ORDINANCE  
(RESOLUTION) NO. R-65-13 on the 23<sup>rd</sup> day of  
July, 2013

ATTEST:  
Sandra E. Kennedy  
SANDRA E. KENNEDY,  
CITY CLERK

Thomas F. Didier  
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 7-24-13 day  
of July, 2013, at the hour of 10:00 o'clock A.M. E.S.T.

Sandra E. Kennedy  
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 24<sup>th</sup> day of July  
2013, at the hour of 3:00 o'clock

Thomas C. Henry  
THOMAS C. HENRY, MAYOR

BILL NO. R-13-06-01

# REPORT OF THE COMMITTEE ON FINANCE

## JULY 16, 2013

TOM SMITH – CHAIR  
JOHN CRAWFORD – CO-CHAIR  
ALL COUNCIL MEMBERS

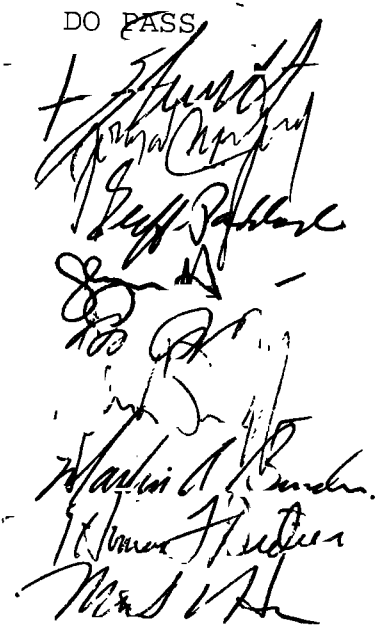
A RESOLUTION of the Common Council of the City of Fort Wayne, Indiana, approving a Joint Ledge Agreement between the City of Fort Wayne, the Allen County Redevelopment Commission, the Allen County Council, the Board of Commissioners of Allen County, Indiana, and Franklin Electric. COMMITTEE OF FINANCE HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE

DO PASS

DO NOT PASS

ABSTAIN

NO REC



A collection of handwritten signatures in black ink, including names such as Tom Smith, John Crawford, and others, arranged vertically on the left side of the page.

SANDRA E. KENNEDY  
CITY CLERK

**FORT WAYNE/ALLEN COUNTY JOINT LEDGE AGREEMENT  
WITH FRANKLIN ELECTRIC**

This Joint Ledge Agreement (the "Agreement") is entered as of the Effective Date (as hereinafter defined) by and among the Allen County Redevelopment Commission (the "Redevelopment Commission"), the Board of Commissioners of the County of Allen (the "County"), the Allen County Council ("County Council") the City of Fort Wayne, Indiana (the "City"), the Common Council of the City of Fort Wayne ("the Common Council"), and Franklin Electric Co., Inc., an Indiana corporation ("Recipient") (the Redevelopment Commission, County, County Council, City, Common Council and Recipient being collectively referred to herein as the "Parties"). The Parties, in consideration of the mutual covenants, obligations and stipulations set forth herein, agree as follows:

WHEREAS, the Recipient will be a significant employer in the community of greater Fort Wayne and Allen County; and

WHEREAS, the parties desire to enter into this Agreement to encourage the expansion of job opportunities by the Recipient in the community; and

WHEREAS, I.C. 36-7-14-33 provides for agreement between and among the entities which are parties to this Agreement to provide economic development through the furnishing of financial and other assistance for a redevelopment project;

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c. "Joint Ledge Board" means a board created by this Agreement and composed of two (2) members of the Redevelopment Commission and two (2) members appointed by the Mayor of the City, which is charged with implementation and enforcement of this Agreement. The Redevelopment Commission shall execute the Lease Agreement and Sublease (as hereinafter defined) on behalf of the Joint Ledge Board.

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Year	Cumulative # New Jobs	Annual Payroll
2013	225	\$17,784,000
2014	230	\$18,657,600
2015	240	\$19,968,000

5. **Duration of the Benefit.** Recipient may claim a Benefit under this Agreement for any one (1) or more Taxable Years (as hereinafter defined), provided that Recipient may not claim a benefit under this Agreement in any year after 2017.

6. **First Taxable Year for Which the Benefit is Claimed.** The first year in which a benefit may be claimed under this Agreement is Recipient's fiscal year ending on or before December 31, 2013.

7. **Contribution Limits.** The City shall contribute seventy-five percent (75%) and the County shall contribute twenty-five percent (25%) of the Ledge Benefit (as hereinafter defined) in each year a benefit is paid. Failure of either the City or the County to contribute its share of the Benefit shall not require the other party to make up any deficiency.

The City and the County shall each be responsible for making the annual payment to the Recipient for its respective share of the Ledge Benefit.

8. **The Ledge Benefit Allowed for Each Taxable Year.** The Ledge Benefit shall not, in any event, exceed a maximum of \$360,000 and will be paid over a period of three (3) years. The maximum Ledge Benefit amount that will be allowed for each such year is set forth below.

Year	Maximum Ledge Benefit	Projected Jobs
2013	\$60,000	225
2014	\$120,000	230
2015	\$120,000	240
2016	\$60,000	250

No Ledge Benefit under this Agreement shall be allowed in any Taxable Year in which Recipient's net FTE at the Facility falls below eighty percent (80%) of projected jobs for more than three (3) months in such Taxable Year or in which Recipient is otherwise in default in the performance of its obligations hereunder. Notwithstanding the foregoing, 2013's FTEs at the Facility, for the purposes of the above requirement, shall be evaluated based on June 1, 2013 through December 31, 2013.

