

AGENDA RESERVATION REQUEST

CITY OF FRANKLIN COMMON COUNCIL

Please type or print

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| Date Submitted: | 5-1-19 | Meeting Date: | 5-6-19 |
| Contact Information: | | | |
| Requested by: | Krista Linke | | |
| On Behalf of Organization or Individual: | | | |
| | | Redevelopment Commission | |
| Telephone: | 317-736-3631 | | |
| Email address: | klinke@franklin.in.gov | | |
| Mailing Address: | 70 E. Monroe St., Franklin, IN 46131 | | |
| Describe Request: | | | |
| Resolution 2019-05 Approving an Amendment to the Economic Development Plan for the U.S. 31 Economic Development Area | | | |
| Resolution 2019-06 Approving a lease between the City of Franklin Redevelopment Authority and the City of Franklin Redevelopment Commission, and pledging local income tax revenues | | | |
| List Supporting Documentation Provided: | | | |
| Staff Memo | | | |
| Redevelopment Commission Declaratory Resolution No. 2019-28 Amending the Declaratory Resolution for the U.S. 31 Economic Development Area and Approving an Amendment to the Development Plan for said Area | | | |
| Plan Commission Resolution 2019-07 Determining that a Resolution and Plan Amendments Approved and Adopted by the City of Franklin Redevelopment Commission Conform to the Comprehensive Plan and Approving the Resolution and Plan Amendments | | | |
| Resolution 2019-05 Approving an Amendment to the Economic Development Plan for the U.S. 31 Economic Development Area | | | |
| Resolution 2019-06 Approving a lease between the City of Franklin Redevelopment Authority and the City of Franklin Redevelopment Commission, and pledging local income tax revenues | | | |
| Lease Agreement between the City of Franklin Redevelopment Authority and the | | | |

The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:00 p.m. in the Council Chambers of City Hall located at 70 E. Monroe Street. In order for an individual and/or agency to be considered for new business on the agenda, this reservation form and supporting documents must be received in the Mayor's office no later than 12:00 p.m. on the Wednesday before the meeting.

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| City of Franklin Redevelopment Commission |
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| Who will present the request? |
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| | | | |
|--------------|---------------------------------|-------------------|--------------|
| Name: | Rob Schafstall and Krista Linke | Telephone: | 317-736-3631 |
|--------------|---------------------------------|-------------------|--------------|

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CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Memorandum

To: City Council
From: Krista Linke, Community Development Director
Date: May 1, 2019
Re: U.S. 31 TIF District Amendment and Bond

The City of Franklin Redevelopment Commission (RDC) reviewed and acted on Declaratory Resolution 2019-28 (see attached) at their March 19th meeting. This resolution started the process of amending the US 31 TIF district to include additional parcels. The parcels being added are highlighted in blue on the map in Exhibit A. A description of the plan amendment can be found in Exhibit B.

Plan Commission reviewed the resolution from the Redevelopment Commission and found it to be in conformance with the Comprehensive Plan at their April 16th Meeting. Plan Commission Resolution Number 2019-07 is attached.

The next step in this process is for the City Council to review these documents, along with the proposed City Council Resolution 2019-05, which approves the amendment to the Economic Development Plan for the U.S. 31 Economic Development Area (U.S. 31 TIF District).

The next resolution is Resolution 2019-06, and it is a Common Council resolution approving a lease between the Redevelopment Commission and the Redevelopment Authority. This lease is necessary, along with the pledge of local income tax revenues, to issue a bond in the amount of \$10,500,000. The lease agreement is attached to this memo as well. This bond will pay for the acquisition of real property and the design of intersection and corridor improvements to U.S. 31, from S. Main Street to Israel Lane, and includes pedestrian crossings and trails, and related improvements. This will serve as the match required by INDOT, who will then pay for the actual construction costs of these improvements. The other project that will be paid for out of this bond is the design and construction of the development of approximately 12 acres as an events space and amphitheater park located southwest of the courthouse square, where the RDC has purchased property that regularly floods.

If you have any questions regarding this request, please contact Krista Linke directly at 346-1250.

RESOLUTION NUMBER 2019-28

RESOLUTION OF THE CITY OF FRANKLIN REDEVELOPMENT COMMISSION AMENDING THE DECLARATORY RESOLUTION FOR THE U.S. 31 ECONOMIC DEVELOPMENT AREA AND APPROVING AN AMENDMENT TO THE DEVELOPMENT PLAN FOR SAID AREA

WHEREAS, the City of Franklin Redevelopment Commission (the “Redevelopment Commission”), governing body of the City of Franklin Department of Redevelopment (the “Department”), previously adopted Resolution No. 2015-30, on December 15, 2015, as confirmed by Resolution No. 2016-19, adopted on April 19, 2016 (collectively, the “Declaratory Resolution”) establishing and expanding an economic development area known as the “U.S. 31 Economic Development Area” (the “Economic Development Area”), designating certain portions of the Economic Development Area as an “allocation area” for purposes of Section 39 of the Act (the “Allocation Areas”), and approving an economic development plan for the Area (the “Plan”), pursuant to Indiana Code 36-7-14, as amended (the “Act”); and

WHEREAS, the Redevelopment Commission now desires to amend the Declaratory Resolution, pursuant to Sections 15-17.5 of the Act, to (i) add the area of City of Franklin, Indiana (the “City”) described on Exhibit A attached hereto (the “Expansion Area”) to the Economic Development Area (as expanded, the “Expanded Economic Development Area”) and to the extent such area is in any other economic development area established by the Commission, remove it from such economic development area, and (ii) amend the Plan as described in Exhibit B attached hereto (clauses (i) and (ii), collectively, the “Amendments”); and

WHEREAS, the Redevelopment Commission has thoroughly studied the Expansion Area; and

WHEREAS, the Redevelopment Commission has caused to be prepared maps and plats showing the boundaries of the Expansion Area, the location of various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, remediation, replatting, replanning, rezoning, or redevelopment of the Expansion Area, the parts of the Expansion Area to be devoted to public ways, levees, sewerage, and other public purposes under the Plan as amended herein, and lists of the owners of any parcels proposed to be acquired, together with an estimate of the cost of acquisition and redevelopment; and

WHEREAS, the Amendments and supporting data were reviewed and considered at this meeting; and

WHEREAS, Sections 41 and 43 of the Act have been created to permit the creation of “economic development areas” and to provide that all of the rights, powers, privileges and immunities that may be exercised by this Redevelopment Commission in a redevelopment area or urban renewal area may be exercised in an economic development area, subject to the conditions set forth in the Act; and

WHEREAS, Section 39 of the Act has been created and amended to permit the creation and expansion of “allocation areas” to provide for the allocation and distribution of property taxes for the purposes and in the manner provided in said Section; and

WHEREAS, this Redevelopment Commission deems it advisable to apply the provisions of said Sections 15-17.5, 39, 41, and 43 of the Act to the Amendments.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FRANKLIN, INDIANA REDEVELOPMENT COMMISSION, GOVERNING BODY OF THE CITY OF FRANKLIN DEPARTMENT OF REDEVELOPMENT, as follows:

1. The Amendments promote significant opportunities for the gainful employment of the City's citizens, attraction of major new business enterprises to the City, retention and expansion of significant business enterprises existing in the boundaries of the City, and meet other purposes of Sections 2.5, 41 and 43 of the Act, including without limitation benefiting public health, safety and welfare, increasing the economic well-being of the City and the State of Indiana (the "State"), and serving to protect and increase property values in the City and the State.

2. The Amendments cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the powers allowed under Sections 2.5, 41 and 43 of the Act because of lack of local public improvements, existence of conditions that lower the value of the land below that of nearby land, lack of development, age, and other similar conditions, including without limitation the cost of the projects contemplated by the Amendments.

3. The public health and welfare will be benefited by accomplishment of the Amendments, and it will be of public utility and benefit to amend the Declaratory Resolution and the Plan as set forth herein.

4. The accomplishment of the Amendments will be a public utility and benefit as measured by the attraction or retention of permanent jobs, an increase in the property tax base, improved diversity of the economic base and other similar public benefits.

