

EXHIBIT A

**FILED**

MAR 2 9 2007

**CITY CLERK**

RESOLUTION NO. 6, 2007

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City of Terre Haute, Indiana, commonly identified as 1800 and 3181 North Fruitridge Avenue, as an Economic Revitalization Area for the Purposes of Personal Property Tax Abatement.

WHEREAS, a petition for ten (10) year personal property tax abatement has been filed with the Common Council of the City of Terre Haute requesting that the real property described therein be designated an Economic Revitalization Area for purposes of personal property tax abatement; and

WHEREAS, the petitioner, Sony Digital Audio Disc Corporation, has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council to make an informed decision, said information including a description of the real property which is commonly known as 1800 and 3181 North Fruitridge Avenue, and more particularly described as follows:

(See attached Exhibit A)

WHEREAS, the Common Council of the City of Terre Haute is authorized under the provisions of I.C. 6-1.1-12.1-1 et seq., to designate areas of the City as Economic Revitalization Areas for the purpose of tax abatement; and

WHEREAS, the Common Council of the City of Terre Haute has considered the Petition and Statement of Benefits and has conducted a complete and proper investigation of the subject property and neighborhood to determine that the area qualifies as an Economic Revitalization Area under Indiana statutes; and

WHEREAS, the Common Council has found the subject property to be an area where facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues; and

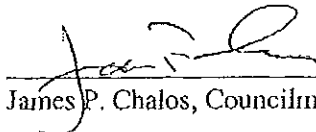
WHEREAS, the Common Council of the City of Terre Haute has found the request for personal property tax abatement to satisfy the requirements of Special Ordinance 11, 1997, as amended; and

WHEREAS, the petitioner estimates the investment to be made on the subject site will provide the opportunity to retain 1223 jobs with an annual payroll of \$53,285,000 and have an estimated value of \$59,647,300 for new manufacturing equipment.


NOW, THEREFORE, IT IS FOUND, DETERMINED AND RESOLVED by the Common Council of the City of Terre Haute that:

1. The petitioner's estimate of the cost of new manufacturing equipment to be installed is reasonable for manufacturing equipment of that type.
2. The petitioner's estimate of the number of individuals who will be retained and employed can reasonably be expected to result from the proposed installation of additional new manufacturing equipment.
3. The petitioner's estimate of the annual salaries or wages of the number of individuals who will be retained can reasonably be expected to result from the installation of new manufacturing equipment.
4. The totality of the benefits of the proposed installation of additional new manufacturing equipment is sufficient to justify a ten (10) year personal property tax deduction from assessed valuation to result therefrom under Indiana statutes, and each such deduction should be, and is hereby, allowed.
9. That the petition for designating the subject property as an Economic Revitalization Area for the purposes of ten (10) year personal property tax abatement and the Statement of Benefits are hereby approved, and the property is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.

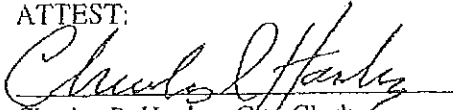
Presented by:

  
James P. Chalos, Councilman

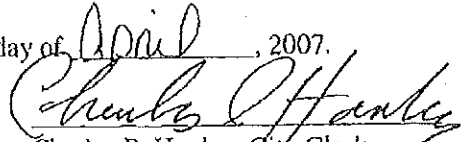
Passed in open Council this 12<sup>th</sup> day of April, 2007.

  
James P. Chalos, President  
Common Council of Terre  
Haute, Indiana

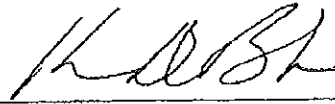
ATTEST:

  
Charles P. Hanley, City Clerk

Presented by me to the Mayor this 12th day of April, 2007.

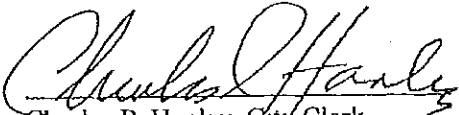
  
Charles P. Hanley, City Clerk

Approved by me this 12th day of April, 2007.



Kevin Burke, Mayor, City  
of Terre Haute

ATTEST:

  
Charles P. Hanley, City Clerk

PUBLIC HEARING held this 12th day of April, 2007.



James P. Chalos, President  
Common Council of Terre  
Haute, Indiana

This instrument was prepared by Richard J. Shagley, WRIGHT, SHAGLEY & LOWERY, 500  
Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448, (812) 232-3388.

EXHIBIT A  
LEGAL DESCRIPTION

A parcel of land described as follows: Beginning at the Northwest corner of the Northeast Quarter of Section 12, Township 12 North, Range 9 West in Harrison Township, Vigo County, Indiana; thence south 0 degrees 03 minutes 00 seconds West, 1,109.19 feet; thence North 89 degrees 97 minutes 98 seconds West, 990.00 feet; thence North 0 degrees 09 minutes 12 seconds East, 232.30 feet; thence North 89 degrees 97 minutes 98 seconds West, 109.73 feet; thence North 0 degrees 09 minutes 12 seconds East, 323.43 feet; thence North 89 degrees 97 minutes 29 seconds West, 318.09 feet; thence North 0 degrees 07 minutes 49 seconds East, 979.91 feet to the North Section line; thence South 88 degrees 11 minutes 99 seconds East, 977.10 feet, to the point of beginning.

Commonly known as 3181 N. Fruitridge Avenue, Terre Haute, Indiana.

AND

A parcel of land described as follows: Commencing at the Northwest corner of the Northeast ¼ (NE ¼) of Section 12, Township 12 North, Range 9 West, Harrison Township, Vigo County, Indiana, thence South 88 degrees 17 minutes 90 seconds East along centerline Fort Harrison Road 447.34 feet to the centerline of Aberdeen Avenue, South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 220.62 feet to the place of beginning. Thence South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 1349.38 feet to the North line extended of a tract as conveyed by Deed Record 388 Page 267-1 Records of Vigo County Recorder thence North 88 degrees 17 minutes 90 seconds West along and with the North line said tract 490.07 feet to the West line of the Northeast ¼ (NE ¼) said Section 12, North 00 degrees 03 minutes 90 seconds West along and with the West line of said Northeast ¼ (NE ¼) 1349.30 feet; South 88 degrees 17 minutes 90 seconds East 447.72 feet to the place of beginning and containing 13.898 acres, more or less.

Commonly known as 1800 N. Fruitridge Avenue, Terre Haute, Indiana.

FINAL ACTION BY COMMON COUNCIL OF THE  
CITY OF TERRE HAUTE, INDIANA REGARDING  
RESOLUTION NO. 6, 2007

WHEREAS, the Common Council of the City of Terre Haute, unanimously adopted Resolution No. 6, 2007 on the 12<sup>th</sup> day of April, 2007, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution, including a description of the effected area and notice that a description of the effected area is available for inspection in the office of the County Assessor and further stating a date which the Common Council would receive and hear remonstrances and objections; and

WHEREAS, the Common Council has conducted the hearing as required by law and has received no remonstrances or objections to designation of the effected area as an Economic Revitalization Area or to approval of the Statement of Benefits; and

WHEREAS, said matter is before the Common Council for final action pursuant to Indiana law; and

WHEREAS, the Common Council has received and examined, prior to said hearing, (i) a Statement of Benefits on the form prescribed by the State Board of Tax Commissioners and proper application for designation; (ii) an Agreement with the Board of Public Works for the City of Terre Haute; and (iii) has heard all appropriate evidence concerning the proposed project and is found and does find:

1. The age, deterioration and size of the existing manufacturing improvement and facilities on the subject real property render such to be technologically and economically obsolete and without redevelopment and rehabilitation may lead to decline in employment and tax revenues.
2. That the personal property tax abatement satisfies the requirements of Special Ordinance No. 11, 1997, as amended by the Common Council.
3. That the estimate of cost of the new manufacturing equipment is reasonable for equipment of that type.
4. That the estimate of individuals whose employment will be retained as a result of the installation of the new manufacturing equipment can reasonably be expected to result from the proposed project.
5. The estimate of annual salaries of those individuals whose employment will be retained and employed can reasonably be expected to result from the proposed installation of the new manufacturing equipment.

6. That the benefits can reasonably be expected to result from the proposed installation of new manufacturing equipment.

7. That Petitioner has met, or exceeded, the benefits stated in Petitioner's prior Statement of Benefit forms as seen in the Compliance with Statement of Benefits form filed with the County Auditor.

