

RESOLUTION DECLARING AN ECONOMIC REVITALIZATION AREA FOR PURPOSES OF APPROVING DEDUCTION FROM ASSESSED VALUE OF REAL PROPERTY IMPROVEMENTS FOR ARIZONA MARICOPA ASSOCIATES, LLC, AN ARIZONA LIMITED LIABILITY COMPANY ON BEHALF OF PROGRESS RAIL MANUFACTURING CORPORATION, FORMERLY PRL, INC.  
(Real Estate)

WHEREAS, the Indiana General Assembly has enacted a statute, I.C. 6-6.1-12.1 (the "Act"), authorizing certain deductions from the assessed value of new real property improvements (as defined in the Act) for the purpose of allowing partial abatement of real estate property taxes attributable to redevelopment or rehabilitation in an area that is to be declared an economic revitalization area during the period beginning March 1, 1983 and ending December 31, 2011; and

WHEREAS, the Arizona Maricopa Associates, LLC, an Arizona limited liability company (Arizona) will undertake construction of new real property improvements on behalf of Progress Rail Manufacturing Corporation, formerly PRL, Inc. (Progress Rail) including internal structure buildout, new building construction, rail/infrastructure improvements and existing building improvements all valued at \$16,152,000 on property located at 3500 South Cowan Road, in Center Township, Delaware County, Indiana and described on the attached map and legal description; and

WHEREAS, by passage of this resolution, the aforementioned area will be declared and affirmed as an economic revitalization area, which will authorize deductions from assessed value of new real property construction and/or improvements made in the area for purposes of taxation; and

WHEREAS, as a condition of approval of the ensuing abatement, Progress Rail agrees to update the County Council on a semi-annual basis with regard to the status of employment at the new facility during the term of the life of the abatement.


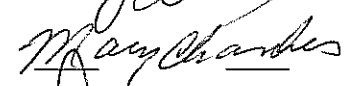
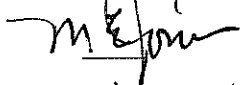
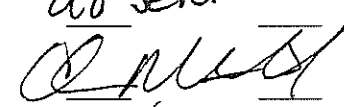
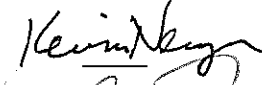
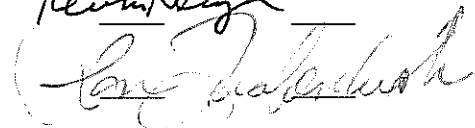
NOW, THEREFORE, BE IT RESOLVED by the County Council of the County of Delaware in the State of Indiana:

1. The Delaware County Council finds and determines that the area described in this Resolution meets the qualifications for an economic revitalization area for the purposed of I.C. 6-1-12.1-3(e)(11)(A).


2. The Delaware County Council further finds that the new construction to be undertaken in the above described period beginning March 1, 1983 and ending December 31, 2011, by Mitsui on behalf of Progress Rail shall be allowed a deduction from the assessed value of said improvements for ten (10) years in accordance with the provisions of I.C. 6-1.1-12.1-1 et. seq.


construction for purposes of allowing a deduction from the assessed value of said improvements for ten (10) years in accordance with I.C. 6-1.1-12.1-4.

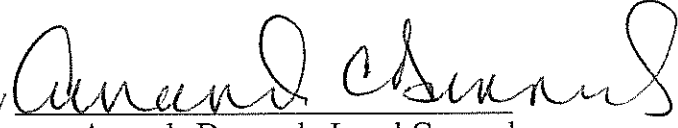
4. This Resolution shall be in full force and effect from and after its passage by the Delaware County Council and such publications as may be required by law.

	Yeas	Nays	Abstained	Absent
Ted Bowman			___	___
Mary Chambers			___	___
Mike Jones		___	___	___
James King	<u>absent</u>	___	___	___
Chris Matchett		___	___	___
Kevin Nemyer		___	___	___
Ron Quakenbush		___	___	___

Passed by the County Council of Delaware County, Indiana this 23 day of November, 2010.

  
 Chris Matchett, President  
 Delaware County Council

ATTEST:  
  
 Judy Rust, Auditor  
 Delaware County Indiana

This Resolution is approved in form by   
 Amanda Dunnuck, Legal Counsel  
 Delaware County Council



**STATEMENT OF BENEFITS  
REAL ESTATE IMPROVEMENTS**

State Form 51767 (R2 / 1-07)  
Prescribed by the Department of Local Government Finance

20 ____ PAY 20 ____
FORM SB-1 / Real Property

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
- Eligible vacant building (IC 6-1.1-12.1-4.8)

**INSTRUCTIONS:**

- 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** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, **BEFORE** a deduction may be approved.
- To obtain a deduction, application Form 322 ERA/RE or Form 322 ERA/VBD, whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)]
- The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.

