

TOWN OF WHITESTOWN
MEMORANDUM OF UNDERSTANDING FOR TAX ABATEMENT

This Memorandum of Understanding for Tax Abatement ("Memorandum") is dated as of the 18 day of NOVEMBER, 2014, and serves as the confirmation of the commitment by the TOWN OF WHITESTOWN, INDIANA ("Whitestown"), in exchange for the fees paid hereunder by TRU-FLEX, LLC ("Applicant") to perform the steps necessary for the appropriate consideration of Applicant's request for tax abatement.

RECITALS

A. The Applicant owns, controls, and/or has an interest in certain property as more particularly described in the property tax abatement application of the Applicant attached hereto as Exhibit A (the "Application"), for which the Applicant desires tax abatement (the "Property").

B. The Applicant hereby makes submits its Application requesting that the Town consider, and the Town is willing to consider, the Property for real and/or personal property tax abatement.

NOW, THEREFORE, in consideration of the mutual agreements and covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the parties agree as follows:

AGREEMENT

Section 1. Tax Abatement. The Applicant hereby submits the Property for tax abatement. The Applicant's completed Application, including the Statement of Benefits (i.e. Form(s) SB-1), are submitted contemporaneously herewith and attached hereto as Exhibit A. This Memorandum constitutes a part of the Application.

Section 2. Application Fee. The parties recognize that Whitestown (including its Redevelopment Commission) will incur expenses, including financial advisory, legal and other fees, as a result of the Applicant's submission of its Application for tax abatement. In light of the expenses Whitestown will incur through the tax abatement process, the Applicant agrees to a non-refundable application fee in the amount of Two Thousand Dollars (\$2,000.00) (the "Application Fee"). The Applicant will pay the Two Thousand Dollars (\$2,000.00) Application Fee within 30 days of approval of its Application, including this Memorandum.

Section 3. Modified Abatement Application Fee. If and to the extent the Applicant is submitting a request for a property tax abatement that is based upon a schedule other than the traditional tax abatement schedule, then the Applicant

acknowledges and agrees that Whitestown may require a fee in addition to the Application Fee (such additional fee the "Modified Abatement Application Fee"). The amount of the Modified Abatement Application Fee shall be determined by Whitestown in its sole discretion based upon all of the facts and circumstances regarding the requested property tax abatement (e.g., is Applicant seeking 100% abatement for 10 years or just a slight increase from the traditional abatement schedule). Payment of the Modified Abatement Application Fee shall be made within 14 days of notification in writing by Whitestown to the Applicant of the amount of such Modified Abatement Application Fee.

Section 4. Failure to Fee. Whitestown will not review or consider Applicant's Application until the Application Fee and, if applicable, the Modified Application Fee has been paid. In the event the Application is approved by Whitestown and Applicant fails to make timely payment of the Application Fee and, if applicable, Modified Application Fee to Whitestown in accordance with Sections 2 and 3 hereof, Applicant shall be deemed to be in noncompliance with its Application and Whitestown may take immediate action by resolution to rescind its approval of the Application. If Whitestown adopts such a resolution, any deductions approved by Whitestown for the Applicant shall not apply to the next installment of property taxes owed by Applicant or to any subsequent installment of property taxes.

Section 5. Payment of Fee. The Application Fee and, if applicable, the Modified Application Fee shall be payable by cash or check (payable to the Town of Whitestown, Indiana) delivered to the Clerk-Treasurer of Whitestown.

Section 6. Disclaimer of Liability. The parties recognize that Whitestown's authority is limited by and subject to certain statutory criteria, including but not limited to certain compliance and conditions precedent by Applicant, and that Whitestown provides no promises, covenants, guarantees, or warranties that the Applicant will receive the tax abatement designation or other property interests it seeks.

