

ECONOMIC DEVELOPMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into as of the 5th day of April, 2018, by and among the Town of St. John, Lake County, Indiana (the "Town"), an Indiana Municipal Corporation, by and through its duly elected Legislative Body, the Town Council) hereinafter the "Town Council"), the Town of St. John Redevelopment Commission (the "Redevelopment Commission") (hereinafter the Town Council and the Redevelopment Commission shall collectively be referred to as the "Town Bodies"), and SJ-96, LLC, an Indiana Limited Liability Company (the "Company").

WITNESSETH:

WHEREAS, each of the Town and the Redevelopment Commission (each, a "Town Body" and, collectively, the "Town Bodies") seek to foster economic development within the corporate boundaries of the Town by responsible development entities or individuals; and

WHEREAS, the Company has identified and targeted a proposed site location at the southeast corner of U.S. Route 41 and West 96th Place in the Town (the "Site"), to be known as "SHOPS 96", consisting of approximately 20.96 acres, more or less, to develop and construct a new commercial retail shopping center consisting of approximately 150,428 square feet, more or less (the "Project") and

WHEREAS, the Site presently is comprised of small commercial parcels and large portions of undeveloped areas; further the development of the Site by the Company, in accordance with this Agreement, shall provide benefits to the Town and the residents of the Town; and

WHEREAS, the Company has already invested approximately \$3,500,000 in the Project, which includes land acquisition costs and engineering, legal and architectural predevelopment costs, and the Company anticipates completing the Project in two (2) or more phases. In Phase 1 of the Project, the Company shall (i) build and construct approximately 29,000 square feet of commercial retail space in the Project; and (ii) to complete the infrastructure, including site grading, utility extensions, access drives and storm drainage, for the entire Project, as well as all of the outlots, all as shown on the site plan attached as Exhibit A hereto. The Company's total investment in Phase 1 will be not less than \$7,275,000. Upon completion of all phases of the entire Project, the total investment of the Project will be not less than \$34,500,000; and upon the completion of the Project, it is anticipated that approximately 100 full-time and 250 part-time employees will be employed at the Site; and

WHEREAS, the Company has requested certain economic development assistance from the Town for the Project as is herein provided; and

WHEREAS, the Town Bodies have been informed and advised that the completion of the Project is in the best interests of the citizens of the Town, and, therefore, the Town Bodies concur and agree to take certain actions in order to induce the Company to so undertake and complete the proposed commercial Project; and

WHEREAS, the Town, by and through its Town Bodies, in order to stimulate and induce the development of the Project, and the completion of same, subject to further proceedings as required by applicable law, agrees to provide the economic development incentives herein described and further agrees to cooperate in the granting of the necessary and appropriate approvals as may be required.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Agreement (each a "Party") do hereby agree as follows:

ARTICLE I. RECITALS

1.01 Recitals Part of Agreement. 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 Section 1.01.

ARTICLE II. MUTUAL ASSISTANCE

2.01 Mutual Assistance. The Parties agree, subject to further proceedings required by law, to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications (and, in the case of the Town Bodies, its best efforts to hold certain public hearings and adopt certain ordinances and resolutions), 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.

ARTICLE III. PROJECT DEVELOPMENT

3.01 Site. The Company has acquired, or shall cause to be acquired, the Site, and intends to subdivide and improve the Site and subject to the performance by the Town of its obligations under this Agreement, shall construct the Project on the Site, as more particularly described in Section 3.02 hereof.

3.02 Project Description and Development. Upon the completion of the Project, the investment in real estate improvements shall not be less than \$34,500,000; and upon the completion of the Project, approximately 100 full-time and 250 part-time employees will be employed at the Site. The Company shall commence construction of the Project no later than December 31, 2019, and shall complete construction of Phase 1, approximately 29,000 square feet, of the Project and the infrastructure for the entire Project and the outlots, as shown on Exhibit A hereto by December 31, 2021, (This anticipated completion of Phase 2, building construction is December 31, 2024, as shown in Exhibit A hereto) subject to permitted delays provided for in Section 3.03 hereof. Following completion, the Company anticipates that the Project will be assessed at the values set forth on Exhibit B, and based on such assessed value the Company and the Town Anticipate additional TIF Revenues (as defined in Section 4.02 hereof) will be generated in the amounts set forth on Exhibit B.

