

COMMON COUNCIL OF THE CITY OF HOBART, INDIANA

RESOLUTION NO. 2019-08

**A Resolution Approving the Executed Development Agreement between  
the City of Hobart and Paine, LLC**

WHEREAS, the Common Council (“Council”) of the City of Hobart, Lake County, Indiana (“City”) adopted Resolution No. 2019-04 on March 20, 2019 declaring that the area commonly known as 5441 East Lincoln Highway, Merrillville, Lake County, Indiana 46410, as more particularly described in Exhibit “A” attached to said Resolution, is an Economic Revitalization Area for the purpose of encouraging development and occupancy therein by providing personal property tax abatement in accordance with I.C. 6-1.1-12.1, *et seq.*; and

WHEREAS, said Resolution was adopted pursuant to the application of Paine, LLC for the installation of new manufacturing equipment, and the Council subsequently adopted its Resolution No. 2019-05 on April 3, 2019, after public hearing duly noticed in the manner required by law, confirming such designation and abatements; and

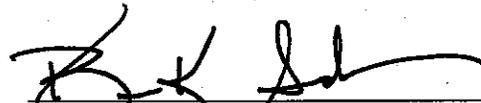
WHEREAS, under its terms, Resolution No. 2019-05 becomes effective upon the execution and delivery of a written Development Agreement by and between the City and Paine, LLC; and

WHEREAS, the Board of Public Works and Safety of the City, at its public meeting of even date herewith, approved and authorized the execution of a Development Agreement by and between the City and Paine, LLC which was thereupon duly executed; and

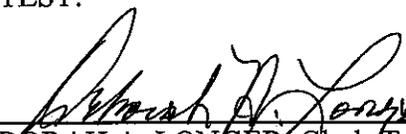
NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Hobart as follows:

The Development Agreement between the City of Hobart and Paine, LLC attached hereto is approved and allowed to become effective according to its terms.

ALL OF WHICH IS ADOPTED on this 3<sup>rd</sup> day of April, 2019 by the Common Council of the City of Hobart, Indiana.

  
BRIAN K. SNEDECOR, Presiding Officer

ATTEST:

  
DEBORAH A. LONGER, Clerk/Treasurer

PRESENTED by me to the Mayor of the City of Hobart on the 3rd day of April, 2019, at 7:30 ~~am~~/p.m.

  
DEBORAH A. LONGER, Clerk-Treasurer

APPROVED, SIGNED AND RETURNED by me to the Common Council of the City of Hobart, on this 3rd day of April, 2019.

  
BRIAN K. SNEDECOR, Mayor

ATTEST:

  
DEBORAH A. LONGER, Clerk-Treasurer

Exhibit "A"

DESCRIPTION OF PROPERTY

LOTS 2, 3, 4 AND THE EAST 100 FEET OF LOT 5 IN US 30 ENTERPRISE PARK SUBDIVISION RECORDED IN THE LAKE COUNTY RECORDER'S OFFICE IN PLAT BOOK 81 PAGE 99, LYING IN THE SOUTH HALF OF SECTION 19, TOWNSHIP 35 NORTH, RANGE 7 WEST IN HOBART, INDIANA, HAVING AN AREA OF 21.015 ACRES MORE OR LESS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT NORTHWEST CORNER OF THE EAST HALF OF THE SOUTH WEST CORNER OF SAID SECTION 19; THENCE SOUTH  $00^{\circ} 06' 34''$  EAST ALONG THE WEST LINE OF EAST HALF OF THE SAID SOUTHWEST CORNER, 154.243' FEET TO THE SOUTH RIGHT OF WAY LINE OF THE SOUTH US 30 FRONTAGE ROAD AS DEDICATED IN SAID US 30 ENTERPRISE PARK SUBDIVISION; THENCE SOUTH  $89^{\circ} 32' 13''$  EAST ALONG SAID RIGHT OF WAY LINE, SAID LINE ALSO BEING THE NORTH LINE OF LOT 5 IN SAID ADDITION, 600.110 FEET TO A POINT 100.00 FEET WEST OF THE EAST LOT LINE OF SAID LOT 5 AND TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH  $89^{\circ} 32' 13''$  EAST ALONG SAID SOUTH FRONTAGE ROAD RIGHT OF WAY LINE, 804.713 FEET TO THE EAST LINE OF LOT 2 IN SAID SUBDIVISION; THENCE SOUTH  $00^{\circ} 05' 31''$  EAST ALONG SAID LOT 2 EAST LINE, 889.803 FEET TO THE SOUTHEAST CORNER OF SAID LOT 2; THENCE NORTH  $89^{\circ} 28' 34''$  WEST ALONG THE SOUTH LINE OF LOT 2 OF SAID SUBDIVISION AND PARALLEL TO THE SOUTH LINE OF THE NORTH HALF OF THE SOUTH HALF OF SAID SECTION 19, 188.76 FEET, TO THE NORTHEAST CORNER OF LOT 4 IN SAID SUBDIVISION; THENCE SOUTH  $00^{\circ} 07' 34''$  EAST ALONG SAID LOT 4 EAST LINE, 322.12 FEET TO THE NORTH RIGHT OF WAY LINE OF 83RD AVENUE; THENCE NORTH  $89^{\circ} 52' 33''$  WEST ALONG SAID RIGHT OF WAY LINE, 616.07 FEET TO A LINE PARALLEL TO AND 100 FEET FROM THE EAST LINE OF LOT 5 IN SAID SUBDIVISION; THENCE NORTH  $00^{\circ} 05' 41''$  WEST ALONG SAID PARALLEL, 1215.366 FEET TO THE POINT OF BEGINNING; CONTAINING 21.015 ACRES MORE OR LESS.

SUBJECT TO ALL EASEMENTS AND SETBACKS ALREADY DEDICATED.

