



February 5, 2016

84 Lumber  
Cheri Bomar  
Corporate Counsel – Director of Real Estate and Development  
1019 Route 519, Building #5  
Eighty-Four, PA 15330

Robert Schafstall  
Schafstall & Admire, LLP  
98 North Jackson Street  
  
Franklin, IN 46131

Dear Robert,

Please find attached the Agreement for the Economic Development Agreement.

If you have any questions please feel free to contact me at my office 724-228-3636 Ext: 1364.

Thank you for your help.

Sincerely,

A handwritten signature in blue ink that reads 'Cheri Bomar'.

Cheri Bomar  
Corporate Counsel



## **ECONOMIC DEVELOPMENT AGREEMENT**

### **Pierce Hardy Limited Partnership**

THIS ECONOMIC DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into effective this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the City of Franklin, Indiana ("City"), by and through its Redevelopment Commission (the "RDC"), and Pierce Hardy Limited Partnership ("Developer").

### **WITNESSETH:**

**WHEREAS**, the Developer has proposed to purchase, rehabilitate, and lease to 84 Lumber Company (the "Operator") an existing building at 1850 North Graham Road, Franklin, Indiana (the "Property") for use as one of the Operator's components facilities. Developer and Operator's actions will include:

- a) purchasing certain real property, improvements, and personal property;
- b) making additional real property improvements on the Property in the amount of \$650,000;
- c) making additional personal property improvements for use at the Property in the amount of \$1,750,000; and
- d) creating one hundred (100) new jobs over the next five (5) years at an average starting wage of \$15.38/hour, excluding benefits;

all as is more fully described in the attached Exhibit "A" – Project Description (collectively, the "Project");

**WHEREAS**, Developer and Operator have requested financial assistance from the RDC to undertake the Project; and

**WHEREAS**, the RDC has determined that the completion of the Project will promote the redevelopment and economic development of the unit, is of utility and benefit, and is in the best interests of the unit's residents, and, therefore, the RDC, subject to compliance with all applicable statutory requirements, desires to contract with Developer to complete the Project; and

**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 acknowledged, the parties agree as follows:



## **Article I. RECITALS**

Section 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**

Section 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 RDC, the adoption of resolutions), copies of which will be provided to all parties, 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**

Section 3.01 Real Property Improvements and Personal Property. Subject to compliance with all applicable statutory requirements, the RDC intends to incentivize the Project by providing Two Hundred Thousand Dollars (\$200,000) toward the purchase and implementation of real property improvements (collectively, the "Improvements"), including improvements to the building and/or construction of a rail spur .

Section 3.02 Project Development. Developer shall commence construction of the Project by no later than sixty (60) days following the Closing of Developer's purchase of the Property, and shall complete construction and equipping of the Project within twenty-four (24) months thereafter, subject to permitted delays provided for in Section 3.03 hereof. Completion of the Project will be deemed to have occurred by the RDC upon the Developer's purchase of the Property, and installation and completion of the Improvements thereon.

Section 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 acts of God (such as weather), 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 (such as unforeseen delays in obtaining licensing or permits, but other than



financial reasons), 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 Developer or the RDC is entitled to delay its performance under this Agreement and (ii) Developer or RDC anticipates that such permitted delay will cause a delay in its performance under this Agreement, then Developer or RDC, as the case may be, agrees to provide written notice to the other parties of this Agreement of the nature and the anticipated length of such delay.

#### **Article IV. ECONOMIC DEVELOPMENT INCENTIVES**

Section 4.01      Form of Incentives / Parties' Rights and Duties. The incentives offered by the RDC and the parties' rights and duties will be as follows, all subject to compliance with applicable statutory requirements:

- (a) Developer will submit invoices to the RDC for Developer's purchase of the Improvements for incorporation into the Property and the Project for the Developer's use and benefit and the RDC shall make payments for such Improvements either directly to the contractor, subcontractor(s) or materialmen or to Developer after submission of proper documentation showing Developer has already paid contractor, as applicable in an amount not to exceed Two Hundred Thousand Dollars (\$200,000) (collectively, the RDC's "Interests"). The expenditure of RDC funds is subject to the public bidding and public construction laws. All contracts for the Improvements need to be entered into in compliance with such laws in order for the RDC to make payments of public funds to either reimburse the Developer or pay the contractor(s).
- (b) Title to the Improvements shall be vested in the Developer; provided, however, if Developer fails to complete the Project within twenty-four (24) months of the date of this Agreement, or, at any time, announces its intention to not complete the Project, then Developer will re-pay the RDC's Interests on demand. Developer shall have no further obligation or liability to the RDC beyond the total amount advanced to Developer at the expiration of the twenty-four (24) month period. Developer shall grant the RDC a security interest in the Improvements to secure Developer's repayment obligation to the RDC arising hereunder. It is understood that upon opening of the facility and being in business for a period of twelve months, that any such security interest shall be terminated and the RDC shall execute any documentation necessary to release such security interest.



- (c) If Developer completes the Project within twenty-four (24) months of the date of this agreement, Developer will pay nothing to the RDC.

Section 4.02      Alternative Financing. If the RDC and Developer agree that an alternative form of financing the incentive would better accomplish the purposes of this Agreement, the terms of this Agreement will be amended to provide for such alternative financing.