8. That the totality of benefits sufficient to justify the deduction.

9. All qualifications for establishing an Economic Revitalization Area have been met.

NOW, THEREFORE, for final action on Resolution No. 6, 2007, the Common Council of the City of Terre Haute, Indiana, RESOLVES, and FINDS, and DETERMINES:

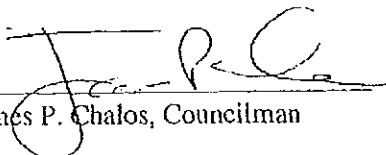
1. That all the requirements for designation of the real estate described in Resolution No. 6, 2007, as an Economic Revitalization Area have been met, the foregoing findings are true and that all information required to be submitted has been submitted in proper form.

2. That Resolution No. 6, 2007, is in all respects confirmed and approved (as modified to incorporate therein this final action) and the benefits of the proposed redevelopment are sufficient to justify ten (10) year personal property tax abatement under Indiana statutes for the proposed acquisition of the equipment described in the Statement of Benefits of Sony Digital Audio Disc Corporation and the deduction for the proposed project and acquisition of the equipment and the Statement of Benefits submitted by Sony Digital Audio Disc Corporation is approved and that the real estate described in Resolution No. 6, 2007, is declared an Economic Revitalization Area for the purposes of ten (10) year personal property tax abatement, and the said real estate is hereby designated an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.

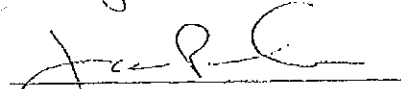
3. That said Resolution supplements any other designation of the real estate as an Economic Revitalization Area.

4. That this final action, findings and confirmation of Resolution No.6, 2007, shall be incorporated in and be a part of Resolution No. 6, 2007.

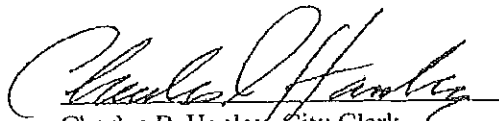
Presented by:

  
James P. Chalos, Councilman

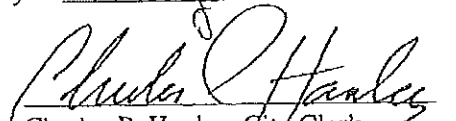
Passed in open Council this 10 day of May, 2007.

  
James P. Chalos, President  
Common Council of Terre  
Haute, Indiana

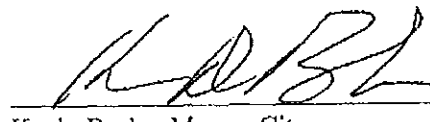
ATTEST:

  
Charles P. Hanley, City Clerk

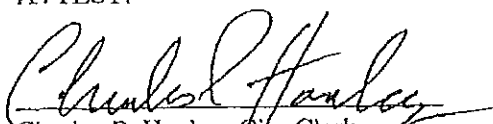
Presented by me to the Mayor this 10 day of May, 2007.

  
Charles P. Hanley, City Clerk

Approved by me this 10 day of May, 2007.

  
Kevin Burke, Mayor, City  
of Terre Haute

ATTEST:

  
Charles P. Hanley, City Clerk

This instrument prepared by: Richard J. Shagley, WRIGHT, SHAGLEY & LOWERY, 500 Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448

CITY OF TERRE HAUTE  
PETITION FOR PERSONAL PROPERTY  
TAX ABATEMENT CONSIDERATION

SONY DIGITAL AUDIO DISC CORPORATION, as owner of real property located within the City of Terre Haute, hereby petitions the Common Council of the City of Terre Haute for personal property tax abatement consideration pursuant to I.C. 6-1.1-12-.1-1, et seq. and in support of this petition states the following:

1. The project, Sony Digital Audio Disc Corporation proposes, includes installation of new machinery and equipment to expand current capacity for existing product lines and to implement Rapid Replenishment Order Processing.
2. This project, once completed, not counting labor hired for construction and installation, will provide the opportunity to retain at least 1223 jobs within the first year representing an annual payroll of \$53,285,000 as long as business conditions and sales of products permit.
3. That the estimated dollar value of this additional equipment is about \$59,647,300 in new manufacturing equipment.
4. That the manufacturing equipment for which tax abatement consideration is petitioned will be owned by Sony Digital Audio Disc Corporation, 1800 North Fruitridge Avenue, Terre Haute, Vigo County, Indiana.
5. The commonly known address of the location of the property and equipment is 1800 and 3181 North Fruitridge Avenue, Terre Haute, Indiana, a legal description of which is attached hereto, and marked as Exhibit "A" and is incorporated herein.
6. The best estimate of the amount of taxes being and to be abated for the new manufacturing equipment is set forth in the "Sony Digital Audio Disc Corporation, Estimated Tax Abatement", which is attached hereto, made a part hereof and marked as Exhibit "B".
7. No public financing is being used for any phase of the project.
8. In view of the foregoing circumstances, Sony Digital Audio Disc Corporation in good faith applies for a ten (10) year tax abatement for new manufacturing equipment, as above set forth.
9. Indiana State Form 51764 (R11-06), Statement of Benefits, as prescribed by the Indiana State Board of Tax Commissioners, which contains confidential information pursuant to the provisions of I.C. 6-1.1-39-9, will be submitted by Sony Digital Audio Disc Corporation to the members of the Common Council at an appropriate time and manner for consideration to preserve its confidentiality.



10. The current use of the Property is manufacturing and the current zoning is M-2 Manufacturing District.


11. Sony Digital Audio Disc Corporation agrees to enter into an Agreement with the Board of Public Works and Safety for the City of Terre Haute, Indiana, in substantially the same form as is attached hereto and made a part hereof as Exhibit "C", and further, Sony Digital Audio Disc Corporation agrees to comply with Special Ordinance 11, 1997, as amended.

12. The person to contact as the Petitioner's agent regarding additional information and the public hearing notifications is:

Mr. Michael Mitchell  
Senior Vice President and General Manager  
Sony Digital Audio Disc Corporation  
1800 North Fruitridge Avenue  
Terre Haute, IN 47804

WHEREFORE, Petitioner, Sony Digital Audio Disc Corporation, requests that the Common Council of the City of Terre Haute, Indiana, adopt a declaratory resolution declaring and designating the area described herein to be an Economic Revitalization Area for purposes of personal property tax abatement consideration, and after publication of notice and public hearing, determine qualifications for an economic revitalization area have been met and confirm such resolution.

**Sony Digital Audio Disc Corporation**

By:   
Michael Mitchell, Senior Vice President and  
General Manager

This instrument was prepared by Richard J. Shagley, WRIGHT, SHAGLEY & LOWERY, 900 Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448, (812) 232-3388.

EXHIBIT A  
LEGAL DESCRIPTION

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Commonly known as 1800 N. Fruitridge Avenue, Terre Haute, Indiana.

**EXHIBIT B**  
**ESTIMATED TAX ABATEMENT**

Tax Year	Cost	TTV %	True Tax Value	Tax Rate	Gross Tax	State Replacement Credit Rate	State Replacement Credit	Net Tax	Tax Abatement %	Estimated Tax
1	\$53,285,000.00	40%	\$20,712,322.00	3.874%	\$760,432.18	11.8167%	\$89,857.99	\$670,574.19	100%	\$0.00
2	\$53,285,000.00	56%	\$29,839,600.00	3.874%	\$1,155,986.10	11.8167%	\$136,599.41	\$1,019,386.69	90%	\$101,938.67
3	\$53,285,000.00	42%	\$22,379,700.00	3.874%	\$866,989.58	11.8167%	\$102,449.56	\$764,540.02	80%	\$152,908.00
4	\$53,285,000.00	32%	\$17,051,200.00	3.874%	\$660,563.49	11.8167%	\$78,056.81	\$582,506.68	70%	\$174,752.00
5	\$53,285,000.00	24%	\$12,788,400.00	3.874%	\$495,422.62	11.8167%	\$58,542.60	\$436,880.01	60%	\$174,752.00
6	\$53,285,000.00	18%	\$9,591,300.00	3.874%	\$371,566.96	11.8167%	\$43,906.95	\$327,660.01	50%	\$163,830.00
7	\$53,285,000.00	15%	\$7,992,750.00	3.874%	\$309,639.14	11.8167%	\$36,589.13	\$273,050.01	40%	\$163,830.00
8	\$53,285,000.00	15%	\$7,992,750.00	3.874%	\$309,639.14	11.8167%	\$36,589.13	\$273,050.01	30%	\$191,135.01
9	\$53,285,000.00	15%	\$7,992,750.00	3.874%	\$309,639.14	11.8167%	\$36,589.13	\$273,050.01	20%	\$218,440.01
10	\$53,285,000.00	15%	\$7,992,750.00	3.874%	\$309,639.14	11.8167%	\$36,589.13	\$273,050.01	10%	\$245,745.01
									Total	\$1,587,330.71

## Exhibit C

### AGREEMENT

This Agreement (the "Agreement") dated as of the \_\_\_\_ day of April, 2007, serves as a confirmation of Sony Digital Audio Disc Corporation (the "Applicant") commitment, pending a May 10, 2007, public hearing, to comply with the project description, job retention (and associated wage rates and salaries) figures contained in its designation application, Statement of Benefits, the Preliminary Economic Revitalization Area Resolution No. 6, 2007 and attachments adopted by the Common Council of the City of Terre Haute, Indiana (the "Council") on Thursday, April 12, 2007 and this Agreement (the "Commitment").