Recipient shall not be responsible or liable in any way for its failure to perform its obligations hereunder, if such failure to perform is beyond the control of said party, whether caused by acts of God, unavailability or shortages of raw materials from normal sources of supply, or unavailability or shortages of energy necessary to produce and/or deliver the products by usual modes of transportation, fire, flood, war, terrorism, unforeseen market forces, embargo, explosions, riots, or loss, rules, regulations, restrictions and orders of any governmental authority to which such entity is subject, or any other cause (excepting labor disputes and strikes), excepting financial, beyond the reasonable control of the Recipient. Such failure shall not terminate this Agreement but the obligations of the Recipient shall be suspended during the period when performance is so suspended, unless such period exceeds one hundred and eighty (180) days, in which event any party hereto shall have the right at any time thereafter during the existence of such force majeure condition to terminate this Agreement upon written notice to the other parties. Recipient shall immediately notify and keep the other parties from time to time apprized regarding such force majeure condition and shall exercise its best efforts to remove or overcome the cause of such inability to comply with its obligations under this Agreement. Nothing herein shall be construed to require the settlement of strikes, lockouts or other labor difficulties by the Recipient contrary to its wishes.

The foregoing notwithstanding, the Ledge Benefit for any Taxable Year shall be reduced in an amount equal to any assessed and unpaid real or personal property taxes associated with the Facility regardless of ownership of the Facility at the time of assessment. If subsequently paid, said Ledge Benefit shall be restored by the amount of taxes paid.

9. **Responsibilities of Recipient.** Recipient has made certain representations and covenants to the Joint Ledge Board regarding the Project including the amount of private sector investment, the number of jobs to be created in Allen County, and the annual payroll to be generated

by the Project during each Taxable Year. Recipient represents and covenants that it will use commercially reasonable efforts to maintain normal business operations at the Facility for a minimum of ten (10) consecutive years. In the event Recipient breaches any of such representations or covenants or breaches the obligations set forth in Section 4 or, in any other provision of this Agreement, as determined solely by the Joint Ledge Board, the Benefit allowed shall be repaid by Recipient according to the following schedule:

In the event that the FTE employment at the Facility falls below eighty percent (80%) of the projected jobs based on the annual average FTE in any year of the ten (10) year covenant, then for each year of non-compliance, the LEDGE benefit reduction will be calculated as follows:

$(\text{Projected Jobs} - \text{Average annual FTE}) \times \text{Projected Jobs} \times (\text{Benefit Received} \times .1 \times \text{Total number of years of non-compliance})$

The parties hereto acknowledge that the Recipient's investment in the Project and the Joint Ledge Board's investment in granting the Benefit described in Section 8 will encourage economic growth within the County. The Joint Ledge Board acknowledges that in certain instances, economic conditions or other factors not within the Recipient's control may prevent the Recipient from complying fully with this Agreement. In such event, Recipient may notify the Joint Ledge Board of such conditions or factors and request an opportunity to explain the conditions or factors which are preventing Recipient from complying in all respects with this Agreement, and the Joint Ledge Board will exercise good faith in evaluating the conditions or factors affecting the Recipient's performance hereunder prior to taking any action authorized under this Agreement. Notwithstanding the above, under no circumstance shall Recipient be required to pay back an amount greater than the Benefit received.

The Recipient shall submit to the Joint Ledge Board no later than March 31<sup>st</sup> of each year following the Taxable Year in which this Agreement is in force, the information listed below:

- a. The number of FTE at the Project for each month during the previous Taxable Year.
- b. The average annual FTE during the previous Taxable Year.
- c. The Recipient's federal identification number and taxpayer account number as assigned by the Indiana Department of Workforce Development for the purpose of unemployment insurance, to assist in the verification of the provided information.
- d. The total annual payroll paid to all employees employed at the Facility during the previous Taxable Year. W-2 tapes provided to the State of Indiana shall be the basis for this information. Recipient will not be required to provide individual payroll information for employees at the Facility.
- e. Any other information reasonably required by the Joint Ledge Board to perform its duties, so long as Recipient is given notice of such information requirements sufficient to allow Recipient reasonable time to prepare such

information and so long as such information is available from the records maintained by Recipient in the ordinary course of its business.

f. In addition to the information provided under the provisions of the subsections contained in this Section 9, within ten (10) days of any modification, any changes in the Lease Agreement.

However, as an alternative to the requirements set forth above, the Joint Ledge Board will accept the annual Compliance with the Statements of Benefits Form (CF-1) for any year Recipient is required to file same.

Recipient shall certify under oath the accuracy of the above information submitted to the Joint Ledge Board. The information submitted to the Joint Ledge Board shall be kept confidential by the Joint Ledge Board unless law or judicial order requires disclosure of such information. The Joint Ledge Board may, upon request, share such information with the other Parties to this Agreement, who shall also keep said information confidential financial information pursuant to IC 5-14-3-4(a)(5), unless applicable law or judicial order required disclosure of such information. The Joint Ledge Board will provide notice to the Recipient (30 days if possible) before the release of any information as required above.

Any repayment of a prior Benefit under Section 9 shall be paid by the Recipient to the Joint Ledge Board within one-hundred eighty (180) days of a written request from the Joint Ledge Board.

**10. Exclusive Use of the Benefits by Recipient for Lease Payments on the Project.** Subject to appropriation, the Joint Ledge Board shall use the benefits provided under the provisions of this Agreement exclusively from the Recipient for the payment of lease obligations pursuant to the Lease Agreement.