5. The Amendments conform to the plan of development for the City.

6. The Amendments do not contemplate the acquisition of property as a part of the economic development strategy, and the Department does not at this time propose to acquire any specific parcel of land or interests in land within the boundaries of the Expanded Economic Development Area. If in the future, the Department proposes to acquire specific parcels of land, the required procedures under the Act will be followed.

7. The Redevelopment Commission finds that no residents of the Area will be displaced by any project resulting from the Amendments, and therefore finds that it does not need to give consideration to transitional and permanent provisions for adequate housing for the residents.

8. The Redevelopment Commission hereby approves the Amendments in all respects. The secretary of this Redevelopment Commission is hereby directed to file a copy of the Amendments with the minutes of this meeting. The Redevelopment Commission hereby finds that the Expanded Economic Development Area meets the requirements of an "economic development area" under Section 41 of the Act.

9. The provisions of this Resolution shall be subject in all respects to the Act and any amendments thereto.

10. The Redevelopment Commission hereby finds and determines that the foregoing Amendments to the Declaratory Resolution and the Plan (as described in Sections 1-9 above) are reasonable and appropriate when considered in relation to the original Declaratory Resolution and Plan and the purposes of the Act, and that the Declaratory Resolution and Plan, with the proposed Amendments, conform to the comprehensive plan for the City.


11. Except as set forth above, the terms of the Declaratory Resolution, including but not limited to the provisions with respect to the allocation of taxes in the Allocation Areas, remain in full force and effect, without any change to the applicable base assessment date.

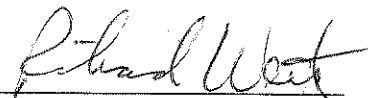
12. This Resolution, together with any supporting data and together with the Plan Amendment, shall be submitted to the Plan Commission and the Common Council of the City as provided in the Act, and if approved by the Plan Commission and Common Council of the City shall be submitted to a public hearing and remonstrance as provided by the Act, after public notice as required by the Act.

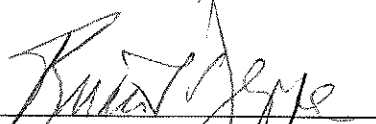
13. The officers of the Redevelopment Commission are hereby authorized to make all filings necessary or desirable to carry out the purposes and intent of this Resolution.

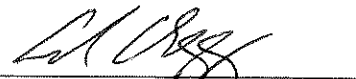
14. This Resolution shall take effect immediately upon adoption hereof by the Redevelopment Commission.

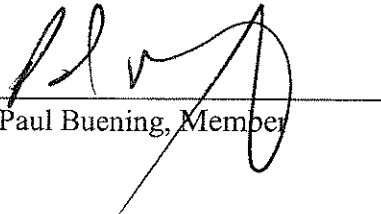
DULY ADOPTED on this 19th day of March, 2019, by the Redevelopment Commission of the City of Franklin, Johnson County, Indiana.


Robert Heuchan, President


Richard Wertz, Vice President


Brian J. Deppe, Secretary


Drew Eggers, Member


Paul Buening, Member

Attest:

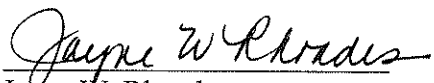
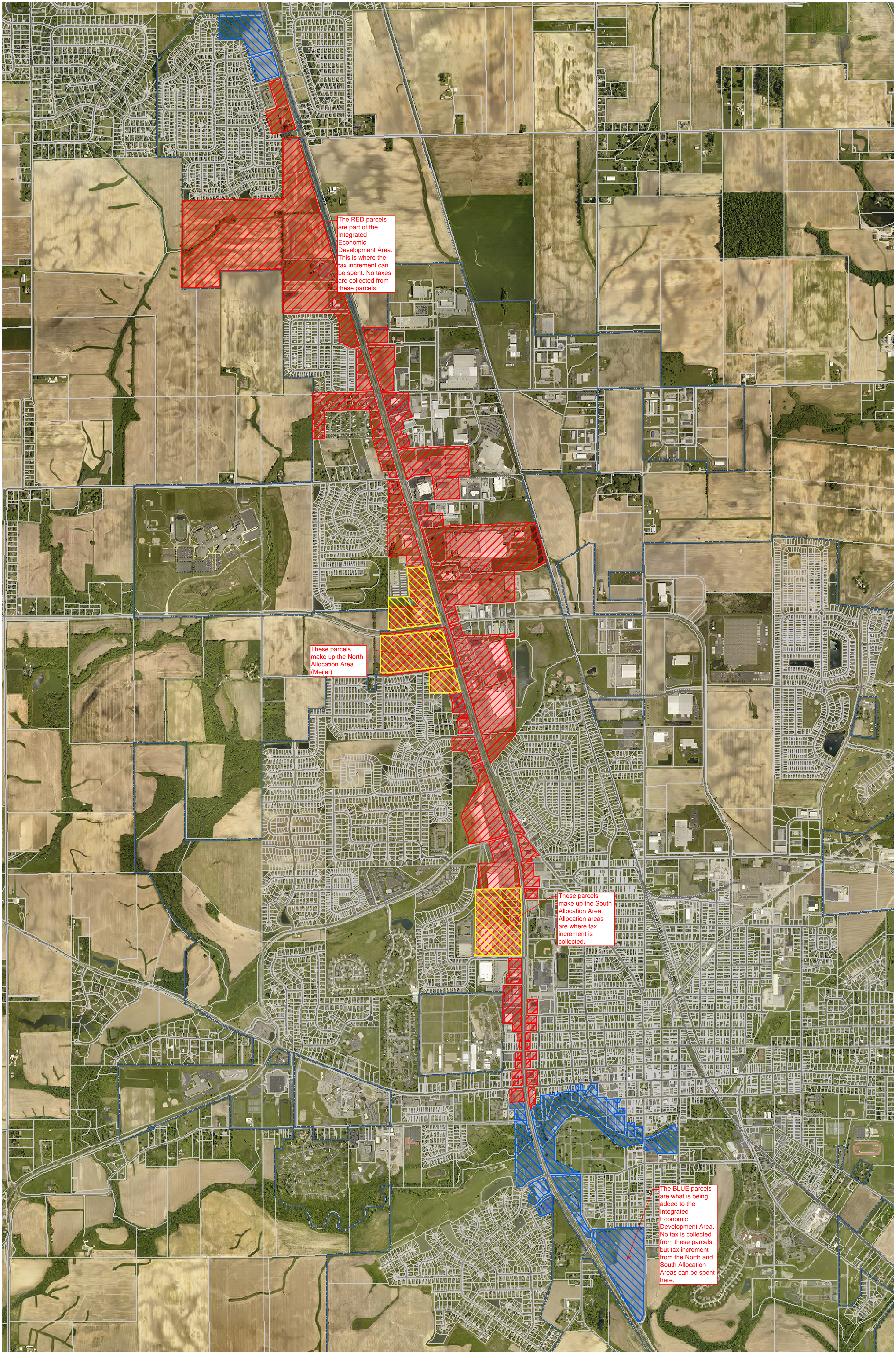

Jayne W. Rhoades,
Clerk-Treasurer of the City of Franklin, Indiana

EXHIBIT A

Description of the Expansion Area

The Expanded Economic Development Area is set forth on the attached map, with the Economic Development Area in red, the Expansion Area in blue, and the Allocation Areas in yellow.



The RED parcels are part of the Integrated Economic Development Area. This is where the tax increment can be spent. No taxes are collected from these parcels.

These parcels make up the North Allocation Area (Meijer)

These parcels make up the South Allocation Area. Allocation areas are where tax increment is collected.

The BLUE parcels are what is being added to the Integrated Economic Development Area. No tax is collected from these parcels, but tax increment from the North and South Allocation Areas can be spent here.

EXHIBIT B

Plan Amendment

The Plan is amended to provide for the completion of the additional projects set forth below (the "Projects"), each of which will be located in or directly serve and benefit the Economic Development Area. Completion of the Projects will facilitate commercial development, creating new jobs and assessed value in the Expansion Area, as well as the Economic Development Area, that otherwise would not occur without supporting road infrastructure and public amenities.