Subject to the adoption of a Final Economic Revitalization Area Resolution by the Council, the City of Terre Haute, Indiana (the "City") commits to providing a ten (10) year personal property tax abatement for the Applicant's capital expenditure of up to \$59,647,300 associated with the installation of new equipment (the "Project") described and approved as part of the Commitments. The Project will retain 927 hourly permanent positions (average wage rate of \$17.94 per hour, excluding benefits & overtime); will retain 290 salaried (average annual salary of \$63.420 excluding benefits). The capital expenditure for the Project and the retention of such positions shall occur within two (2) years of the estimated completion date of October 1, 2007, contained in the approved Statement of Benefits Form SB-1 (the "Commitment Date").

During the term of the abatement, the City may annually request, in writing, information from the Applicant concerning the status of the Project, the approved capital expenditure for the Project, the number of full-time permanent positions retained by the Project, and the average wage rates and salaries (excluding benefits & overtime) associated with the position, and the Applicant shall provide the City with adequate written evidence thereof within 19 days of such request (the "Annual Survey"). The Applicant shall provide a copy of the annual CF-1 to the Board of Public Works and Safety at the same time the CF-1 is filed with the County. The City shall utilize this information to verify that the Applicant has complied with the commitments contained in "the Commitments" at all times after the Commitment Date and during the duration of the 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 additional request.

The City, by and through the Council, reserves the right to terminate the Economic Revitalization Area designation and associated property tax abatement deductions if it determines that the Applicant has not made reasonable efforts to substantially comply with all the commitments, and the Applicant's failure to substantially comply with the Commitments was not due to factors beyond its control. As used in the Agreement, "substantial compliance" shall mean the Applicant's compliance with the following: Making capital expenditures of up to \$59,647,300 for the Project; the retention of not less than 927 of the permanent full-time retained hourly positions with average hourly wage rates of \$17.94 (excluding benefits and overtime) and the retention of 290 of the full-time retained salaried positions with average annual salaries of not less than \$63.420 (excluding benefits).

As used in this Agreement, factors beyond the control of the Applicant shall only include factors not reasonably foreseeable at the time of the designation application and submission of Statement of Benefits which are not caused by any act or omission of the Applicant and which materially and adversely affect the ability of the Applicant to substantially comply with this Agreement.

If the City terminates the Economic Revitalization Area designation and associated tax abatement deductions, it may require the Applicant to repay the City all or a portion of the tax abatement savings received through the date of such termination. The amount of tax abatement required to be repaid for each year of noncompliance shall not exceed an amount equal to the percentage by which the Applicant has failed to attain substantial compliance in position retention and/or creation and average hourly wage rate and salary categories multiplied by the dollar amount of taxes actually abated. If the Applicant fails to substantially comply with more than one of the aforementioned categories, repayment shall be based on the highest level of noncompliance.

If at any time during the term of this Agreement, whether before or after the Commitment Date, the Applicant shall: (i) cease operations at the facility for which the tax abatement was granted; or (ii) announce the cessation of operations at such facility, then the City may immediately terminate the Economic Revitalization Area designation and associated future tax abatement deductions.

In the event the City requires repayment of the tax abatement savings as provided hereunder, it shall provide Applicant with a written statement calculating the amount due (the "Statement"), and Applicant shall make such repayment to the City within 30 days of the date of the Statement. 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.

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

"Applicant"

Sony Digital Audio Disc Corporation

Board of Public Works  
City of Terre Haute

By: \_\_\_\_\_

Michael Mitchell, Senior Vice President and  
General Manager

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Approved as to Legal Adequacy and Form on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

By: \_\_\_\_\_

Title: \_\_\_\_\_



**STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

State Form 51784 (R / 1-08)  
Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

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

**INSTRUCTIONS:**

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1 TAXPAYER INFORMATION									
Name of taxpayer Sony Digital Audio Disc Corporation									
Address of taxpayer (number and street, city, state, and ZIP code) 1800 North Fruitridge Avenue Terre Haute, IN 47804									
Name of contact person Michael Mitchell				Telephone number (812) 462-8123					
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT									
Name of designating body Common Council of City of Terre Haute				Resolution number (s) 6,2006					
Location of property 1800 North Fruitridge Avenue Terre Haute			County Vigo	DLGF taxing district number Harrison					
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary) New machinery and equipment with an estimated cost of [redacted] to expand current capacity for existing product lines and to implement Rapid Replenishment order processing									
ESTIMATED									
		START DATE		COMPLETION DATE					
		5/15/2007		10/1/2007					
		R & D Equipment							
		Logist Dist Equipment							
		IT Equipment							
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT									
Current number 1223	Salaries \$53,285,000	Number retained 1223	Salaries \$53,285,000	Number additional 0	Salaries 0				
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT									
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
		COST		ASSESSED VALUE		COST		ASSESSED VALUE	
Current values (in millions)		[redacted]		108.8					
Plus estimated values of proposed project		[redacted]		28.0					
Less values of any property being replaced		[redacted]							
Net estimated values upon completion of project		[redacted]		136.8					
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER									
Estimated solid waste converted (pounds)			Estimated hazardous waste converted (pounds)						
Other benefits:									
SECTION 6 TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true.									
Signature of authorized representative [Signature]			Title Exec VP		Date signed (month, day, year) 3/22/07				

**FOR USE OF THE DESIGNATING BODY**

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

- A. The designated area has been limited to a period of time not to exceed 10 calendar years \* (see below). The date this designation expires is \_\_\_\_\_.
- B. The type of deduction that is allowed in the designated area is limited to:
- |  |   |  |
|--|---|--|
| 1. Installation of new manufacturing equipment;            | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment.  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 4. Installation of new information technology equipment;   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
- C. The amount of deduction applicable to new manufacturing equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ 59,147,300.00
- D. The amount of deduction applicable to new research and development equipment is limited to \$ N/A cost with an assessed value of \$ \_\_\_\_\_.
- E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ N/A cost with an assessed value of \$ \_\_\_\_\_.
- F. The amount of deduction applicable to new information technology equipment is limited to \$ N/A cost with an assessed value of \$ \_\_\_\_\_.
- G. Other limitations or conditions (specify) \_\_\_\_\_

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

- |                                     |   |
|-------------------------------------|---|
| <input type="checkbox"/> 1 year     | <input type="checkbox"/> 6 years                |
| <input type="checkbox"/> 2 years    | <input type="checkbox"/> 7 years                |
| <input type="checkbox"/> 3 years    | <input type="checkbox"/> 8 years                |
| <input type="checkbox"/> 4 years    | <input type="checkbox"/> 9 years                |
| <input type="checkbox"/> 5 years ** | <input checked="" type="checkbox"/> 10 years ** |

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

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

Approved: *[Signature]* (signature and title of authorized member)

Telephone number

812-232-3375

Date signed (month, day, year)

5-12-07

Attested by:

*[Signature]*

Designated body

Terre Haute City Council

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





EXHIBIT B

**FILED**

MAR 03 2008

RESOLUTION NO. 3, 2008

**CITY CLERK**

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City of Terre Haute, Indiana, commonly identified as 1800 and 3181 North Fruitridge Avenue, as an Economic Revitalization Area for the Purposes of Personal Property Tax Abatement.