**11. Duties and Responsibilities of the Joint Ledge Board.** Upon the timely receipt from Recipient of the information described under Section 9 of this Agreement, the Joint Ledge Board shall review the claim for prior Taxable Year Benefit and supporting information and shall within forty-five (45) days thereafter provide the Recipient with (1) written notice of concurrence with the Benefit claimed for the prior Taxable Year, or (2) written notice of the adjusted Benefit the Joint Ledge Board determined appropriate, Based on Recipient's performance hereunder, for the prior Taxable Year together with justification of the modification from the amount claimed. Subject to the terms and conditions of this Agreement, City and County shall concurrently pay the Benefit to Recipient. The City and County shall have no obligation to make any payment to or for the benefit of Recipient in any Taxable Year in which Recipient is in default under this Agreement.

If the Joint Ledge Board determines that the Recipient is not in compliance with the requirements of this Agreement, it may, upon notice to all Parties and upon providing the Recipient an opportunity to explain the reasons for the noncompliance and the reasonable opportunity to cure, take any action it deems appropriate, including the termination of this Agreement. Recipient hereby releases each of the Parties hereto, and the Joint Ledge Board from any and all claims, demands, liabilities or causes of action, whether now existing or hereafter arising, known and unknown, which Recipient may have against any such party resulting from the termination of this Agreement.

**Notice to Parties.** Any notice, statement or other communications sent to the Joint Ledge Board or the Recipient, shall be sent to the following addresses, unless otherwise specifically advised.

To the Joint Ledge Board:

Mark Royse  
Allen County Redevelopment Commission  
200 East Berry St., Suite 150  
Fort Wayne, IN 46802  
PH: (260) 449-7607  
FAX: (260) 449-7682  
e-mail: mark.royse@co.allen.in.us

To the Recipient:

Franklin Electric Co., Inc  
3801 West Ferguson Road, Suite 209  
Fort Wayne, IN 46809-3194  
ATTN: Patrick Davis  
PH: (260) 827-5103  
FAX:  
e-mail: pdavis@fele.com

12. **Authority to Bind.** Notwithstanding anything in this Agreement to the contrary, the signatory for the Recipient represents that he/she has been duly authorized by the Recipient to execute this Agreement and to bind the Recipient to each of the representations, covenants, and obligations of Recipient entered herein.

13. **Amendment of this Agreement.** This Agreement or any portion hereof may only be amended by written amendment executed by all parties hereto.

14. **Assignability.** The Recipient shall not assign this Agreement or any portion thereof without the prior written consent of the Joint Ledge Board, which consent shall not be unreasonably withheld.

15. **Remedies not Impaired.** No delay or omission of any party in exercising any right or remedy available under this Agreement shall impair any such right or remedy, or constitute a waiver of any default or acquiescence thereto.

16. **Compliance with Laws.** The Recipient agrees to comply with all applicable federal, state and local laws, rules, regulations and ordinances and all provisions required thereby whether now existing or hereafter enacted, are included and incorporated by reference herein.

Pursuant to I.C. '22-9-1-10 and the Civil Rights Act of 1964, Recipient shall not discriminate against any employee or applicant for employment, to be employed in the performance of this contract, with respect to the hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of his race, color, religion, sex, disability, national origin, handicap or ancestry. Breach of this covenant may be regarded as a material breach of this Agreement.

The Recipient affirms under the penalties of perjury that he/she/it does not knowingly employ an unauthorized alien. The Recipient affirms under the penalties of perjury that he/she/it has enrolled and is participating in the E-Verify program as defined in IC 22-5-1.7-3. The Recipient agrees to provide documentation to the State that he/she/it has enrolled and is participating in the E-Verify program. Additionally, the Recipient is not required to participate if the Recipient is self-employed and does not employ any employees. The State may terminate for default if the

Recipient fails to cure a breach of this provision no later than thirty (30) days after being notified by the State.

17. **Governing Laws.** This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana, notwithstanding its choice of law rules to the contrary or any other state's choice of law rules. Suit, if any, shall be brought in a court of applicable jurisdiction situated in Allen County, Indiana.

18. **Entire Agreement.** This Agreement, together with the Lease Agreement(s) entered into of even date herewith, and any attachments hereto, contain the entire understanding of the parties and this Agreement supersedes all prior agreements and understandings, oral or written, with respect to the subject matter.

19. **Indemnification.** The Recipient shall indemnify, defend and hold harmless each of the other Parties hereto and their respective representatives, agents, officers and employees (collectively, the "Indemnitees") from and against all claims, demands, charges, lawsuits, costs and expenses (including legal costs and, attorneys fees) caused by any act or omission of the Recipient and/or its subcontractors, vendors, suppliers, employees, representatives, licensees and authorized agents and in connection with the design, construction, operation, management and control of the Facility. No other Party hereto shall provide any indemnification hereunder to the Recipient. Recipient hereby forever releases Indemnitees and each of them from any and all claims, demands and charges, known and unknown, whether now existing or hereafter arising, that Recipient has or may have against Indemnitees, or any of them, under this Agreement. Notwithstanding anything herein contained, Recipient shall not be obligated to indemnify, defend or hold harmless any Indemnitee for any action or injury above due to the gross negligence or intentional act of said Indemnitee.

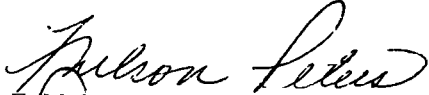
20. **Penalties and Interest.** The Indemnitees will in good faith perform their required obligations hereunder and shall not in any event be required to pay any direct, liquidated, incidental, specific, punitive or consequential damages in the event of breach of this Agreement by Indemnitees or any of them.