# **DEVELOPMENT AGREEMENT**

by and between

**THE CITY OF HOBART, INDIANA,**

**THE CITY OF HOBART BOARD OF  
PUBLIC WORKS AND SAFETY**

and

**PAINE, LLC,**  
an Indiana Limited Liability Company

April \_\_\_\_, 2019

**TABLE OF CONTENTS**

<b>Section</b>	<b>Title</b>	<b>Page</b>
	Recitals . . . . .	4
1.	Duties of the Company . . . . .	5
2.	Duties and Representations of the City . . . . .	6
3.	Additional Covenants and Representations of the Company . . . . .	8
	a. Employment Commitment. . . . .	8
	b. Reporting Requirements . . . . .	8
	c. Local Contractors . . . . .	9
	d. Payments and Appeals . . . . .	9
	e. Commitment to Remain in Hobart . . . . .	11
	f. Other Representations of the Company . . . . .	11
4.	Imposition of Sanctions . . . . .	12
	a. Events Requiring Imposition of Sanctions . . . . .	12
	b. Amount of Sanctions to be Applied . . . . .	13
	i. Employment . . . . .	13
	ii. Payments and Appeals . . . . .	13
	iii. Closure, Suspension of Operations, Sale, Seizure, Foreclosure or Attachment of the New Equipment . . . . .	14
	c. Terms and Manner of Payment . . . . .	14
	d. Termination of Section 4 . . . . .	14
5.	Material Consideration . . . . .	14
6.	Mutual Assistance . . . . .	14
7.	Cooperation . . . . .	15

8.	Enforcement and Attorney Fees . . . . .	15
9.	No Agency, Joint Venture or Partnership . . . . .	15
10.	Conflict of Interest; Representatives not Individually Liable . . . . .	15
11.	Future Acts and Good Faith . . . . .	15
12.	Waiver of Jury Trial . . . . .	16
13.	Severability . . . . .	16
14.	No Other Agreement . . . . .	16
15.	Counterparts . . . . .	16
16.	Notices and Demands . . . . .	16
17.	Governing Law . . . . .	17
18.	Authority . . . . .	17
19.	No Third-Party Beneficiaries . . . . .	17
20.	Assignment . . . . .	18
21.	Amendments . . . . .	18
22.	Default . . . . .	18
23.	Permitted Delays . . . . .	18

**SCHEDULE OF EXHIBITS**

Exhibit A: New Equipment Description, Estimated Time of Installation and Cost. . . . .	22
Exhibit B: Analysis by Baker Tilly Virchow Krause, LLP, Dated March 7, 2019	23

## DEVELOPMENT AGREEMENT

THIS AGREEMENT is made and entered into on the \_\_\_\_\_ day of April, 2019 by and between PAINE, LLC, an Indiana Limited Liability Company with principal offices located at 5441 East Lincoln Highway, Merrillville, Indiana 46410<sup>1</sup> (“Paine” or the “Company”), the CITY OF HOBART, INDIANA, a municipal corporation organized and existing under the laws of the State of Indiana with principal offices at 414 Main Street, Hobart, Indiana 46342 (the “City”), and the BOARD OF PUBLIC WORKS AND SAFETY OF THE CITY OF HOBART, an instrumentality of the City, with offices at the same address (“Board”). The City and Board are collectively referred to as the “City Parties.”

### Recitals

WHEREAS, the Company is one of several related business entities (which include, but are not limited to Albanese Confectionery Group, Inc., Jefferson, LLC and Hancock Enterprises, LLC. These companies together with their other associated entities are referred to herein as the “Group.” The Group is in the business of manufacturing, marketing and distributing confections at their manufacturing and retail facility located in Hobart, and at a second retail facility in Merrillville; and

WHEREAS, the Group is one of the world’s largest manufacturers of gummy candies, and produces many other confectionery products. Since the 1990s, the City of Hobart has made available to member entities of the Group a number of economic incentives in the form of real and personal property tax abatements which have enabled the Group’s business operations and profitability to grow substantially; and

WHEREAS, the Company is currently seeking a financial incentive from the City in the form of personal property tax abatement to enable it to add manufacturing and associated equipment to substantially increase production, and to develop one or more new product lines in order to take advantage of several new business opportunities; and

WHEREAS, the new equipment will be located inside the Group’s plant at 5441 East Lincoln Highway in the City. The acquisition cost of the equipment is estimated at \$59,266,700.00; and

WHEREAS, the City is an Indiana municipality of approximately 30,000 persons, strategically situated in Lake County along I-65 near its junction with Interstate Highways 80, 90, 94, U.S. Highway 30 and several rail lines. The Board is an instrumentality of the City empowered to issue and approve City contracts and to supervise the City’s Public Works and emergency services departments; and

WHEREAS, the City and the Company have reached agreement upon the promises, terms and conditions upon which the City will grant such personal property tax abatement to the Company, which abatement is important to the Company in assuring the financial viability of the

---

<sup>1</sup> Although Paine, LLC has a Merrillville mailing address, its place of business is within the corporate limits of the City of Hobart.

equipment acquisition and its subsequent profitability, and the parties now wish to document their agreements in this instrument.

THEREFORE, IN CONSIDERATION of the mutual promises, terms and conditions hereinafter set forth and intending themselves to be legally bound, the parties agree as follows:

**1. Duties of the Company.** The Company, for itself and for its officers, directors and employees, agrees to undertake and perform the following duties:

a. Timely complete the purchase, acquisition and installation of the equipment at the Group's manufacturing facility in Hobart, Indiana as specified and scheduled on the exhibit which is attached hereto and made a part hereof as Exhibit "A." The equipment described in said exhibit to be acquired and installed shall be referred to herein as the "New Equipment."

b. Acquire the New Equipment in substantial and material conformance with the written application, Statements of Benefit forms, and representations submitted to and approved by the City;

c. Comply with all applicable requirements of the City's Municipal Code and all other applicable building codes in the installation and operation of the New Equipment;

d. Pay in full, when required, all City fees prescribed by ordinance or resolution in connection with the installation of the New Equipment, and the tax deduction and abatement process, including, but not limited to building permit fees, abatement application and both outstanding and new exaction fees, financial impact and analysis fees and compliance review fee. The Company agrees to pay the exaction fees currently owed (\$111,256.10) and outstanding to the City by the Group and those to be due under this Agreement (\$592,667.00) as follows:

Payment	Amount	Due Date
2018 Abatement Exaction Fee	\$111,256.10	April 15, 2019
2019 Abatement Exaction Fee	197,555.66	August 15, 2019
2019 Abatement Exaction Fee	197,555.67	January 15, 2020
2019 Abatement Exaction Fee	197,555.67	April 15, 2020

e. Make all filings of applications, Forms SB-1 and CF-1 when due under I.C. §6-1.1-12.1-1, *et seq.*, particularly I.C. §§6-1.1-12.1-3, 3.5, 5, 5.6 and 5.3;

f. Pay all property taxes levied upon the real and personal property of the Company in connection with the facility when due subject only to Section 3 (b) below on tax appeals. The Company shall pay in full, when due, the amount of any real and personal property taxes resulting from partial or interim

assessments for tax years prior to the commencement of the effective period of the personal property abatement on the New Equipment as specified in Section 2 (a) below;

g. Within 30 days of the taking effect of this Agreement, sign and deliver to the City a sworn affidavit pursuant to I.C. §22-5-1.7-11 that affirms that the Company has enrolled and is participating in the E-Verify program, and signs an affidavit affirming that the Company does not knowingly employ an unauthorized alien;

h. Refrain from any discrimination in employment on account of race, religion, gender, color, national origin, sexual orientation, disability or age under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and any other federal law, similar state law or local ordinance applicable to the Company's operations at the new facility;

i. Comply with all applicable laws of the City of Hobart, the State of Indiana and the United States in the operation and maintenance of the New Equipment;

j. Comply with all provisions of this Agreement.

This Agreement, when executed by all parties, shall be recorded by the City in the Office of the Recorder of Lake County, Indiana. The Company agrees to reimburse the City for the recordation fee. The Agreement shall take effect upon recording.

**2. Duties and Representations of the City.** The City, the Board, their officials and employees make the following representations and agree to undertake and perform the following duties:

a. Approve or reaffirm the designation of the site for location of the New Equipment as an Economic Revitalization Area pursuant to I.C. §6-1.1-12.1-1, *et seq.*, for the purpose of qualifying the New Equipment for the grant of personal property tax abatement. The parties agree that the abatement to be granted by the City will conform to the following terms. These tax years are based upon information provided by the Company. The tax abatement period will commence on January 1 of the year the first-scheduled items of New Equipment are fully assessed for taxes payable the following year. The Company expects the first installation of New Equipment to be completed and assessed for 2020 taxes payable in 2021, and all of the New Equipment to be fully complete and assessed for 2022 taxes payable in 2023. The Company agrees to notify the City in writing if installation completion is delayed or accelerated, which may affect the tax years in the following table:

Total Estimated Amount of Equipment to be Purchased: \$ 59,266,700.00

Deduction Period: Twelve Years (Ten Year Abatement Schedule applied to investments estimated to be made over a three-year period))

Deduction Schedule:	Year One	100%
	Year Two	90%
	Year Three	80%
	Year Four	70%
	Year Five	60%
	Year Six	50%
	Year Seven	40%
	Year Eight	30%
	Year Nine	20%
	Year Ten	10%

b. Provide assistance, advice, and guidance to the Company at its request concerning any of the matters discussed in this Agreement. Such guidance shall be provided to the Company at no cost unless the City is required to consult persons not employed by the City in assisting the Company. The Company will pay the reasonable cost of the City's employee's time in consulting with others.

c. All necessary action has been or will be taken to authorize the City's execution of this Agreement and the performance of the City's obligations hereunder, the City has the power and authority under all federal, state and local law to enter into this Agreement and perform its obligations hereunder, and this Agreement constitutes a legal, valid and binding obligation enforceable against the City according to its terms;.

d. Neither the execution and delivery by the City of this Agreement, the consummation of the transactions contemplated herein, nor compliance with the provisions hereof violates, breaches, contravenes, conflicts with, or causes a default under any provision of any statute or regulation of the State of Indiana or the United States governing the City, or any provision of any existing contract, bond, indenture, license, lease, instrument, decree, order or judgment to which the Company is a party or by which it may be bound or affected;

e. The City will cooperate reasonably with Company's effort to obtain any applicable permits, reviews, licenses, actions, consents, and approvals which may be necessary for the installation and commissioning of the New Equipment;

f. There is no action, suit, proceeding, or investigation, at law or in equity or by or before any United States court, arbitrator, administrative agency or

other federal, state or local government authority, pending or, to the actual knowledge or the City, threatened against the City, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the validity of this Agreement or material adverse effect on the transactions contemplated hereby.

**3. Additional Covenants and Representations of the Company.** In addition to the duties of the Company specified in Section 1 above, the Company agrees to adhere to and carry out the following commitments and representations:

a. Employment Commitment. The Company agrees that, due to the installation of the New Equipment, it will employ an additional fifty-nine (59) new, permanent full-time employees by the end of the calendar year in which the New Equipment is fully installed and assessed, and that these new employees will generate a total annual payroll of not less than \$2,585,749.00. This is anticipated to occur by December 31, 2022. For the purposes of this Agreement, a full-time job is defined as a permanent, non-seasonal employment position requiring the employee to work not less than 40 hours per week, excluding periods of vacation, illness or personal time off. The Company agrees to retain said employees under normal economic conditions for the duration of the abatement period.

b. Reporting Requirements. The Company agrees to deliver a written report of the number of persons employed full-time by the Company to the City Department of Economic Development as of December 31, 2020 and thereafter as of the end of each calendar year during the abatement period through and including December 31, 2033. Such report shall be delivered not later than fifteen days after the conclusion of the annual period for which the report is made. Determination of compliance with the employment commitments made in Sub-subsection (a) above shall be made in accordance with Section 4 (b) below.

In addition, the Company agrees to give the City, through the office of the Mayor and Department of Development, written notice of any removal, replacement or significant modification to the New Equipment or any part thereof at least 30 days prior thereto. Such removal, replacement or modification may result in the denial of the amount of tax abatement due in any year, in whole or in part.

Upon substantial completion of the installation and commissioning of the New Equipment, the Company agrees to report or cause to be reported to the City, in writing, through the office of the Mayor and Department of Development:

- (i) the total number of local contractors or sub-contractors (as defined in Subsection (c) below) involved in such installation;
- and

(ii) the number of contractor jobs required for such installation; and

(iii) the total cost of acquisition of the New Equipment by the Company, and the total cost of installation thereof.