Section 4.03      Indemnity and Defense Obligations. The work performed by Developer will be at its risk, exclusively. To the fullest extent permitted by law, Developer will indemnify, defend (at its sole expense), and hold harmless the City of Franklin, Indiana, the RDC, and their members, officers, employees, and agents ("Indemnified Parties"), from and against any and all claims for bodily injury, death or damage to property, demands, damages, actions, causes of action, suits, losses, judgments, obligations and any liabilities, costs and expenses (including but not limited to investigative and repair costs, attorneys' fees and costs, and consultants' fees and costs) ("Claims") which arise or are in any way connected with the premises, work performed, materials furnished, or services provided under this agreement unless such Claims arise by reason of the negligence or omission of the City, RDC, or the Indemnified Parties. These indemnity and defense obligations shall apply to any acts or omissions, negligent or willful misconduct of Developer, their employees or agents, whether active or passive. These indemnification and defense obligations hereunder shall extend to claims occurring after this Agreement is terminated as well as while it is in force, and shall continue until it is finally adjudicated.

## **Article V. AUTHORITY**

Section 4.04      Actions. The RDC represents and warrants that it has taken or will take (subject to further proceedings required by law and Developer's performance of its agreements and obligations hereunder) such action(s) as may be required and necessary to enable it 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.

Section 4.05      Powers. The RDC represents and warrants that it has full lawful right, power and authority, under currently applicable law, to execute and deliver and perform its obligations under this Agreement.

## **Article VI. GENERAL PROVISIONS**



Section 6.01        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.

Section 6.02        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 with sixty (60) days of the receipt of such notice, the non-breaching party may seek any remedy available at law or equity, subject however to the compulsory non-binding mediation provided in Section 6.13, below.

Section 6.03        Amendment. This Agreement, and any exhibits attached hereto, may be amended only by the mutual consent of the parties, by the adoption of an ordinance or resolution of the RDC approving said amendment, as provided by law, and by the execution of said amendment by the parties or their successors in interest.

Section 6.04        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.

Section 6.05        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.

Section 6.06        Construction and Interpretation of Agreement / Indiana Law. This Agreement shall be construed in accordance with the laws of the State of Indiana. The parties agree that they and their attorneys have each reviewed this Agreement, and that the normal rules of construction to the effect that any



ambiguities are to be resolved against the drafting party or parties shall not be employed in the interpretation of this Agreement.

Section 6.07        Waiver Ineffective. No waiver, modification or amendment of any term, condition or provision of this Agreement shall be valid or have any force or effect unless made in writing and signed by the parties.

Section 6.08        Notices. All notices and requests required pursuant to this Agreement shall be deemed sufficiently made if delivered, as follows:

|               |   |
|---------------|---|
| To Developer: | Pierce Hardy Limited Partnership<br>1019 Route 519<br>Eighty Four PA 15330<br>Attention: Cheri B. Bomar |
| To the RDC:   | Franklin Redevelopment Commission<br>70 East Monroe Street<br>Franklin, IN 46131                        |

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. In the event notice delivered by registered mail is refused or otherwise undeliverable, said notice may be delivered by regular mail. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

Section 6.09        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.

Section 6.10        Assignment / Transfer. The rights and obligations contained in this Agreement may not be assigned by the parties, or any affiliate thereof without the express prior written consent of the other parties. Developer may not transfer ownership of the Property to any third-party without written consent from the RDC being first obtained.

Section 6.11        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.

Section 6.12        Effective Date. Notwithstanding anything herein to the contrary, this Agreement shall not be effective until all parties hereto have



executed this Agreement and the RDC has approved or ratified this Agreement at a public meeting.

Section 6.13      Submission of Disagreements to Mediation. In the event the parties disagree as to any material matter (such as, but not limited to, whether a default has occurred, whether one party has a duty to act or a duty to refrain from acting, or whether an ambiguity exists as to the scope and terms of the parties' agreements), the dispute will be submitted to non-binding meditation under the Indiana Rules of Alternative Dispute Resolution.

Section 6.14      No Joint Venture or Partnership. Nothing contained in this Agreement shall be construed as creating either a joint venture or partnership relationship between the RDC and Developer, or any affiliates thereof. Neither RDC nor Developer is the agent of the other.

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

CITY OF FRANKLIN REDEVELOPMENT COMMISSION

By: \_\_\_\_\_  
Robert D. Heuchan, President

By: \_\_\_\_\_  
Brian J. Deppe, Secretary

Pierce Hardy Limited Partnership

By: Cheri B. Bomar 2-4-16  
Signed asst V.P Title

Cheri B. Bomar  
Printed Name



## Exhibit A

Pierce Hardy Limited Partnership, a Pennsylvania Limited Partnership which is the real estate holding company for 84 Lumber Company will acquire the property known as 1850 N. Graham Road for the use of 84 Lumber Company to run a 84 Lumber Company components facility. The manufacturing arm of 84 Lumber Company will manufacture metal plate connected roof and floor trusses from the facility as well as wall panels. The facility plans to utilize state of the art manufacturing technology and the latest design software. The core customer of 84 Lumber Company and the components facility will be the professional builder.

The real estate improvements will include, but are not limited to the following:

1. Installation of a rail siding to service the property
2. The clean-up of the yard area and potential resurfacing
3. A loading and unloading dock for the rail siding to service the facility
4. Grading and excavation and pavement of a driveway to the rail spur and loading dock
5. Electrical upgrades to the facility
6. Mechanical upgrades
7. Installation Break Room
8. Roof Repair
9. Signage upgrade

84 Lumber Company will require the purchase of equipment for the facility, consisting of floor line equipment, panel line equipment, laser line equipment, roll line equipment, fork lifts and other miscellaneous equipment. 84 will also purchase saws for the facility along with vans, trailers, rollers, and stackers.

84 Lumber Company desires to open the facility in the spring of 2016.