

RESOLUTION NO. 17-2004

**A RESOLUTION FOR THE PARTIAL WAIVER OF NONCOMPLIANCE, THE
CONDITIONAL APPROVAL OF THE LATE-FILED STATEMENT OF BENEFITS OF
PRATT INDUSTRIES, INC. D/B/A JET CORR, INC., AND THE CONDITIONAL
APPROVAL OF CERTAIN LIMITED ABATEMENT DEDUCTIONS**

WHEREAS, pursuant to Resolution No. 9, 1992, as confirmed by Resolution No. 10, 1992, the Common Council of the City of Valparaiso, Indiana (the "City Council"), designated certain real estate located within the City of Valparaiso, Indiana (the "City"), as an economic revitalization area (the "ERA") and provided, among other things, that deductions from the assessed value of new manufacturing equipment installed in the ERA may be allowed over a ten-year deduction period.

WHEREAS, Pratt Industries, Inc. d/b/a Jett Corr, Inc. (the "Company") filed with the City Council a statement of benefits dated June 23, 1999, proposing the installation of certain new manufacturing equipment in the ERA during the period August 1, 1999 through January 31, 2000, which equipment was estimated to have a total cost of \$27,759,210 (the "Original Statement of Benefits").

WHEREAS, pursuant to Resolution No. 11, 1999, the City Council approved the Original Statement of Benefits on June 28, 1999.

WHEREAS, the Company now represents that it has installed during the period March 2, 2001 through March 1, 2004, certain new manufacturing equipment in the ERA with a total cost of \$16,056,422 (the "New Equipment"), which New Equipment is in addition to the equipment described in the Original Statement of Benefits.

WHEREAS, prior to the installation of the New Equipment, the Company did not file with the City Council a statement of benefits estimating the total cost of the New Equipment and other benefits.

WHEREAS, on November 22, 2004, the Company has late-filed with the City Council a statement of benefits that reflects the total \$16,056,422 cost of the New Equipment (the "New Statement of Benefits"), a copy of which is attached hereto as Exhibit A.

WHEREAS, the Company represents that said New Equipment consists of (1) new manufacturing equipment with a cost of \$13,581,560 that was installed during the period March 2, 2001 through March 1, 2002 (the "2002 Equipment"), (2) new manufacturing equipment with a cost of \$494,779 that was installed during the period March 2, 2002 through March 1, 2003 (the "2003 Equipment"), and (3) new manufacturing equipment with a cost of \$1,980,083 that was installed during the period March 2, 2003 through March 1, 2004 (the "2004 Equipment").

WHEREAS, Indiana Code 6-1.1-12.1-11.3 authorizes the City Council by resolution to waive noncompliance with various requirements of the economic revitalization area statute (Indiana Code 6-1.1-12.1), including a person's failure to timely file a statement of benefits with the designating body before the installation of new manufacturing equipment.

WHEREAS, the Company has requested that the City Council exercise its authority to partially waive noncompliance by adopting this Resolution and conditionally approving the New Statement of Benefits under the terms set forth herein and in the Agreement Regarding Partial Waiver of Noncompliance between the City and the Company (the "Agreement").

WHEREAS, the City Council has determined to exercise its authority under Indiana Code 6-1.1-12.1-11.3 to partially waive the Company's noncompliance with the statement of benefits requirements in connection with the Company's New Statement of Benefits and its installation of the New Equipment in the ERA subject to the terms and conditions set forth in this Resolution.

WHEREAS, the City Council has determined to take all necessary action to effectuate the imposition of the fee provided for in Indiana Code 6-1.1-12.1-14, and to otherwise incorporate into this Resolution, the provisions of Indiana Code 6-1.1-12.1-14.

WHEREAS, the City Council conducted a public hearing on November 22, 2004, for the purpose of considering the adoption of this Resolution.

