

**ECONOMIC DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF FISHERS, INDIANA AND IKEA PROPERTY, INC.**

THIS ECONOMIC DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into this ____ day of November, 2015 (the “Effective Date”), by and between the City of Fishers, Hamilton County, Indiana, an Indiana municipal corporation (the “City”) and IKEA Property, Inc. (the “Company”), as follows:

WHEREAS, the City desires to enter into agreements with private entities to encourage investment and foster economic development within the City;

WHEREAS, the Company is the world’s largest furniture retailer and is known for its modern architectural furniture and appliance designs and its eco-friendly interior design work;

WHEREAS, the Company currently owns and operates 370 stores in 48 countries, including 41 throughout the United States;

WHEREAS, the Company desires: (a) to locate a furniture and home goods store at least 250,000 square feet in size (the “Store”) as shown on the concept plan (the “Concept Plan”) on real estate legally described and generally depicted in **Exhibit A**, which is attached hereto and incorporated herein; (b) to hire at least 150 employees (the “Employees”) to work at the Store; and (c) invest not less than Forty Million and no/100 Dollars (\$40,000,000.00) in acquisition and development of the Real Estate and construction of the Store (“Capital Commitment”)

WHEREAS, the City previously has planned to: (i) construct a new interchange, the plans of which are attached hereto as **Exhibit B** (the “Interchange”); and (ii) construct certain local road improvements, the plans of which are attached hereto as **Exhibit C** (the “Road Improvements”);

WHEREAS, the Company is concerned that the construction of the Interchange and the Road Improvements may interfere with the Company’s opening of the Store;

WHEREAS, the City desires to provide certain assurances to the Company that the construction of the Interchange and the Road Improvements will not interfere with the Company’s opening of the Store;

WHEREAS, the City desires to induce the Company to locate a Store on the Real Estate by waiving certain road, bridge, permitting, development, and sewer impact fees for or related to the initial development of the Real Estate and construction of the Store and the planned 36,655 +/- square foot expansion as shown on the Concept Plan; and

WHEREAS, the City has determined that incenting the Company to locate a Store on the Real Estate is in the best interests of the City’s citizens.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE I. RECITALS

The representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Article 1.

ARTICLE II. MUTUAL ASSISTANCE

The parties agree, subject to further proceedings required by law, to take such actions timely, including the execution and delivery of such documents, instruments, approvals, permits, petitions and certifications, as may be necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent of this Agreement.

ARTICLE III. COMPANY'S OBLIGATIONS

In consideration for the incentives provided by the City pursuant to Article IV below, the Company shall (a) cause ground to be broken and construction of the Store to begin within eighteen (18) months after the Effective Date; (b) locate the Store on the Real Estate; (c) hire the Employees; and (d) satisfy the Capital Commitment (individually or jointly, the "Development Commitment"). The Development Commitment is subject to: (1) the City's compliance with its obligations set forth herein; (2) the Company obtaining all final and unappealable governmental and internal Company approvals necessary to develop the Real Estate and construct the Store; (3) the Company's satisfaction on or before May 31, 2016, that the City will be able to comply with the Schedule (defined below); and (4) the Company acquiring title to the Real Estate.

ARTICLE IV. THE CITY'S OBLIGATIONS

In consideration for the Company's Development Commitment, the City agrees to the following:

4.01 Avoiding Interference with Store Opening due to Construction of Interchange and Road Improvements. In order to assure the Company that the City's construction of the Interchange and Road Improvements will not interfere with the Store's opening, the City agrees that it shall commence construction on the Interchange and the Road Improvements in a timely manner and shall complete the Interchange and Road Improvements such that they both are open to the public for use ("Completion") on or before July 31, 2017 (the "Schedule"). Beginning April 1, 2016, and continuing each month thereafter, the City shall provide to the Company on or before the 5th calendar day of the month a written notice that affirms that the City's construction progress indicates that the City will comply with the Schedule (the "Confirmation Notice").

4.02 Fee Waiver. The City shall waive all road, park, bridge, permitting, development and sewer impact fees (the “City’s Fees”) for or related to the development and construction of: (a) the Store; and (b) the planned 36,655 +/- square foot expansion as shown on the Concept Plan.