In addition, upon the City's written request to the Company, not more than once annually during the abatement period, the Company shall give, in writing, a general status report on the installation of New Equipment completed to date and an update on the project schedule.

c. Local Contractors. The Company further represents and agrees that during the period of the tax abatement incentives granted by the City pursuant to this Agreement, any local suppliers or contractors based in the City of Hobart or Lake, County, Indiana, with competitive bids shall be preferred for all work contracted by the Company at the Hobart location. Local suppliers and local contractors are defined as contractors and suppliers primarily engaged, reside in or have their principal office in Hobart or Lake County, or employ a significant number of Lake County residents.

d. Payments and Appeals. The Company shall pay, when due, all personal property taxes assessed for the New Equipment, less those personal property taxes for which an abatement (deduction) has been granted under this Agreement. Personal property tax appeals for the New Equipment or any part thereof shall be governed by the following requirements:

(i) The Company agrees to refrain from materially reducing the reported acquisition cost, acquisition year or depreciation pool (currently assumed to be Pool No. 2 as per the Baker Tilly analysis of March 7, 2019 attached as Exhibit "B" to this Agreement) for the New Equipment for any year in which the personal property tax abatement granted under this Agreement is in effect which would have the effect of reducing the net personal property taxes payable for the New Equipment for that year below the amounts as stated in the following table, provided that the acquisition cost of the New Equipment is greater than or equal to \$59,266,700.00. In the event that the acquisition cost of the proposed New Equipment is less than \$59,266,700.00, the amount indicated in the table below for that year will be reduced by the percentage by which the actual acquisition cost is less \$59,266,700.00, so that the net taxes to be paid under this Agreement are reduced proportionately. The types of equipment to be installed, the timing of installation, and the estimated cost of each group of equipment are specified upon Exhibit "A."

Taxes Payable Year

Property Taxes to be paid on the Proposed Personal Property Investment (per the March 7, 2019 Analysis by Baker Tilly

Verchow Krause, LLP attached as Exhibit “B”)

2021	\$	0
2022		8,880
2023		51,060
2024		109,450
2025		136,350
2026		159,750
2027		205,400
2028		252,940
2029		300,510
2030		345,640
2031		390,770
2032		431,140

(ii) The company represents and affirms that, at the time of its execution of this Agreement, there are no appeals currently pending or anticipated to be filed by the Company or affiliated companies for any property owned within the City of Hobart by the Company or affiliated companies now or to be acquired during the next twelve (12) months. With respect to any appeal to be filed by the Company or its affiliated companies for property located in the City within the period commencing with the taking effect of this Agreement and ending on December 31, 2032, the Company agrees to provide to the City through its Mayor and Director of Development, fifteen (15) days in advance of filing any personal property tax appeal for the New Equipment or any part thereof, a written explanation as to why the appeal is being filed, along with complete copies of the appeal documents, including all schedules and exhibits. Likewise, the Company shall give written notice to the City fifteen (15) days in advance of making or filing any material changes in the reporting of the acquisition cost, acquisition year, depreciation classification or other characteristic of the New Equipment that may affect the net assessed value of that personal property, including the filing of an amended personal property tax return. If any of the changes described in the preceding sentence are made, a copy of the personal property assessment forms shall be provided to the City together with a description of the changes.

(iii) The Company agrees to pay the compliance review fee required by HMC §32.002 (B) which states that: “An applicant for personal property tax abatement pursuant to I.C. 6-1.1-12.1, or a party that has been previously granted a personal property tax abatement under that chapter of the Indiana Code, prior to the action of the Common Council finalizing the abatement or approving annual compliance, for as long as

the abatement remains in effect, shall annually pay to the Clerk-Treasurer of the City a fee in the amount of \$1,500 [or such increased fee as the Municipal Code of the City of Hobart may prescribe in each future year during the abatement period] for the services of the City's financial consultant in reviewing the documents and supporting information submitted by the applicant or party holding a personal property abatement, to determine whether the minimum assessed valuation requirements and the resulting personal property tax payments of the abatement have been satisfied."

(iv) The material representations and agreements made by the Company and contained in its Application for Tax Abatement, forms SB-1, CF-1, and all exhibits and schedules attached thereto or referenced therein shall be deemed to be incorporated into this Agreement by reference and made an integral part hereof.

e. Commitment to Remain in Hobart. The Company promises to maintain its current facilities, including the new equipment in the City of Hobart, from the taking effect of this agreement through December 31, 2032.

f. Other Representations of the Company. The Company hereby makes the following representations and warranties, and acknowledges and agrees that such representations and warranties have been material to the City Parties' decisions to enter into this Agreement, and further agrees that each representation and warranty shall be true, accurate and complete as of the execution of this Agreement and throughout its term:

(i) The Company is an Indiana Limited Liability Company validly organized and existing under the laws of the State of Indiana;

(ii) All necessary action has been taken to authorize the Company's execution of this Agreement; the Company possesses the requisite power to enter into this Agreement and all other agreements contemplated hereby, and to perform its obligations hereunder; and this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights heretofore or hereafter enacted and subject to the exercise of judicial discretion in accordance with general principles of equity;

(iii) Neither the execution and delivery by the Company of this Agreement, the consummation of the transactions contemplated herein, nor compliance with the provisions hereof violates, breaches, contravenes, conflicts with, or causes a default under any provision of the Articles of Organization, Operating Agreement or any shareholder agreement of the

Company or any provision of any existing note, bond, mortgage, debenture, indenture, trust, license, lease, instrument, decree, order, judgment or agreement to which the Company is a party or by which it or its assets may be bound or affected;

(iv) No litigation or proceeding in any court or before any other governmental authority or other person or entity is currently pending or, to the best knowledge of the Company, threatened, which seeks to enjoin the Company from entering into this Agreement or any of the transactions contemplated hereby; and

(v) The Company is entering into this Agreement for the sole purpose of providing for the development of the Acquisition and installation of the New Equipment on the site described above subject to and in accordance with the terms and conditions of this Agreement.