21. **Mutual Attorneys Fees Provision.** If any Party hereto brings an action or proceeding to enforce the terms of this Agreement or of the Lease Agreement (or Sublease) executed of even date herewith between the Parties hereto, the prevailing party in any such proceeding, action or appeal thereon, shall be entitled to reasonable attorneys fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment or the abandonment by the party of its claims or defense. The attorneys' fee award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all reasonable attorneys fees incurred.


22. **Severability.** The invalidity of any section, subsection, clause or provision of this Agreement shall not affect the validity of the remaining sections, subsections, clauses, or provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereby, by their duly authorized representatives, have executed this Agreement on the dates entered below.

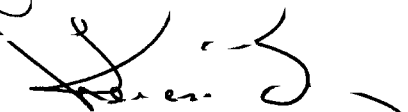
**The Board of Commissioners of the County of Allen**

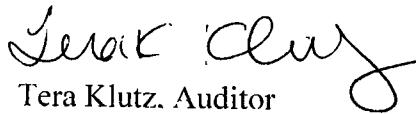
  
F. Nelson Peters, President

Date: 5/20/13

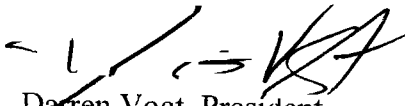
  
Linda K. Bloom, Vice President

Attest:

  
Therese Brown, Secretary

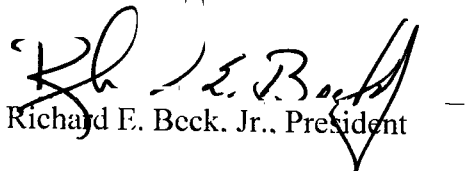
  
Tera Klutz, Auditor

**Allen County Council**

  
Darren Vogt, President

Date: 5/9/13

**Allen County Redevelopment Commission**

  
Richard E. Beck, Jr., President

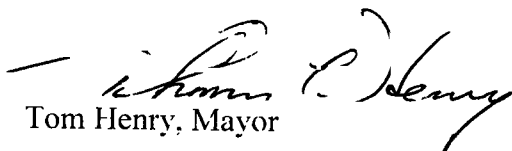
Date: 5/14/13

**Fort Wayne City Council**

  
Tom Didier, President

Date: 6/11/13

**City of Fort Wayne**

  
Tom Henry, Mayor

Date: 7-24-13

**Franklin Electric Co., Inc.**

Date:

Its:

## FRANKLIN ELECTRIC LEASE AGREEMENT

Franklin Electric Co., Inc. (hereafter referred to as "Franklin Electric" or "Lessor") hereby leases to the Joint Ledge Board (hereafter referred to as the "Board" or "Lessee"), and Lessee hereby leases from Lessor, the personal property of the Lessor (all of which, together with any replacement parts, additions, repairs and accessories incorporated therein and/or affixed thereto, is herein collectively referred to as "Equipment"), described in Exhibit "A" (the "Equipment Lease Schedule"), to be attached hereto and to become a part hereof.

### WITNESSETH:

**WHEREAS**, Franklin Electric will be a major employer in Allen County, Indiana and the Lessee is a board created by the Joint Ledge Agreement with Franklin Electric ("Joint Ledge Agreement") and is composed of two (2) members of the Allen County Redevelopment Commission and two (2) members appointed by the Mayor of the City, to serve at his pleasure and which board is charged with implementation and enforcement of this Joint Ledge Agreement; and

**WHEREAS**, Franklin Electric and the Commission have entered into a number of agreements to facilitate the creation of jobs in Allen County (the "Creation Plan") and that as part of the Creation Plan, it is necessary to enter into certain leases between the Board and Franklin Electric; and

**WHEREAS**, the parties have determined that the Creation Plan is for the public good and benefit of both Franklin Electric and the Board; and

**WHEREAS**, the parties have entered into a Sub-Lease ("Sub-Lease") on an even date herewith for the Equipment which is incorporated by reference to this Lease ("Lease") and made a part hereof.

**NOW, THEREFORE**, Franklin Electric and the Board hereto hereby covenant and agree as follows:

1. **SELECTION OF EQUIPMENT; ACCEPTANCE; WARRANTIES; REPRESENTATIONS.** THE BOARD AGREES THAT THE EQUIPMENT LEASED HEREUNDER IS LEASED "AS IS" AND IS OF A SIZE, DESIGN AND CAPACITY SELECTED BY THE BOARD AND THAT THE BOARD IS SATISFIED THAT THE SAME IS SUITABLE FOR THE BOARD'S PURPOSES AND THAT FRANKLIN ELECTRIC HAS MADE NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE SUITABILITY OR DURABILITY OF THE EQUIPMENT FOR THE PURPOSES AND USES OF THE BOARD, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED WITH RESPECT THERETO, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

The Board further acknowledges and agrees that in executing this Lease, it has relied solely upon the terms, provisions and conditions contained herein, and any other statements, warranties or representations, if any, by the supplier, or any salesman, employee, representative or agent of the supplier, have not been relied upon, and shall not in any way affect the Board's obligation to pay the rent and otherwise perform as set forth in this Lease.

2. **TERM and RENT.** The term of this Lease shall commence with the date signed below and continuing for a period of ten (10) years, unless otherwise terminated prior thereto. The Board agrees to pay for the term of this Lease, rent equal to the amount of the benefit authorized under the Joint Ledge Agreement. All rental payments shall be due forty-five (45) days after receipt by the Board of the submission and acceptance of the information required in Section 9 of the Joint Ledge Agreement. Rent

shall be due whether or not the Board has received any notice from Franklin Electric that such payments are due. All rent shall be paid to Franklin Electric at its address set forth in this Lease or as otherwise directed by Franklin Electric in writing.

