

RESOLUTION NO. 28, 2011

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA GRANTING IN TOUCH PHARMACEUTICALS, INC. AN ASSESSED VALUATION DEDUCTION (TAX ABATEMENT) FOR TANGIBLE PERSONAL PROPERTY UNDER INDIANA CODE 6-1.1-12.1

- WHEREAS,** Pursuant to Resolution No. 5-2010, as confirmed by Resolution No. 7-2010, the Common Council of the City of Valparaiso, Indiana (the "City"), designated a certain area located within the City as an economic revitalization area (an "ERA");
- WHEREAS,** Resolution No. 5-2010 remains in full force and effect;
- WHEREAS,** In Touch Pharmaceuticals, Inc. (the "Company") has filed with the Common Council a Statement of Benefits Personal Property (FORM SB-1/PP) dated September 22, 2011 proposing the installation of personal property packaging and storage equipment as detailed in said form (the "Project"), anticipated to cost \$700,000 estimated to be installed and placed-in-service on or prior to February 29, 2012 and to be fully assessed on March 1, 2012;
- WHEREAS,** The Company submitted said Statement of Benefits Personal Property (FORM SB-1/PP) to the Common Council as the designating body prior to the installation of the Project for which the Company desires to request an assessed valuation deduction;
- WHEREAS,** The new packaging and storage equipment installed as it relates to the Project will be used by the Company consistent with IC 6-1.1-12.1-1(13) and (14);
- WHEREAS,** The new packaging and storage equipment tangible personal property installed as it relates to the Project has never been used for any purpose in Indiana before consistent with IC 6-1.1-12.1-1(13)(C)(i) and (14)(D) respectively; and
- WHEREAS,** The Company's facility located at 1150 Eastport Centre Drive in the City (real property key number 64-10-29-153-003.000-029) is within the boundaries of an ERA, and therefore the Common Council may make a determination pursuant to IC 6-1.1-12.1-3(b) based upon the evidence as to whether Company shall be allowed an assessed valuation deduction.
- NOW, THEREFORE, BE IT RESOLVED** that the actions of the Common Council of the City of Valparaiso, Indiana are based upon the evidence as presented by In Touch Pharmaceuticals, Inc. upon review of the Statement of Benefits (FORM SB-1/PP) dated September 22, 2011 as well as other pertinent information provided by the Valparaiso Economic Development Corporation and upon the following findings pursuant to IC 6-1.1-12.1-3(b), such that:
- (1) The Project is reasonable for a project of its nature;
 - (2) The estimated number of individuals who will be employed or whose employment will be retained can reasonably be expected to result from the installation of the Project;
 - (3) The estimated annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the installation of the Project; and
 - (4) The totality of the benefits is sufficient to justify an assessed valuation deduction on the Project.

BE IT FURTHER RESOLVED that the Common Council acknowledges that the Project is located within a designated allocation area of the Valparaiso Redevelopment District, namely the Valparaiso Consolidated Allocation Area, more specifically the Southeast Washington Sub-Allocation area as designated by the Valparaiso Redevelopment Commission.

BE IT FURTHER RESOLVED that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from tangible personal property – machinery and equipment ("PPME") for a period of five (5) years to the Company, being In Touch Pharmaceuticals, Inc., in accordance with IC 6-1.1-12.1 as it relates to the Project.

BE IT FURTHER RESOLVED that having received the consent of the Company and in accordance with Indiana Code 6-1.1-12.1-14(b), a copy of which is attached hereto as EXHIBIT A and is made a part hereof as incorporated herein, and pursuant to Indiana Code 6-1.1-12.1-14 for each year the Company's personal property tax liability is reduced by an assessed valuation deduction related specifically to the Project, 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 "Imposed Fee") such that:

- (1) The Common 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;
- (2) Accordingly, for each year the Imposed Fee is payable by the Company, the Imposed 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 valuation from the Project; and
- (3) The Imposed Fee as collected shall be distributed to the City of Valparaiso Redevelopment Commission as a public entity established to promote economic development within the corporate limits of the City as determined by the Common Council as the designating body.