The waiver of fees described herein shall not negate or impact the Company’s obligation to obtain all applicable permits, complete all applicable reviews and inspections and otherwise continuously maintain compliance with the City’s ordinances, including without limitation, its UDO, as amended. Within thirty (30) business days after receipt of written notice from the City that the Company is not in compliance with applicable City ordinances or has failed to obtain applicable permits or complete applicable reviews and inspections as and when required, the Company shall come into full compliance by obtaining the requisite permit, completing the applicable review or inspection or otherwise coming into compliance with the City’s ordinances (“Compliance”). If the Company fails to come into Compliance, then this Article IV concerning the waiver of the City’s Fees shall automatically terminate, and the City shall have no additional obligation to waive the City’s Fees unless and until such time as the Company comes into Compliance.

4.03 Terminable Tax Abatement. In recognition that the Company will hire workers to staff the Store, spend millions of dollars, and start construction of the Store in reliance on the City’s assurance that it will comply with the Schedule, the City agrees, subject to compliance with all applicable laws and procedures, to grant the Company a real property tax abatement in the amount of one hundred percent (100%) of real property taxes assessed on qualifying real property located on the Real Estate (the “Abatement”) as follows:

(a) if the City both: (i) provides the Confirmation Notice due in May 2017 (the “Advance Notice”); and (ii) complies with the Schedule, then the Company shall be entitled to no Abatement; or

(b) if the City: (i) fails to provide the Advance Notice; and (ii) obtains Completion prior to July 31, 2018, then Company shall be entitled to a two-year Abatement commencing on the date that a certificate of occupancy is issued for the Store; or

(c) if the City: (i) gives the Advance Notice; but (ii) fails to comply with the Schedule; and (iii) obtains Completion prior to July 31, 2018, then Company shall be entitled to a three-year Abatement commencing on the date that a certificate of occupancy is issued for the Store; or

(d) if the City fails to obtain Completion prior to July 31, 2018, then the Company shall be entitled to a ten-year Abatement commencing on the date that a certificate of occupancy is issued for the Store.

If the City fails to undertake or complete the necessary procedures to authorize the Abatement within ninety (90) days after receipt of a written request from the Company to do so, then the City shall pay the Company an amount equal to one hundred percent (100%) of the Company’s real property taxes assessed on the Real Estate for the time periods set forth in 4.03(b), 4.03(c), or 4.03(d), above, as applicable.

4.04 Street Name. On or before July 31, 2017, the City shall name the street identified in **Exhibit D** as “IKEA Way.”

ARTICLE V. TERMINATION OF FEE WAIVER

If the Company is in breach of its Development Commitment, the City may provide the Company with written notice thereof. If, within thirty (30) business days after receipt of the notice, the Company fails to commence performance to the reasonable satisfaction of the City, then the City may terminate the waiver of the City’s Fees upon written notice delivered to the Company of same unless and until such time as the Company comes into compliance with the Development Commitment.

ARTICLE VI. SUCCESSORS AND ASSIGNS

The Company specifically acknowledges and agrees that its obligations pursuant to this Agreement shall inure to the benefit of and be binding upon and enforceable against the Company and its heirs, executors, administrators, successors and assigns. In any merger, acquisition or assignment of assets, such obligation shall continue as a liability of the Company and shall be disclosed as a binding obligation and liability of the Company and any successors in interest.

ARTICLE VII. AUTHORITY

7.01 The City. The City represents and warrants that it has full constitutional and lawful right, power and authority, under currently applicable law, to execute and deliver this Agreement upon proper approval by the City’s Common Council. The performance by the City of its obligations under this Agreement shall be subject to completion of such procedures as are required by law.

The City further represents and warrants that it has taken or will use its best efforts to take (subject to the Company’s performance of its agreements and obligations hereunder) such action(s) as may be required and necessary to enable the City to execute this Agreement and to carry out fully and perform the terms, covenants, duties and obligations on its part to be kept and performed as provided by the terms and provisions hereof.

7.02 The Company. The Company represents and warrants to the City that: (a) the Company is a corporation duly existing and validly formed under the laws of the State of Pennsylvania; (b) the Company shall not enter into any contracts or undertakings that would limit, conflict with, or constitute a breach of this Agreement; (c) the Company has the authority: (i) to enter into this Agreement; and (ii) to perform its obligations hereunder, (d) the Company duly has been authorized by proper action: (i) to execute and deliver this Agreement; and (ii) to perform its obligations hereunder; and (e) this Agreement is the legal, valid, and binding obligation of the Company.