NOW, THEREFORE, BE IT RESOLVED, by the City Council, that based upon all of the evidence presented, and subject to the execution of the Agreement, the City Council finds that the Company's failure to file the New Statement of Benefits with the City Council prior to the installation of certain new manufacturing equipment between March 2, 2001 and March 1, 2004, having a cost of \$16,056,422 (*i.e.*, the New Equipment), should be and is hereby partially waived pursuant to Indiana Code 6-1.1-12.1-11.3, and the Company's New Statement of Benefits should be and is hereby approved subject to the terms and conditions set forth below:

Deductions from the assessed value of any new manufacturing equipment that was installed in the ERA by the Company between March 2, 2001 and March 1, 2004, with a total cost of not more than \$16,056,422 (*i.e.*, the New Equipment), shall be based upon a ten (10) year deduction period; however, said deductions shall be effective for and applicable to the 2002 Equipment only for the final eight (8) years of the ten-year deduction period that commenced on March 1, 2002; therefore, the City Council hereby approves only those deductions from the assessed value of the 2002 Equipment for the eight (8) assessment dates commencing with the March 1, 2004 assessment date for taxes payable in 2005, through the March 1, 2011 assessment date for taxes payable in 2012, in amounts computed in accordance with the applicable law and deduction percentages under Indiana Code 6-1.1-12.1 for the third (3rd) through tenth (10th) years of a ten-year new manufacturing equipment abatement deduction period, respectively; consequently, no deductions from the assessed value of the 2002 Equipment shall be allowed for the March 1, 2002 assessment date for taxes payable in 2003 nor for the March 1, 2003 assessment date for taxes payable in 2004. Similarly, said deductions shall be effective for and applicable to the 2003 Equipment only for the final nine (9) years of the ten-year deduction period that commenced on March 1, 2003; therefore, the City Council hereby approves only those deductions from the assessed value of the 2003 Equipment for the nine (9) assessment dates commencing with the March 1, 2004 assessment date for taxes payable in 2005, through the March 1, 2012 assessment date for taxes payable in 2013, in amounts computed in accordance with the applicable law and deduction percentages under Indiana Code 6-1.1-12.1 for the second (2nd) through tenth (10th) years of a ten-year new manufacturing equipment abatement deduction period, respectively; consequently, no deduction from the assessed value of the 2003 Equipment shall be allowed for the March 1, 2003 assessment date for taxes payable in 2004. Deductions from the assessed value of the 2004 Equipment are approved for the entire ten (10) year deduction period commencing with the March 1, 2004 assessment date, for taxes payable in 2005, in amounts computed in accordance with the applicable law under Indiana Code 6-1.1-12.1.

In addition to the foregoing conditions, the New Statement of Benefits and the limited deductions hereby approved are also subject to the conditions that the Company shall not seek or accept, or otherwise benefit from, any new manufacturing equipment abatement deduction from the assessed values of the New Equipment as of any assessment date prior to March 1, 2004; this includes, without limitation, the condition that the Company shall not seek or accept any refund of or credit for any personal property taxes as of the March 1, 2002 assessment date or the March 1, 2003 assessment date paid or payable by the Company with respect to any of the New Equipment in 2003 and 2004, respectively, to the Porter County Treasurer.

BE IT ALSO RESOLVED, that having reviewed and considered the Company's New Statement of Benefits, the City Council makes the following findings of fact pursuant to Indiana Code 6-1.1-12.1-4.5(c):

- (1) The estimate of the cost of the new manufacturing equipment is reasonable for equipment of that type;
- (2) The estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment;
- (3) The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment;
- (4) Any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment; and

(5) The totality of benefits is sufficient to justify the deductions.