Be It Further Resolved that the Company has agreed to the following imposed reasonable condition for approval of an assessed valuation deduction for PPME as herein specified and authorized under I.C. 6-1.1-12.1-2(i)(6) and as included under Item G (page 2) of the approved FORM SB-1/PP (Statement of Benefits Personal Property):

Condition: The Company by May 10 of each calendar year during the period for which an assessed valuation deduction is applicable shall submit to the City as it applies to the Project, the FORM 103, FORM 103-EL and/or FORM 103-ERA to supplement the FORM CF-1/PP (Compliance with Statement of Benefits) that is annually filed with the City for each personal property assessed valuation deduction so that the City may verify and confirm the following: (i) the assessed valuation deductions reported by the Company and/or approved by the Office of the Porter County Assessor and (ii) the calculation of the Imposed Fee by Office of the Porter County Auditor.

Be It Further Resolved that the City agrees to comply with the privacy notices of said FORM 103, FORM 103-EL and FORM 103-ERA as confidential filings in accordance with I.C. 6-1.1-35-9 and that said documents: (i) are not statutorily required filings to the City to review a personal property assessed valuation deduction of the Company but as a reasonable condition as herein specified and included under Item G (page 2) of an approved FORM SB-1/PP (Statement of Benefits Personal Property) and (ii) are submitted to supplement the Company's annually filed FORM CF-1/PP (Compliance with Statement of Benefits) for each personal property assessed valuation deduction such that City may only utilize said forms to verify and confirm: (a) assessed valuation deductions reported by the Company and/or approved by the Office of the Porter County Assessor and (b) the calculation of an Imposed Fee by Office of the Porter County Auditor; and, therefore said documents are deemed not to be public record(s) and shall not be made available to the public.

BE IT FURTHER RESOLVED that the final determination of the amount of assessed valuation deduction as applied to the Project for PPME shall be made by the appropriate Porter County or State of Indiana agency.

BE IT FURTHER RESOLVED that the Clerk-Treasurer of the City is hereby directed to file with the Office of the Porter County Assessor the following information as it applies to this Resolution and the approval of the Company's assessed valuation deduction:

1. The FORM SB-1/PP, as approved, properly completed consistent with this Resolution and as signed and attested by the appropriate City officials;
2. A certified copy of this Resolution; and
3. A copy of the meeting minutes which approved this Resolution and the FORM SB-1/PP.

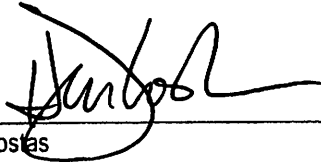
BE IT FURTHER RESOLVED that if any part, clause, or portion of this Resolution shall be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of this Resolution as a whole or any other part, clause, or portion of this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall be in full force and effect from and after its passage and adoption by the City Common Council and upon the signature of the Mayor of the City as the executive of the City.

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA,

by a vote of 7 "Ayes" and 0 "Nays" of those Council members present on this day,

October 10, 2011.



Jon Costas
Mayor

ATTEST:



Sharon Swihart, Clerk-Treasurer

EXHIBIT A

Consent of the Company for the Imposition of a Fee
In accordance with Indiana Code 6-1.1-12.1-14(b))

EXHIBIT A

October 3, 2011

Matt Murphy
Economic Development Director
City of Valparaiso
166 Lincolnway
Valparaiso, Indiana 46383

Dear Mr. Murphy:

In Touch Pharmaceuticals, Inc. (the "Company") as the property owner that has submitted a FORM SB-1/PP (Statement of Benefits) dated September 22, 2011 to the City of Valparaiso, Indiana (the "City") Common Council, as the designating body, for approval of an assessed valuation deduction (Tax Abatement) consents to the imposition of a fee (the "Imposed Fee") pursuant to Indiana Code ("IC") 6-1.1-12.1-14(b).