Amphitheatre Project. As the City becomes more attractive and its population continues to increase, downtown Franklin is transforming into an active place where residents live, work, play, shop and dine. The downtown district supports quality of life and a sense of neighborhood for its' citizens, and contributes to the economic engine that is vital to the City's long-term financial stability. The City's 2013 Comprehensive Plan recognizes the importance of building and branding the downtown as a regional destination, along with making investments to attract young, educated professionals to live in Franklin. Additionally, the plan recommends revitalization for underutilized buildings and land in the southern district between Monroe Street and Young's Creek, and continued investments in development of parks and trails. The Amphitheatre Project would involve the development of approximately 12 acres as an events space and Amphitheater Park located southwest of the courthouse square, particularly at the west terminus of Monroe Street and south to Young's Creek. As an extension of Downtown, the proposed site is in proximity to support existing festivals, the successful farmers market, and is within walking distance to neighborhoods, parks, and the Franklin Greenways Trails system. The site is currently occupied by various commercial and industrial uses, and is located within a floodway. The following properties have been purchased by the City of Franklin Redevelopment Commission: 237 W. Monroe Street, 200 S. Jackson Street, 231 S. Jackson Street, and 159 W. Monroe Street. One additional property is in the process of being purchased, 180 S. Jackson Street (see attached parcels highlighted in yellow). All buildings on all properties except at 180 S. Jackson Street will be demolished. The City is working with a steering committee and Shrewsbury & Associates on the first step of creating a master plan layout of the proposed site considering at a minimum pedestrian connectivity, incorporating a covered performance stage, a supportive plaza for large gatherings, accessible and programmable turf area, a fitness and play element for active recreation, and ample parking. The estimated cost for this project is \$5,000,000, which would be paid by the District, through the issuance of bonds, payable from the tax increment revenues from the Allocation Areas.

U.S. 31 Corridor Improvements. Professional services are needed to design and engineer Intersection and corridor improvements on US 31 in Johnson County from South Main Street, located 1.1 miles south of SR 44 / SR 144 / Jefferson Street intersection, to Israel Lane, located 1.67 miles south of CR 500 N / Whiteland Road, for a total distract of approximately 5.5 miles. Re-design of the entire corridor will include restrictions and improvements to turning movements and intersections. Pedestrian crossings will be included, along with pedestrian trails and existing sidewalk connections along both the east and west sides of US 31. The total estimated cost of the improvements is between \$49,000,000 and \$55,000,000. The District anticipates paying the cost of the design fees of approximately \$4,500,000 to \$5,000,000, and INDOT will pay for all of the construction costs of approximately \$45,000,000 to \$50,000,000. The Commission anticipates financing its costs through the issuance of bonds, payable from the tax increment revenues from the development in the Allocation Areas.

**PLAN COMMISSION
RESOLUTION NO. 2019-07**

**RESOLUTION OF THE FRANKLIN CITY PLAN COMMISSION
DETERMINING THAT A RESOLUTION AND PLAN AMENDMENTS
APPROVED AND ADOPTED BY THE CITY OF FRANKLIN
REDEVELOPMENT COMMISSION CONFORM TO THE
COMPREHENSIVE PLAN AND APPROVING THE RESOLUTION
AND PLAN AMENDMENTS**

WHEREAS, the Franklin City Plan Commission (the “Plan Commission”) is the body charged with the duty of developing the Comprehensive Plan for the City of Franklin, Indiana (the “City”);

WHEREAS, the City of Franklin Redevelopment Commission (the “Redevelopment Commission”), governing body of the City of Franklin Department of Redevelopment, previously adopted Resolution No. 2015-30, on December 15, 2015, as confirmed by Resolution No. 2016-19, adopted on April 19, 2016 (collectively, the “Declaratory Resolution”) establishing and expanding an economic development area known as the “U.S. 31 Economic Development Area” (the “Economic Development Area”), designating certain portions of the Economic Development Area as an “allocation area” for purposes of Section 39 of the Act, and approving an economic development plan for the Area (the “Plan”), pursuant to Indiana Code 36-7-14, as amended (the “Act”); and

WHEREAS, on March 19, 2019, the Redevelopment Commission approved and adopted Resolution 2019-28 (the “Resolution”), which amended the Declaratory Resolution to: (i) add the area of City of Franklin, Indiana (the “City”) described on Exhibit A thereto to the Economic Development Area and to the extent such area is in any other economic development area established by the Redevelopment Commission, remove it from such economic development area, and (ii) amend the Plan as described in Exhibit B attached thereto (clauses (i) and (ii), collectively, the “Amendments”); and

WHEREAS, the Redevelopment Commission has submitted the Resolution and the Amendments to this Plan Commission.

NOW, THEREFORE, BE IT ORDERED BY THE FRANKLIN CITY PLAN COMMISSION, as follows:

1. The Resolution and the Amendments conform to the Comprehensive Plan for the City.
2. This Plan Commission hereby approves the Resolution and the Amendments.
3. This Resolution hereby constitutes the written order of the Plan Commission approving the Resolution and the Amendments pursuant to Section 16 of the Act.

4. The Secretary of this Plan Commission is hereby directed to file a copy of the Resolution and the Amendments with the minutes of this meeting.

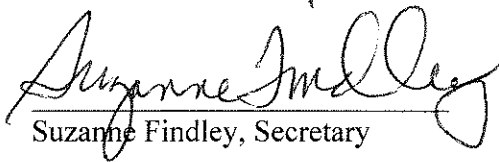
SO RESOLVED BY THE FRANKLIN CITY PLAN COMMISSION this 16th day of April, 2019.

FRANKLIN CITY PLAN COMMISSION

A handwritten signature in cursive script, appearing to read "Jim Martin", written over a horizontal line.

Jim Martin, President

ATTEST:

A handwritten signature in cursive script, appearing to read "Suzanne Findley", written over a horizontal line.

Suzanne Findley, Secretary

EXHIBIT A

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RESOLUTION NO. 2019-05

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF FRANKLIN, INDIANA APPROVING AN AMENDMENT TO THE ECONOMIC DEVELOPMENT PLAN FOR THE U.S. 31 ECONOMIC DEVELOPMENT AREA

WHEREAS, the City of Franklin Redevelopment Commission (the “Redevelopment Commission”), governing body of the City of Franklin Department of Redevelopment, previously adopted Resolution No. 2015-30, on December 15, 2015, as confirmed by Resolution No. 2016-19, adopted on April 19, 2016 (collectively, the “Declaratory Resolution”) establishing and expanding an economic development area known as the “U.S. 31 Economic Development Area” (the “Economic Development Area”), designating certain portions of the Economic Development Area as an “allocation area” for purposes of Section 39 of the Act, and approving an economic development plan for the Area (the “Plan”), pursuant to Indiana Code 36-7-14, as amended (the “Act”); and

WHEREAS, on March 19, 2019, the Redevelopment Commission approved and adopted a resolution (the “Resolution”), which amended the Declaratory Resolution to: (i) add the area of City of Franklin, Indiana (the “City”) described on Exhibit A thereto to the Economic Development Area and to the extent such area is in any other economic development area established by the Redevelopment Commission, remove it from such economic development area, and (ii) amend the Plan as described in Exhibit B attached thereto (clauses (i) and (ii), collectively, the “Amendments”); and

WHEREAS, the City of Franklin Plan Commission, on April 16, 2019, approved and adopted a resolution (the “Plan Commission Order”) determining that the Declaratory Resolution and the Plan conform to the plan of development for the City of Franklin, Indiana (the “City”) and approving the Resolution and the Amendments; and

WHEREAS, pursuant to Section 16(b) of the Act, the Commission has submitted the Resolution and the Amendments to this Common Council of the City (the “Council”).

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of Franklin, Indiana, as follows:

1. Pursuant to Section 16(b) of the Act, the Council hereby determines that the Resolution and the Plan, as amended by the Amendments, in all respects, conform to the plan of development for the City.
2. The Council hereby approves in all respects, the Resolution, the Amendments, and the Plan Commission Order.
3. This Resolution shall be in full force and effect from and after its passage by the Council and approval by the Mayor as required by law.