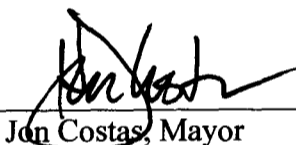
BE IT ALSO RESOLVED, that having received the consent of the Company, Indiana Code 6-1.1-12.1-14 (a copy of which is attached hereto as Exhibit B and made a part hereof) is incorporated herein. Pursuant to Indiana Code 6-1.1-12.1-14, each year the Company's personal property tax liability is reduced by a deduction under Indiana Code 6-1.1-12.1 that is approved by the City Council in this Resolution, the Company shall pay to the Porter County Treasurer a fee in the amount computed and determined by the Porter County Auditor pursuant to the provisions of subsection (c) of Indiana Code 6-1.1-12.1-14 (the "Fee"). The City Council hereby determines that fifteen percent (15%) shall be the percentage to be applied by the Porter County Auditor for purposes of STEP TWO of subsection (c) of Indiana Code 6-1.1-12.1-14. Accordingly, for each year the Fee is payable by the Company, the Fee shall be equal to the lesser of One Hundred Thousand Dollars (\$100,000) or fifteen percent (15%) of the additional amount of personal property taxes that would have been paid by the Company during that year if the deductions approved in this Resolution had not been in effect (i.e., 15% of the Company's personal property tax savings attributable to a deduction from the assessed value of any of the New Equipment for that year). The Fee will be distributed to the City of Valparaiso Redevelopment Commission.

BE IT FINALLY RESOLVED, that if any part, clause, or portion of this resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this resolution as a whole or any other part, clause, or portion of this Resolution.

* * * * *

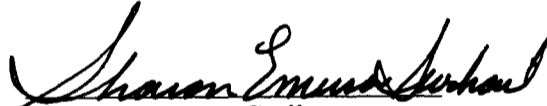
PASSED AND ADOPTED by the Common Council of the City of Valparaiso, Indiana, this 22nd day of November, 2004.

COMMON COUNCIL OF THE
CITY OF VALPARAISO, INDIANA




Jon Costas, Mayor

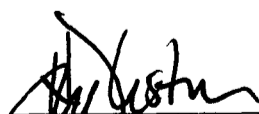
ATTEST:


Sharon Emerson Swihart
Clerk-Treasurer

Presented by me to the Mayor of the City of Valparaiso, Indiana, on the 22nd day of November, 2004, at 8:30 o'clock p.m.


Sharon Emerson Swihart
Clerk-Treasurer

This Resolution approved and signed by me on the 22nd day of November, 2004.



Jon Costas, Mayor

EXHIBIT A

Statement of Benefits attached hereto



STATEMENT OF BENEFITS

State Form 27167 (R7 / 12-01)

Prescribed by the Department of Local Government Finance

**FORM
SB - 1**

INSTRUCTIONS:

1. This statement must be submitted to the body designating the economic revitalization area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and /or research and development equipment, or **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, or prior to installation of the new manufacturing equipment and /or research and development equipment, **BEFORE** a deduction may be approved.
3. To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PPME and / or 322 ERA / PPR & DE, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PPME and / or 322 ERA PPR & DE must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and /or research and development equipment becomes assessable, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved after June 30, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4(d) and IC 6-1.1-12.1-4.5 (e) effective July 1, 2000 apply to any statement of benefits filed on or after July 1, 2000.
The schedules effective prior to July 1, 2000 shall continue to apply to those statement of benefits filed before July 1, 2000.

SECTION 1 TAXPAYER INFORMATION

Name of taxpayer PRATT INDUSTRIES USA D/B/A/ JET CORR	
Address of taxpayer (street and number, city, state, ZIP code) 1800-C SARASOTA BUSINESS PKWY CONYERS GA 30013	
Name of contact person JOHN IANNOTTI	Telephone number (770) 918-5678

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT

Name of designating body CITY OF VALPARAISO	<i>Common Council</i>	Resolution number 17-2004
Location of property 3155 STATE ROAD 49 VALPARAISO IN 46383	County PORTER	Taxing district VALPARAISO 64029
Description of real property improvements and / or new manufacturing equipment and / or research and development equipment (use additional sheets if necessary) MACHINERY & EQUIPMENT FOR 2ND CORRUGATING LINE. (SEE ATTACHED) .	ESTIMATED	
		Start Date Completion Date
	Real Estate	
	New Mfg Equipment	03/01/2001 01/31/2004
R & DE		

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
295	12,785,540	295	12,785,540		

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT

NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	Real Estate Improvements		Machinery		Research and Development Equipment	
	Cost	Assessed Value	Cost	Assessed Value	Cost	Assessed Value
Current values			28,438,000	13,650,200		
Plus estimated values of proposed project			16,056,422	4,816,930		
Less values of any property being replaced						
Net estimate values upon completion of project			44,494,422	18,467,130		

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER

Estimated solid waste converted (pounds) _____ Estimated hazardous waste converted (pounds) _____

Other benefits:

SECTION 6 TAXPAYER CERTIFICATION

I hereby certify that the representations in this statement are true.