WHEREAS, a petition for ten (10) year personal property tax abatement has been filed with the Common Council of the City of Terre Haute requesting that the real property described therein be designated an Economic Revitalization Area for purposes of personal property tax abatement; and

WHEREAS, the petitioner, Sony DADC US, Inc., formerly known as Sony Digital Audio Disc Corporation, has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council to make an informed decision, said information including a description of the real property which is commonly known as 1800 and 3181 North Fruitridge Avenue, and more particularly described as follows:

(See attached Exhibit A)

WHEREAS, the Common Council of the City of Terre Haute is authorized under the provisions of I.C. 6-1.1-12.1-1 et seq., to designate areas of the City as Economic Revitalization Areas for the purpose of tax abatement; and

WHEREAS, the Common Council of the City of Terre Haute has considered the Petition and Statement of Benefits and has conducted a complete and proper investigation of the subject property and neighborhood to determine that the area qualifies as an Economic Revitalization Area under Indiana statutes; and

WHEREAS, the Common Council has found the subject property to be an area where facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues; and

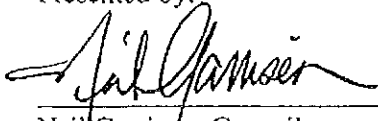
WHEREAS, the Common Council of the City of Terre Haute has found the request for personal property tax abatement to satisfy the requirements of Special Ordinance 11, 1997, as amended; and

WHEREAS, the petitioner estimates the investment to be made on the subject site will provide the opportunity to retain 1183 jobs with an annual payroll of \$51,917,380, employ 65 jobs with an annual payroll of \$2,817,625 and have an estimated value of \$101,053,313 for new manufacturing equipment.

NOW, THEREFORE, IT IS FOUND, DETERMINED AND RESOLVED by the Common Council of the City of Terre Haute that:

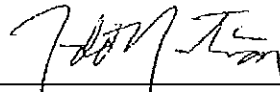
1. The petitioner's estimate of the cost of new manufacturing equipment to be installed is reasonable for manufacturing equipment of that type.
2. The petitioner's estimate of the number of individuals who will be retained and employed can reasonably be expected to result from the proposed installation of additional new manufacturing equipment.
3. The petitioner's estimate of the annual salaries or wages of the number of individuals who will be retained can reasonably be expected to result from the installation of new manufacturing equipment.
4. The totality of the benefits of the proposed installation of additional new manufacturing equipment is sufficient to justify a ten (10) year personal property tax deduction from assessed valuation to result therefrom under Indiana statutes, and each such deduction should be, and is hereby, allowed.
9. That the petition for designating the subject property as an Economic Revitalization Area for the purposes of ten (10) year personal property tax abatement and the Statement of Benefits are hereby approved, and the property is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.

Presented by:



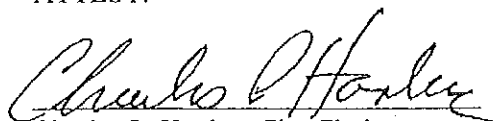
Neil Garrison, Councilman

Passed in open Council this 13th day of March, 2008.




Todd Nation, President  
Common Council of Terre  
Haute, Indiana

ATTEST:

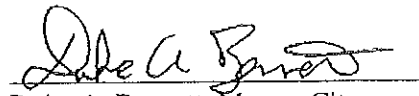


Charles P. Hanley, City Clerk

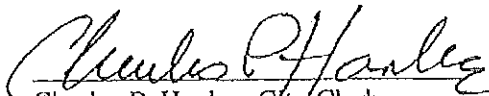
Presented by me to the Mayor this 14<sup>th</sup> day of MARCH, 2008.

  
Charles P. Hanley, City Clerk

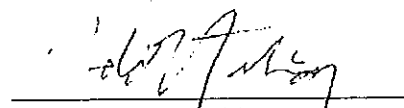
Approved by me this 14<sup>th</sup> day of MARCH, 2008.

  
Duke A. Bennett, Mayor, City  
of Terre Haute

ATTEST:

  
Charles P. Hanley, City Clerk

PUBLIC HEARING held this 14<sup>th</sup> day of MARCH, 2008.

  
Todd Nation, President  
Common Council of Terre  
Haute, Indiana

This instrument was prepared by Richard J. Shagley, WRIGHT, SHAGLEY & LOWERY, P.C.,  
500 Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448, (812) 232-3388.

EXHIBIT A  
LEGAL DESCRIPTION

A parcel of land described as follows: Beginning at the Northwest corner of the Northeast Quarter of Section 12, Township 12 North, Range 9 West in Harrison Township, Vigo County, Indiana; thence south 0 degrees 03 minutes 00 seconds West, 1,109.19 feet; thence North 89 degrees 97 minutes 98 seconds West, 990.00 feet; thence North 0 degrees 09 minutes 12 seconds East, 232.30 feet; thence North 89 degrees 97 minutes 98 seconds West, 109.73 feet; thence North 0 degrees 09 minutes 12 seconds East, 323.43 feet; thence North 89 degrees 97 minutes 29 seconds West, 318.09 feet; thence North 0 degrees 07 minutes 49 seconds East, 979.91 feet to the North Section line; thence South 88 degrees 11 minutes 99 seconds East, 977.10 feet, to the point of beginning.

Commonly known as 3181 N. Fruitridge Avenue, Terre Haute, Indiana.

AND

A parcel of land described as follows: Commencing at the Northwest corner of the Northeast ¼ (NE ¼) of Section 12, Township 12 North, Range 9 West, Harrison Township, Vigo County, Indiana, thence South 88 degrees 17 minutes 90 seconds East along centerline Fort Harrison Road 447.34 feet to the centerline of Aberdeen Avenue, South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 220.62 feet to the place of beginning. Thence South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 1349.38 feet to the North line extended of a tract as conveyed by Deed Record 388 Page 267-1 Records of Vigo County Recorder thence North 88 degrees 17 minutes 90 seconds West along and with the North line said tract 490.07 feet to the West line of the Northeast ¼ (NE ¼) said Section 12, North 00 degrees 03 minutes 90 seconds West along and with the West line of said Northeast ¼ (NE ¼) 1349.30 feet; South 88 degrees 17 minutes 90 seconds East 447.72 feet to the place of beginning and containing 13.898 acres, more or less.

Commonly known as 1800 N. Fruitridge Avenue, Terre Haute, Indiana.

FINAL ACTION BY COMMON COUNCIL OF THE  
CITY OF TERRE HAUTE, INDIANA REGARDING  
RESOLUTION NO. 3, 2008

WHEREAS, the Common Council of the City of Terre Haute, unanimously adopted Resolution No. 3, 2008 on the 13<sup>th</sup> day of March, 2008, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution, including a description of the effected area and notice that a description of the effected area is available for inspection in the office of the County Assessor and further stating a date which the Common Council would receive and hear remonstrances and objections; and

WHEREAS, the Common Council has conducted the hearing as required by law and has received no remonstrances or objections to designation of the effected area as an Economic Revitalization Area or to approval of the Statement of Benefits; and

WHEREAS, said matter is before the Common Council for final action pursuant to Indiana law; and

WHEREAS, the Common Council has received and examined, prior to said hearing, (i) a Statement of Benefits on the form prescribed by the State Board of Tax Commissioners and proper application for designation; (ii) an Agreement with the Board of Public Works for the City of Terre Haute; and (iii) has heard all appropriate evidence concerning the proposed project and is found and does find:

1. The age, deterioration and size of the existing manufacturing improvement and facilities on the subject real property render such to be technologically and economically obsolete and without redevelopment and rehabilitation may lead to decline in employment and tax revenues.
2. That the personal property tax abatement satisfies the requirements of Special Ordinance No. 11, 1997, as amended by the Common Council.
3. That the estimate of cost of the new manufacturing equipment is reasonable for equipment of that type.
4. That the estimate of individuals whose employment will be retained and employed as a result of the installation of the new manufacturing equipment can reasonably be expected to result from the proposed project.
5. The estimate of annual salaries of those individuals whose employment will be retained and employed can reasonably be expected to result from the proposed installation of the new manufacturing equipment.
6. That the benefits can reasonably be expected to result from the proposed installation of new manufacturing equipment.

7. That Petitioner has met, or exceeded, the benefits stated in Petitioner's prior Statement of Benefit forms as seen in the Compliance with Statement of Benefits form filed with the County Auditor.

8. That the totality of benefits sufficient to justify the deduction.

9. All qualifications for establishing an Economic Revitalization Area have been met.

NOW, THEREFORE, for final action on Resolution No. 3, 2008, the Common Council of the City of Terre Haute, Indiana, RESOLVES, and FINDS, and DETERMINES:


1. That all the requirements for designation of the real estate described in Resolution No. 3, 2008, as an Economic Revitalization Area have been met, the foregoing findings are true and that all information required to be submitted has been submitted in proper form.