Introduced and Filed on this 6th day of May, 2019.

DULY PASSED on this 6th day of May, 2019, by the Common Council of the City of Franklin, Johnson County, Indiana, having been passed by a vote of _____ in Favor and _____ Opposed.

City of Franklin, Indiana, By its Common Council:

Voting Affirmative:

Voting Opposed:

Kenneth Austin, Council President

Kenneth Austin, Council President

Andrew Eggers, Vice President

Andrew Eggers, Vice President

Joseph P. Abban

Joseph P. Abban

Daniel J. Blankenship

Daniel J. Blankenship

Robert D. Heuchan

Robert D. Heuchan

Danny Richards

Danny Richards

Richard L. Wertz

Richard L. Wertz

Attest:

Jayne Rhoades, City Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15 and 16, this ____ day of May, 2019 at _____ o'clock a.m./p.m.

Jayne Rhoades, City Clerk-Treasurer

This Resolution having been passed by the legislative body and presented to me is [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16 (a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this ____ day of May, 2019 at _____ o'clock a.m./p.m.

Stephan Barnett, Mayor

Attest:

Jayne Rhoades, City Clerk-Treasurer

RESOLUTION NO. 2019-06

RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF FRANKLIN, INDIANA APPROVING A LEASE BETWEEN THE CITY OF FRANKLIN REDEVELOPMENT AUTHORITY, AS LESSOR, AND THE CITY OF FRANKLIN REDEVELOPMENT COMMISSION, AS LESSEE, AND PLEDGING LOCAL INCOME TAX REVENUES

WHEREAS, the City of Franklin, Indiana (the “City”) has created the Franklin Redevelopment Commission (the “Commission”) to undertake redevelopment and economic development in the City in accordance with Indiana Code § 36-7-14 (the “Act”); and

WHEREAS, the Commission has designated a certain area of the City known as the “U.S. 31 Economic Development Area” (the “Economic Development Area”) as an economic development area under Section 41 of the Act and approving an economic development plan for the Economic Development Area (the “Plan”); and

WHEREAS, to implement the Plan, it has been proposed that the City of Franklin Redevelopment Authority (the “Authority”) issue one or more series of bonds, in the maximum principal amount of \$10,500,000 (the “Bonds”), to finance all or any portion of (i) the acquisition of real property and the design and construction of intersection and corridor improvements to U.S. 31, from South Main Street to Israel Lane, including pedestrian crossings and trails, and related improvements and incidental expenses; and (ii) the acquisition of real property and the design and construction of the development of approximately twelve acres as an events space and Amphitheater Park located southwest of the courthouse square, particularly at the west terminus of Monroe Street and south to Young’s Creek, including pedestrian crossings and trails, and related improvements and incidental expenses (collectively, the “Projects”); and

WHEREAS, the Common Council of the City (the “Council”) has been presented at this meeting with a form of lease between the Authority, as lessor, and the Commission, as lessee (the “Lease”) for the purpose of paying the principal and interest on the Bonds issued pursuant to IC 36-7-14.5 to finance the construction of the Projects; and

WHEREAS, there has been imposed a local income tax under IC 6-3.6 (the “LIT Act”) on the gross income of county taxpayers in Johnson County, Indiana; and

WHEREAS, IC 36-7-14-25.5 authorizes the Council to utilize the local income tax revenues distributed to the City as the certified shares component of additional revenue derived from the expenditure rate tax under the LIT Act (the “Pledged LIT Revenues”) to pay amounts due under leases entered into by the Commission under the Act; and

WHEREAS, pursuant to such IC 36-7-14-25.5, the lease rentals under the Lease are payable from the Pledged LIT Revenues, or at the Commission’s option, any other revenues legally available to the Commission, including, but not limited to tax increment revenues from any allocation area within the Economic Development Area (“Tax Increment Revenues”); and

WHEREAS, the Common Council of the City has determined that it will be of public utility and benefit to pledge the Pledged LIT Revenues to secure the payment of the lease rental payments due under the Lease (the “2019 Lease Obligations”).

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF FRANKLIN, INDIANA, THAT:

Section 1. Findings; Public Benefits. The Common Council hereby finds and determines that the Projects to be financed through the Lease will be of public utility and benefit in promoting economic development opportunities in the City.

Section 2. Approval of Lease. Pursuant to Indiana Code 36-7-14-25.2, the Common Council hereby approves the Lease, with such lease rentals due thereunder in an amount sufficient to pay the debt service on the Bonds, on the following conditions: (a) the maximum term of the Lease shall be not more than twenty-five (25) years, starting on the date of issuance of the Bonds; (b) the maximum annual lease payment during the term of the Lease shall be Six Hundred Seventy-Five Thousand Dollars (\$675,000), (c) the maximum rate of interest on the Bonds shall not exceed six percent (6.0%) per annum; (d) the Bonds may be subject to redemption prior to maturity on such dates and on such terms as determined at the time of the sale of the Bonds and approved by the City in the purchase agreement for the Bonds, all upon the advice of the financial advisor to the City; and (e) a portion of the proceeds of the Bonds may be applied to pay capitalized interest on the Bonds if determined to be necessary or appropriate by the City, with the advice the financial advisor to the City.

Section 3. Pledge of Pledged LIT Revenues. Pursuant to Indiana Code 36-7-14-25.5, the City hereby pledges the Pledged LIT Revenues to the payment of the 2019 Lease Obligations. Except for such Pledged LIT Revenues, no funds of the City are pledged to pay the 2019 Lease Obligations, and neither the full faith and credit nor the general taxing power of the City is so pledged.

Section 4. Issuance of Parity Obligations. The City reserves the right to authorize and issue bonds or incur additional lease or other obligations entitled to the pledge of Pledged LIT Revenues on a parity with the 2019 Lease Obligations in accordance with the requirements set forth below (“Parity Obligations”). The authorization and issuance of Parity Obligations shall be subject to the following conditions precedent:

(a) All payments due under the 2019 Lease Obligations and all payments on any Parity Obligations payable from Pledged LIT Revenues shall be current to date in accordance with the terms thereof, with no payment in arrears.

(b) The City shall have received a certificate prepared by an independent, qualified accountant or feasibility consultant certifying the amount of the Pledged LIT Revenues estimated to be received in each succeeding year shall be at least equal to one hundred twenty-five percent (125%) of the lease rental and debt service requirements with respect to the 2019 Lease Obligations and the proposed Parity Obligations for each respective year during the term of the 2019 Lease Obligations and the Parity Obligations. If when the proposed Parity Obligations are issued, there shall have finally approved an

increase in the rate at which the LIT is imposed, the Pledged LIT Revenues estimate described in the preceding sentence may be adjusted to take the increased LIT rate into account. The City shall approve and confirm the figures and estimates set forth in the above-described certificate in any resolution or ordinance authorizing the Parity Obligations.

(c) Payments of any Parity Obligations payable from Pledged LIT Revenues shall be payable semiannually on July 1 and January 1.

The terms and conditions of any Parity Obligations shall be set forth in the ordinance or resolution authorizing such Parity Obligations.

The City may issue obligations payable from Pledged LIT Revenues on a junior basis to the 2019 Lease Obligations and any Parity Obligations. Any such junior obligations shall be payable semiannually on July 1 and January 1.

Section 5. Sinking Fund. (a) There is hereby created a separate fund designated as the Sinking Fund, which shall consist of a Principal and Interest Account and a Reserve Account. On each June 15 and December 15, there shall be deposited in the Principal and Interest Account an amount of Pledged LIT Revenues equal to the sum of the lease rental and principal and interest on the 2019 Lease Obligations and any Parity Obligations due on the following July 1 and January 1. The City or the Commission may, but is not required to, deposit in the Principal and Interest Account other funds available to the City or Commission, including, but not limited to Tax Increment Revenues, and no such deposit of Pledge LIT Revenues needs be made into the Principal and Interest Account if the amount contained therein is sufficient to pay the sum of the lease rental and principal and interest on the 2019 Lease Obligations and any Parity Obligations due on the following July 1 and January 1. All money in the Principal and Interest Account shall be used and withdrawn solely for the purpose of paying the lease rental and interest on and the principal of the 2019 Lease Obligations, and any Parity Obligations, including accrued interest on any such obligations purchased or redeemed prior to maturity.

