

RESOLUTION #28, 2024

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

PASSED 11/11/2024

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WHEREAS, Pursuant to Resolution No. 5-2010, as confirmed by Resolution No. 7-2010 and Resolution 20-2024, the Common Council of the City of Valparaiso, Indiana (the “City”), designated certain areas located within the City as economic revitalization areas (an “ERA”);

WHEREAS, Resolution No. 5-2010 remains in full force and effect;

WHEREAS, IN TOUCH PHARMACEUTICALS (the “Company”) has filed with the Common Council a Statements of Benefits Personal Property Improvements (FORM SB-1/Personal Property) dated October 4, 2024 proposing the upgrade and replacement of personal property manufacturing equipment, anticipated to cost **\$1,300,000** (the “Project”), estimated to be completed on or prior to **June 1, 2025** and to be fully assessed on or prior to **January 1, 2026**;

WHEREAS, The Company submitted said Statements 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 personal property manufacturing as installed as it relates to the Project will be used by the Company consistent with IC 6-1.1-12.1-1(3);

WHEREAS, The new personal property manufacturing as 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(1); and

WHEREAS, The Company’s real property located at in the City (real property parcel **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** upon review of the FORM SB-1/Personal Property and upon the following findings and determinations 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 hereby grants an assessed valuation deduction (Tax Abatement) from tangible personal property – manufacturing equipment (“PPME”) **limited to a cost of \$1,300,000 to be installed and placed into service between December 1, 2024 and June 1, 2025 as fully assessed by January 1, 2026** for an abatement period of **five (5) years** to the Company, being **IN TOUCH PHARMACEUTICALS**, in accordance with IC 6-1.1-12.1 as it relates to the Project.

BE IT FURTHER RESOLVED that the Common Council hereby grants an assessed valuation deduction (Tax Abatement) from tangible personal property – manufacturing equipment (“PPME”) with an abatement schedule provided below pursuant IC 6-1.1-12.1-17(b) consistent with the above abatement period as it relates to the Project.

Approved Abatement Period Schedule:	
<i>Depreciable personal property – machinery and equipment (“PPME”):</i>	
<i>a. To be installed and placed into service on or prior to June 1, 2025 as fully assessed by January 1, 2026;</i>	
<i>b. Limited to a cost of \$1,300,000.</i>	
Year of Abatement Period	Deduction Percentage
Year One (1)	100%
Year Two (2)	80%
Year Three (3)	65%
Year Four (4)	40%
Year Five (5)	20%

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), as agreed upon in the Tax Abatement Agreement (**EXHIBIT A**), 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 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 and executed 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 the Clerk-Treasurer of the City is hereby directed to file with the Office of the Porter County Auditor the following information as it applies to this Resolution and the approval of the Company's assessed valuation deduction in order to insure the application of an assessed valuation deduction as calculated by the Office of the Porter County Assessor, assuming an annual FORM CF-1 is approved by the City Council and all required documents are filed in a timely manner:

1. The FORM SB-1/PP, as approved, properly completed and executed 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.

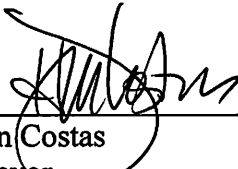
BE IT FURTHER RESOLVED that this Resolution shall be in full force and effect from and after its passage and adoption by the City Common Council and upon the signature of the Mayor of the City as the executive of the City.

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF

VALPARAISO, INDIANA,

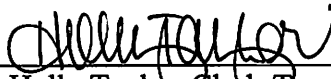
by a vote of 7 "Ayes" and 8 "Nays" of those Council members present on this day,

November 11, 2024.



Jon Costas
Mayor

ATTEST:



Holly Taylor, Clerk-Treasurer

TAX ABATEMENT
Personal Property

THIS TAX ABATEMENT AGREEMENT ("Agreement") is made and entered into as of the _____ day of **November 2024** ("Effective Date"), by the **Common Council of the City of Valparaiso** ("City"); and **IN TOUCH PHARMACEUTICALS** ("Applicant").

WITNESSETH:

WHEREAS, Applicant operates a manufacturing facility located at **1150 Eastport Centre Dr., Valparaiso, Indiana** and identified by the Porter County Assessor as parcel **64-10-29-153-003.000-029** ("Facility");

WHEREAS, Applicant has submitted a completed Statement of Benefits forms for its personal property tax abatement ("SB-1/PP"). See Exhibit A;

WHEREAS, the City, after due and careful consideration, has concluded that the Project (as defined below) is consistent with the overall vision for commercial development and job creation and specifically finds that it is in the best interest of the City and its inhabitants to approve the requested tax abatement.

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 do hereby agree as follows:

ARTICLE I. The Project

1.1 The Project. Applicant will be investing in new manufacturing equipment at its Facility ("Project"). The Applicant commits to investing at least **\$1,300,000** towards personal property improvements. Such Project investments shall be of a quality, size, character and appearance substantially similar to Applicant's representations to the City. See Exhibit B.