2. That Resolution No. 3, 2008, is in all respects confirmed and approved (as modified to incorporate therein this final action) and the benefits of the proposed redevelopment are sufficient to justify ten (10) year personal property tax abatement under Indiana statutes for the proposed acquisition of the equipment described in the Statement of Benefits of Sony DADC US, Inc. and the deduction for the proposed project and acquisition of the equipment and the Statement of Benefits submitted by Sony DADC US, Inc. is approved and that the real estate described in Resolution No. 3, 2008, is declared an Economic Revitalization Area for the purposes of ten (10) year personal property tax abatement, and the said real estate is hereby designated an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.

3. That said Resolution supplements any other designation of the real estate as an Economic Revitalization Area.


4. That this final action, findings and confirmation of Resolution No. 3, 2008, shall be incorporated in and be a part of Resolution No. 3, 2008.

Presented by:

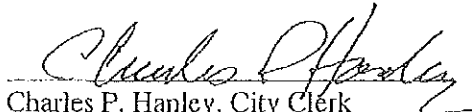


Neil Garrison, Councilman

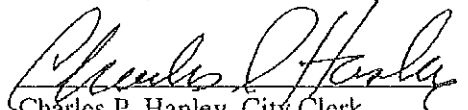
Passed in open Council this 10th day of April, 2008.

  
\_\_\_\_\_  
Todd Nation, President  
Common Council of Terre  
Haute, Indiana

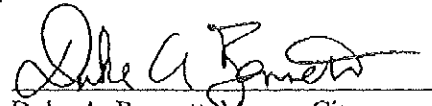
ATTEST:

  
Charles P. Hanley, City Clerk

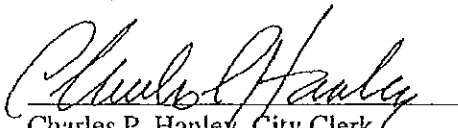
Presented by me to the Mayor this 11<sup>th</sup> day of April, 2008.

  
Charles P. Hanley, City Clerk

Approved by me this 11<sup>th</sup> day of APRIL, 2008.

  
Duke A. Bennett, Mayor, City  
of Terre Haute

ATTEST:

  
Charles P. Hanley, City Clerk

This instrument prepared by: Richard J. Shagley, WRIGHT, SHAGLEY & LOWERY, P.C., 500  
Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448

EXHIBIT A  
LEGAL DESCRIPTION

A parcel of land described as follows: Beginning at the Northwest corner of the Northeast Quarter of Section 12, Township 12 North, Range 9 West in Harrison Township, Vigo County, Indiana; thence south 0 degrees 03 minutes 00 seconds West, 1,109.19 feet; thence North 89 degrees 97 minutes 98 seconds West, 990.00 feet; thence North 0 degrees 09 minutes 12 seconds East, 232.30 feet; thence North 89 degrees 97 minutes 98 seconds West, 109.73 feet; thence North 0 degrees 09 minutes 12 seconds East, 323.43 feet; thence North 89 degrees 97 minutes 29 seconds West, 318.09 feet; thence North 0 degrees 07 minutes 49 seconds East, 979.91 feet to the North Section line; thence South 88 degrees 11 minutes 99 seconds East, 977.10 feet, to the point of beginning.

Commonly known as 3181 N. Fruitridge Avenue, Terre Haute, Indiana.

AND

A parcel of land described as follows: Commencing at the Northwest corner of the Northeast  $\frac{1}{4}$  (NE  $\frac{1}{4}$ ) of Section 12, Township 12 North, Range 9 West, Harrison Township, Vigo County, Indiana, thence South 88 degrees 17 minutes 90 seconds East along centerline Fort Harrison Road 447.34 feet to the centerline of Aberdeen Avenue, South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 220.62 feet to the place of beginning. Thence South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 1349.38 feet to the North line extended of a tract as conveyed by Deed Record 388 Page 267-1 Records of Vigo County Recorder thence North 88 degrees 17 minutes 90 seconds West along and with the North line said tract 490.07 feet to the West line of the Northeast  $\frac{1}{4}$  (NE  $\frac{1}{4}$ ) said Section 12, North 00 degrees 03 minutes 90 seconds West along and with the West line of said Northeast  $\frac{1}{4}$  (NE  $\frac{1}{4}$ ) 1349.30 feet; South 88 degrees 17 minutes 90 seconds East 447.72 feet to the place of beginning and containing 13.898 acres, more or less.

Commonly known as 1800 N. Fruitridge Avenue, Terre Haute, Indiana.



CITY OF TERRE HAUTE  
PETITION FOR PERSONAL PROPERTY  
TAX ABATEMENT CONSIDERATION

SONY DADC US, INC., formerly known as SONY DIGITAL AUDIO DISC CORPORATION, as owner of real property located within the City of Terre Haute, hereby petitions the Common Council of the City of Terre Haute for personal property tax abatement consideration pursuant to I.C. 6-1.1-12-1-1, et seq. and in support of this petition states the following:

1. The project, Sony DADC US, Inc. proposes, includes installation of new machinery and equipment to
2. This project, once completed, not counting labor hired for construction and installation, will provide the opportunity to retain at least 1183 jobs within the first year representing an annual payroll of \$51,917,380 and to employ at least 65 jobs representing an annual payroll of \$2,817,625, as long as business conditions and sales of products permit.
3. That the estimated dollar value of this additional equipment is about \$101,053,313 in new manufacturing equipment.
4. That the manufacturing equipment for which tax abatement consideration is petitioned will be owned by Sony DADC US, Inc., 1800 North Fruitridge Avenue, Terre Haute, Vigo County, Indiana.
5. The commonly known address of the location of the property and equipment is 1800 and 3181 North Fruitridge Avenue, Terre Haute, Indiana, a legal description of which is attached hereto, and marked as Exhibit "A" and is incorporated herein.
6. The best estimate of the amount of taxes being and to be abated for the new manufacturing equipment is set forth in the "Sony DADC US, Inc., Estimated Tax Abatement", which is attached hereto, made a part hereof and marked as Exhibit "B".
7. No public financing is being used for any phase of the project.
8. In view of the foregoing circumstances, Sony DADC US, Inc. in good faith applies for a ten (10) year tax abatement for new manufacturing equipment, as above set forth.
9. Indiana State Form 51764 (R/1-06), Statement of Benefits, as prescribed by the Indiana State Board of Tax Commissioners, which contains confidential information pursuant to the provisions of I.C. 6-1.1-39-9, will be submitted by Sony DADC US, Inc. to the members of the Common Council at an appropriate time and manner for consideration to preserve its confidentiality.

10. The current use of the Property is manufacturing and the current zoning is M-2 Manufacturing District.

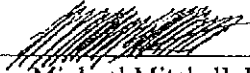
11. Sony DADC US, Inc. agrees to enter into an Agreement with the Board of Public Works and Safety for the City of Terre Haute, Indiana, in substantially the same form as is attached hereto and made a part hereof as Exhibit "C", and further, Sony DADC US, Inc. agrees to comply with Special Ordinance 11, 1997, as amended.

12. The person to contact as the Petitioner's agent regarding additional information and the public hearing notifications is:

Mr. Michael Mitchell  
Executive Vice President and General Manager  
Sony DADC US, Inc.  
1800 North Fruitridge Avenue  
Terre Haute, IN 47804

WHEREFORE, Petitioner, Sony DADC US, Inc., requests that the Common Council of the City of Terre Haute, Indiana, adopt a declaratory resolution declaring and designating the area described herein to be an Economic Revitalization Area for purposes of personal property tax abatement consideration, and after publication of notice and public hearing, determine qualifications for an economic revitalization area have been met and confirm such resolution.

**Sony DADC US, Inc.**

By:   
Michael Mitchell, Executive Vice President  
and General Manager of Sony DADC US,  
Inc.

This instrument was prepared by Richard J. Shagley, WRIGHT, SHAGLEY & LOWERY, P.C.,  
900 Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448, (812) 232-3388.

**EXHIBIT B**

Sony DADC US, Inc.