**4. Imposition of Sanctions.** Upon the grant of the personal property tax abatement (deduction) by the Council described in Section 2, above, and from and after their implementation by the taxing authorities of Lake County, in whole or in part, and such grant results in the reduction of the amount of such personal property taxes for which the Company would otherwise have been liable in any year in which such deduction or deductions were in effect, then the Company, its successors by merger or acquisition, or its assigns shall be subject to the following sanctions, in the form of the cash repayment to the City in an amount equal to the actual amount of the reduction of the real and personal property tax deductions granted herein, multiplied by the percentage of the sanction specified upon the occurrence of any one or more than one of the events stated below in Sub-Section (a):

a. Events Requiring Imposition of Sanctions. The City may, at its sole discretion, determine the cash payment to be made by the Company as a sanction upon the occurrence of any one or more than one of the following events:

(i) The closure or suspension of manufacturing operations in the Group's manufacturing facility, including the New Equipment, for a period of more than 180 consecutive days during the term of this agreement;

(ii) The seizure, attachment or foreclosure of the facility which results in suspension or cessation of manufacturing operations for a period of more than 180 consecutive days during the term of this agreement.

(iii) Failure to comply with the employment commitment contained in Section 3 (a) of this Agreement; and

(iv) Failure to comply with the tax payment and appeals provisions contained in Section 3 of this Agreement.

b. Amount of Sanctions to be Applied.

(i) *Employment.* The total number of employment positions at the Group’s manufacturing facility will be reported by the Company pursuant to Section 3 (b), and also on its Form CF-1, which is filed with the City in the Spring of the subsequent year, and will be used by the Common Council of the City to judge compliance with that employment commitment contained in Section 3 (a). Any sanction that is imposed will be applied to reduce the saving in personal property taxes for the year reported, due and payable in the following year. No sanctions will be applied for failure to comply with the employment commitment for the period between the taking effect of this Agreement and the commissioning of the New Equipment as described in Section 3 (b). The sanction to be applied for failure to meet the Company’s employment commitment will be determined as follows:

Percentage (and number) of the Promised Total of New Jobs Actually Reported for Each Year during the Abatement Period Beginning with Tax Payable Year 2023 through Tax Payable Year 2032	Sanction: (% of abatement savings actually received for reported year of deduction period to be repaid in cash to City)
100 % to 95% (59 to 56)	0
94% to 90% (55 to 53)	15%
89% to 85% (52 to 50)	30%

After tax year 2031 payable in 2032 (employment reporting year 2033), there shall be no sanctions applied to abatement of personal property taxes.

(ii) *Payments and Appeals.* Violation of the requirements contained in Section 3 (d) on Payments and Appeals may result in the imposition by the Common Council of the City of a repayment by the Company to the City in cash in an amount to be determined by the Council, not to exceed the actual amount of tax abatement saving for personal property taxes for the year or years appealed up to or equal to the full amount of the tax reduction sought by the Company through the appeal, provided the Company seeks reduction below the anticipated assessed value in Section 3 (e) (i).

(iii) *Closure, Suspension of Operations, Sale, Seizure, Foreclosure or Attachment of the New Equipment.* In the event of the occurrence of any one or more than one of the events described in Section 4 (a) (i) & (ii) above, the Common Council of the City, in its sole

discretion, may reduce, suspend or terminate the amount of the personal property deductions granted pursuant to this Agreement. Any such reduction, suspension or termination shall be effective as of the date of such determination and shall not apply retroactively to any personal property deductions granted pursuant to this Agreement.

c. Terms and Manner of Payment. When the City determines that sanctions under this section are due from the Company, the City Clerk-Treasurer shall prepare a written invoice containing the amount due and a description of the method used in determining said amount, and shall transmit such invoice to the person or persons in the Company designated to receive notices and demands under Section 16 of this Agreement. The full amount of the invoice is due fifteen (15) days from the date of receipt, and payment shall be made to the Clerk-Treasurer, City of Hobart, 414 Main Street, Hobart, Indiana 46342. The determination of the City with respect to sanctions under this section shall be final and binding.

d. Termination of Section 4. The effectiveness of the provisions of this Section 4 shall expire December 31, 2032.

**5. Material Consideration.** The Company acknowledges and agrees that its agreements to perform and abide by the covenants and obligations set forth in this Agreement are material consideration for the commitments of the City Parties to perform and abide by their covenants and obligations contained in this Agreement.

**6. Mutual Assistance.**

a. The Parties agree, subject to further proceedings required by law, to take such actions, including the execution and delivery of such reports, documents, instruments, petitions and certifications as may be necessary or appropriate in good faith, 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.

b. If approved by the Indiana Department of Transportation (INDOT), the Company agrees to support the placement of a signalized intersection to its manufacturing and retail facility at 5441 East Lincoln Highway by paying one-half of the cost thereof which is not paid by INDOT in an amount not to exceed \$100,000.00. The City agrees to pay the remaining amount. Such payment by the Company shall be in addition to all other payments required by the Company under this Agreement.

**7. Cooperation.** In the event of any administrative, legal or equitable action or other proceeding instituted by any person not a party to this Agreement challenging its validity or the validity of any provision thereof, the Parties shall cooperate in defending such action or proceeding to settlement or final judgment including all appeals. Each Party shall select its own

legal counsel and retain such counsel at its own expense, and in no event shall the City Parties be required to bear the fees and costs of the Company's attorneys nor shall the Company be required to bear the fees and costs of the City Parties' attorneys. The Parties agree that this Section shall constitute a separate agreement entered into concurrently with this Agreement, and that, if any other provision of this Agreement, or this Agreement as a whole is invalidated, rendered null, or set aside by a court of competent jurisdiction, the Parties agree to be bound by the terms of this Section, which shall survive such invalidation, nullification, or setting aside.

**8. Enforcement and Attorney Fees.** The provisions of this agreement may be enforced by either of the City Parties or the Company through any and all remedies available at law or in equity. In the event of any litigation or arbitration between or among the Parties regarding an alleged breach of this Agreement, the prevailing party will be entitled to recover its reasonable attorney fees and expenses of litigation.

**9. No Agency, Joint Venture or Partnership.** It is specifically understood and agreed to by and between the Parties that the New Equipment acquisition and installation by the Company is a private development. The City Parties and the Company hereby renounce the existence of any form of agency relationship, joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between the Parties.

**10. Conflict of Interest; Representatives of City Parties Not Individually Liable.** No member, official, or employee of the City Parties shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No member, official, or employee of the City Parties shall be personally liable to the Company or to any successor in interest, in the event of any default or breach by the City Parties or for any amount which may become due to the Company or their successors or assigns, on any obligations under the terms of the Agreement. No member, employee or agent of the Company or the Company's successors shall be personally liable to the City Parties or to each other under this Agreement.