Signature of authorized representative <i>[Signature]</i>	Title DIRECTOR OF TAX	Date signed (month, day, year) 11/18/2004
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**AGREEMENT REGARDING PARTIAL
WAIVER OF NONCOMPLIANCE**

This Agreement Regarding Partial Waiver of Noncompliance (the "Agreement") is made and entered into as of November 22, 2004, between the City of Valparaiso, Indiana (the "City") and Pratt Industries, Inc. d/b/a Jett Corr, Inc. (the "Company").

Recitals

1. Pursuant to Resolution No. 9, 1992, as confirmed by Resolution No. 10, 1992, the Common Council of the City (the "City Council") designated certain real estate located within the City as an economic revitalization area (the "ERA") and provided, among other things, that deductions from the assessed value of new manufacturing equipment installed in the ERA may be allowed over a ten-year deduction period.

2. The Company filed with the City Council a statement of benefits dated June 23, 1999, proposing the installation of certain new manufacturing equipment in the ERA during the period August 1, 1999 through January 31, 2000, which equipment was estimated to have a total cost of \$27,759,210 (the "Original Statement of Benefits").

3. Pursuant to Resolution No. 11, 1999, the City Council approved the Original Statement of Benefits on June 28, 1999.

4. The Company now represents that it has installed during the period March 2, 2001 through March 1, 2004, certain new manufacturing equipment in the ERA with a total cost of \$16,056,422 (the "New Equipment"), which New Equipment is in addition to the equipment described in the Original Statement of Benefits.

5. Prior to the installation of the New Equipment, the Company did not file with the City Council a statement of benefits estimating the total costs of the New Equipment and other benefits.

6. On November 22, 2004, the Company late-filed with the City Council a statement of benefits that reflects the total \$16,056,422 cost of the New Equipment (the "New Statement of Benefits").

7. The Company represents that said New Equipment consists of (1) new manufacturing equipment with a cost of \$13,581,560 that was installed during the period March 2, 2001 through March 1, 2002 (the "2002 Equipment"), (2) new manufacturing equipment with a cost of \$494,779 that was installed during the period March 2, 2002 through March 1, 2003 (the "2003 Equipment"), and new manufacturing equipment with a cost of \$1,980,083 that was installed during the period March 2, 2003 through March 1, 2004 (the "2004 Equipment").

8. Indiana Code 6-1.1-12.1-11.3 authorizes the City Council by resolution to waive noncompliance with various requirements of the economic revitalization area statute (Indiana Code 6-1.1-12.1), including a person's failure to timely file a statement of benefits with the designating body before the installation of new manufacturing equipment, and the Company has requested that the City Council exercise its authority to waive noncompliance by adopting an appropriate resolution.

9. The City Council is willing to use its best efforts to exercise its authority under Indiana Code 6-1.1-12.1-11.3 to partially waive the Company's noncompliance with the statement of benefits requirements in connection with the Company's New Statement of Benefits and its installation of the New Equipment in the ERA, subject to certain conditions.

10. The parties to this Agreement have concluded to memorialize their mutual understandings by entering into this Agreement.

Agreement

In consideration of the mutual covenants and promises set forth herein, the Company and the City agree as follows:

Section 1. The City Council will use its best efforts to exercise its authority under Indiana Code 6-1.1-12.1-11.3 to partially waive the Company's noncompliance with the statement of benefits requirements in connection with the Company's New Statement of Benefits and its installation of the New Equipment in the ERA by seeking to adopt the resolution attached hereto as Exhibit A and made a part hereof (the "Resolution").