1.2 Project Assessment. Applicant represents and commits that the personal property improvements, once installed, will have a minimum gross assessment of no less than **\$1,000,000** excluding the assessed valuation on the preexisting personal property ("Minimum Assessed Value"). In addition, Applicant has committed to hiring **10** new employees with anticipated collective additional salary of **\$707,2000**. Applicant agrees to meet the job hiring and salary commitments within **2 years** of the execution of this Agreement.

1.3 Development of Project. The Applicant commits to commence the Project within **30 days** of this Agreement and agrees to complete the Project before **June 1, 2025** ("Completion Date"). The term "complete" shall mean acquiring and installing (as such term is defined in 50 IAC 10-1-2) the personal property.

ARTICLE II. Tax Abatement

2.1 Tax Abatement: Subject to full compliance with the procedures required by law and to ongoing compliance by the Applicant for maintaining a tax abatement, the City will offer tax abatement on the Project for a term of **5 years** commencing **tax year 2025/payable 2026** (having a schedule of **100%, 80%, 60%, 40% and 20%**).

2.2 Annual Information. During the term of the tax abatement and for a period of two (2) years thereafter, the City or its authorized agent may annually request information from the Applicant concerning the nature of the Project, the approved capital expenditures for the Project, the number of full-time permanent positions retained and newly created by the Project, and the average wage rates and salaries (excluding benefits & overtime) associated with the positions, and the Applicant shall provide the City with adequate written evidence thereof within **15 days** of such request ("Annual Survey"). The City shall utilize this information and the information required to be filed by the Applicant in the CF-1 Compliance with the SB-1/PP form to verify that the Applicant has complied with the all commitments during the duration of the tax abatement. The Applicant further agrees to provide the City with such additional information requested by the City related to the information provided in the Annual Survey and the CF-1 form within a reasonable time following any such request.

2.3. Termination and Repayment.

A. Right to Terminate. The City, by and through the Council reserves the right to terminate the tax abatement deductions if it determines that the Applicant has not substantially complied with all the commitments (**including, but not limited to, the commitments of Sections 1.1-1.3 and 2.4-2.8**).

B. Notice of Termination and Repayment. In the event that the City determines that the tax abatement deductions should be terminated or that any of the tax abatement savings should be repaid, it will give the Applicant notice of such determination, including a written statement calculating the amount due from the Applicant, and will provide the Applicant with an opportunity to meet with the City's designated representatives to show cause why the abatement should not be terminated and/or the tax benefits repaid. Such notice shall state the names of the person with whom the Applicant may meet and will provide that the Applicant shall have **thirty (30) days** from the date of such notice to arrange such meeting and to provide its evidence concerning why the abatement termination and/or tax benefits repayment should not occur. If, after giving such notice and receiving such evidence, if any, the City determines that the abatement termination and/or tax benefits repayment action is proper, the Applicant shall be provided with written notice and a hearing before the Council before any final action shall be taken terminating the abatement and/or requiring repayment of tax benefits. If the Council adopts a resolution terminating the tax abatement and/or requiring repayment of tax benefits, the Applicant shall be entitled to appeal that determination to a Porter County Superior or Circuit Court.

C. Time of Repayment. In the event that the City requires repayment of the tax abatement benefits as provided hereunder, it shall provide Applicant with a written statement calculating the amount due ("Statement"), and the Applicant shall make such repayment to the City within thirty (30)

days of the date of delivery of the Statement, unless such repayment has been stayed pending an appeal. If the Applicant does not make timely repayment, the City shall be entitled to all reasonable costs and attorneys' fees incurred in the enforcement and collection of the tax abatement savings required to be repaid hereunder.

D. Special Provision as to Default under Section 1.2. If, after completion of the Project or at any time during the term of the tax abatement, the Assessed Value of the Project, as determined by the Porter County Assessor, is greater than **ten percent (10%) below** the Minimum Assessed Value,¹ Applicant shall have the right, but not the obligation, to enter into a Payment in-lieu-of-Taxes ("PILOT") agreement with the City for the purpose of insuring full tax payments, as represented to the City, are paid during the term of the tax abatement. Absent entry of a PILOT agreement within sixty (60) days after notice is provided to the Applicant, the City may proceed under the terms of Section 2.3.