**11. Future Acts and Good Faith.** The Parties acknowledge and understand that (a) the Parties must take future actions to implement and maintain their respective obligations under this Agreement, and (b) certain of the representations, performance of the covenants, and agreements of the City Parties are subject to and contingent upon compliance with and completion of applicable statutory and administrative procedures, including, without limitation, any applicable public notice and public hearing requirements, official actions by governing bodies, and any remonstrance and appeal rights. Subject to compliance with and to the fullest extent permitted by applicable laws, each of the City Parties covenants that it shall diligently pursue and use its best efforts to do all things lawfully within its power, to take such future actions and to comply with all applicable statutory and administrative proceedings at such times and in such manner as to effectuate and implement the provisions and intent of this Agreement to the fullest extent possible in accordance with the time limits set forth herein, time being of the essence.

**12. Waiver of Jury Trial.** The parties acknowledge that disputes arising under this Agreement are likely to be complex and they desire to streamline and minimize the cost of resolving same. Each party irrevocably waives the right to trial by jury in any action, counterclaim, and dispute or proceeding based upon, or related to the subject matter of this Agreement. This waiver applies to all claims against all parties to such actions and proceedings. This waiver is knowingly, intentionally and voluntarily made by all parties.

**13. Severability.** If any one or more than one of the covenants, terms or conditions of this Agreement should be determined by a court of competent jurisdiction to be unenforceable or contrary to law, such covenant, term or condition shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and the remaining provisions of this Agreement shall be given effect to the extent practicable. Notwithstanding the foregoing, in the event any provision of this Agreement is determined to be invalid under any applicable law and therefore deemed void hereunder, and such voided provision prevents the Company or the City Parties from realizing the intended benefits of this Agreement, then the Company and the City Parties agree to modify this Agreement in a manner that allows each of the Parties to realize the originally intended benefits of this Agreement to the greatest extent possible. If the Agreement cannot be so modified or amended to allow the Parties to realize the originally intended benefits of this Agreement, then the Company and the City Parties shall have the right to terminate this Agreement and upon such termination all rights and obligations under this Agreement shall be extinguished, and the Parties agree to execute such releases or other evidence of the extinguishment of such obligations as may be necessary.

**14. No Other Agreement.** With the exception of any written side agreements between the Company and the City concerning the reimbursement of expenses incurred by the City Parties prior to the execution of this Agreement, and 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.

**15. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Any telecopied or digitally transmitted version of a manually executed original shall be deemed a manually executed original.

**16. Notices and Demands.** A notice, demand, or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and in the case of the Company, is addressed to or delivered personally to:

Company: Tess Albanese  
Co-President  
Paine, LLC  
5441 East Lincoln Highway  
Merrillville, Indiana 46410

With a copy to: Bethany Albanese  
James Dragon

5441 East Lincoln Highway  
Merrillville, Indiana 46410

In the case of the City Parties or either of them addressed to or delivered personally to:

City: Mayor Brian K. Snedecor  
City of Hobart  
414 Main Street  
Hobart, IN 46342

With copies to: Denarie Kane  
Director of Development,  
City of Hobart  
414 Main Street  
Hobart, IN 46342

Anthony DeBonis, Jr.  
City Attorney  
Anthony DeBonis, Jr. & Associates  
214 Main Street  
Hobart, IN 46342  
Attn: Anthony DeBonis, Jr.

or at such other address with respect to such Party as that Party may, from time to time, designate in writing and forward to the other parties as provided in this section.

**17. Governing Law.** This Agreement shall be construed and enforced under the laws of the State of Indiana. The Parties agree to submit to the exclusive jurisdiction and venue of the courts of the State of Indiana sitting in Lake County, Indiana and the U.S. District Court for the Northern District of Indiana, Hammond Division.

**18. Authority.** The undersigned persons executing and delivering this Agreement on behalf of each of the Parties represent and certify that they are the duly authorized officers of such Party and have been fully empowered to execute and deliver this Agreement on behalf of such Party and that all necessary actions to execute and deliver this Agreement have been taken by such Party.

**19. No Third-Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon any person, firm, or corporation other than the parties hereto and their respective successors or assigns, any remedy or claim under or by reason of this Agreement or any term, covenant, or condition hereof, as third-party beneficiaries or otherwise, and all of the terms, covenants, and conditions hereof shall be for the sole and exclusive benefit of the Parties.

**20. Assignment.** Upon written consent of the City Parties, the Company may assign its rights and obligations under this Agreement to another party capable of performing all

covenants and terms of this Agreement binding upon the Company. Such consent shall not, in such case, be unreasonably withheld, conditioned or delayed.

**21. Amendments.** This Agreement may be amended from time to time, in whole or in part, only by a written agreement executed by the parties and adopted in like manner as this Agreement.

**22. Default.** Any material failure by any Party to perform any term or provision of this Agreement, which failure continues uncured for a period of thirty (30) days following written notice of such failure provided to the defaulting party from another Party, unless such period is extended by written mutual consent (but any extension is at the non-defaulting Party's sole discretion), shall constitute a default under this Agreement ("Default"). Any notice given pursuant to the preceding sentence shall specify the nature of the alleged failure and, where appropriate, the manner in which said failure satisfactorily may be cured. If the nature of the alleged failure is such that it cannot reasonably be cured within such thirty-day period (provided economic considerations may not be a factor in such delay), then the commencement of the cure within such time period, and the diligent prosecution to completion of the cure thereafter, shall be deemed to be a cure within such applicable period. Upon the occurrence of a Default, a non-defaulting Party may institute legal proceedings at law or in equity (including any action to compel specific performance) to enforce the observance and performance of any covenant, condition, obligation, or agreement of the defaulting party under this Agreement; provided, that, in no event shall any Party have the right to terminate this Agreement. If the Default is cured, then no Default shall exist and the noticing Party shall take no further action.