(b) Reserve Account. If it is determined by the Mayor of the City, with the advice of the City's financial advisor, to establish a reserve account for the 2019 Lease Obligations, then, on the date of issuance of the Bonds, Pledged LIT Revenues or a portion of the proceeds of the Bonds shall be deposited in a separate reserve account hereby designated as the "Reserve Account" in an amount sufficient to maintain the Reserve Account in the full amount of the Reserve Requirement (as defined below). After making the required deposits into the Principal and Interest Account under Section 5(a) hereof, on each June 15 and December 15, Pledged LIT Revenues shall be set aside from the Sinking Fund and (i) deposited in the Reserve Account in an amount sufficient to maintain the Reserve Account in the full amount of the Reserve Requirement, and (ii) deposited in any reserve account established for any Parity Obligations secured by a reserve other than the Reserve Account stated to be on a parity with the Reserve Account in the amount required thereby. No deposit need be made in the Reserve Account so long as there shall be on deposit therein a sum equal to but not exceeding the least of (i) the maximum annual lease rental or debt service on the 2019 Lease Obligations and any Parity Obligations secured by the Reserve Account, (ii) 125% of the average annual lease rentals or debt service on 2019 Lease Obligations and any Parity Obligations secured by the Reserve

Account, or (iii) 10% of the proceeds of the Bonds and any Parity Obligations secured by the Reserve Account, plus a minor portion as defined in the Internal Revenue Code of 1986 (the "Reserve Requirement"). All money in the Reserve Account shall be used and withdrawn solely for the purpose of making deposits into the Principal and Interest Account, in the event of any deficiency at any time in such account, or for the purpose of paying the interest on or principal of or redemption premiums, if any, on the 2019 Lease Obligations and any Parity Obligations secured by the Reserve Account, in the event that no other money is lawfully available therefor. Any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account and deposited in the Principal and Interest Account. Money in the Reserve Account shall also be available to make the final payments of interest and principal or lease rental on the 2019 Lease Obligations and any additional Parity Obligations secured by the Reserve Account.

The City may at any time and from time to time fund all or any part of the Reserve Account by depositing in the Reserve Account one or more Reserve Account Credit Instruments. Each Reserve Account Credit Instrument shall be issued by either (i) an insurance company whose long term debt obligations are rated at the time of the deposit of the Reserve Account Credit Instrument in one of the highest two Rating Categories by Standard & Poor's Ratings Services or Moody's Investors Service, or (ii) a bank or trust company which has an outstanding, unsecured, uninsured and unguaranteed debt issue rated at the time of the deposit of the Reserve Account Credit Instrument in one of the two highest Rating Categories by Standard & Poor's Ratings Services or Moody's Investors Service. As long as any Reserve Account Credit Instrument is in full force and effect, any valuation of the Reserve Account shall treat the maximum amount available under such Reserve Account Credit Instrument as its value.

Section 6. General. The Mayor, the Controller, and the Clerk-Treasurer of the City, and each of them, are hereby authorized and directed, in the name and on behalf of the City, to execute or endorse any and all agreements, documents and instruments, perform any and all acts, approve any and all matters, and do any and all other things deemed by them, or either of them, to be necessary or desirable in order to carry out and comply with the intent, conditions and purposes of this resolution (including the preambles hereto and the documents mentioned herein), and any such execution, endorsement, performance or doing of other things heretofore effected be, and hereby is, ratified and approved.

Section 7. Effective Date. This Resolution shall be in full force and effect from and after its adoption by the Common Council and upon compliance with the procedures required by law.

DULY PASSED on this 6th day of May, 2019, by the Common Council of the City of Franklin, Johnson County, Indiana, having been passed by a vote of _____ in Favor and _____ Opposed.

City of Franklin, Indiana, By its Common Council:

Voting Affirmative:

Kenneth Austin, Council President

Andrew Eggers, Vice President

Joseph P. Abban

Daniel J. Blankenship

Robert D. Heuchan

Danny Richards

Richard L. Wertz

Attest:

Jayne Rhoades, City Clerk-Treasurer

Voting Opposed:

Kenneth Austin, Council President

Andrew Eggers, Vice President

Joseph P. Abban

Daniel J. Blankenship

Robert D. Heuchan

Danny Richards

Richard L. Wertz

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15 and 16, this ____ day of May, 2019 at _____ o'clock a.m./p.m.

Jayne Rhoades, City Clerk-Treasurer

This Resolution having been passed by the legislative body and presented to me is [Approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16 (a)(1)] [Vetoed, pursuant to Indiana Code § 36-4-6-16(a)(2)], this ____ day of May, 2019 at _____ o'clock a.m./p.m.

Stephan Barnett, Mayor

Attest:

Jayne Rhoades, City Clerk-Treasurer

LEASE AGREEMENT

between

CITY OF FRANKLIN REDEVELOPMENT AUTHORITY

LESSOR

and

CITY OF FRANKLIN REDEVELOPMENT COMMISSION

LESSEE

Dated as of _____, 2019

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and dated as of this ____ day of _____, 2019, by and between the CITY OF FRANKLIN REDEVELOPMENT AUTHORITY (the “Lessor”), a separate body corporate and politic organized and existing under Indiana Code 36-7-14.5 as an instrumentality of the City of Franklin, Indiana (the “City”), and the CITY OF FRANKLIN REDEVELOPMENT COMMISSION (the “Lessee”), the governing body of the City of Franklin Department of Redevelopment acting for and on behalf of the City.

WITNESSETH:

WHEREAS, the City has created the Lessor under and in pursuance of the provisions of Indiana Code 36-7-14, Indiana Code 36-7-14.5 and Indiana Code 36-7-25 (collectively, the “Act”), for the purpose of financing, constructing, acquiring and leasing to the Lessee certain local public improvements and economic development projects;

WHEREAS, the City has created the Lessee to undertake redevelopment and economic development in the City in accordance with the Act;

WHEREAS, the Lessee has previously adopted resolutions designating a certain area of the City known as the “U.S. 31 Economic Development Area” (the “Economic Development Area”) as an economic development area under Section 41 of the Act and approving an economic development plan for the Economic Development Area (the “Plan”);

WHEREAS, to foster economic development in the City, the Lessor, the Lessee, and the City, desire to provide for the acquisition and construction of, among others, improvements set forth on Exhibit A hereto (collectively, the “Project”), which are located in or directly serve or benefit the Economic Development Area; and

WHEREAS, the Act authorizes the Lessor to issue bonds for the purpose of obtaining money to pay the cost of acquiring property or constructing, improving, reconstructing or renovating public improvements;

WHEREAS, the costs of the Project will be paid from proceeds of bonds, to be issued by the Lessor in the maximum principal amount of [Ten Million Five Hundred Thousand Dollars (\$10,500,000)] (the “Bonds”);

WHEREAS, the annual rentals to be paid under this Lease by the Lessee will be pledged by the Lessor to pay debt service on and other necessary incidental expenses of the Authority relating to the Bonds to be issued by the Lessor to finance the Project;

WHEREAS, Johnson County, Indiana has imposed a local income tax under IC 6-3.6 (the “LIT Act”) on the gross income of county taxpayers; and

WHEREAS, IC 36-7-14-25.5 authorizes the Common Council of the City (the “Council”) to utilize the local income tax revenues distributed to the City as the certified shares component of additional revenue derived from the expenditure rate tax under the LIT Act (the “LIT Revenues”) to pay amounts due under leases entered into by the Lessee under the Act; and

WHEREAS, pursuant to an Resolution, adopted by the Council on _____, 2019, the City has pledged the LIT Revenues to the payment of the lease rentals owed by the Lessee under the Lease; and

WHEREAS, the Lessor has acquired or will acquire interests in the real estate described in Exhibit B (such real estate, together with any roads or other improvements that, on the date hereof, are located thereon, collectively, the “Leased Premises”), and such interests shall be for a term no less than the term of this Lease; and

WHEREAS, the value of the Leased Premises is estimated to be not less than [Ten Million Five Hundred Thousand Dollars (\$10,500,000)]; and

WHEREAS, the Lessee has determined, after a public hearing held pursuant to the Act after notice given pursuant to IC 5-3-1, that the lease rentals provided for in this Lease are fair and reasonable, that the execution of this Lease is necessary and that the service provided by the Project will serve the public purpose of the City and is in the best interests of its residents, and the Common Council of the City has by resolution approved this Lease, and the resolution has been entered in the official records of the Common Council; and

WHEREAS, the Lessor has determined that the lease rentals provided for in this Lease are fair and reasonable, that the execution of this Lease is necessary and that the service provided by the Project will serve the public purpose of the City and is in the best interests of its residents, and the Lessor has duly authorized the execution of this Lease by resolution, and the resolution has been entered in the official records of the Lessor;

THIS AGREEMENT WITNESSETH THAT:

1. Premises, Term and Warranty. The Lessor does hereby lease, demise and let to Lessee all of the Lessor’s right, title and interests in and to the Leased Premises.