3. **SUB-LEASE.** Franklin Electric acknowledges that the Equipment being leased by the Board will be subleased by the Board and hereby consents to same. Any termination of the Sub-Lease for any reason whatsoever shall make this Lease null and void.

4. **LOCATION, INSTALLATION AND USE OF EQUIPMENT.** If not currently installed, the Equipment shall be delivered to Franklin Electric and installed by Franklin Electric, and thereafter kept at the location specified. Franklin Electric shall not remove the Equipment from the aforementioned location without Lessor's prior written consent. Franklin Electric, pursuant to the Sub-Lease, shall use the Equipment in a careful and proper manner and shall comply with all laws, regulations and ordinances relating to its possession, use or maintenance.

5. **MAINTENANCE.** Franklin Electric, at its own expense, shall maintain the Equipment in good operating condition, repair and appearance, and protect same from deterioration other than normal wear and tear; shall only use the Equipment in the regular course of its business and within normal capacity. Franklin Electric shall not make any modifications, alterations or additions to the Equipment without Lessor's prior written consent. All such modifications, alterations and additions shall belong to Franklin Electric. The Equipment shall remain personal property at all times and Franklin Electric shall not affix the Equipment to realty so as to change its nature to real property.

6. **LOSS OR DAMAGE.** Franklin Electric shall bear the entire risk of loss, theft, destruction, damage or disrepair of the Equipment or any part thereof for any cause whatsoever. No such loss, damage, theft, destruction or disrepair of the Equipment shall relieve Franklin Electric of the obligation to pay rent under Section 2 or from any other obligation under the Sub-Lease. In the event of any of the above, Franklin Electric, at its own expense, shall (a) repair the Equipment, returning same to its previous condition, unless unrepairable; or (b) replace same with like equipment of equivalent value, in good condition and acceptable to the Board; or (c) replace same with substitute equipment of equivalent value, in good condition and acceptable to the Board; or (d) immediately pay the Board all rent due and to be come due under the Sub-Lease.

7. **TAXES, FEES AND LIENS.** Franklin Electric shall pay for charges, registration, permit and license fees, assessments, taxes, interest and penalties (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, maintenance, purchase, possession or use of the Equipment, or upon this Lease, or the rental payments due or to become due hereunder. Franklin Electric shall not attempt to in any manner dispose of the Equipment or to suffer any liens or legal process to be incurred or levied upon the same. Franklin Electric shall immediately notify the Board of the occurrence of any of the above; shall pay all sums for taxes, fees, charges, assessments, penalties and interest; and shall keep the Equipment free of levies, liens and encumbrances.

8. **INDEMNITY.** Except for the intentional act or gross negligence of the Lessee, Franklin Electric shall, and does hereby, indemnify and save the Board harmless from any and all liability, including, but not limited to, strict liability in tort, costs and expenses, arising out of the ownership, location, installation, possession, leasing, renting, operation, control, use, maintenance, repair, delivery and/or return of the Equipment.

9. **ASSIGNMENT.** Except pursuant to the Sub-Lease executed of even date herewith, the Board shall not assign, transfer, sublet, pledge, hypothecate or otherwise dispose of this Lease or any interest herein.

10. **DEFAULT/REMEDY.** The only obligation of the Board under this Lease is to forward the benefits due under the Joint Ledge Agreement to Franklin Electric. All other obligations, regardless of nature, are specifically assumed by Franklin Electric. This Lease shall be deemed to be a non-recourse obligation as to the Board. Should a legal challenge be filed challenging the Franklin Electric Joint Ledge Agreement, this Lease or the Sub-Lease, the Board shall notify Franklin Electric within seven (7) days and allow Franklin Electric to participate in the defense.

11. **OWNERSHIP.** The Equipment is, and shall at all times be and remain, personal property, and title shall remain in Franklin Electric exclusively, notwithstanding that the Equipment or any part thereof may now be or hereafter become in any manner affixed or attached to, or embedded in, or permanently resting upon real property, or any building thereon, or attached in any manner to that which is permanent by any means whatsoever.

12. **LAWS GOVERNING.** This Lease shall be deemed to have been entered into at the offices of Franklin Electric in Indiana and all performance on the part of the Board, including the payment of all sums due hereunder, shall be deemed to have been required to be performed by the Board at the offices of Franklin Electric in Indiana. This Lease shall be governed and construed in accordance with the laws of the State of Indiana. Whenever the singular is used herein, the plural is included, if applicable.

13. **MISCELLANEOUS.** This Lease shall be binding upon the parties, their successors, legal representatives and assigns and is a valid and subsisting legal instrument, and no provision which may be deemed unenforceable shall in any way invalidate any other provision or provisions, all of which shall remain in full force and effect. The Board warrants that the leased Equipment is being acquired for and all be used throughout the term of the Lease for commercial and business purposes only and not for personal, family, or household purposes. This instrument constitutes the entire contract between the parties hereto, and no representations, oral or written, shall constitute an amendment hereto unless signed in writing by an officer of Franklin Electric or the Board.

14. **AUTHORITY.** Each party executing this Lease represents and warrants that they have been duly authorized to execute this Lease and have the legal authority to enter into this Lease.

15. **TERMINATION.** Lessor may terminate this Lease at anytime by providing Lessee with 30 days written notice. Upon such termination, Lessee shall be relieved of all its obligations under this Lease, the Sub-Lease and the Joint Ledge Agreement and all said agreements shall terminate.