3.03 Permitted Delays. Whenever performance is required of any Party hereunder, such Party shall use all due diligence and take all necessary measures in good faith to perform; provided however, that if completion of performance shall be delayed at any time by reason of governmental prohibitions or regulations including delays in obtaining project approvals, building permits, certificates of occupancy or their equivalents, acts of God, war, civil commotion, riots, strikes, picketing, or other labor disputes, unavailability of labor or materials, or damage to work in progress by reason of fire or other casualty or similar causes beyond the reasonable control of a Party (which shall not include changes in the economic condition of the Company or the general economy of the Town, the State or the nation), then the time for performance as herein specified shall be appropriately extended by the time of the delay actually caused by such circumstances. If (i) there should arise any permitted delay for which the Company or any of the Town Bodies is entitled to delay its performance under this Agreement and (ii) the Company or such Town Body anticipates that such permitted delay will cause a delay in its performance under this Agreement, then the Company or such Town Body, as the case may be, agrees to provide written notice of the discovery of the delay circumstance to the other Parties to this Agreement of the nature and the anticipated length of such delay.

3.04 Condition Precedent. Notwithstanding any other provision of this Agreement, as a condition precedent to the Company's obligations under this Article III, each of the Town Bodies' obligations under Article IV of this Agreement shall have been fully completed in a reasonable and workmanlike manner before the Company is obligated to perform under this Article III.

ARTICLE IV. ECONOMIC DEVELOPMENT INCENTIVES

4.01 Economic Development Revenue Bonds. The Redevelopment Commission and the Town shall each, subject to further proceedings required by applicable law and Section 4.03 hereof, use its best efforts to cause the issuance of one (1) or more series of Redevelopment District Tax Increment Revenue Bonds pursuant to I.C. 36-7-14, *et seq.* (the "Bonds"). The proceeds of the Bonds shall be used for the payment of the Town's costs of issuing the Bonds and the payment, or reimbursement to the Town of the prior payment, of the following portions of the Project (the "Bond-Financed Improvements"):

- (a) The demolition and removal of all existing buildings within the Site, including, but not limited to, foundations, slabs, and utilities and restoration of the demolition areas to a shovel ready at grade site;
- (b) The extension of West 96th Place to Joliet Street as shown on the Site Plan attached hereto as Exhibit A;
- (c) The construction of a connection at West 96th Place and Joliet Street as determined by the Town;
- (d) U.S. Route 41 improvements and traffic signal at West 96th Place and U.S. Route 41 as shown on the Site Plan prepared by First Group Engineering, attached hereto as Exhibit "A";
- (e) Land acquisition, if any, as required for the improvements described in items (b), (c) and (d) above; and

- (f) Installation of approximately one hundred (100) feet of frontage road, to be known as Earl Drive, south to connect to West 97th Lane as shown on the Site Plan attached hereto as Exhibit A (Earl Drive extension).
- (g) Engineering, construction, and ownership of Lot 5 (detention facility), for the new extension of 96th. The detention facility shall allow for capacity for the all new roadway(s) and the project as a whole and provide for connection for the project.

4.02 Pledge of TIF Revenues. The Redevelopment Commission and Town have previously created, pursuant to I.C. 36-7-14, an Economic Development Area known as the St. John Economic Development Area I (the "EDA") and a tax increment financing allocation area known as the St. John Allocation Area I ("TIF Area"); the Site is located within the TIF Area. The Bond-Financed Improvements will serve and benefit the TIF Area, and subject to the performance of the Company of its obligations under this Agreement, the Town Bodies shall finance the Bond-Financed Improvements from the proceeds of the sale of the Bonds, and the debt-service on the Bonds shall be paid using incremental real property tax revenues generated in the TIF Area (the "TIF Revenues").

4.03 Timing of Financing. The Town agrees to use its best efforts to complete the financing described in Section 4.01 and 4.02 at such time as requested by the Company, with the understanding that the process for approval of the financing requires approximately one hundred twenty (120) to one hundred eighty (180) days, or as close to such time periods as is practical under the circumstances.

4.04 Alternative Financing. If the Town Bodies determine that a form of financing other than the issuance of the Bonds, would be appropriate and would better accomplish the purposes of this Agreement, the terms of this Agreement will be amended to provide for such alternative financing.

4.05 Design and Construction. The Town will be responsible for the design and construction of the Bond-Financed Improvements. The Town shall complete the Bond-Financed Improvements on or before December 31, 2019, specifically excepting the required improvement as defined in ARTICLE IV, Section 4.01, (c), and subject to the provisions of Sections 3.03 and 4.03 hereof.