TO HAVE AND TO HOLD the Leased Premises with all rights, privileges, easements and appurtenances thereunto belonging, unto the Lessee, beginning on the date of issuance of the Bonds and ending on the day prior to a date not later than twenty-five (25) years after the date of issuance of the Bonds. However, the term of this Lease will terminate at the earlier of (a) the exercise by the Lessee of the option to purchase the Leased Premises pursuant to Section 11 and the payment of the option price, or (b) the payment or defeasance of all bonds issued (i) to finance the cost of the Leased Premises, (ii) to refund all or a portion of such bonds, (iii) to refund all or a portion of such refunding bonds, or (iv) to improve the Leased Premises; provided that no bonds or other obligations of the Lessor issued to finance the Leased Premises remain outstanding at the time of such payment or

defeasance. The Lessor hereby represents that it is possessed of, or will acquire, the Leased Premises and the Lessor warrants and will defend the Leased Premises against all claims whatsoever not suffered or caused by the acts or omissions of the Lessee or its assigns.

Notwithstanding the foregoing, the Leased Premises may be amended to add additional property to the Leased Premises or remove any portion of the Leased Premises, provided however, following such amendment, the rental payable under this Lease shall be based on the value of the portion of the Leased Premises which is available for use, and the rental payments due under this Lease shall be in amounts sufficient to pay when due all principal of and interest on all outstanding Bonds. In the event that all or a portion of the Leased Premises shall be unavailable for use by the Commission, subject to the completion of any process required by law, the Authority and the Commission shall amend the Lease to add to and/or replace a portion of the Leased Premises to the extent necessary to provide for available Leased Premises with a value supporting rental payments under the Lease sufficient to pay when due all principal of and interest on outstanding Bonds.

In the event that all or a portion of the Leased Premises shall be unavailable for use by the Lessee, subject to the completion of any process required by law, the Lessor and the Lessee shall amend the Lease to add to and/or replace a portion of the Leased Premises to the extent necessary to provide for available Leased Premises with a value supporting rental payments under the Lease sufficient to pay when due all principal of and interest on outstanding Bonds.

2. Lease Rental. (a) Fixed Rental Payments. The Lessee agrees to pay rental for the Leased Premises at a rate per year during the term of the Lease not to exceed [Six Hundred Seventy-Five Thousand Dollars (\$675,000)], payable in semi-annual installments. Each such semi-annual installment, payable as hereinafter described, shall be based on the value of the Leased Premises which are available for use and occupancy by the Lessee at the time such semi-annual installment is made. The first rental installment shall be due no earlier than July 1 of the year following the year of the issuance of the Bonds. Thereafter, such rental shall be payable in advance in semi-annual installments on July 1 and January 1 of each year. The last semi-annual rental payment due before the expiration of this Lease shall be adjusted to provide for rental at the yearly rate so specified from the date such installment is due to the date of the expiration of this Lease.

After the sale of the Bonds, the annual rental shall be reduced to an amount sufficient to pay principal and interest due in each twelve (12) month period commencing each year on July 1 rounded up to the next One Thousand Dollars (\$1,000), plus Five Thousand Dollars (\$5,000) each year, payable in advance in semi-annual installments. In addition, each such reduced semi-annual installment shall be based on the value of the Leased Premises which are available for use by the Lessee at the time such semi-annual installment is made. Such amount of adjusted rental shall be endorsed on this Lease at the end hereof in the form of Exhibit C attached hereto by the parties hereto as soon as the same can be done after the sale of the Bonds, and such endorsement shall be recorded as an addendum to this Lease.

(b) Additional Rental Payments. (i) The Lessee shall pay as further rental in addition to the rentals paid under Section 2(a) for the Leased Premises ("Additional Rentals") the

amount of all taxes and assessments levied against or on account of the Leased Premises or the receipt of lease rental payments and the amount required to reimburse the Lessor for any insurance payments made by it under Section 6. The Lessee shall pay as additional rental all administrative expenses of the Lessor, including ongoing trustee fees, relating to the Bonds. Any and all such payments shall be made and satisfactory evidence of such payments in the form of receipts shall be furnished to the Lessor by the Lessee, at least three (3) days before the last day upon which such payments must be paid to avoid delinquency. If the Lessee shall in good faith desire to contest the validity of any such tax or assessment, the Lessee shall so notify the Lessor and shall furnish bond with surety to the approval of the Lessor conditioned for the payment of the charges so desired to be contested and all damages or loss resulting to the Lessor from the nonpayment thereof when due, the Lessee shall not be obligated to pay the contested amounts until such contests shall have been determined. The Lessee shall also pay as Additional Rentals the amount calculated by or for the Lessor as the amount required to be rebated, or paid as a penalty, to the United States of America under Section 148(f) of the Internal Revenue Code of 1986, as amended and in effect on the date of issue of the Bonds ("Code"), after taking into account other available moneys, to prevent the Bonds from becoming arbitrage bonds under Section 148 of the Code.

(ii) The Lessee may by resolution pay Additional Rentals to enable the Lessor to redeem or purchase Bonds prior to maturity. Rental payments due under this Section 2 shall be reduced to the extent such payments are allocable to the Bonds redeemed or purchased by the Lessor with such Additional Rentals. The Lessee shall be considered as having an ownership interest in the Leased Premises valued at an amount equal to the amount of the Additional Rentals paid pursuant to this subsection (b)(ii).

(c) Source of Payment of Rentals. The fixed annual rentals described in Section 2(a) (the "Fixed Annual Rentals") and the Additional Rentals shall be payable solely from the LIT Revenues. The Lessee may pay the Fixed Annual Rentals and the Additional Rentals or any other amounts due hereunder from any other revenues legally available to the Lessee, including, but not limited to, any tax-increment revenues collected by the Lessee from allocation areas within the Economic Development Area; provided, however, the Lessee shall be under no obligation to pay any Fixed Annual Rentals or Additional Rentals or any other amounts due hereunder from any moneys or properties of the Lessee except the LIT Revenues received by the Lessee.

3. Payment of Rentals. All rentals payable under the terms of this Lease shall be paid by the Lessee to the bank or trust company designated as trustee ("Trustee") under the Trust Indenture between it and the Lessor ("Indenture"), or to such other bank or trust company as may from time to time succeed such bank or trust company as Trustee under the Indenture securing the bonds to be issued by the Lessor to finance the acquisition and construction of the Leased Premises. Any successor trustee under the Indenture shall be endorsed on this Lease at the end hereof by the parties hereto as soon as possible after selection, and such endorsement shall be recorded as an addendum to this Lease. All payments so made by the Lessee shall be considered as payment to the Lessor of the rentals payable hereunder.

4. Abatement of Rent. If any part of the Leased Premises is taken under the exercise of the power of eminent domain, so as to render it unfit, in whole or part, for use or occupancy by the Lessee, it shall then be the obligation of the Lessor to restore and rebuild that portion of the Leased Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Lessor excepted; provided, however, that the Lessor shall not be obligated to expend on such restoration or rebuilding more than the condemnation proceeds received by the Lessor.