**IN WITNESS WHEREOF,** the parties hereby, by their duly authorized representatives, have executed this Agreement on the dates entered below.

**Allen County Redevelopment Commission**

Richard E. Beck, Jr., President

Date:

**Franklin Electric.**

Date:

## **Exhibit "A" Equipment Lease Schedule**

**EXHIBIT "A"**  
**LEDGE Lease and Sublease**

Item #	Manufacturer	Quantity
	<b>AIS</b>	
SF-1 thru SF-1f SF-3, 4,5, 8, 9, 14	Panel system as per drawing's specs	59
	<b>PAOLI</b>	
EF-1	Executive Furniture as per specs	1
EF-2	Executive Furniture as per specs	1
EF-3	Executive Furniture as per specs	1
EF-4	Executive Furniture as per specs	1
EF-5	Executive Furniture as per specs	1
EF-7	Executive Furniture as per specs	1
EF-8	Executive Furniture as per specs	1
EF-9	Executive Furniture as per specs	1
EF-10	Executive Furniture as per specs	1
EF-11	Executive Furniture as per specs	1
EF-12	Executive Furniture as per specs	1
	<b>ALLSEATING</b>	
S-7	Ayr Stacker	96
S-7A	Ayr Dolly	2

	<b>CHROMCRAFT</b>	
S-15	Flexi Stool	22
	<b>VIA or HUMANSCALE</b>	
S-3	Executive Chair	9
	<b>MARTIN BRAJIRUD</b>	
T-8	Reveal Rectangular Table	18
	<b>PAOLI</b>	
S-1	Svelte	36
	<b>PAOLI</b>	
S-4	Diverge Side chair	26
	<b>PAOLI</b>	
T-13	Share Table, 30 x 60	21
	<b>PAOLI</b>	
T-14	Share Table, 24 x 48	8
	<b>SAFCO</b>	
ST-6	EZ Sort Base, Table with Shelf and Table Top, Riser and (2) Sorter Modules	3

AIS

ST-9	3 Drawer Lateral File. 42" w	4
ST-9	Laminate Worksurfaces 54x96 1/2"	2
<b>SAFCO</b>		
ST-9	Flat Files	4
	Flat File Bases	2
<b>CHROMCRAFT</b>		
S-13	Facet – Molded Back Flip Seat	53
<b>ARCADIA</b>		
S-2	Sign - Guest Chair	10
<b>EUROTECH</b>		
S-5	Apollo Tall Back	444
<b>CHROMCRAFT</b>		
S-6	Icon - Side Chair	140
<b>SPYVEE</b>		
T-11	30"x60" Rectangular Table	25
T-11A	Table Cart	2

**SAFCO**

Print Room 1114	Tall Mail Sorter	1
	<b>GREAT OPENINGS</b>	
Print Room 1114	6 High Bookcase with Receeding Doors & Stationary Shelves	2
	<b>SPYVEE</b>	
Print Room 1114	36"w x 96"l x 42"h Table	1
	<b>SPYVEE</b>	
Per Dan Thomas	3' x 6' Boat shaped Conference Tables	4
	<b>McDOWELL</b>	
Project Area	Mobile Desk	8

## FRANKLIN ELECTRIC SUB-LEASE AGREEMENT

The Joint Ledge Board (hereafter the "Board" or "Lessor") hereby leases to Franklin Electric Co., Inc. (hereafter "Franklin Electric" or "Lessee") and Lessee hereby leases from Lessor, the personal property of the Lessor (all of which, together with any replacement parts, additions, repairs and accessories incorporated therein and/or affixed thereto, is herein collectively referred to as "Equipment"), described in Exhibit "A" the "Equipment Sub-Lease Schedule" or "Schedules", to be attached hereto and to become a part hereof.

### WITNESSETH:

**WHEREAS**, Franklin Electric will be a major employer in Allen County, Indiana and the Lessor is a board created by the Joint Ledge Agreement with Franklin Electric and composed of two (2) members of the Allen County Redevelopment Commission and two (2) members appointed by the Mayor of the City, to serve at his pleasure and which board is charged with implementation and enforcement of the Agreement; and

**WHEREAS**, the parties have entered into a number of agreements to facilitate the creation of jobs in Allen County (the "Creation Plan") and that as part of said Creation Plan, it is necessary to enter into leases between the Board and Franklin Electric; and

**WHEREAS**, the parties have entered into a Lease Agreement for the Equipment on and even date herewith, which Lease Agreement is incorporated by reference hereto and made a part hereof (hereinafter the "Lease Agreement"); and

**WHEREAS**, the parties have determined that the Creation Plan is for the public good and benefit of both Franklin Electric and the Board.

**NOW, THEREFORE**, the Board and Franklin Electric hereby covenant and agree as follows:

1. **SELECTION OF EQUIPMENT; ACCEPTANCE; WARRANTIES; REPRESENTATIONS.** FRANKLIN ELECTRIC AGREES THAT THE EQUIPMENT LEASED HEREUNDER IS LEASED "AS IS" AND IS OF A SIZE, DESIGN AND CAPACITY SELECTED BY FRANKLIN ELECTRIC AND THAT FRANKLIN ELECTRIC IS SATISFIED THAT THE SAME IS SUITABLE FOR ITS PURPOSES AND THAT THE BOARD HAS MADE NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE SUITABILITY OR DURABILITY OF SAID EQUIPMENT FOR THE PURPOSES AND USES OF FRANKLIN ELECTRIC, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED WITH RESPECT THERETO, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Franklin Electric further acknowledges and agrees that in executing this Sub-Lease ("Sub-Lease"), it has relied solely upon the terms, provisions and conditions contained herein, and any other statements, warranties or representations, if any, by the supplier, or any salesman, employee, representative or agent of the supplier, have not been relied upon, and shall not in any way affect Franklin Electric obligation to pay the rent and otherwise perform as set forth in this Sub-Lease.