APPLICANT

Signed: 

Printed: ETIENNE VAN NIERKERK

Its: GENERAL MANAGER

Address: 3811 PERRY BLVD

TOWN OF WHITESTOWN

Eric Miller, Town Council President

Exhibit A

Tax Abatement Application

Exhibit A

Tax Abatement Application

TOWN OF WHITESTOWN, INDIANA

APPLICATION FOR PERSONAL PROPERTY TAX ABATEMENT

Instructions and Procedures

Indiana state law requires that this application for personal property tax abatement and statement of benefits form (SB-1/PP) be submitted to the Town of Whitestown, Indiana (the "Town") prior to the initiation of the project. Additionally, final approval of the application must be obtained from the Town before starting the installation of the new manufacturing equipment, research and development equipment, logistical distribution equipment and/or information technology equipment, for which tax abatement is being requested.

The completed application, including all attachments and forms, and fees should be submitted to:

Town of Whitestown

Attn: Mr. Dax Norton, Town Manager

6320 South Cozy Lane, P.O. Box 325

Whitestown, Indiana 46075

Office: (317)732-4530

Mobile: (317)495-5864

Fax: (317)769-6871

E-Mail: dnorton@whitestown.in.gov

6210 S 700E

Prior to submitting the attached application to the Town, all questions must be answered as completely as possible and must be signed on the Statement of Benefits Form (SB-1/PP) and the last page of the application. Incomplete or unsigned applications will not be accepted as official filings. All applicants are encouraged to discuss the proposed project and tax abatement request with the Town Manager and/or the Presidents of the Whitestown Redevelopment Commission and Whitestown Town Council prior to filing their application.

Fees

A \$2,000 non-refundable application fee is required when making an application for real property tax abatement and is payable to the "Town of Whitestown" at the time of submission of the application (the "Application Fee"). In addition, if the applicant is submitting an application for a personal property tax abatement that does not conform with the traditional tax abatement schedule (a "Modified Abatement Schedule"), the applicant may be required to pay an additional fee (the "Modified Abatement Application Fee"). The amount of the Modified Abatement Application Fee will be determined by the Town in its sole discretion based upon all of the facts and circumstances (including the proposed Modified Abatement Schedule). Payment of the Modified Abatement

Application Fee shall be made within 14 days of notification in writing by Whitestown to the Applicant of the amount of such Modified Abatement Application Fee.

All companies requesting personal property tax abatement will be required to execute a Memorandum of Understanding with the Town prior to consideration of the tax abatement request, the form of which memorandum is included with this application.

Any requests for additional information or questions should be directed to the following:

Town of Whitestown
Attn: Mr. Dax Norton, Town Manager
6320 South Cozy Lane, P.O. Box 325
Whitestown, Indiana 46075
Office: (317)732-4530
Mobile: (317)495-5864
Fax: (317)769-6871
E-Mail: dnorton@whitestown.in.gov

Town of Whitestown, Indiana
Personal Property Tax Abatement Application
Project Questionnaire

1. Name of the company for which personal property tax abatement is being requested: TRU-FLEX, LLC.

2. State the name, title, address, telephone number and e-mail address of a company representative who may be contacted concerning this application:

Name and Title: ETIENNE VAN NIEKERK

Address: 3811 PERRY BLVD

Telephone: 317 503 9435

E-Mail Address: EVANNIEKERK@TRU-FLEX.COM

3. State the name, title, address, telephone number and e-mail address of a company representative responsible for filing the required annual compliance forms (Form CF-1) which will be used by the Town to determine if your company is compliant with the terms of the abatement application, including Form SB-1, and whether the abatement will continue or be terminated (the contact should be made aware of the compliance form's importance).

Name and Title: ETIENNE VAN NIEKERK

Address: 3811 PERRY BLVD.

Telephone: 317 503 9435

E-Mail Address: EVANNIEKERK@TRU-FLEX.COM

4. Location of property for which personal property tax abatement is being sought:

a) Street Address: 3811 PERRY BLVD.

b) Tax Parcel Number(s): 06-07-027-000-009,014-020

Attach a legal description and area map of the proposed project location.