**ESTIMATED PERSONAL PROPERTY TAX ABATEMENT**

Tax Year	Cost	TTV %	True Tax Value	Tax Rate	Gross Tax	State Replacement Credit Rate	State Replacement Credit	Net Tax	Tax Abatement %	Estimated Tax
1	\$101,053,000.00	40%	\$40,421,200.00	3.1949%	\$1,291,416.92	8.7985%	\$113,625.32	\$1,177,791.60	100%	\$0.00
2	\$101,053,000.00	56%	\$56,589,680.00	3.1949%	\$1,807,983.69	8.7985%	\$159,075.44	\$1,648,908.25	90%	\$164,890.83
3	\$101,053,000.00	42%	\$42,442,260.00	3.1949%	\$1,355,987.76	8.7985%	\$119,306.58	\$1,236,681.18	80%	\$247,336.27
4	\$101,053,000.00	32%	\$32,336,960.00	3.1949%	\$1,033,133.54	8.7985%	\$90,900.25	\$942,233.29	70%	\$282,669.99
5	\$101,053,000.00	24%	\$24,252,720.00	3.1949%	\$774,850.15	8.7985%	\$68,175.19	\$706,674.96	60%	\$282,669.98
6	\$101,053,000.00	18%	\$18,189,540.00	3.1949%	\$581,137.61	8.7985%	\$51,131.39	\$530,006.22	50%	\$265,003.11
7	\$101,053,000.00	15%	\$15,157,950.00	3.1949%	\$484,281.34	8.7985%	\$42,609.49	\$441,671.85	40%	\$265,003.11
8	\$101,053,000.00	15%	\$15,157,950.00	3.1949%	\$484,281.34	8.7985%	\$42,609.49	\$441,671.85	30%	\$309,170.30
9	\$101,053,000.00	15%	\$15,157,950.00	3.1949%	\$484,281.34	8.7985%	\$42,609.49	\$441,671.85	20%	\$353,337.48
10	\$101,053,000.00	15%	\$15,157,950.00	3.1949%	\$484,281.34	8.7985%	\$42,609.49	\$441,671.85	10%	\$397,504.67
										Total Tax Paid
										\$2,567,585.74

retained hourly positions with average hourly wage rates of \$1,763 (excluding benefits and overtime) and the retention of 29 of the full-time retained salaried positions with average annual salaries of not less than \$65,607 (excluding benefits) and the employment of not less 50 hourly permanent positions (average wage rate of \$17.63 per hour excluding benefits and overtime) and will employ 15 salaried permanent positions (aver annual salary of \$65,607 excluding benefits).

As used in this Agreement, factors beyond the control of the Applicant shall only include factors not reasonably foreseeable at the time of the designation application and submission of Statement of Benefits which are not caused by any act or omission of the Applicant and which materially and adversely affect the ability of the Applicant to substantially comply with this Agreement.

If the City terminates the Economic Revitalization Area designation and associated tax abatement deductions, it may require the Applicant to repay the City all or a portion of the tax abatement savings received through the date of such termination. The amount of tax abatement required to be repaid for each year of noncompliance shall not exceed an amount equal to the percentage by which the Applicant has failed to attain substantial compliance in position retention and/or creation and average hourly wage rate and salary categories multiplied by the dollar amount of taxes actually abated. If the Applicant fails to substantially comply with more than one of the aforementioned categories, repayment shall be based on the highest level of noncompliance.

If at any time during the term of this Agreement, whether before or after the Commitment Date, the Applicant shall: (i) cease operations at the facility for which the tax abatement was granted: or (ii) announce the cessation of operations at such facility, then the City may immediately terminate the Economic Revitalization Area designation and associated future tax abatement deductions.

In the event the City requires repayment of the tax abatement savings as provided hereunder, it shall provide Applicant with a written statement calculating the amount due (the "Statement"), and Applicant shall make such repayment to the City within 30 days of the date of the Statement. 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.

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

EXHIBIT C  
AGREEMENT

This Agreement (the "Agreement") dated as of the 13<sup>th</sup> day of March, 2008, serves as a confirmation of Sony DADC US, Inc., formerly known as Sony Digital Audio Disc Corporation (the "Applicant") commitment, pending an April 10, 2008 public hearing, to comply with the project description, job retention (and associated wage rates and salaries) figures contained in its designation application, Statement of Benefits, the Preliminary Economic Revitalization Area Resolution No. 3, 2008 and attachments adopted by the Common Council of the City of Terre Haute, Indiana (the "Council") on Thursday, March 13, 2008 and this Agreement (the "Commitment").

Subject to the adoption of a Final Economic Revitalization Area Resolution by the Council, the City of Terre Haute, Indiana (the "City") commits to providing a ten (10) year personal property tax abatement for the Applicant's capital expenditure of up to \$101,053,380 associated with the installation of new equipment (the "Project") described and approved as part of the Commitments. The Project will retain 888 hourly permanent positions (average wage rate of \$17.63 per hour, excluding benefits & overtime) and will retain 295 salaried positions (average annual salary of \$65,607 excluding benefits). The Project will employ 50 hourly permanent positions (average wage rate of \$17.63 per hour excluding benefits and overtime) and will employ 15 salaried permanent positions (average annual salary of \$65,607 excluding benefits). The capital expenditure for the Project and the retention of such positions shall occur within two (2) years of the estimated completion date of October 1, 2007, contained in the approved Statement of Benefits Form SB-1 (the "Commitment Date").


During the term of the abatement, the City may annually request, in writing, information from the Applicant concerning the status of the Project, the approved capital expenditure for the Project, the number of full-time permanent positions retained by the Project, and the average wage rates and salaries (excluding benefits & overtime) associated with the position, and the Applicant shall provide the City with adequate written evidence thereof within 19 days of such request (the "Annual Survey"). The Applicant shall provide a copy of the annual CF-1 to the Board of Public Works and Safety at the same time the CF-1 is filed with the County. The City shall utilize this information to verify that the Applicant has complied with the commitments contained in "the Commitments" at all times after the Commitment Date and during the duration of the 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 additional request.

The City, by and through the Council, reserves the right to terminate the Economic Revitalization Area designation and associated property tax abatement deductions if it determines that the Applicant has not made reasonable efforts to substantially comply with all the commitments, and the Applicant's failure to substantially comply with the Commitments was not due to factors beyond its control. As used in the Agreement, "substantial compliance" shall mean the Applicant's compliance with the following: Making capital expenditures of up to \$108,053,318 for the Project; the retention of not less than 888 of the permanent full-time

"Applicant"

Sony DADC US, Inc. formerly known as  
Sony Digital Audio Disc Corporation

Board of Public Works  
City of Terre Haute

By:   
Michael Mitchell, Executive Vice President and  
General Manager

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Approved as to Legal Adequacy and Form on this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

By: \_\_\_\_\_

Title: \_\_\_\_\_



**STATEMENT OF BENEFITS  
PERSONAL PROPERTY**

Slate Form 51764 (R / 1-06)  
Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

**PRIVACY NOTICE**

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

**INSTRUCTIONS:**

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, BEFORE a deduction may be approved
- To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1 TAXPAYER INFORMATION									
Name of taxpayer Sony DADC US, Inc. F/K/A Sony Digital Audio Disc Corporation									
Address of taxpayer (number and street, city, state, and ZIP code) 1800 North Fruitridge Ave Terre Haute IN 47804									
Name of contact person Michael Mitchell				Telephone number (812) 462-8123					
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT									
Name of designating body Common Council of City of Terre Haute				Resolution number (s) 3, 2008					
Location of property 1800 North Fruitridge Ave Terre Haute		County Vigo		DLGF taxing district number Harrison					
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary) New Machinery & Equipment with an estimated cost of [REDACTED] to expand capacity of existing product lines to meet market demand (Blu-ray)				ESTIMATED					
				START DATE		COMPLETION DATE			
				Manufacturing Equipment		5/1/08		12/31/08	
				R & D Equipment					
				Logist Dist Equipment					
IT Equipment									
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT									
Current number 1183	Salaries \$51,917,380	Number retained 1183	Salaries \$51,917,380	Number additional 65	Salaries \$2,817,625				
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT									
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT		
	COST		COST		COST		COST		
	ASSESSED VALUE		ASSESSED VALUE		ASSESSED VALUE		ASSESSED VALUE		
	Current values (in millions)		119.5						
	Plus estimated values of proposed project		40.4						
Less values of any property being replaced									
Net estimated values upon completion of project		159.9							
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER									
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____						
Other benefits:									
SECTION 6 TAXPAYER CERTIFICATION									
I hereby certify that the representations in this statement are true.									
Signature of authorized representative [Signature]			Title E.V.A. I.P.M.		Date signed (month, day, year) 4/24/08				

**FOR USE OF THE DESIGNATING BODY**

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

A. The designated area has been limited to a period of time not to exceed 10 calendar years \* (see below). The date this designation expires is \_\_\_\_\_.