2. **TERM and RENT.** The term of this Lease shall commence with the date signed below and continuing for a period of ten (10) years, unless otherwise terminated prior thereto. The amount of rent shall equal one dollar (\$1.00) annually and all rental payments shall be due yearly in advance,

commencing on the day set forth below and the anniversary date thereafter. The entire balance of rent due under this Sub-Lease may be prepaid at anytime. Rent shall be due whether or not Franklin Electric has received any notice that such payments are due. All rent shall be paid to the Board at its address set forth in this Sub-Lease or as otherwise directed by the Board in writing, without abatement, set-off or deduction of any amount whatsoever, and despite any defense or counter-claim, that Franklin Electric may have, or claim to have against the Board. Any rentals paid in excess of the initial rental payment, shall be held as security for the performance of the terms of this Sub-Lease.

3. **LOCATION, INSTALLATION AND USE OF EQUIPMENT.** If not currently installed, the Equipment shall be delivered to and installed by Franklin Electric, at its own expense, and thereafter kept at the location specified above. Franklin Electric shall not remove the Equipment from the aforementioned location without (a) replacing the Equipment with like equipment of equivalent value, in good condition or (b) replacing the Equipment with other substitute equipment of equivalent value, in good condition. Franklin Electric shall use the Equipment in a careful and proper manner and shall comply with all laws, regulations and ordinances relating to its possession, use or maintenance.

4. **MAINTENANCE.** Franklin Electric, at its own expense, shall maintain the Equipment in good operating condition, repair and appearance, and protect same from deterioration other than normal wear and tear; shall only use the Equipment in the regular course of its business and within normal capacity. The Equipment shall remain personal property at all times and Franklin Electric shall not affix the Equipment to realty so as to change its nature to real property.

5. **INSURANCE.** Franklin Electric shall, during the term of this Sub-Lease, purchase, maintain and pay all premiums for (a) insurance against loss, theft, destruction or damage of the Equipment, and all items thereof, in an amount not less than a reasonable amount for its industry and (b) public liability insurance.

Upon the signing of this Sub-Lease, Franklin Electric, upon the request of the Lessor, shall instruct its insurance agent, broker or company to confirm to the Board in writing that the necessary insurance has been bound, and inform the Board of the names of the insurance company binding this insurance; the amount of insurance; and a description of the coverage.

If Franklin Electric fails to purchase and maintain insurance in accordance with the terms of this Sub-Lease, the Board shall have the right, but shall not be obligated, to effect such insurance and to pay the premiums for same.

6. **LOSS OR DAMAGE.** Franklin Electric shall bear the entire risk of loss, theft, distribution, damage or disrepair of the Equipment or any part thereof for any cause whatsoever. In the event of any of the above, Franklin Electric, at its own expense, shall (a) repair the Equipment, returning same to its previous condition, unless unrepairable; or (b) replace same with like equipment of equivalent value, in good condition, or (c) replace same with substitute equipment of equivalent value, in good condition.

7. **TAXES, FEES AND LIENS.** Franklin Electric shall pay all charges, registration, permit and license fees, assessments, taxes, interest and penalties (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, maintenance, purchase, possession or use of the Equipment upon this Sub-Lease, or the rental payments due or to become due hereunder.

8. **INDEMNITY.** Except for the gross negligence or intentional acts of Lessor, Franklin Electric shall, and does hereby, indemnify and save the Board harmless from any and all liability, including, but not limited to, strict liability in tort, costs and expenses, arising out of the ownership,

location, installation, possession, leasing, renting, operation, control, use, maintenance, repair, delivery and/or return of the Equipment.

9. **ASSIGNMENT.** Without the Board's prior written consent, which consent shall not be unreasonably withheld, Franklin Electric shall not assign, transfer, sublet, pledge, hypothecate or otherwise dispose of this Sub-Lease or any interest herein. The Board may assign this Sub-Lease in whole or in part, without notice to Franklin Electric, and such assignee shall have all of the rights but none of the obligations of the Board under this Sub-Lease. Notwithstanding any assignment, the Board shall remain obligated on all its obligations in this Sub-Lease. Franklin Electric shall recognize each such assignment and covenants not to assert against the assignee any defense, counterclaim or set-off that Franklin Electric has or may have against the Board, and agrees to pay such rent and other payments due to become due hereunder to assignee.

10. **DEFAULT.** If Franklin Electric shall default in the payment of any rent or in the event of any default, breach or failure to perform any terms, provisions or conditions in this Sub-Lease or in any other lease or agreement between the Board and Franklin Electric, or if any proceeding in bankruptcy, reorganization, receivership or insolvency shall be commenced by or against Franklin Electric or its property or assets, or if Franklin Electric makes an arrangement, extension or any assignment for the benefit of one or more of its creditors, or if Franklin Electric seeks relief under any other law providing for the relief of debtors, then, if and to the extent permitted by applicable law, the Board shall have the right to exercise any one or more of the remedies set forth below.