ARTICLE V. ADDITIONAL REPRESENTATIONS, WARRANTIES, AND COVENANTS OF THE COMPANY

5.01 Accuracy of Information. The Company represents and warrants that, to the best of its knowledge, all estimates and information provided by the Company to each of the Town and the Town Bodies regarding the Company's capital investment and job creation with respect to the Project are accurate and complete, based upon information known and available to it at this time.

5.02 Authority. The Company represents and warrants that it has all requisite company authority to enter into this Agreement.

5.03 Compliance with Law. The Company agrees to comply with all applicable laws related to the construction, development and use of the Site and the Project.

5.04 Prohibited Uses. The Company covenants and agrees that the following uses (Collectively, "Prohibited Uses") are prohibited at the Project and the Site and agrees that the space leases for the Project shall expressly bar the Prohibited Uses:

- (a) Convenience store / gas station;
- (b) Animal clinic;
- (c) Adult or sexually explicit or oriented store, including bookstore or video store specializing in adult or sexually explicit material;
- (d) Nightclub or other similar use the primary purpose of which is serving alcohol, excluding any (i) primary restaurant use having entertainment or serving alcohol, (ii) uses allowed by existing leases, and (iii) any craft brewery establishment;
- (e) Billiard or pool hall;
- (f) Place of gambling, game room, amusement arcade, or pinball arcade;
- (g) Non-national chain massage parlor;
- (h) A facility for the sale of paraphernalia used for the ingestion or use of illicit drugs;
- (i) Tattoo parlor;
- (j) Gun shop;
- (k) Flea market non-national chain second-hand or used goods store selling primarily distressed or damaged merchandise;
- (l) Pawn shop or auction house;
- (m) Beauty or barber college;
- (n) A store primarily engaged in the sale or distribution of fireworks;
- (o) A store that operates only on a seasonal basis.

5.50 Financial Commitment. The Company agrees that confirmation and verification of financial ability and resources to undertake and complete its obligations under the Agreement is essential for consideration by the Town of undertaking and completing its obligations under the Agreement. Accordingly, the Company agrees that the Town shall have the right and opportunity to review the ability of the Company to undertake and complete its financial obligations hereunder. The Company hereby agrees to present to the Town for review written

evidence of the financial ability of the Company to undertake and complete its financial obligations under the Agreement. The Company acknowledges and agrees that the Town and Redevelopment Commission shall have no obligation to issue bonds until such time as the written evidence is presented to the Town. The Company and the Town agree that this right of review and examination is necessary as a consequence of the substantive commitments of time, resources and funds for commencement and undertaking of obligations under this Agreement. It is acknowledged by the parties that a written acknowledgement by the Town of its determination of sufficient financial ability following examination and analysis shall be a requirement to close the transaction herein. The parties further agree that the covenants and commitments herein are obligations to the close of the transactions contemplated by the Agreement, and are material hereto.

**ARTICLE VI. ADDITIONAL REPRESENTATIONS
AND WARRANTIES OF THE TOWN**

6.01 Actions. Each of the Town Bodies represents and warrants that it has taken or will use its best efforts to take, subject to the Company's performance of its obligations hereunder, such action(s) as may be required and necessary to enable each of the respective Town Bodies 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.

6.02 Powers. Each of the Town Bodies represents and warrants that it has full constitutional and lawful right, power and authority, under the currently applicable law, to execute and deliver and perform its obligations under this Agreement.

ARTICLE VII. GENERAL PROVISIONS

7.01 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.

7.02 Indemnity; No Joint Venture of Partnership. The Company covenants and agrees at its expense to pay and to indemnify and save each of the Town Bodies, and their respective officers and agents (the "Indemnitees") harmless of, from and against, and all claims, damages, demands, expenses and liabilities relating to bodily injury or property damage resulting directly or indirectly from the Company's, or any affiliate's thereof, gross negligence or intentional misconduct related to its development activities with respect to the Project unless such claims, damages, demands, expenses or liabilities arise by reason of the negligent act or omission of the Town Bodies, or other Indemnitees.

However, nothing contained in this Agreement shall be construed as creating either a joint venture or partnership relationship between the Town and/or the Town Bodies and the Company or any affiliate thereof.