Section 2. The Company agrees to abide by, adhere to, and comply with each and every condition and requirement set forth in the Resolution adopted by the City Council, including, without limitation, the Company's agreement that the Company shall not seek or accept, or otherwise benefit from, any new manufacturing equipment abatement deduction from the assessed values of the New Equipment as of any assessment date prior to March 1, 2004, and the Company shall not seek or accept any refund of or credit for any personal property taxes as of the March 1, 2002 assessment date or the March 1, 2003 assessment date paid or payable by the Company with respect to any of the New Equipment in 2003 and 2004, respectively, to the Porter County Treasurer.

Section 3. Pursuant to Indiana Code 6-1.1-12.1-14, each year the Company's personal property tax liability is reduced by a deduction under Indiana Code 6-1.1-12.1 that is approved by the City Council in the Resolution, the Company shall pay to the Porter County Treasurer a fee in the amount computed and determined by the Porter County Auditor pursuant to the provisions of subsection (c) of Indiana Code 6-1.1-12.1-14 (the "Fee"). Fifteen percent (15%) shall be the percentage to be applied by the Porter County Auditor for purposes of STEP TWO of subsection (c) of Indiana Code 6-1.1-12.1-14. Accordingly, for each year the Fee is payable by the Company, the Fee shall be equal to the lesser of One Hundred Thousand Dollars (\$100,000) or fifteen percent (15%) of the additional amount of personal property taxes that would have been paid by the Company during that year if the deductions approved in the Resolution had not been in effect (*i.e.*, 15% of the Company's personal property tax savings

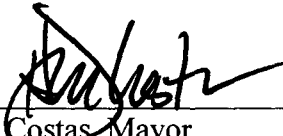
attributable to a deduction from the assessed value of any of the New Equipment for that year). The Fee will be distributed to the City of Valparaiso Redevelopment Commission (the "Redevelopment Commission") pursuant to the Resolution. The Company hereby expressly consents to the Fee, the incorporation of Indiana Code 6-1.1-12.1-14 into the Resolution, and the percentage (*i.e.*, 15%) to be applied by the Porter County Auditor for purposes of STEP TWO of subsection (c) of Indiana Code 6-1.1-12.1-14.

Section 4. The Company hereby agrees that it shall contribute Fifty Thousand Dollars (\$50,000) to the Redevelopment Commission for its use in connection with the Commission's economic development and redevelopment activities on behalf of the City. Said contribution by the Company shall be made in three installments; the first installment of Ten Thousand Dollars (\$10,000) shall be received by the Redevelopment Commission on or before December 15, 2004. The second installment of Ten Thousand Dollars (\$10,000) shall be received by the Redevelopment Commission on or before April 30, 2005. The final installment of Thirty Thousand Dollars (\$30,000) shall be received by the Redevelopment Commission upon the earlier of the following: (a) within thirty (30) days after the first notice is issued to the Company by either the Porter County Auditor, the Department of Local Government Finance, or the Porter County Treasurer that any claim made by the Company for any one or more of the deductions from the assessed value of the New Equipment approved in the Resolution has been approved in whole or in part by the Porter County Auditor or the Department of Local Government Finance; or (b) November 10, 2005.


* * * * *

IN WITNESS WHEREOF, this Agreement Regarding Partial Waiver of Noncompliance has been duly executed on the day and year first written above.


CITY OF VALPARAISO, INDIANA

By: 
Jon Costas, Mayor

ATTEST:


Sharon Swihart, Clerk-Treasurer

PRATT INDUSTRIES, INC. d/b/a JET CORR, INC.

By: 
Title: SECRETARY
Printed: DAVID J KYLES

ATTEST:


By: 
Title: DIRECTOR OF TAX
Printed: JOHN IANNOTTI

EXHIBIT A

Resolution No. 17-2004 attached hereto

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.

B. The type of deduction that is allowed in the designated area is limited to:

- 1. Redevelopment or rehabilitation of real estate improvements;
- 2. Installation of new manufacturing equipment;
- 3. Installation of new research and development equipment;
- 4. Residentially distressed areas

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

C. The amount of deduction applicable for redevelopment or rehabilitation is limited to \$ _____ cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ See below **

E. The amount of deduction applicable to new reasearch and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. other limitations or conditions (specify) Please see attached Explanation **

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member) <i>[Signature]</i> , Mayor	Telephone number (219) 462-1161	Date signed (month, day, year) 12/22/04
Attested by: <i>[Signature]</i>	Designated body Common Council	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4 or 4.5

** This statement of Benefits for new manufacturing equipment has been approved subject to the terms, conditions and limitations set forth in Resolution NO. 17-2004. Adopted by the Valparaiso City Council on November 22, 2004.