**SECTION 1 TAXPAYER INFORMATION**

Name of taxpayer  
**Arizona Maricopa Associates, L.L.C., an Arizona limited liability company**

Address of taxpayer (number and street, city, state, and ZIP code)  
**807 East Mission Rd, San Marcos, CA 92069**

Name of contact person <b>Tina Lovato</b>	Telephone number <b>(760) 744-9040</b>	E-mail address <b>tlovato@hilltopgroupinc.com</b>
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**SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT**

Name of designating body <b>Delaware County, Indiana</b>	Resolution number
Location of property <b>3500 South Cowan Road, Muncie, IN 47302</b>	County <b>Delaware</b>
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) <b>Rehab of internal structure for buildout of locomotive engines. \$1,952,000 in new building construction, \$2,200,000 in rail/infrastructure costs and \$12,000,000 in existing building improvements.</b>	Estimated start date (month, day, year) <b>01/01/2011</b>
	Estimated completion date (month, day, year) <b>12/31/2025</b>

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
0.00	\$0.00	0.00	\$0.00	650.00	\$30,460,000.00

**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.	REAL ESTATE IMPROVEMENTS	
	COST	ASSESSED VALUE
	Current values	
	Plus estimated values of proposed project	16,152,000.00
	Less values of any property being replaced	
Net estimated values upon completion of project		

**SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER**

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

**SECTION 6 TAXPAYER CERTIFICATION**

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

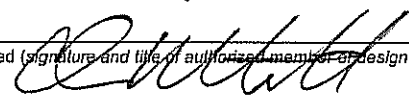
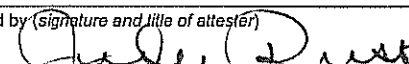
Signature of authorized representative 	Title <b>Manager</b>	Date signed (month, day, year) <b>11-17-10</b>
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**FOR USE OF THE DESIGNATING BODY**

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, provides for the following limitations:

- A. The designated area has been limited to a period of time not to exceed \_\_\_\_\_ calendar years \* (see below). The date this designation expires is \_\_\_\_\_.
- B. The type of deduction that is allowed in the designated area is limited to:
- |  |                              |                             |
|--|------------------------------|-----------------------------|
| 1. Redevelopment or rehabilitation of real estate improvements | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Residentially distressed areas                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Occupancy of a vacant building                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
- C. The amount of the deduction applicable is limited to \$ \_\_\_\_\_.
- D. Other limitations or conditions (specify) \_\_\_\_\_
- E. The deduction is allowed for \_\_\_\_\_ years\* (see below).

We have also 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 of designating body) 	Telephone number	Date signed (month, day, year) 11-23-10
Attested by (signature and title of attester) 	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 6-1.12-12.1-4.

- A. For residentially distressed areas, the deduction period may not exceed five (5) years.
- B. For redevelopment and rehabilitation or real estate improvements:
1. If the Economic Revitalization Area was designated prior to July 1, 2000, the deduction period is limited to three (3), six (6), or ten (10) years.
  2. If the Economic Revitalization Area was designated after June 20, 2000, the deduction period may not exceed ten (10) years.
- C. For vacant buildings, the deduction period may not exceed two (2) years.

**APPLICATION FOR TAX ABATEMENT  
REAL PROPERTY**

This completed application, including a map identifying the general location of the facility, should be signed by the owner (or representative) of the new building and submitted to:

**Delaware County Council  
c/o Bruce Baldwin, Vision 2011  
P.O. Box 842  
Muncie, IN 47308-0842  
PH: 765.751.9104  
Please type or print.**

Date: 11/16/10 Name of Company: Arizona Maricopa Associates, L.L.C. on behalf of Progress Rail Manufacturing Corporation, formerly PRL, Inc.

Address of Property: 3500 South Cowan Road Muncie, IN 47302

Township: Center

Current Zoning: IP Industrial Park Zone

Is legal description attached? Yes \_\_\_\_\_ No X (If possible, please provide at time of application.)

Property Owner (s):

Name: Arizona Maricopa Associates, L.L.C., an Arizona limited liability company

Address: 807 EAST MISSION RD  
SAN MARCOS, CA 92069

Owner's Representative: Hilltop Group, Inc.

Address: c/o Tina Lovato  
807 East Mission Road  
San Marcos, CA 92069

Telephone (760) 744-9040

Is property / facility served by adequate utilities?