**23. Permitted Delays.** The parties shall use all due diligence and take all necessary measures in good faith to perform their respective obligations under this Agreement. If a party's performance of an obligation imposed by this Agreement is delayed or prevented by reason of acts of God, war, civil commotion, riots, destruction or significant damage to the Company's facility or damage to work in progress by reason of fire, flood, or severe weather events, (collectively, "Permitted Causes"), then the time for performance of the obligation required by this Agreement shall be extended by the time of the delay actually caused by such Causes. If (i) there should arise any Permitted Cause for which Company or the City are entitled to delay performance under this Agreement and (ii) Company or the City anticipate that such Permitted Cause will result in a delay in their performance under this Agreement, then Company or the City, as the case may be, agree to provide written notice to the other parties of this Agreement of the nature and the anticipated length of such delay.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PAINE, LLC,  
an Indiana Limited Liability Company ("Company")

By: \_\_\_\_\_  
TESS ALBANESE, Co-President

CITY OF HOBART, INDIANA (“CITY”),  
an Indiana Municipal Corporation

By: \_\_\_\_\_  
BRIAN K. SNEDECOR, Mayor

ATTEST: \_\_\_\_\_  
DEBORAH A. LONGER, Clerk-Treasurer

CITY OF HOBART BOARD OF PUBLIC  
WORKS AND SAFETY (“Board”):

\_\_\_\_\_  
BRIAN K. SNEDECOR, Presiding Officer

\_\_\_\_\_  
THOMAS EHRHARDT, Member

\_\_\_\_\_  
RICH LAIN, Member

ATTEST: \_\_\_\_\_  
DEBORAH A. LONGER, Clerk-Treasurer

STATE OF INDIANA        )  
                                  ) ss:  
LAKE COUNTY             )

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared Tess Albanese, President of Paine, LLC, a party to the above instrument and a person known to me, who acknowledged execution of same in such capacity, as his free and voluntary act, for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this \_\_\_\_\_ day of April, 2019.

\_\_\_\_\_  
Notary Public

Name Printed: \_\_\_\_\_

S E A L

County of Residence: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF INDIANA        )  
                                  ) ss:  
LAKE COUNTY             )

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared BRIAN K. SNEDECOR and DEBORAH A. LONGER, Mayor-Presiding Officer of the City of Hobart Board of Public Works and Safety and Clerk-Treasurer of the City of Hobart, Indiana, respectively, signatories to the above instrument and persons known to me, who acknowledged execution of same in such capacities on behalf of said City, as their free and voluntary acts, for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this \_\_\_\_\_ day of April, 2019.

\_\_\_\_\_  
Notary Public

Name Printed: \_\_\_\_\_

S E A L

County of Residence: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF INDIANA        )  
                                  ) ss:  
LAKE COUNTY             )

BEFORE ME, a duly appointed Notary Public in and for said county and state, appeared THOMAS EHRHARDT and RICH LAIN, Members of the Board of Public Works and Safety of the City of Hobart, Indiana, signatories to the above instrument and persons known to me, who acknowledged execution of same in such capacities on behalf of said Board, as their free and voluntary acts, for the uses and purposes stated therein.

IN WITNESS WHEREOF, I have affixed my signature and official seal on this \_\_\_\_\_ day of April, 2019.

\_\_\_\_\_  
Notary Public

Name Printed: \_\_\_\_\_

S E A L

County of Residence: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

I affirm under the penalty for perjury that I have taken reasonable care to redact each Social Security number in this document unless required by law. Anthony DeBonis, Jr.

*This Instrument prepared by Anthony DeBonis, Jr., Hobart City Attorney,  
ANTHONY DeBONIS, JR. & ASSOCIATES ATTORNEYS AT LAW, LLC,  
214 Main Street, Hobart, Indiana 46342  
(219) 940-9963; Facsimile (219) 940-9965*

EXHIBIT "A"