Pratt Industries USA
d.b.a. Jet Corr, Inc.

<u>Asset Description</u>	<u>Acquisition Cost</u>
Project Covington- Hardw	\$25,698.01
Project Covington- Bancro	\$7,824.83
DII computers	\$2,586.19
HRMS, Inc.	\$5,477.85
Paragon Data Systems	\$5,029.44
Production Process	\$3,735.00
DII computers	\$16,400.32
I2 Technologies	\$38,948.97
John's Industrial Supplie	\$1,215.00
Production Process	\$3,303.00
Production Process	\$450.00
Project Covington - Compu	\$51,959.59
Miner Electronics	\$1,799.99
Advance Refrigeration Ice	\$2,807.00
Prototype trailer for Pap	\$30,204.00
Bancroft Electric	\$12,084.00
EZ Mover	\$8,012.55
Corrugator #1 Add. Cost	\$90,073.24
Jumbo FFG Add. Cost	\$69,194.55
Training costs transferre	\$12,193.00
ACE International - TCY J	\$27,496.44
Bahmueller - TCY Jumbo	\$30,586.00
Balemaster - Waste System	\$794.35
Bancroft Electric - Hycor	\$19,771.25
Kirby Risk Electric - TCY	\$467.33
Steel Cities Steels - Con	\$778.37
Advance Software Technolo	\$15,069.00
Scale Systems, Inc. - Was	\$8,090.14
TCY Manufacturing Co. - T	\$230,000.00
Adhesive and Starch Equip	\$377,227.38
Compressed Air Chiller -	\$82,848.71
AEP Engineering - Project	\$31,671.40
Area Sheet Metal - Projec	\$47,943.36
Boiler - Project Covingto	\$150,978.20
Conveyor System - Project	\$1,003,334.97
Effluent System - Project	\$196,950.00
Corrugator - Project Covi	\$6,945,112.92
In-House Account - C Scot	\$36,245.40
In-House Account - Projec	\$611,927.03
Paper Machines & Controls	\$73,173.78
Strapping System - Projec	\$216,000.00
Waste System/Baler - Proj	\$241,945.08
PC JC 01-05	\$289,352.98
BHS 2nd Corrugator PC	\$359,044.58
Corrugator install	\$24,650.09
PC JC 01-05	\$82,226.77
PC JC 01-05	\$42,349.90
CIP Ward Flexo Folder Glu	\$1,579,691.15
Covington Project - Kirby	(\$2,214.56)
CIP Langston Flexo	\$613,512.77
CIP Ward Flexo Folder Glu	\$353,491.93
	\$14,079,513.25
Less: Non-Manufacturing Equip.	(\$497,953.00)
	<u>\$13,581,560.25</u>