2.4 Local Contractors, Suppliers and Vendors. Applicant acknowledges the use of local incentives for this Project and recognizes the benefits of utilizing local contractors and suppliers. The City strongly urges Applicant to maximize the employment opportunities of the citizens of our region, and resources found within Northwest Indiana. As a material part of this Agreement, Applicant agrees that it will use **commercially reasonable best efforts** to employ price competitive contractors, suppliers and vendors located within Northwest Indiana (Lake and Porter counties) with respect to the Project, and will additionally use such efforts to purchase materials and supplies from price competitive suppliers and vendors located within Northwest Indiana (Lake and Porter counties). Upon request, Applicant shall provide the City an accounting of the Project as to the: i) contractors and suppliers used; and, ii) "commercially reasonable best efforts" used by the Applicant. **Failure to comply with this provision shall result in the revocation of Applicant's tax abatement as provided under Section 2.3.**

2.5 Community Engagement. Applicant acknowledges, as a business within Valparaiso, its obligation (and that of its employees) to fully engage with the community and support groups, organizations, initiatives and institutions that contribute towards the betterment of Valparaiso. Such engagement and support may include, but is not limited to, financial contributions, volunteering of time, and/or participating in social, cultural, civic and religious events within Valparaiso. As a part of its annual filing of its CF-1, Applicant shall include an overview outlining what actions the Applicant and its employees have taken to satisfy its obligation.

2.6 Tax Abatement Fee. As provided by Indiana Code § 6-1.1-12.1-14, the City is imposing a **fifteen percent (15%)** fee on the tax abatement. Applicant consents to such fee.

2.7 Assessment Appeal Waiver. From the date this Agreement is executed until **December 31, 2030**, Applicant or any subsequent individual/entity that has or will receive any benefits from the granting of this tax abatement by the City, shall not challenge and/or appeal (and irrevocably waives it right to challenge and/or appeal) any Notice of Assessment as provided under Indiana Code § 6-1.1-15-1.

¹ The minimum assessed valuation shall be adjusted annually to allow for depreciation.

2.8 Transfer of Personal Property. Should Applicant transfer ownership of the Personal Property during the term of the tax abatement, Applicant shall notify the City prior to the transfer. The new owner shall be required to execute an agreement substantially similar to this Agreement. **Failure to comply with this provision may result in the revocation of Applicant's tax abatement as provided under Section 2.3.**

Article III. Additional Provisions

3.1 Indemnity: No Joint Venture or Partnership. The Applicant covenants and agrees at its expenses to pay and to indemnify and save the City, and their officers and agents, including the Economic Development Director ("Indemnitees") harmless of, from and against, any and all claims, damages, demands, expense and liabilities relating to bodily injury or property damage resulting directly or indirectly from the Applicant's (and/or any affiliate's thereof) activities with respect to the Project unless such claims, damages, demands, expenses or liabilities arise by reason for the negligent act or omission for the City or other Indemnitees or arise from the City's breach of this Agreement. The parties further agree that this Agreement does not constitute a joint venture or partnership.

3.2 Amendment. This Agreement can only be amended by the mutual consent of the parties to this Agreement.

3.3 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.

3.4 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.

3.5 Indiana Law/Venue/Attorneys' Fees. This Agreement shall be construed in accordance with the laws of the State of Indiana. Any action to enforce any provision of this Agreement shall be filed in the state courts of Indiana, Porter County. The successful party in any action to enforce this Agreement shall be entitled to reimbursement of court costs and attorney fees.

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

Applicant:

With a Copy to:

Adam Kreft, CFO
1150 Eastport Centre Dr.
Valparaiso, In 46383

To City:

George Douglas
Director of Development
162 W. Lincolnway
Valparaiso, IN 46383

With a Copy to:

Patrick Lyp
City Attorney
162 W. Lincolnway
Valparaiso, IN 46383

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.

3.7 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.

3.8 Recordation of Agreement. At the request of any party hereto, the parties hereby agree to execute and deliver the original of this Agreement or a Memorandum thereof in property form for recording in the appropriate property or governmental records.

3.9 Consent or Approval. Except as otherwise provided herein, whenever consent or approval of any party is required, such consent or approval shall not be unreasonably withheld.

3.10 Assignment. The rights and obligations contained in this Agreement may not be assigned by the Applicant without the express prior written consent of the Commission; provided, however, that the Applicant may assign its rights and obligations hereunder to an affiliate of the Applicant upon notice and consent of the City, but any such assignment to an affiliate of the Applicant shall not have the effect of releasing the Applicant from its obligations hereunder.

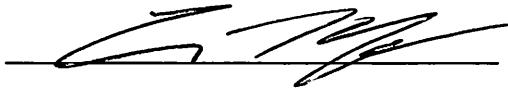
3.11 No Third Party Beneficiaries. This Agreement shall be deemed to be for the benefit solely of the parties hereto and shall not be deemed to be for the benefit of any third party.

3.12 Authority. Each individual executing this Agreement represents that they possess the requisite authority to sign this Agreement.

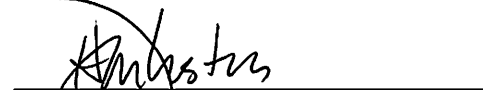
[Signature Page to Follow]

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

Applicant:

A handwritten signature in black ink, appearing to read "George Douglas", written over a horizontal line.

City:

A handwritten signature in black ink, appearing to read "Jon Costas", written over a horizontal line.
Jon Costas
Mayor, City of Valparaiso

Recommended:

A handwritten signature in black ink, appearing to read "George Douglas", written over a horizontal line.
George Douglas
Director of Development