- B. The type of deduction that is allowed in the designated area is limited to:
- |  |   |  |
|--|---|--|
| 1. Installation of new manufacturing equipment;            | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment.  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 4. Installation of new information technology equipment;   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ \_\_\_\_\_ cost with an assessed value of \$ 101,053,000.00.

D. The amount of deduction applicable to new research and development equipment is limited to \$ 0 cost with an assessed value of \$ \_\_\_\_\_.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ 0 cost with an assessed value of \$ \_\_\_\_\_.

F. The amount of deduction applicable to new information technology equipment is limited to \$ 0 cost with an assessed value of \$ \_\_\_\_\_.

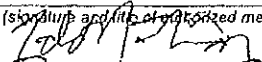
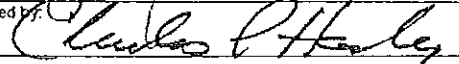
G. Other limitations or conditions (specify) \_\_\_\_\_

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

- |                                     |   |
|-------------------------------------|---|
| <input type="checkbox"/> 1 year     | <input type="checkbox"/> 6 years                |
| <input type="checkbox"/> 2 years    | <input type="checkbox"/> 7 years                |
| <input type="checkbox"/> 3 years    | <input type="checkbox"/> 8 years                |
| <input type="checkbox"/> 4 years    | <input type="checkbox"/> 9 years                |
| <input type="checkbox"/> 5 years ** | <input checked="" type="checkbox"/> 10 years ** |

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

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

Approved: (signature and title of authorized member) 	Telephone number <u>812-232-3375</u>	Date signed (month, day, year) <u>4-10-08</u>
Attested by: 	Designated body <u>CITY COUNCIL</u>	

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



EXHIBIT C

**FILED**

MAR 03 2008

**CITY CLERK**

RESOLUTION NO. 4, 2008

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City of Terre Haute, Indiana, commonly identified as 1800 and 3181 North Fruitridge Avenue, as an Economic Revitalization Area for the Purposes of Real Property Tax Abatement.

WHEREAS, a petition for ten (10) year real property tax abatement has been filed with the Common Council of the City of Terre Haute requesting that the real property described therein on Exhibit A be designated an Economic Revitalization Area for purposes of real property tax abatement; and

WHEREAS, the petitioner, Sony DADC US, Inc., formerly known as Sony Digital Audio Disc Corporation, has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council to make an informed decision, said information including a description of the real property which is commonly known as 1800 and 3181 North Fruitridge Avenue, and more particularly described as follows:

(See attached Exhibit "A")

WHEREAS, the Common Council of the City of Terre Haute is authorized under the provisions of I.C. 6-1.1-12.1-1 et seq., to designate areas of the City as Economic Revitalization Areas for the purpose of tax abatement; and

WHEREAS, the Common Council of the City of Terre Haute has considered the Petition and Statement of Benefits and has conducted a complete and proper investigation of the subject property and neighborhood to determine that the area qualifies as an Economic Revitalization Area under Indiana statutes; and

WHEREAS, the Common Council has found the subject property to be an area which is within the corporate limits of the City of Terre Haute which has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property; and

WHEREAS, the petitioner estimates the investment to be made on the subject site will continue to provide the opportunity to retain 1183 jobs with an annual payroll of \$51,917,380, employ 65 jobs with an annual payroll of \$2,817,625 and have an estimated value of \$7,481,994 for internal remodeling of current buildings and expansion for Blu-Ray product line to meet market demand.

WHEREAS, the Common Council of the City of Terre Haute has found the request for the Real Property Tax Abatement to satisfy the requirements of Special Ordinance 11, 1997, as amended by Special Ordinance 43, 2000.

NOW, THEREFORE, IT IS FOUND, DETERMINED AND RESOLVED by the Common Council of the City of Terre Haute that:

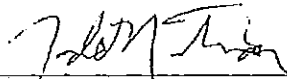
1. The petitioner's estimate of the number of individuals who will be retained and employed can reasonably be expected to continue from the proposed renovation.
2. The totality of the benefits of the proposed renovation is sufficient to justify a ten year real property tax deduction from assessed valuation to result therefrom under Indiana statutes, and each such deduction should be, and is hereby, allowed.
3. The real property is located within an Economic Development Target Area as required pursuant to Indiana Code 6-1.1-12.1-3 and 6-1.1-12.1-7.
4. That the petition for designating the subject property as an Economic Revitalization Area for the purposes of ten year real property tax abatement and the Statement of Benefits are hereby approved, and the property is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.

Presented by:



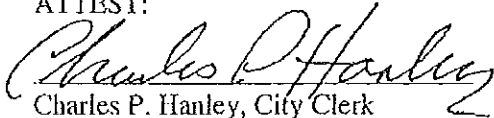
Neil Garrison, Councilman

Passed in open Council this 13th day of March, 2008.




Todd Nation, President  
Common Council of Terre  
Haute, Indiana

ATTEST:



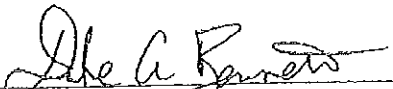
Charles P. Hanley, City Clerk

Presented by me to the Mayor this 14th day of March, 2008.

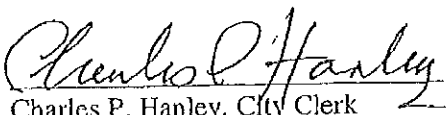


Charles P. Hanley, City Clerk

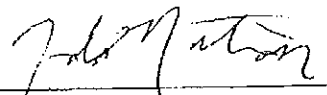
Approved by me this 14<sup>th</sup> day of MARCH, 2008.

  
\_\_\_\_\_  
Duke A. Bennett, Mayor, City  
of Terre Haute

ATTEST:

  
\_\_\_\_\_  
Charles P. Hanley, City Clerk

PUBLIC HEARING held this 14<sup>th</sup> day of MARCH, 2008.

  
\_\_\_\_\_  
Todd Nation, President  
Common Council of Terre  
Haute, Indiana

This instrument prepared by Richard J. Shagley, Attorney at Law, Wright, Shagley & Lowery,  
P.C., 500 Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448, (812) 232-3388.

EXHIBIT A  
LEGAL DESCRIPTION

A parcel of land described as follows: Beginning at the Northwest corner of the Northeast Quarter of Section 12, Township 12 North, Range 9 West in Harrison Township, Vigo County, Indiana; thence south 0 degrees 03 minutes 00 seconds West, 1,109.19 feet; thence North 89 degrees 97 minutes 98 seconds West, 990.00 feet; thence North 0 degrees 09 minutes 12 seconds East, 232.30 feet; thence North 89 degrees 97 minutes 98 seconds West, 109.73 feet; thence North 0 degrees 09 minutes 12 seconds East, 323.43 feet; thence North 89 degrees 97 minutes 29 seconds West, 318.09 feet; thence North 0 degrees 07 minutes 49 seconds East, 979.91 feet to the North Section line; thence South 88 degrees 11 minutes 99 seconds East, 977.10 feet, to the point of beginning.

Commonly known as 3181 N. Fruitridge Avenue, Terre Haute, Indiana.

AND

A parcel of land described as follows: Commencing at the Northwest corner of the Northeast ¼ (NE ¼) of Section 12, Township 12 North, Range 9 West, Harrison Township, Vigo County, Indiana, thence South 88 degrees 17 minutes 90 seconds East along centerline Fort Harrison Road 447.34 feet to the centerline of Aberdeen Avenue, South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 220.62 feet to the place of beginning. Thence South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 1349.38 feet to the North line extended of a tract as conveyed by Deed Record 388 Page 267-1 Records of Vigo County Recorder thence North 88 degrees 17 minutes 90 seconds West along and with the North line said tract 490.07 feet to the West line of the Northeast ¼ (NE ¼) said Section 12, North 00 degrees 03 minutes 90 seconds West along and with the West line of said Northeast ¼ (NE ¼) 1349.30 feet; South 88 degrees 17 minutes 90 seconds East 447.72 feet to the place of beginning and containing 13.898 acres, more or less.

Commonly known as 1800 N. Fruitridge Avenue, Terre Haute, Indiana.