Total 2002 Equipment

PRATT INDUSTRIES
O/B/A JET CORR

IN SERVICE DATE	DESCRIPTION	FED LIFE	COST	
Mar-02	WARD FLEXO FOLDER GLUER	7	5,148.29	
Mar-02	LANGSTON FLEXO	7	6,183.23	
Mar-02	PC CORRUGATOR JC 01-05 RACKHAM	7	5,329.48	
Mar-02	SIGNODE STRAPPER	7	110,964.00	
Apr-02	WARD FLEXO FOLDER GLUER	7	28,294.62	
Apr-02	LANGSTON FLEXCO	7	26,469.60	
Jun-02	PC CORRUGATOR - BHS JC 01-05	7	94,319.52	
Jul-02	WARD FLEXO FOLDER GLUER	7	7,364.40	
Jul-02	LANGSTON FLEXO	7	11,710.13	
Jul-02	PC CORRUGATOR - BANCROFT ELECT. JC 01-05	7	2,380.00	
Aug-02	LANGSTON FLEXO	7	49,405.23	
Oct-02	UNIVERSAL SLITTER	7	13,758.00	
Dec-02	HOGGER S/N 2881	7	12,667.84	
Jan-03	MOSCA BUNDLER	7	24,280.90	
Feb-03	CONVEYOR MODIFICATION	7	58,439.70	
Aug-02	ADVANCED SOFTWARE-FINAL PAYMENT FOR #2	7	17,580.44	
Sep-02	CAD COMPUTER AND PRINTER	7	9,115.50	
Sep-02	PERFORMANCE COMPUTERS AND PRINTERS (269/301)	7	7,370.15	
Jan-03	DII - HR COMPUTER	7	1,997.86	
			494,778.69	Total 2003 Equipment
Mar-03	Conveyor Modification CIP JC 03-05	7	58,439.70	
Apr-03	Unitizer installation - bdr from Perf. Pkg	7	6,521.29	
Apr-03	Mosca unitizer - bdr from Perf. Pkg	7	60,000.00	
Apr-03	Automatic conveyor eye-bdr from Perf. Pkg	7	84,868.18	
Apr-03	Conveyor Modification CIP JC 03-05	7	29,129.85	
Apr-03	Sheet Strapping Line From Corr #2 CIP 183.05 JC 03-07	7	54,000.00	
May-03	MDT Factory Feedback UJC 03-08	7	19,347.33	
May-03	Conveyor Modification CIP JC 03-05	7	58,191.75	
Jun-03	ASM Combination Tool - bdr from Perf. Pkg	7	1,158.30	
Jun-03	Machine Repairs (Anilox Rolls) - Txfr from Perf. Pkg.	7	8,237.80	
Jun-03	Bundler - Txfr from Perf. Pkg.	7	6,379.78	
Jun-03	Seamless Comb. Tool - Txfr from Perf. Pkg	7	1,001.06	
Jun-03	Bar Code Reader - Txfr from Perf. Pkg.	7	3,442.12	
Jun-03	Conveyor Modification CIP JC 03-05	7	12,400.55	
Jun-03	Sheet Strapping Line From Corr #2 CIP 183.05 JC 03-07	7	37,500.00	
Jun-03	Bar Code Scanner CIP UJC 04-01	7	9,603.00	
Jun-03	Single Head Strapper for Jumbo CIP JC 04-05	7	30,040.00	
Jun-03	Seamless Comb. Tool - Txfr from Perf. Pkg	7	1,052.16	
Jun-03	Balint racks (Shelves) - Txfr from Perf. Pkg	7	2,433.20	
Jun-03	Gluer - Txfr from Perf. Pkg.	7	2,997.93	
Jul-03	Addison Whs. Computers CIP 183.08 UJC 03-07	7	15,514.10	
Sep-03	Sheet Strapping Line From Corr #2 CIP 183.05 JC 03-07	7	926.00	
Sep-03	Addison Whs. Computers CIP 183.08 UJC 03-08	7	5,072.93	
Sep-03	Case Erector/Bottom Sealer-Mod #201 - Addison Whs	7	29,866.00	
Jan-04	Emba 170 Additional Installation CIP JC 04-14	7	102,032.87	
Jan-04	Emba 170 CIP JC 04-04	7	1,339,830.56	
			1,980,063.48	Total 2004 Equipment

EXHIBIT B

EXHIBIT B

IC 6-1.1-12.1-14

Local government authority to impose fee with consent of property owner; fee amount; distribution

Sec. 14. (a) This section does not apply to:

(1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or

(2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 2004.

(b) A property owner that receives a deduction under section 3 or 4.5 of this chapter is subject to this section only if the designating body, with the consent of the property owner, incorporates this section, including the percentage to be applied by the county auditor for purposes of STEP TWO of subsection (c), into its initial approval of the property owner's statement of benefits and deduction at the time of that approval.