ARTICLE VIII. GENERAL PROVISIONS

8.01 Indemnity; No Joint Venture or Partnership. The Company covenants and agrees at its sole expense to pay and to indemnify and save harmless the City and its respective officers and agents (the "Indemnitees") harmless of, from and against, any and all claims, damages, demands, expenses and liabilities relating to bodily injury or property damage resulting directly or indirectly from the Company's (and/or any affiliate's thereof) use of the Real Estate unless such claims, damages, demands, expenses or liabilities arise by reason of the negligent act or omission of the City. However, nothing contained in this Agreement shall be construed as creating either a joint venture or partnership relationship between the City and the Company or any affiliate thereof.

8.02 Time of Essence. Time is of the essence of this Agreement. The parties shall make every reasonable effort to expedite the subject matters hereof (subject to any time limitations described herein) and acknowledge that the successful performance of this Agreement requires their continued cooperation.

8.03 Breach. Except as otherwise stated in Articles IV and V above, before any failure of any party of this Agreement to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform such obligation and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining party within thirty (30) days of the receipt of such notice. If after said notice, the breaching party fails to cure the breach, the non-breaching party may seek any remedy available at law or equity.

8.04 Amendment. This Agreement may be amended only by the mutual consent of the parties, by the adoption of an ordinance or resolution of the City approving said amendment, as provided by law, and by the execution of said amendment by the parties or their successors in interest.

8.05 No Other Agreement. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the parties.

8.06 Severability. If any provision, covenant, agreement or portion of this Agreement or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants, agreements or portions of this Agreement and, to that end, any provisions, covenants, agreements or portions of this Agreement are declared to be severable.

8.07 Indiana Law and Venue. This Agreement shall be construed in accordance with the laws of the State of Indiana. All proceedings arising in connection with this Agreement shall be tried and litigated only in the state courts in Hamilton County, Indiana, or the federal courts with venue that includes Hamilton County, Indiana.

8.08 Notices. All notices and requests required pursuant to this Agreement shall be deemed sufficiently made if delivered, as follows:

To the Company:

IKEA Property, Inc.
420 Alan Wood Road
Conshohocken, PA 19428
Attention: President
(610) 834-0180
Email address: douglas.greenholz2@ikea.com
And:

IKEA Property, Inc.
420 Alan Wood Road
Conshohocken, PA 19428
Attention: Real Estate Manager
(610) 834-0180 x 5058
Email address: reed.lyons@ikea.com

With an additional required copy to Company's counsel:

Larsson & Scheuritzel, P.C.
Centre Square West, Suite 3510
1500 Market Street
Philadelphia, PA 19102
Attention: David J. Larsson, Esq.
Phone: (215) 656-4221
Email address: dlarsson@larssonlaw.com

And:

Steven D. Hardin, Esq.
Faegre Baker Daniels, LLP
600 E. 96th Street, Suite 600
Indianapolis, IN 46240
steve.hardin@faegrebd.com

To the City:

City of Fishers
Attn: City Attorney
1 Municipal Drive
Fishers, Indiana 46038
greislc@fishers.in.us

With a copy to: Jennifer Messer, Esq.
(via email) jennifercmesserlaw@gmail.com
Jennifer C. Messer Law
119 Vine Street
Greensburg, Indiana 47240

or at such other addresses as the parties may indicate in writing to the other either by personal delivery, courier, or by registered mail, return receipt requested, with proof of delivery thereof, or by electronic mail. Electronic mail shall be deemed effective on the day sent as long as mail notice is deposited with the US Mail on that same day; mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

8.09 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

8.10 Assignment. The rights and obligations contained in this Agreement may not be assigned by the Company or any affiliate thereof without the express prior written consent of the City.

8.11 No Third Party Beneficiaries. This Agreement shall be deemed to be for the benefit solely of the parties hereto and shall not be deemed to be for the benefit of any third party.

8.12 Effective Date. Notwithstanding anything herein to the contrary, this Agreement shall not be effective until all parties hereto have executed this Agreement and the City has approved or ratified this Agreement as required by law.

The Company

City of Fishers,

By: _____

Its: _____