* 5. What is the amount of the most recent assessment attributable to (this information is available on the most recent property tax form) the equipment at the project location:

0 no equipment currently

6. Has this project or tax abatement request been discussed with the President of the Whitestown Redevelopment Commission and/or President of the Whitestown Town Council? Yes No

7. Does your company currently conduct manufacturing operations, research and development, distribution and/or information technology research at this location? If so, how long has your company been at this location?
NO

8. Does your business have other operations in Indiana? If so, please list the location of the other operations. 2391 SOUTH STATE ROAD 263, WEST LEBANON, IN 47991

* 9. What is the size of the facility in which the equipment will be installed?
14,250 SQFT

* 10. On a separate page, briefly describe the (i) product(s) manufactured, (ii) research and development conducted, (iii) the product distribution and/or (iv) the information technology conducted, by your company.

* 11. On a separate page, briefly describe the equipment to be installed by your company at the project location.

12. Has the new equipment been installed (Please note that State statute requires applicants to delay installation until after abatement has been granted)?

Yes No

13. What is the anticipated date for installation to begin? JANUARY 2015

14. What is the anticipated date for project completion? APRIL 2015

15. Does the equipment being installed serve the same function as the equipment currently in place at the facility?

Yes No

a) If no, please describe the new functions to be performed by the new equipment:
CURRENTLY IT IS AN EMPTY WAREHOUSE. WE INTEND TO INSTALL MANUFACTURING EQUIPMENT AND DISTRIBUTION EQUIPMENT OVER THE NEXT FEW MONTHS.

b) What is the estimated value of the equipment to be purchased for which personal property tax abatement is being requested? \$ 400,000

16. Complete the following profile of the Company that will occupy the property for which tax abatement is being requested:

a) Number of current full time permanent hourly employees by skill level (include average hourly wage rate excluding benefits and overtime)

Skilled _____ Average hourly wage rate for skilled positions _____

Semi-skilled _____ Average hourly wage rate for semi-skilled positions _____

Clerical _____ Average hourly wage rate for clerical positions _____

Salaried 3 Average salary (per hour) for salaried positions \$50

TOTAL NUMBER OF EXISTING EMPLOYEES (permanent and full-time)
3

b) Number of current part-time hourly employees by skill level (include average hourly wage rate excluding benefits and overtime)

Skilled _____ Average hourly wage rate for skilled positions _____

Semi-skilled _____ Average hourly wage rate for semi-skilled positions _____

Clerical _____ Average hourly wage rate for clerical positions _____

TOTAL NUMBER OF EXISTING EMPLOYEES (part-time)
0

c) Approximate value of benefits for existing and new employees on a per hour basis (e.g. benefits are valued at an additional \$3.00 per hour, etc.) \$15

d) Summary of benefits for existing and new employees.

HEALTH INSURANCE, DENTAL, VISION, 401K
LIFE INSURANCE, SHORT/LONG TERM DISABILITY
EAP.

e) Number of created full-time permanent hourly employees by skill level (include average hourly wage rate excluding benefits and overtime)

Skilled 4 Average hourly wage rate for skilled positions \$15

Semi-skilled _____ Average hourly wage rate for semi-skilled positions _____

Clerical _____ Average hourly wage rate for clerical positions _____

Salaried 1 Average salary (per hour) for salaried positions \$50

TOTAL NUMBER OF NEW EMPLOYEES (permanent and full-time)

f) Number of created part-time hourly employees by skill level (include average hourly wage rate excluding benefits and overtime)

Skilled _____ Average hourly wage rate for skilled positions _____

Semi-skilled _____ Average hourly wage rate for semi-skilled positions _____

Clerical _____ Average hourly wage rate for clerical positions _____

Salaried _____ Average salary (per hour) for salaried positions _____

TOTAL NUMBER OF NEW EMPLOYEES (part-time)

g) What is the total dollar amount to be spent on new salaries? \$ 205,000

h) Provide schedule for when new employee positions are expected to be filled.

1x Warehouse Assistant January 2015. 2x Manufacturing workers April 2015. 1x Warehouse Supervisor July 2015. 1x Warehouse worker July 2015

17. On a separate page, please give a detailed description of what the impact on your business will be if the new equipment is not installed (e.g. loss of jobs, contract cancellations, loss of production, change in location, etc.).

18. What is the term of the tax abatement requested (maximum 10 years). 10

★ 19. Attach a schedule of the proposed tax abatement percentages in each year (note, if the proposed tax abatement schedule is other than a traditional tax abatement schedule the Town may impose additional fees for consideration).