If any part of the Leased Premises shall be partially or totally destroyed, or is taken under the exercise of the power of eminent domain, so as to render it unfit, in whole or part, for use or occupancy by the Lessee, the rent shall be abated for the period during which the Leased Premises or such part thereof is unfit or unavailable for use or occupancy, and the abatement shall be in proportion to the percentage of the Leased Premises which is unfit or unavailable for use or occupancy.

5. Maintenance, Alterations and Repairs. The Lessee may enter into agreements with one or more other parties for the operation, maintenance, repair and alterations of all or any portion of the Leased Premises. Such other parties may assume all responsibility for operation, maintenance, repairs and alterations to the Leased Premises. At the end of the term of this Lease, the Lessee shall deliver the Leased Premises to the Lessor in as good condition as at the beginning of the term, reasonable wear and tear only excepted.

6. Insurance. During the full term of this Lease, the Lessee shall, at its own expense, carry combined bodily injury insurance, including accidental death, and property damage insurance with reference to the Leased Premises in an amount not less than One Million Dollars (\$1,000,000) on account of each occurrence with one or more good and responsible insurance companies. Such public liability insurance may be by blanket insurance policy or policies.

The proceeds of the public liability insurance required herein (after payment of expenses incurred in the collection of such proceeds) shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds are paid. Such policies shall be for the benefit of persons having an insurable interest in the Leased Premises, and shall be made payable to the Lessor, the Lessee, and the Trustee and to such other person or persons as the Lessor may designate. Such policies shall be countersigned by an agent of the insurer who is a resident of the State of Indiana and deposited with the Lessor and the Trustee. If, at any time, the Lessee fails to maintain insurance in accordance with this Section, such insurance may be obtained by the Lessor and the amount paid therefor shall be added to the amount of rentals payable by the Lessee under this Lease; provided, however, that the Lessor shall be under no obligation to obtain such insurance and any action or non-action of the Lessor in this regard shall not relieve the Lessee of any consequence of its default in failing to obtain such insurance.

The insurance policies described in this Section 6 may be acquired by another party and shall satisfy this Section as long as the Lessor, the Lessee and the Trustee are named as additional insureds under such policies. Such coverage may be provided by scheduling it under a blanket insurance policy or policies.

7. Eminent Domain. If title to or the temporary use of the Leased Premises, or any part thereof, shall be taken under the exercise or the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, any net proceeds received from any award made in such eminent domain proceedings (after payment of expenses incurred in such collection) shall be paid to and held by the Trustee under the Indenture.

Such proceeds shall be applied in one or more of the following ways:

- (a) The restoration of the Leased Premises to substantially the same condition as it existed prior to the exercise of that power of eminent domain, or
- (b) The acquisition, by construction or otherwise, of other improvements suitable for the Lessee's operations on the Leased Premises and which are in furtherance of the purposes of the Act and the Plan (the improvements shall be deemed a part of the Leased Premises and available for use and occupancy by the Lessee without the payment of any rent other than as herein provided, to the same extent as if such other improvements were specifically described herein and demised hereby).

Within ninety (90) days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Lessee shall direct the Lessor and the Trustee in writing as to which of the ways specified in this Section the Lessee elects to have the net proceeds of the condemnation award applied. Any balance of the net proceeds of the award in such eminent domain proceedings not required to be applied for the purposes specified in subsections (a) or (b) above shall be deposited in the sinking fund held by the Trustee under the Indenture and applied to the repayment of the Bonds.

The Lessor shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Leased Premises or any part thereof and will to the extent it may lawfully do so permit the Lessee to litigate in any such proceedings in its own name or in the name and on behalf of the Lessor. In no event will the Lessor voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Leased Premises or any part thereof without the written consent of the Lessee, which consent shall not be unreasonably withheld.

8. General Covenant. The Lessee shall not assign this Lease or mortgage, pledge or sublet the Leased Premises herein described without the written consent of the Lessor. The Lessee shall contract with the other parties to use and maintain the Leased Premises in accordance with the laws, regulations and ordinances of the United States of America, the State of Indiana, the City and all other proper governmental authorities.

9. Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the Lessee and the Lessor represent, covenant and agree that neither the Lessor nor the Lessee will take any

action or fail to take any action with respect to the Bonds, this Lease or the Leased Premises that will result in the loss of the exclusion from gross income for federal tax purposes of interest on the Bonds under Section 103 of the Code, nor will they act in any other manner which will adversely affect such exclusion; and it will not make any investment or do any other act or thing during the period that the Bonds are outstanding which will cause any of the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

The covenants in this Section are based solely on current law in effect and in existence on the date of issuance of the Bonds. It shall not be an event of default under this Lease if interest on any Bonds is not excludable from gross income pursuant to any provision of the Code which is not in existence and in effect on the issue date of the Bonds.

All officers, members, employees and agents of the Lessor and the Lessee are authorized to provide certifications of facts and estimates that are material to the reasonable expectations of the Lessor and the Lessee as of the date the Bonds are issued and to enter into covenants on behalf of the Lessor and the Lessee evidencing the Lessor’s and the Lessee’s commitments made herein. In particular, all or any members or officers of the Lessor and the Lessee are authorized to certify and enter into covenants regarding the facts and circumstances and reasonable expectations of the Lessor and the Lessee on the date the Bonds are issued and the commitments made by the Lessor and the Lessee herein regarding the amount and use of the proceeds of the Bonds.

Notwithstanding any other provisions hereof, the foregoing covenants and authorizations (the “Tax Sections”) which are designed to preserve the exclusion of interest on the Bonds from gross income under federal income tax law (the “Tax Exemption”) need not be complied with if the Lessee receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

10. Option to Renew. The Lessor hereby grants to the Lessee the right and option to renew this Lease for a further like or lesser term upon the same or like conditions as herein contained, and applicable to the portion of the premises for which the renewal applies, and the Lessee shall exercise this option by written notice to the Lessor given upon any rental payment date prior to the expiration of this Lease.

11. Option to Purchase. The Lessor hereby grants to the Lessee the right and option, on any date, upon sixty (60) days’ written notice to the Lessor, to purchase the Leased Premises, or any portion thereof, at a price equal to the amount required to redeem the Bonds, or such portion thereof corresponding to the portion of the Leased Premises being purchased (including indebtedness incurred for the refunding of the Bonds), including all premiums payable on the redemption thereof and accrued and unpaid interest, and including the proportionate share of the expenses and charges of liquidation, if the Lessor is to be then liquidated. In no event, however, shall such purchase price exceed the capital actually invested in such property by the Lessor represented by outstanding securities or existing indebtedness plus the cost of transferring the property and liquidating the Lessor. The phrase “capital actually invested” as used herein shall be construed to include, but not by way of limitation, the following amounts expended by the Lessor in connection with the

acquisition and financing of the Leased Premises: organization expenses, financing costs, carry charges, legal fees, architects' fees and reasonable costs and expenses incidental thereto.

Upon request of the Lessee, the Lessor agrees to furnish an itemized statement setting forth the amount required to be paid by the Lessee in order to purchase the Leased Premises in accordance with the preceding paragraph. Upon the exercise of the option to purchase granted herein, the Lessor will upon payment of the option price deliver, or cause to be delivered, to the Lessee documents conveying to the Lessee, or any entity (including the City) designated by the Lessee, all of the Lessor's title to the property being purchased, as such property then exists, subject to the following: (i) those liens and encumbrances (if any) to which title to the property was subject when conveyed to the Lessor; (ii) those liens and encumbrances created by the Lessee and to the creation or suffering of which the Lessee consented, and liens for taxes or special assessments not then delinquent; and (iii) those liens and encumbrances on its part contained in this Lease.

In the event of purchase of the Leased Premises by the Lessee or conveyance of the Leased Premises to the Lessee or the Lessee's designee, the Lessee shall procure and pay for all surveys, title searches, abstracts, title policies and legal services that may be required, and shall furnish at the Lessee's expense all documentary stamps or tax payments required for the transfer of title.