New Equipment Description, Estimated Time of Installation and Cost

Est. In Service Date	UPDATED In Service Date	Manufacturing Equipment	Actual cost	Est. Cost
<b>Chocolate Production Equipment (2019 - 2021)</b>				
12/31/2021		Chocolate Enrober Automating Packing System		\$350,000
12/31/2021		Palletizing System		\$825,000
<b>Gummy Candy Depositing Line B (Used to Deposit Candy Mass into Starch Trays)</b>				
4/6/2020		Mogul System (Includes Depositor, Track System)		\$3,500,000
4/6/2020		Starch conditioning System (Including: Dryer/Collet/All Augurs)		\$2,100,000
4/6/2020		Complete Candy Kitchen		\$2,658,000
4/6/2020		Starch Sifter		\$85,000
4/6/2020		Candy Conditioning System (Including: Sanding Drum/Oil Drum/Sand Dispensing System)		\$475,000
4/6/2020		Conditioning Rooms for Candy		\$2,150,000
4/6/2020		Dust Collector (Including: Ductwork/Safety Controls)		\$525,000
<b>Gummy Candy Depositing Line 5 Installation Costs</b>				
4/6/2020		Gummy Depositing Line OEM Commissioning Support		\$500,000
4/6/2020		Mechanical Equipment Installation Costs (Installation of all Equipment) (Labor and Materials)		\$950,000
4/6/2020		Mechanical Installation Costs (Piping, ductwork, etc. for all Equipment) (Labor and Materials)		\$2,000,000
4/6/2020		Electrical Installation Costs for all Equipment (Labor and Materials)		\$2,350,000
4/6/2020		Pipe/Duct Insulation costs (Labor and Materials)		\$400,000
<b>Gummy Candy Support Equipment/Services (Line 5)</b>				
4/6/2020		Freight Cost for Equipment Delivery		\$275,000
4/6/2020		Tooling for Gummy shapes		\$200,000
4/6/2020		Misc Kitchen Support Items (Hoists, Flavor tanks, etc.)		\$275,000
4/6/2020		Conveyors to move Gummies from Mogul to Conditioning Area		\$250,000
4/6/2020		Sorting Machine for Production Line		\$600,000
4/6/2020		Conveyors to Move Gummies from Conditioning to Packaging Area		\$550,000
<b>Packaging Equipment for Gummy Candy (Line 5)</b>				
4/6/2020		Bagger/Scale System Large Bags (Vertical bagger)		\$1,500,000
4/6/2020		Bagger/Scale System Small Bags (Horizontal bagger)		\$1,500,000
4/6/2020		Conveyors for Candy Bags and Boxes		\$752,850
4/6/2020		Case Packing Systems for the 2 bagging lines		\$1,200,000
4/6/2020		Palletizing System		\$350,000
<b>Chocolate Production Equipment (2019 - 2021)</b>				
10/4/2021		Mogul System (Includes Depositor, Track System)		\$3,500,000
10/4/2021		Starch conditioning System (Including: Dryer/Collet/All Augurs)		\$2,100,000
10/4/2021		Complete Candy Kitchen		\$2,658,000
10/4/2021		Starch Sifter		\$85,000
10/4/2021		Candy Conditioning System (Including: Sanding Drum/Oil Drum/Sand Dispensing System)		\$475,000
10/4/2021		Conditioning Rooms for Candy		\$2,150,000
10/4/2021		Dust Collector (Including: Ductwork/Safety Controls)		\$525,000
<b>Gummy Depositing Line OEM Commissioning Support</b>				
10/4/2021		Gummy Depositing Line OEM Commissioning Support		\$500,000
10/4/2021		Mechanical Equipment Installation Costs (Installation of all Equipment) (Labor and Materials)		\$950,000
10/4/2021		Mechanical Installation Costs (Piping, ductwork, etc. for all Equipment) (Labor and Materials)		\$2,000,000
10/4/2021		Electrical Installation Costs for all Equipment (Labor and Materials)		\$2,350,000
10/4/2021		Pipe/Duct Insulation costs (Labor and Materials)		\$400,000
<b>Gummy Candy Support Equipment/Services (Line 5)</b>				
10/4/2021		Freight Cost for Equipment Delivery		\$275,000
10/4/2021		Tooling for Gummy shapes		\$200,000
10/4/2021		Misc Kitchen Support Items (Hoists, Flavor tanks, etc.)		\$275,000
10/4/2021		Conveyors to move Gummies from Mogul to Conditioning Area		\$250,000
10/4/2021		Sorting Machine for Production Line		\$600,000
10/4/2021		Conveyors to Move Gummies from Conditioning to Packaging Area		\$550,000
<b>Packaging Equipment for Gummy Candy (Line 5)</b>				
10/4/2021		Bagger/Scale System Large Bags (Vertical bagger)		\$1,500,000
10/4/2021		Bagger/Scale System Small Bags (Horizontal bagger)		\$1,500,000
10/4/2021		Conveyors for Candy Bags and Boxes		\$752,850
10/4/2021		Case Packing Systems for the 2 bagging lines		\$1,200,000
10/4/2021		Palletizing System		\$350,000
<b>Other Equipment and Building Projects</b>				
8/1/2019		Air Compressors and related equipment to provide Compressed Air for producing Gummy Candy		\$2,000,000
8/1/2021		Corn Syrup Storage Tank (Install cost, Piping, etc.)		\$450,000
6/1/2019		Additional 2 Boilers for Gummy Production Support (Boilers, Piping, Install costs)		\$600,000
4/1/2020		Make Up Air Units		\$750,000
9/1/2019		Chiller for Making Chilled Water (Equipment, Piping, Pumps, Install costs)		\$1,000,000
9/1/2019		Domestic Hot Water System (Equipment, Piping, Install costs)		\$300,000
9/1/2019		Roof Top Units for New Production Area (Equipment, Ducting, Install Costs)		\$350,000
7/31/2019		Mezz Structure for D115/16 and All packaging Equipment		\$2,000,000
5/1/2020		D115/16 Scrap Dust Collector System		\$450,000
				\$59,266,700

EXHIBIT "B"

Analysis by Baker Tilly Verchow Krause, LLP  
March 7, 2019



now joined with Umbaugh

Baker Tilly Verchow Krause, LLP  
8365 Keystone Crossing, Ste 300  
Indianapolis, IN 46240

T: +1 (317) 465 1500  
F: +1 (317) 465 1550

[bakertilly.com](http://bakertilly.com)

March 7, 2019

Ms. Denarie Kane, Director of Development  
City of Hobart  
414 Main Street  
Hobart, Indiana 46324

Re: Proposed Property Tax Abatement Analysis – Paine LLC

Dear Ms. Kane:

The attached schedules (listed below) present unaudited and limited information for the purpose of discussion and consideration in the preliminary planning stage of the proposed property tax abatement by the appropriate officers, officials and advisors of the City of Hobart. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.

<u>Page</u>	
2	Assumptions
3	Estimated Property Tax Liability for the Proposed Investment in Personal Property

In the preparation of these schedules, certain assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion thereon nor do we have a responsibility to prepare subsequent reports.

We would appreciate your questions or comments on this information and would provide additional information upon request.

Very truly yours,

BAKER TILLY  
MUNICIPAL ADVISORS, LLC

A handwritten signature in black ink, appearing to read "Matthew R. Eckerle".

Matthew R. Eckerle

CITY OF HOBART, INDIANA

Paine LLC

**ASSUMPTIONS**

The following investment assumptions are based on information provided by company representatives

	<u>Estimated Cost</u>
<b>Depreciable Personal Property:</b>	
Proposed Investment (1)	
Pool #2 (2)	
- First assessed January 1, 2020 for taxes payable in 2021	\$6,250,000
- First assessed January 1, 2021 for taxes payable in 2022	26,545,850
- First assessed January 1, 2022 for taxes payable in 2023	<u>26,470,850</u>
<b>Total Investment</b>	<u><u>\$59,266,700</u></u>

- (1) Per investment information provided by Hancock Enterprises, LLC.
- (2) For the purposes of this analysis, it has been assumed that the equipment will be purchased as new and be depreciated in Pool # 2 (5- 8 year useful life) for property tax purposes. Once installed, the Company may report the depreciation in a different pool, which may have a material effect on the resulting tax increment calculations. No assumption has been made for future equipment retirement/replacement.

<b>Property Tax Rates</b>	
Certified Pay 2019 Tax Rate	
- Hobart-Ross Township Taxing district	\$2.9522

Note: Indiana Code 6-1.1-20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property (the "Circuit Breaker Tax Credit"). For commercial and industrial property, the Circuit Breaker Tax Credit reduces a taxpayer's tax liability to 3% of their property's gross assessed value. The Indiana property tax caps, in combination with other potential future changes, such as increases in budgets and tax rates of overlapping taxing units, a loss of a major taxpayer, the adoption of local option income tax for property tax relief purposes, or future changes in Indiana property tax law and regulations, could affect the actual assessed value of the proposed development and the applicable property tax rates, and cause the actual property tax liability to differ significantly from the estimates shown in these schedules.