Yes X No \_\_\_\_\_

Are present utilities adequate for new improvements?

Yes X No \_\_\_\_\_

If not, please explain:

Describe the new physical improvements that will be made on the property, how the new property will be used, and the projected cost:

Rehab of internal structure for buildout of locomotive engines. \$1,952,000 in new building construction, \$2,200,000 in rail/infrastructure improvements, and \$11,500,000 in existing building improvements in 2011 and \$500,000 in existing building improvements in 2012.

**REAL PROPERTY TAX ABATEMENT APPLICATION - PAGE 2**

Tax Assessment and Payment:

Amount of last real property assessment: \$ \_\_\_\_\_

Amount of last real property taxes: \$ \_\_\_\_\_

**(Please attach a copy of your latest paid tax receipts to this form)**

Total number of employees currently working for the company: 4,494 \_\_\_\_\_; At this facility? 0

Number of Minorities: N/A; Number of Females: N/A; Number of Disabled: N/A

What percentage of employees are Delaware County Residents? N/A %

Number of new employees to be added at this facility as a result of abatement: 650:

Actual (+-) jobs: +650

**Fringe Benefits:** Health Insurance (Y or N) Y; % paid by employer: 85% \_\_\_\_\_

% paid by employee: 15% \_\_\_\_\_

Pension: (Y or N) N; % paid by employer: N/A; % paid by employee: N/A

**Wage Package:** Starting Wage: \$ \_\_\_\_\_; High Wage: \$ \_\_\_\_\_; Average Wage: Year one: \$20.62/hr.  
Year 15: \$31.19/hr.

Job skill of new employees / entry level skill:

Analysts, technicians, manufacturing engineers, quality engineers, product engineers, facility engineers, production line assembly, equipment and facility maintenance.

Current average expected wage for jobs resulting from abatement (range): \$20.62/ hr. - \$31.19/hr.

Number of jobs retained as a result of this project: N/A

I hereby certify that the information and representations on this application are true and complete.

Asie deFong \_\_\_\_\_ Manager \_\_\_\_\_ 11-17-10  
Name Title Date

**NOTICE: Your signature above indicates that you are aware that you must annually file both form CF-1 (Compliance with Statement of Benefits), and Form 322 ERA/PP (Application for Deduction from Assessed Valuation) by the dates indicated on the forms in order to actually receive your tax deduction.**

When submitting application for real estate property tax abatement, the following non-refundable fee schedule applies to cover administrative and processing expenses with payment to the Delaware County Treasurer.

Total Rehabilitation /

Application

Indiana Economic  
Development Corporation  
Incentives Application -  
Addendum

New Investment	2011	2012	2013	2014	2015	2016	2017	2018	2019
Calendar Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
New Building Construction	\$1,952,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Building Improvements	\$11,500,000	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Machinery and Equipment	\$13,200,000	\$3,800,000	\$4,200,000	\$3,500,000	\$2,800,000	\$4,550,000	\$5,600,000	\$4,200,000	\$5,600,000
New Computer / IT Hardware	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
On-Site Rail Infrastructure	\$2,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$29,352,000</b>	<b>\$4,300,000</b>	<b>\$4,200,000</b>	<b>\$3,500,000</b>	<b>\$2,800,000</b>	<b>\$4,550,000</b>	<b>\$5,600,000</b>	<b>\$4,200,000</b>	<b>\$5,600,000</b>

Public Infrastructure Needs (Off-site of project) \$350,000.00

Investment  
Summary  
Real Estate Construction/Improvements/  
Infrastructure

2011 \$15,652,000  
2012 500,000  
2012  
Total \$16,152,000

Indiana Economic  
Development Corporation  
Incentives Application -  
Addendum

New Investment Calendar Year	2020	2021	2022	2023	2024	2025	TOTAL
	Year '10	Year '11	Year '12	Year '13	Year '14	Year '15	
New Building Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$1,952,000
Existing Building Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000,000
New Machinery and Equipment	\$4,550,000	\$6,300,000	\$6,300,000	\$5,250,000	\$6,650,000	\$6,650,000	\$83,150,000
New Computer / IT Hardware	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
On-Site Rail Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$2,200,000
<b>TOTAL</b>	<b>\$4,550,000</b>	<b>\$6,300,000</b>	<b>\$6,300,000</b>	<b>\$5,250,000</b>	<b>\$6,650,000</b>	<b>\$6,650,000</b>	<b>\$99,802,000</b>

Public Infrastructure Needs (Off-site of project) \$350,000.00