Nothing contained herein shall be construed to provide that the Lessee shall be under any obligation to purchase the Leased Premises, or under any obligation respecting the creditors, members or security holders of the Lessor.

12. Transfer to Lessee. If the Lessee has not exercised its option to renew in accordance with the provisions of Section 10, and has not exercised its option to purchase the Leased Premises, or any portion thereof, in accordance with the provisions of Section 11, and upon the full discharge and performance by the Lessee of its obligations under this Lease, the Leased Premises, or such portion thereof remaining, shall thereupon become the absolute property of the Lessee, subject to the limitations, if any, on the conveyance of the site for the Leased Premises to the Lessor and, upon the Lessee's request the Lessor shall execute proper instruments conveying to the Lessee, or to any entity (including the City) designated by the Lessee, all of Lessor's title to the Leased Premises, or such portion thereof.

13. Defaults. If the Lessee shall default (a) in the payment of any rentals or other sums payable to the Lessor hereunder, or in the payment of any other sum herein required to be paid for the Lessor; or (b) in the observance of any other covenant, agreement or condition hereof, and such default shall continue for ninety (90) days after written notice to correct such default; then, in any or either of such events, the Lessor may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy; or the Lessor, at its option, without further notice, may terminate the estate and interest of the Lessee hereunder, and it shall be lawful for the Lessor forthwith to resume possession of the Leased Premises and the Lessee covenants to surrender the same forthwith upon demand.

The exercise by the Lessor of the above right to terminate this Lease shall not release the Lessee from the performance of any obligation hereof maturing prior to the Lessor's actual entry into possession. No waiver by the Lessor of any right to terminate this Lease upon any default shall operate to waive such right upon the same or other default subsequently occurring.

14. Notices. Whenever either party shall be required to give notice to the other under this Lease, it shall be sufficient service of such notice to deposit the same in the United States mail, in an envelope duly stamped, registered and addressed to the other party or parties at the following addresses: (a) to Lessor: City of Franklin Redevelopment Authority, Attention: President, 70 East Monroe Street, Franklin, Indiana 46038; (b) to Lessee: City of Franklin Redevelopment Commission, Attention: President, 70 East Monroe Street, Franklin, Indiana 46038.

The Lessor, the Lessee and the Trustee may by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

15. Successors or Assigns. All covenants of this Lease, whether by the Lessor or the Lessee, shall be binding upon the successors and assigns of the respective parties hereto.

16. Construction of Covenants. The Lessor was organized for the purpose of acquiring, constructing, equipping and renovating local public improvements and leasing the same to the Lessee under the provisions of the Act. All provisions herein contained shall be construed in accordance with the provisions of the Act, and to the extent of inconsistencies, if any, between the covenants and agreements in this Lease and the provisions of the Act, the Act shall be deemed to be controlling and binding upon the Lessor and the Lessee; provided, however, any amendment to the Act after the date hereof shall not have the effect of amending this Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed for and on their behalf on the date first written above.

LESSOR:

LESSEE:

CITY OF FRANKLIN REDEVELOPMENT
AUTHORITY

CITY OF FRANKLIN REDEVELOPMENT
COMMISSION

President

President

ATTEST:

ATTEST:

Secretary-Treasurer

Secretary

I affirm under penalties of perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law. /s/ *Richard J. Hall*

This instrument was prepared by Richard J. Hall, Barnes & Thornburg LLP, 11 South Meridian Street, Indianapolis, Indiana 46204.

[illegible]

Before me, the undersigned, a Notary Public in and for this City and State, personally appeared _____ and _____, personally known to be the President and Secretary-Treasurer, respectively, of the City of Franklin Redevelopment Authority (the “Authority”), and acknowledged the execution of the foregoing Lease for and on behalf of the Authority.

WITNESS my hand and notarial seal this ____ day of _____, 2019

(Written Signature)

(Printed Signature)

Notary Public

(Seal)

My Commission Expires:

My county of Residence:

STATE OF INDIANA)
) SS:
COUNTY OF JOHNSON)

Before me, the undersigned, a Notary Public in and for this City and State, personally appeared _____ and _____, personally known to be the President and Secretary, respectively, of the City of Franklin Redevelopment Commission (the "Commission"), and acknowledged the execution of the foregoing Lease for and on behalf of the Commission.

WITNESS my hand and notarial seal this ____ day of _____, 2019.

(Written Signature)

(Printed Signature)

(Seal)

Notary Public

My Commission Expires:

My county of Residence:

EXHIBIT A

DESCRIPTION OF PROJECT

As more fully described in the Economic Development Plan for the Economic Development Area, the Project consists of all or any portion of (i) the acquisition of real property and the design and construction of intersection and corridor improvements to U.S. 31, from South Main Street to Israel Lane, including pedestrian crossings and trails, and related improvements and incidental expenses; and (ii) the acquisition of real property and the design and construction of the development of approximately twelve acres as an events space and Amphitheater Park located southwest of the courthouse square, particularly at the west terminus of Monroe Street and south to Young's Creek, including pedestrian crossings and trails, and related improvements and incidental expenses.

EXHIBIT B

DESCRIPTION OF LEASED PREMISES

The Leased Premises is all or any portion of certain road improvements consisting of (i) Jefferson Street, commencing at U.S. 31 and continuing east to Forsythe Street, (ii) continuing north on Forsythe Street to King Street, and (iii) east on King Street to the eastern boundary of the roundabout constructed at the intersection of King Street and Eastview Drive. This general description of the Leased Premises shall be replaced with formal legal descriptions of the Leased Premises on or prior to the date of issuance of the Bonds.

EXHIBIT C

ADDENDUM TO LEASE BETWEEN
CITY OF FRANKLIN REDEVELOPMENT AUTHORITY, LESSOR
AND CITY OF FRANKLIN REDEVELOPMENT COMMISSION, LESSEE

THIS ADDENDUM (this “Addendum”), entered into as of this ____ day of _____, 20__, by and between City of Franklin Redevelopment Authority (the “Lessor”), and City of Franklin Redevelopment Commission (the “Lessee”);

WITNESSETH:

WHEREAS, the Lessor entered into a lease with the Lessee dated as of _____, 2019 (the “Lease”); and

WHEREAS, it is provided in the Lease that there shall be endorsed thereon the adjusted rental.

NOW, THEREFORE, IT IS HEREBY AGREED, CERTIFIED AND STIPULATED by the parties to the Lease that the adjusted rental is set forth on Appendix I attached hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed for and on their behalf as of the day and year first above written.

LESSOR

LESSEE:

CITY OF FRANKLIN REDEVELOPMENT
AUTHORITY

CITY OF FRANKLIN REDEVELOPMENT
COMMISSION

President

President

ATTEST:

ATTEST:

Secretary-Treasurer

Secretary

I affirm under penalties of perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law. /s/ *Richard J. Hall*

This instrument was prepared by Richard J. Hall, Barnes & Thornburg LLP, 11 South Meridian Street, Indianapolis, Indiana 46204.

STATE OF INDIANA)
) SS:
COUNTY OF JOHNSON)

Before me, the undersigned, a Notary Public in and for this City and State, personally appeared _____ and _____, personally known to be the President and Secretary-Treasurer, respectively, of the City of Franklin Redevelopment Authority (the “Authority”), and acknowledged the execution of the foregoing Addendum to Lease for and on behalf of the Authority.

WITNESS my hand and notarial seal this _____ day of _____, 20__.

(Seal)

(Written Signature)

(Printed Signature)

Notary Public

My Commission expires:

My county of residence is:

STATE OF INDIANA)
) SS:
COUNTY OF JOHNSON)

Before me, the undersigned, a Notary Public in and for this City and State, personally appeared _____ and _____, personally known to be the President and Secretary, respectively, of the City of Franklin Redevelopment Commission (the “Commission”), and acknowledged the execution of the foregoing Addendum to Lease for and on behalf of the Commission.

WITNESS my hand and notarial seal this _____ day of _____, 20__.

(Seal)

(Written Signature)

(Printed Signature)
Notary Public

My Commission expires:

My county of residence is:

Appendix I to Addendum to Lease

Rental Schedule

Payment Date

Amount