11. **REMEDIES.** Upon the happening of any one or more events of default, the Board shall have the right, after giving Franklin Electric notice of the default and thirty (30) days to cure the default, to declare the entire balance of rent due and to become due hereunder, to be immediately due and payable, whereupon, the same shall become immediately due and payable; and/or commence an action against Franklin Electric for the total rental payments due and to become due under this Sub-Lease and for all other sums or to become due hereunder.

All the remedies of the Board hereunder are cumulative and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other right or remedy. No failure on the part of the Board to exercise, and no delay in exercising any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Board of any right or remedy hereunder preclude any other or further exercise of any partially exercised right or remedy or any other right or remedy.

Any termination of this Sub-Lease immediately renders the Lease null and void.

12. **OWNERSHIP.** The Equipment is, and shall at all times be and remain, personal property, and title shall remain titled as provided for in the Lease Agreement. IT IS THE INTENT OF FRANKLIN ELECTRIC AND OF THE BOARD THAT THIS SUB-LEASE BE A TRUE LEASE.

13. **LAWS GOVERNING.** This Sub-Lease shall be deemed to have been entered into at the offices of the Board in Allen County, Indiana and all performance on the part of Franklin Electric, including the payment of all sums due hereunder, shall be deemed to have been required to be performed by Franklin Electric at the offices of the Board in Allen County, Indiana. This Sub-Lease shall be governed and construed in accordance with the laws of the State of Indiana. Whenever the singular is used herein, the plural is included, if applicable.

14. **FLOW DOWN CLAUSE.** The Equipment being leased to Franklin Electric is being leased by the Board pursuant to the Lease Agreement of even date herewith. Franklin Electric acknowledges having reviewed same and agrees to assume all obligations of the Board to its Lessor under

the Lease Agreement except the payment of rent (and excluding other matters which might be treated as rent).

15. **MISCELLANEOUS.** All obligations of Franklin Electric, if more than one, shall be joint and several. This Sub-Lease shall be binding upon the parties, their successors, legal representatives and assigns and is a valid and subsisting legal instrument, and no provision which may be deemed unenforceable shall in any way invalidate any other provision or provisions, all of which shall remain in full force and effect. Franklin Electric warrants that the leased Equipment is being acquired for and all be used throughout the term of the Sub-Lease for commercial and business purposes only and not for personal, family, or household purposes. This instrument constitutes the entire contract between the parties hereto, and no representations, oral or written, shall constitute an amendment hereto unless signed in writing by an officer of Franklin Electric or the Board.

16. **AUTHORITY.** Each party executing this Sub-Lease represents and warrants that they have been duly authorized to execute this Sub-Lease and have the legal authority to enter into this Sub-Lease.

**IN WITNESS WHEREOF,** the parties hereby, by their duly authorized representatives, have executed this Agreement on the dates entered below.

**Allen County Redevelopment Commission**

Richard E. Beck, Jr., President

Date:

**Franklin Electric.**

Date:

## **Exhibit "A" Equipment Lease Schedule**

**EXHIBIT "A"**  
**LEDGE Lease and Sublease**

Item #	Manufacturer	Quantity
	<b>AIS</b>	
SF-1 thru SF-1f SF-3, 4, 5, 8, 9, 14	Panel system as per drawing specs	59
	<b>PAOLI</b>	
EF-1	Executive Furniture as per specs	1
EF-2	Executive Furniture as per specs	1
EF-3	Executive Furniture as per specs	1
EF-4	Executive Furniture as per specs	1
EF-5	Executive Furniture as per specs	1
EF-7	Executive Furniture as per specs	1
EF-8	Executive Furniture as per specs	1
EF-9	Executive Furniture as per specs	1
EF-10	Executive Furniture as per specs	1
EF-11	Executive Furniture as per specs	1
EF-12	Executive Furniture as per specs	1
	<b>ALLSEATING</b>	
S-7	Ayr Stacker	96
S-7A	Ayr Dolly	2

	<b>CHROMCRAFT</b>	
S-15	Flexi Stool	22
	<b>VIA or HUMANSCALE</b>	
S-3	Executive Chair	9
	<b>MARTIN BRAUNERUD</b>	
T-8	Reveal Rectangular Table	18
	<b>PAOLI</b>	
S-1	Svelte	36
	<b>PAOLI</b>	
S-4	Diverge Side chair	26
	<b>PAOLI</b>	
T-13	Share Table, 30 x 60	21
	<b>PAOLI</b>	
T-14	Share Table, 24 x 48	8
	<b>SAFCO</b>	
ST-6	EZ Sort Base, Table with Shelf and Table Top, Riser and (2) Sorter Modules	3

AIS

ST-9	3 Drawer Lateral File, 42" w	4
ST-9	Laminate Worksurfaces 54x96 1/2"	2
<b>SAFCO</b>		
ST-9	Flat Files	4
	Flat File Bases	2
<b>CHROMCRAFT</b>		
S-13	Facet – Molded Back Flip Seat	53
<b>ARCADIA</b>		
S-2	Sign - Guest Chair	10
<b>EUROTECH</b>		
S-5	Apollo Tall Back	444
<b>CHROMCRAFT</b>		
S-6	Icon - Side Chair	140
<b>SPYVEE</b>		
T-11	30"x60" Rectangular Table	25
T-11A	Table Cart	2

**SAFCO**

Print Room 1114 Tall Mail Sorter 1

**GREAT OPENINGS**

Print Room 1114 6 High Bookcase with Receeding  
Doors & Stationary Shelves 2

**SPYVEE**

Print Room 1114 36"w x 96"l x 42"h Table 1

**SPYVEE**

Per Dan Thomas 3' x 6' Boat shaped Conference  
Tables 4

**McDOWELL**

Project Area Mobile Desk 8