7.03 Breach. 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.

7.04 Amendment. This Agreement, and any exhibits attached hereto, may be amended only by mutual consent of the Parties, by the adoption of an ordinance or resolution of each of the Town Bodies approving said amendment, as provided by applicable law, and by the execution of said amendment by the Parties or their successors in interest.

7.05 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.

7.06 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.

7.07 Indiana Law. This Agreement shall be construed in accordance with the applicable laws of the State of Indiana.

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

To the Company:

SJ-96, LLC
9901 Express Drive
Highland, Indiana 46322
Attention: Bruce Boyer

All Notices to the Company shall include a copy to:

Burke Costanza & Carberry LLP
Tony Prasco, Esq.
9191 Broadway
Merrillville, Indiana 46410

To the Town Bodies:

Town of St. John, Lake County, Indiana
10955 West 93rd Avenue
St. John, Indiana 46373
Attention: Town Manager

All Notices to the Town Bodies shall include copy to:

Austgen Kuiper Jasaitis, P.C.
David M. Austgen, Esq.
130 North Main Street
Crown Point, Indiana 46307

Barnes & Thornburg LLP
Suite 700, 100 North Michigan Street
South Bend, Indiana 46601
Attention: Philip J. Faccenda, Jr. Esq.

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. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

7.09 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one (1) and the same agreement.

7.10 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 each of the Town Bodies; provided, however, that the Company may transfer all or a portion of its rights and obligations hereunder to an affiliate of the Company upon notice to but without the consent of the Town Bodies, but any such transfer to an affiliate of the Company shall not have the effect of releasing the Company from its obligations hereunder.

7.11 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.

7.12 Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and permitted assigns.

7.13 Incorporation of Exhibits. All Exhibits attached hereto are incorporated herein by reference.

7.13 Effective Date. Notwithstanding anything herein to the contrary, this Agreement shall not be effective until all parties hereto executed this Agreement and each of the Town Bodies have approved or ratified this Agreement at public meetings.


IN WITNESS WHEREOF, the Parties have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

TOWN OF ST. JOHN, LAKE COUNTY,
INDIANA

By: 
Christian Jorgensen, Town Council President

Date: 04-05-2018

ATTEST:


Beth R. Hernandez, Clerk-Treasurer

TOWN OF ST. JOHN REDEVELOPMENT
COMMISSION

By: 
Mark Barenie, RDC President

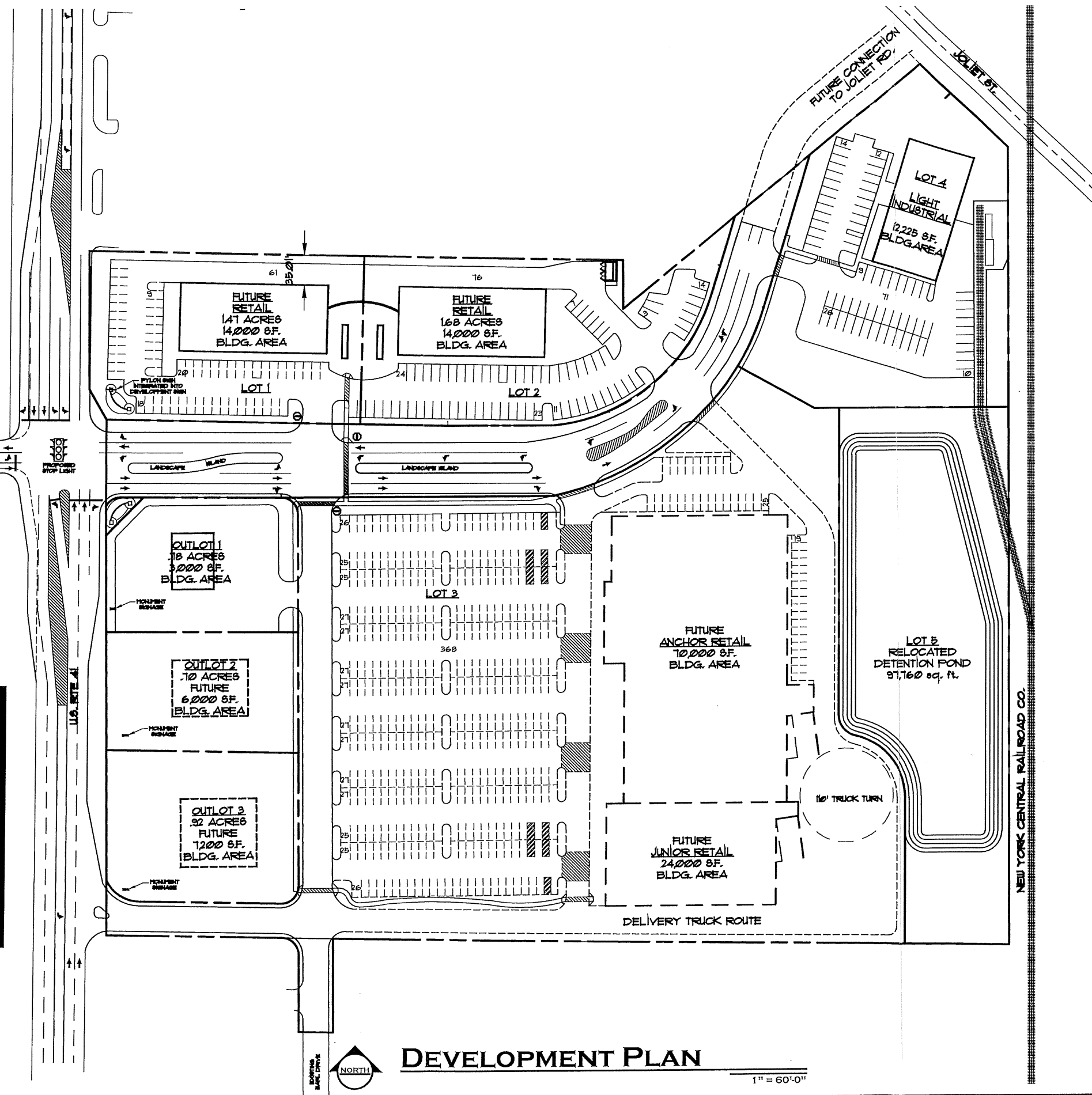
Date: 04-05-2018

SJ-96, LLC
an Indiana limited liability company

By: 
Bruce Boyer, its Manager

Date: 04-05-2018

DEVELOPMENT SUMMARY		
UNDERLYING ZONING:	PUD/ C-2 HIGHWAY/ COMMERCIAL/ INDUSTRIAL WITH U.S. 41 OVERLAY	
SITE AREA - OVERALL	20.96 ACRES	
LOT SIZE/ GROSS LEASABLE AREA:		
LOT 1 (FUTURE)	146Ac.	14,000 sq. ft.
LOT 2	161Ac.	14,000 sq. ft.
LOT 3	899Ac.	94,000 sq. ft.
LOT 4	223 Ac.	2,225 sq. ft.
TOTALS	1438Ac.	134,225 sq. ft.
OUTLOT SITE AREA:		
OUTLOT 1	78 Ac.	3,000 sq. ft.
OUTLOT 2	70 Ac.	6,000 sq. ft.
OUTLOT 3	32 Ac.	12,000 sq. ft.
TOTALS	24 Ac.	16,200 sq. ft.
LEASED PROPERTY	16.75 Ac.	50,425 sq. ft.
DETENTION SITE AREA:	2.48 Ac.	
96TH PL. EXTENSION:	172 Ac.	
NOTE:	BUILDING AND SITE AREAS AS SHOWN ARE ESTIMATES ONLY.	



This drawing and the information contained herein is the property of Boyer Construction Group Corp. and may not be distributed, reproduced, or used in any way without prior written consent.



DEVELOPMENT PLAN

1" = 60'-0"

BOYER
construction group corp.

9901 EXPRESS DRIVE HIGHLAND, IN 46322
(219) 924-9911

BOYER
properties, inc.