(c) During each year in which a property owner's property tax liability is reduced by a deduction granted under this chapter, the property owner shall pay to the county treasurer a fee in an amount determined by the county auditor. The county auditor shall determine the amount of the fee to be paid by the property owner according to the following formula:

STEP ONE: Determine the additional amount of property taxes that would have been paid by the property owner during the year if the deduction had not been in effect.

STEP TWO: Multiply the amount determined under STEP ONE by the percentage determined by the designating body under subsection (b), which may not exceed fifteen percent (15%). The percentage determined by the designating body remains in effect throughout the term of the deduction and may not be changed.

STEP THREE: Determine the lesser of the STEP TWO product or one hundred thousand dollars (\$100,000).

(d) Fees collected under this section must be distributed to one (1) or more public or nonprofit entities established to promote economic development within the corporate limits of the city, town, or county served by the designating body. The designating body shall notify the county auditor of the entities that are to receive distributions under this section and the relative proportions of those distributions. The county auditor shall distribute fees collected under this section in accordance with the designating body's instructions.

(e) If the designating body determines that a property owner has not paid a fee imposed under this section, the designating body may adopt a resolution terminating the property owner's deduction under section 3 or 4.5 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

As added by P.L.81-2004, SEC.57.

Engineering and Design Support

The UGN team is a cross-functional group of noise control and interior trim specialists. We are here to assist customers from initial concept through final production to help solve or avoid problems. Our team enhances resources in the following areas:

- Design for manufacturability and assembly
- Prototyping
- Testing
- Product design optimization for performance and cost

Research and Development

The \$1.6 million Research and Development laboratory in Chicago Heights combines the best technologies of the U.S., Japan and Europe to produce superior acoustical trim. Our engineers have access to additional design and prototype testing equipment such as proprietary AIDOP testing software, Apamat machines, dynamometers and Alpha cabins in our Farmington Hills, MI facility. The facility also features CAD capabilities and an engineering staff skilled in multiple CAD programs corresponding to our customers' systems. All systems are capable of communicating with each other to enhance productivity. UGN's research professionals focus on economically and efficiently producing the highest quality materials and products. UGN has patented formulations for its damper and barrier materials that out-perform other materials in the market. The R&D staff conducts ongoing research and benchmarking for new materials variations and processes to lead the industry in product performance.

Sound Absorption and Damping Products

UGN offers a broad variety of material including melsheet, barrier mat, fiberglass, fiber pad, injected foam, and metalized barrier to support all acoustic automotive trim applications. We can customize acoustic absorption and damping materials in a wide range of features such as

CITY OF VALPARAISO



INDIANA 46383

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December 15, 2004

Ms. Deanne Ludwig
Department of Local Government Finance
Indiana Government Center North
100 N. Senate Avenue, N1058(B)
Indianapolis, Indiana 46204

Re: Resolution No. 12-2004 adopted by the Common Council of
the City of Valparaiso on July 26, 2004/Pratt Industries (Jet Corr)

Dear Ms. Ludwig:

You recently requested that the City of Valparaiso provide you with a clarification of Resolution No. 12-2004 (the "Resolution"), adopted by the Common Council of the City of Valparaiso ("Council") on July 26, 2004 (a copy of which is enclosed). In particular, you have asked us to specify which late-filed deduction application made by Pratt Industries (Jet Corr) ("Pratt") was addressed by the Council in the Resolution. As referenced in the Resolution, the Council previously adopted Resolution No. 11, 1999, approving a statement of benefits, dated June 23, 1999, for new manufacturing equipment to be installed by Pratt. Please be advised that the Resolution was adopted by the Council pursuant to IC 6-1.1-12.1-11.3 in order to waive the late filing of Pratt's new manufacturing equipment abatement deduction application made for the March 1, 2002 assessment date.

We also call to your attention that on November 22, 2004, the Council adopted Resolution No. 17-2004 (a copy of which is enclosed), which addresses a partial waiver of noncompliance for a late-filed statement of benefits for Pratt's new manufacturing equipment installed as of the March 1, 2002 through March 1, 2004 assessment dates.

If you have any further questions, please let us know.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jon Costas", is written over a horizontal line.

Jon Costas
Mayor, City of Valparaiso