Example (note this is a traditional 10 year abatement schedule)

Year	% of Assessed Value Exempt From Personal Property Taxes
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%

7	30%
8	20%
9	10%
10	5%

20. Complete the following schedule concerning the proposed personal property taxes to be abated and include on a separate page the worksheets for calculating the figures provided below:

I. Projected Current Conditions Without Abatement

A. Current Annual Personal Property Taxes: \$ 2150 (2015)
 B. Projected 10-Year Total: \$ 13000

II. Projected Conditions With Abatement

A. Projected 10-Year Personal Property Taxes: \$ 13000
 B. Projected 10-Year Abatement: \$ 9375

III. Projected Total (Assumes Abatement Granted)

A. Total Amount Abated: \$ 9375
 B. Total Taxes to be Paid: \$ 13000

Note: Attach Worksheets

* 21. Which approvals or permits will be required for the project?

- (a) zoning change
- (b) annexation
- (c) plat approval
- (d) development plan
- (e) variance
- (f) special exception
- (g) building permit
- (h) other _____

22. Will additional public infrastructure/facilities be required? If so, please explain in detail costs/funding source and schedule for construction.

NO

23. For the proposed project, is the applicant requesting other incentives from the Town (e.g., tax increment financing, economic development revenue bond financing)? If so, please explain. NO

24. Please describe any community involvement/contributions the applicant has provided in the past and/or expects to provide in the future.

Will CONTRIBUTE TO UNITED WAY

25. Will local suppliers and contractors be used in the construction/operation of the proposed project? If so, please explain. NO (SOME UTILITY WORK)

26. Has the applicant previously been approved for economic development incentives from the Town (e.g., tax abatement, tax increment financing, economic development revenue bond financing)? If so, please explain and include information with respect to applicant's compliance with project representations made to the Town at the time the incentives were approved.

NO

27. Is the applicant current on all of its payment obligations to the Town and the County (e.g., property taxes, utility (gas, water, sewer, electric) fees (such as capacity fees, monthly services charges), guaranties on any debt obligations, etc.)?

YES

28. Does the proposed project take advantage of any "green" technology to reduce adverse environmental impact? If so, please explain.

NO

CHECKLIST OF ATTACHMENTS:

- Application Fee (\$1,000)
- Completed Memorandum of Understanding
- Completed Form SB-1/PP
- Legal Description of Project Site
- Area Map of Project Site
- Description of (i) Product(s) Manufactured, (ii) Research and Development, (iii) Product Distribution and/or (iv) Information Technology Conducted, at Site
- Description of Equipment to be Installed at Site
- Description of Impact on Business if Equipment not Installed
- Worksheets for Abatement Calculation

I hereby certify that the information and representations on and included with this application for Personal Property Tax Abatement are true and complete.

I understand that if this request for property tax abatement is granted that I will be required to annually provide information to the Town with respect to compliance with the project description, job creation and retention figures (and associated salaries), investment, and other information contained in this application, including the Form SB-1/PP. I also acknowledge that failure to provide such information may result in a loss of tax abatement deductions.



[Handwritten Signature]

Signature of Owner or Authorized Representative

GENERAL MANAGER

Title

11/18/14

Date

STATE OF INDIANA)
)
COUNTY OF BOONE)

SS: 308 21 6945

Before me, the undersigned Notary Public, this 18 day of November, 2014, personally appeared ETIENNE VANNIEKER and acknowledged the execution of the foregoing application for personal property tax abatement for the Town of Whitestown, Indiana. In witness whereof, I have hereunto subscribed my name and affixed my official seal.