The Company understands that the City Common Council will incorporate the following statements into a resolution as its approval of the Company's statement of benefits and assessed valuation deduction:

- 1) The Common Council's intent to subject the Company to an Imposed Fee pursuant to IC 6-1.1-12.1-14;
- 2) The percentage to be applied by the Porter County Auditor for purposes of STEP TWO of subsection 14(c), which may not exceed fifteen percent (15%) and which shall remain in effect throughout the term of the assessed valuation deduction; and
- 3) The one or more public or nonprofit entities established to promote economic development within the City served by the City Common Council as the designating body identified to receive distributions of the Imposed Fee and the proportions of those distributions by the Porter County Auditor

The Company understands that for each year in which its property tax liability is reduced as the result of the application of an assessed valuation deduction pursuant to IC 6-1.1-12.1-14, the Company shall pay to the Porter County Treasurer upon notification the Imposed Fee in an amount calculated by the Porter County Auditor pursuant to IC 6-1.1-12.1-14(c) for distribution to the one or more public or nonprofit entities as designated by the City Common Council. The Company shall pay the Imposed Fee within 30 days of notification.

Furthermore the Company understands that pursuant to IC 6-1.1-12.1-14(e), if the City Common Council determines that the Company has not paid the Imposed Fee in accordance with IC 6-1.1-12.1-14, the City Common Council may adopt a resolution terminating the Company's assessed valuation deduction under Sections 3, 4.5 or 4.8. And, if the City Common Council adopts such a resolution, the assessed valuation deduction, previously approved under Sections 3, 4.5 or 4.8 as now terminated, does not apply to the next installment of property taxes owed by the Company or to any subsequent installment of property taxes.

Very truly yours,



Rick Rondelli
President, CEO
In Touch Pharmaceuticals, Inc

**STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51764 (R / 1-06)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP**PRIVACY NOTICE**

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

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, and/or logistical distribution equipment and/or information technology equipment 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 installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, 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 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1 TAXPAYER INFORMATION								
Name of taxpayer In Touch Pharmaceuticals, Inc.								
Address of taxpayer (number and street, city, state, and ZIP code) 3000 Murvhill Road, Valparaiso, IN 46383								
Name of contact person Rick Rondinelli				Telephone number (219) 484-7056				
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT								
Name of designating body City of Valparaiso				Resolution number (s)				
Location of property 1150 Eastport Centre Drive, Valparaiso, IN			County Porter		DLGF taxing district number 64029			
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary) Packaging and storage equipment				ESTIMATED				
				START DATE		COMPLETION DATE		
				Manufacturing Equipment				
				R & D Equipment				
				Logist Dist Equipment		12/01/2011	06/01/2012	
IT Equipment								
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT								
Current number 119	Salaries 3,249,060.00	Number retained 119	Salaries 3,250,000.00	Number additional 0	Salaries 0.00			
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.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values	542,815.00	177,844.00			824,024.00	281,753.00	190,789.00	50,649.00
Plus estimated values of proposed project					700,000.00	280,000.00		
Less values of any property being replaced								
Net estimated values upon completion of project	542,815.00	177,844.00			1,324,024.00	541,753.00	190,789.00	50,649.00
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 					Title President, CEO		Date signed (month, day, year) 10/3/2011	

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. Installation of new manufacturing equipment; | ☐ Yes | ☐ No |
| 2. Installation of new research and development equipment; | ☐ Yes | ☐ No |
| 3. Installation of new logistical distribution equipment. | ☐ Yes | ☐ No |
| 4. Installation of new information technology equipment; | ☐ Yes | ☐ No |

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

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

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

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction on or after July 1, 2000, is allowed for:

- | | |
|-------------------------------------|--------------------------------------|
| ☐ 1 year | ☐ 6 years |
| ☐ 2 years | ☐ 7 years |
| ☐ 3 years | ☐ 8 years |
| ☐ 4 years | ☐ 9 years |
| ☐ 5 years ** | ☐ 10 years ** |

** For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

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)	Telephone number	Date signed (month, day, year)
Attested by:	Designated body	

* 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 6-1.1-12.1-4.5