9901 EXPRESS DRIVE HIGHLAND, IN 46322
(219) 924-9922

Shops 96
COMMERCIAL DEVELOPMENT
St. John, Indiana
Development Plan

PROJECT NO.
14108

DATE
APRIL 03, 2018

REVISIONS

SHEET NO.
PR-17

ST. JOHN REDEVELOPMENT COMMISSION
St. John, Indiana

Schedule of Adjusted Tax Incremental Revenues

Year of Collection	Incremental Assessed Value	Assessed		Net Incremental Assessed Value	Gross Tax Rate (1)	Estimated		Collection Rate (2)	Net	
		From Shops	Value Project			Tax Increment	Revenue		Tax Increment	Revenue
2017 Pay 2018	\$ 40,774,813		-	\$ 40,774,813	\$ 2.2283	\$ 908,585		97%	\$ 881,327	
2018 Pay 2019	40,774,813		-	40,774,813	2.2283	908,585		97%	881,327	
2019 Pay 2020	40,774,813		-	40,774,813	2.2283	908,585		97%	881,327	
2020 Pay 2021	40,774,813		2,112,900 (3)	42,887,713	2.2283	955,667		97%	926,997	
2021 Pay 2022	40,774,813		4,225,800 (3)	45,000,613	2.2283	1,002,749		97%	972,667	
2022 Pay 2023	40,774,813		5,254,200 (4)	46,029,013	2.2283	1,025,664		97%	994,894	
2023 Pay 2024	40,774,813		10,508,400 (4)	51,283,213	2.2283	1,142,744		97%	1,108,462	
2024 Pay 2025	40,774,813		15,762,600 (4)	56,537,413	2.2283	1,259,823		97%	1,222,028	
2025 Pay 2026	40,774,813		-	56,537,413	2.2283	1,259,823		97%	1,222,028	
2026 Pay 2027	40,774,813		-	56,537,413	2.2283	1,259,823		97%	1,222,028	

(1) Gross tax rate for 2018 for St. John - St. John Township.

(2) Tax increment collection rate used 97%, based on the previous ten-year average collection rate of the Town.

(3) Tax Increment generated by Phase 1 of the new development (EXHIBIT B-1) is phased in for Pay 2021 at 50% and will be fully assessed January 1, 2021 for taxes payable in 2022.

(4) Tax Increment generated by Phase 2 of the new development (EXHIBIT B-1) is phased in for Pay 2023 at 33%, Pay 2024 at 67% and is fully assessed January 1, 2024 for taxes payable in 2025.

ST. JOHN REDEVELOPMENT COMMISSION
St. John, Indiana

Schedule of Estimated Tax Increment Revenue for Proposed Shops 96 Boyer Properties Development Project

Lot	Phase	Land (acres)	Land AV	Building (sq. ft.)	Building AV	Total AV	Tax Rate	Gross Taxes	LOIT Credit	Net Taxes	Taxes Due
Lot 1	1	1.46	\$ 379,600	14,000	\$ 1,540,000	\$ 1,919,600	\$ 2.2283	\$ 42,774	\$ (5,460)	\$ 37,315	\$ 37,315
Lot 2	2	1.65	429,000	14,000	1,540,000	1,969,000	2.2283	43,875	(5,600)	38,275	38,275
Lot 3	2	9.18	2,386,800	100,000	7,000,000	9,386,800	2.2283	209,166	(26,699)	182,467	182,467
Lot 4	1	2.25	585,000	12,225	978,000	1,563,000	2.2283	34,828	(4,446)	30,383	30,383
Lot 6 (Future)	2	2.00	520,000	15,000	1,650,000	2,170,000	2.2283	48,354	(6,172)	42,182	42,182
Subtotal:		16.54	\$ 4,300,400	155,225	\$ 12,708,000	\$ 17,008,400		\$ 378,998	\$ (48,376)	\$ 330,622	\$ 330,622
Outlot 1	2	0.84	\$ 218,400	6,000	\$ 900,000	\$ 1,118,400	\$ 2.2283	\$ 24,921	\$ (3,181)	\$ 21,740	\$ 21,740
Outlot 2	2	0.84	218,400	6,000	900,000	1,118,400	2.2283	24,921	(3,181)	21,740	21,740
Outlot 3	1	0.92	239,200	7,200	504,000	743,200	2.2283	16,561	(2,114)	14,447	14,447
Subtotal:		2.60	\$ 676,000	19,200	\$ 2,304,000	\$ 2,980,000		\$ 66,403	\$ (8,476)	\$ 57,927	\$ 57,927
Total:		19.14	\$ 4,976,400	174,425	\$ 15,012,000	\$ 19,988,400		\$ 445,402	\$ (56,852)	\$ 388,549	\$ 388,549
Phase 1 Total:		4.63	\$ 1,203,800	33,425	\$ 3,022,000	\$ 4,225,800		\$ 94,164	\$ (12,019)	\$ 82,144	\$ 82,144
Phase 2 Total:		14.51	\$ 3,772,600	141,000	\$ 11,990,000	\$ 15,762,600		\$ 351,238	\$ (44,833)	\$ 306,405	\$ 306,405

Note: The above building development information was provided by Boyer Company, the Developers for the project. The Consultant applied estimated assessed values per square foot based on other comparable properties in the area.