[Handwritten Signature: Georgia R. Lambert]

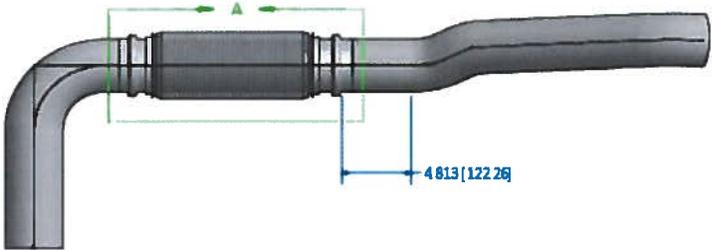
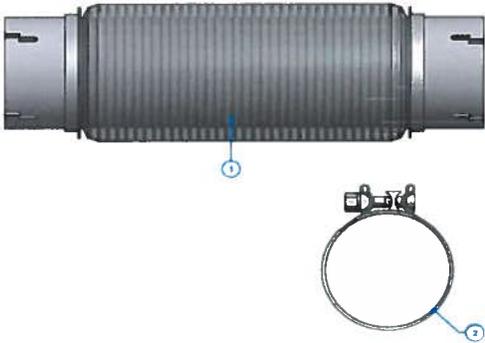
Georgia R. Lambert, Notary Public
Residing in BOONE County, INDIANA

My commission expires:

04/06/16

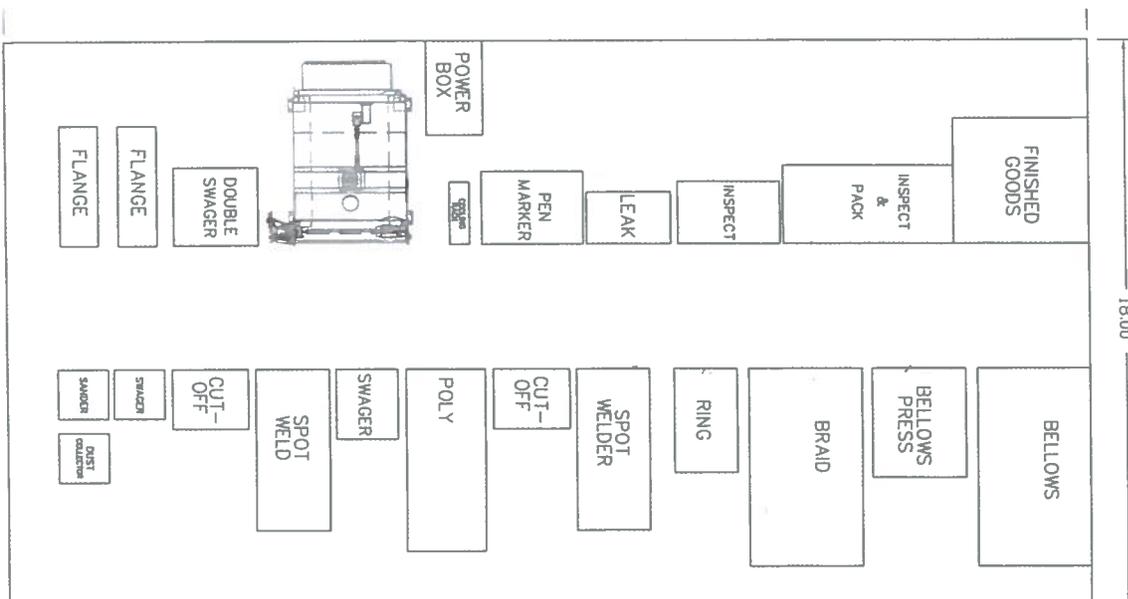
Products to be manufactured and distributed

Exhaust bellows for aftermarket use on on-highway tractors

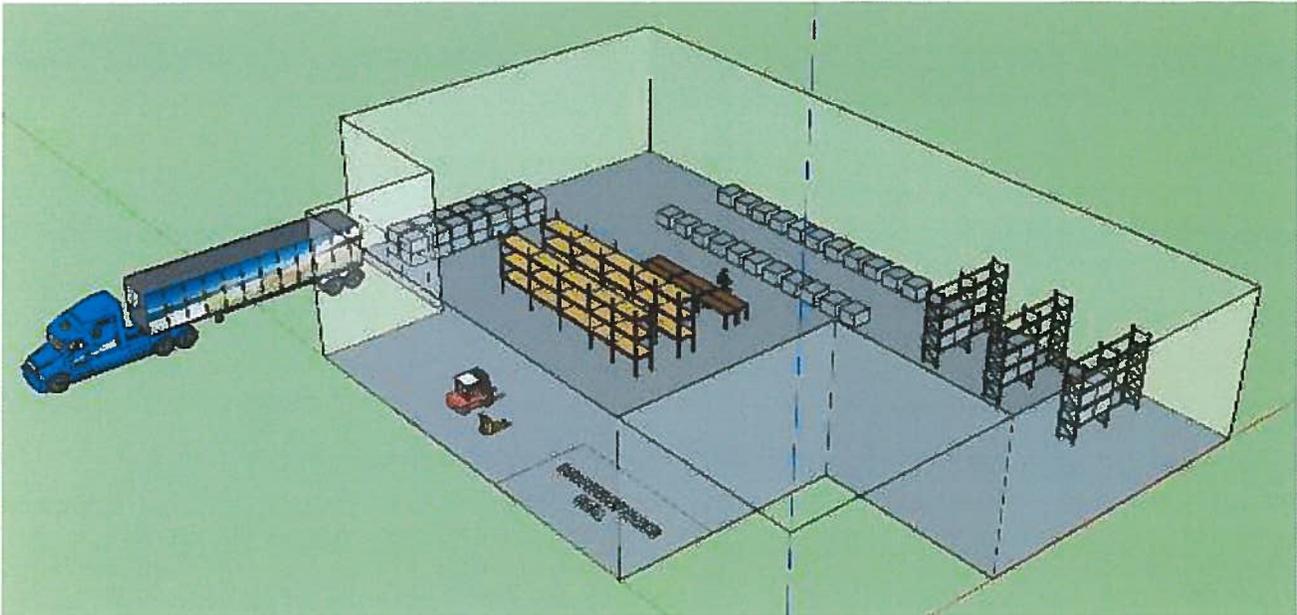


Equipment to be Installed

Equipment	Cost
trim - Hornung	\$ 30,000.00
Body Press	\$ 5,000.00
sleeve braid	\$ 500.00
Ring Spot Welder	\$ 17,000.00
Abrasive cut of	\$ 4,000.00
swage (interlock & body)	\$ 5,000.00
spot welder	\$ 17,000.00
Abrasive cut off	\$ 4,000.00
swage	\$ 5,000.00
swage (to metal ring)	\$ 5,000.00
swage flange (body & end fittings)	\$ 5,000.00
MIG	\$ 124,000.00
grind	\$ 750.00
leaktest	\$ 9,000.00
Engrave	\$ 17,000.00
QC (guages & fixtures)	\$ 6,000.00
package	\$ 1,000.00
wet dust collection	\$ 9,000.00
Utilities	\$ 20,000.00
Tooling 3.5",4" , 5"	\$ 20,000.00
Subtotal	\$ 304,250.00
Tooling CAD, Quality Lab	\$ 45,637.50
Total Equipment	\$ 349,887.50
Warehouse equipment	\$ 52,483.13
Total Investment	\$ 402,370.63



Warehouse Racks and packaging equipment



What if the equipment does not get installed?

1. No distribution of parts
2. No manufacturing of parts
3. No business

Calculating tax benefit

Parcel Number **06-07-027-000-009.014-020**

Perry Township

Boone County

2014 Property Tax Rate – 1.3448

The following is an estimate for the personal property tax per year, excluding any property tax credits that we might qualify for.

Year	TTV	Est. Tax/Year	Abatement %	Savings
1	40%	\$ 2,151.68	100%	\$ 2,151.68
2	56%	\$ 3,012.35	95%	\$ 2,861.74
3	42%	\$ 2,259.27	80%	\$ 1,807.41
4	32%	\$ 1,721.35	65%	\$ 1,118.88
5	24%	\$ 1,291.01	50%	\$ 645.50
6	18%	\$ 968.25	40%	\$ 387.30
7	15%	\$ 806.88	30%	\$ 242.06
8	15%	\$ 806.88	20%	\$ 161.38
9	0%	\$ -	10%	\$ -
10	0%	\$ -	5%	\$ -
		<u>\$ 13,017.67</u>		<u>\$ 9,375.95</u>