FINAL ACTION BY COMMON COUNCIL OF THE  
CITY OF TERRE HAUTE, INDIANA REGARDING  
RESOLUTION NO. 4, 2008

WHEREAS, the Common Council of the City of Terre Haute, adopted Resolution No. 4, 2008 on the 13<sup>th</sup> day of March, 2008, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution, including a description of the effected area and notice that a description of the effected area is available for inspection in the office of the County Assessor and further stating a date which the Common Council would receive and hear remonstrances and objections; and

WHEREAS, the Common Council has conducted the hearing as required by law and has received no remonstrances or objections to designation of the effected area as an Economic Revitalization Area or to approval of the Statement of Benefits; and

WHEREAS, said matter is before the Common Council for final action pursuant to Indiana law; and

WHEREAS, the Common Council has received and examined, prior to said hearing, (i) a statement of benefits on the form prescribed by the State Board of Tax Commissioners and proper application for designation; (ii) an Agreement with the Board of Public Works for the City of Terre Haute; and (iii) has heard all appropriate evidence concerning the proposed project and is found and does find:

1. That the area has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property.
2. That the estimate of individuals whose employment will be retained and employed as a result of the proposed renovation can reasonably be expected to continue.
3. That the benefits described can reasonably be expected to continue from the proposed renovation.
4. That the totality of benefits is sufficient to justify the deduction.
5. That the real property is located within an Economic Development Target Area as required by Indiana Code 6-1.1-12.1-3 and 6-1.1-12.1-7 for the type of facility proposed by Petitioner.
6. All qualifications for establishing an Economic Revitalization Area have been met.

7. That the requirements of Special Ordinance 11, 1997, as amended by Special Ordinance 43, 2000 have been met.

NOW, THEREFORE, for final action on Resolution No. 4, 2008, the Common Council of the City of Terre Haute, Indiana, RESOLVES, and FINDS, and DETERMINES:

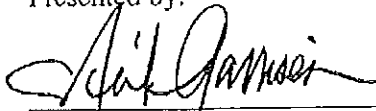
1. That all the requirements for designation of the real property described in Resolution No. 4, 2008, as an Economic Revitalization Area have been met, the foregoing findings are true and that all information required to be submitted has been submitted in proper form.

2. That Resolution No. 4, 2008, is in all respects confirmed and approved (as modified to incorporate therein this final action) and the benefits of the proposed redevelopment are sufficient to justify ten year real property tax abatement under Indiana statutes for the proposed construction and development described in the Statement of Benefits of Sony DADC US, Inc. and the deduction for the proposed project and the Statement of Benefits submitted by Sony DADC US, Inc. is approved and that the real estate described in Resolution No. 4, 2008, is declared an Economic Revitalization Area for the purposes of ten year real property tax abatement, and the said real estate is hereby designated an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.

3. That said Resolution supplements any other designation of the real estate as an Economic Revitalization Area.

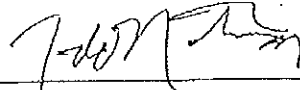
4. That this final action, findings and confirmation of Resolution No. 4, 2008, shall be incorporated in and be a part of Resolution No. 4, 2008.

Presented by:



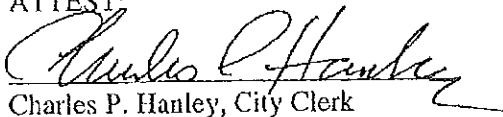
Neil Garrison, Councilman

Passed in open Council this 10<sup>th</sup> day of April, 2008.



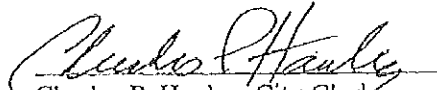
Todd Nation, President  
Common Council of Terre  
Haute, Indiana

ATTEST:




Charles P. Hanley, City Clerk

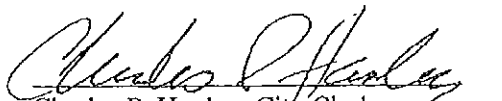
Presented by me to the Mayor this 11<sup>th</sup> day of April, 2008.

  
Charles P. Hanley, City Clerk

Approved by me this 11<sup>th</sup> day of April, 2008.

  
Duke A. Bennett, Mayor, City  
of Terre Haute

ATTEST:

  
Charles P. Hanley, City Clerk

This instrument prepared by Richard J. Shagley, Attorney at Law, Wright, Shagley & Lowery,  
P.C., 500 Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448, (812) 232-3388.

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Commonly known as 1800 N. Fruitridge Avenue, Terre Haute, Indiana.



CITY OF TERRE HAUTE  
PETITION FOR REAL PROPERTY  
TAX ABATEMENT CONSIDERATION

The Petitioner, SONY DADC US, INC., formerly known as SONY DIGITAL AUDIO DISC CORPORATION, an Indiana Corporation, owner of real property located within the City of Terre Haute, hereby petitions the Common Council of the City of Terre Haute for real property tax abatement consideration pursuant to I.C. 6-1.1-12.1-1, et seq. and in support of this petition states the following:

1. The project, the Petitioner proposes internal remodeling of current buildings and building expansion for Blu-Ray product line to meet market demand.
2. This project, once completed, not counting construction labor, Sony DADC US, Inc. will continue to retain 1183 jobs in the manufacturing facility, with annual payroll of approximately \$51,917,380 and employ 65 jobs with annual payroll of approximately \$2,817,625 as long as business conditions and sale of products permit.
3. That the estimated dollar value of this project is about \$7,481,994 in real property improvements.
4. That the facilities for which tax abatement consideration is petitioned are currently owned by or leased to Sony DADC US, Inc., 1800 North Fruitridge Avenue, Terre Haute, Vigo County, Indiana.
5. The commonly known address of the location of the property is 1800 and 3181 North Fruitridge Avenue, Terre Haute, Indiana, a legal description of which is attached hereto, and marked as Exhibit "A".
6. The best estimate of the amount of taxes being and to be abated for the proposed expansion and renovation is set forth in the "Sony DADC US, Inc. Estimated Tax Abatement", which is attached hereto, made a part hereof and marked as Exhibit "B".
7. No public financing is being used for any phase of the project.
8. In view of the foregoing circumstances, Petitioner in good faith applies for a ten (10) year tax abatement as above set forth.
9. Indiana State Form 51767 (R2/1-07), Statement of Benefits, as prescribed by the Indiana State Board of Tax Commissioners, which contains confidential information pursuant to the provisions of I.C. 6-1.1-35-9, will be submitted by Petitioner to the members of the Common Council at an appropriate time and manner for consideration to preserve its confidentiality.
10. The current use of the Property is manufacturing and the current zoning is M-2 Manufacturing District.

11. Sony DADC US, Inc. agrees to enter into an Agreement with the Board of Public Works for the City of Terre Haute, Indiana, in substantially the same form as is attached hereto and made a part hereof as Exhibit "C", and further, Petitioner agrees to comply with Special Ordinance 11, 1997, as amended by Special Ordinance 43, 2000.

12. The person to contact as the Petitioner's agent regarding additional information and the public hearing notifications is:


Mr. Michael Mitchell  
Executive Vice President and General Manager  
Sony DADC US, Inc.  
1800 North Fruitridge Avenue  
Terre Haute, IN 47804

WHEREFORE, Petitioner, requests that the Common Council of the City of Terre Haute, Indiana, adopt a declaratory resolution declaring and designating the area described herein to be an Economic Revitalization Area for purposes of real property tax abatement consideration, and after publication of notice and public hearing, determine qualifications for an economic revitalization area have been met and confirm such resolution.

PETITIONER:

Sony DADC US, Inc.

By: \_\_\_\_\_

  
Michael Mitchell, Executive Vice President  
and General Manager of Sony DADC US,  
Inc.

This instrument prepared by Richard J. Shagley, Attorney at Law, Wright, Shagley & Lowery, P.C., 500 Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448, (812) 232-3388.

EXHIBIT B

Sony DADC US, Inc.

ESTIMATED REAL PROPERTY TAX ABATEMENT

Tax Year	Cost	Assessed Value	Per \$100	Tax Abatement %	Abated	Paid
1	\$7,481,994.00	\$2,244,598.00	3.1949	100	71,712.66	-0-
2	\$7,481,994.00	\$2,244,598.00	3.1949	95	68,127.03	3,585.63
3	\$7,481,994.00	\$2,244,598.00	3.1949	90	64,541.39	7,171.27
4	\$7,481,994.00	\$2,244,598.00	3.1949	85	60,955.76	10,756.90
5	\$7,481,994.00	\$2,244,598.00	3.1949	80	57,370.13	14,342.53
6	\$7,481,994.00	\$2,244,598.00	3.1949	70	50,198.86	21,513.80
7	\$7,481,994.00	\$2,244,598.00	3.1949	55	39,441.96	32,270.70
8	\$7,481,994.00	\$2,244,598.00	3.1949	40	28,685.06	43,027.60
9	\$7,481,994.00	\$2,244,598.00	3.1949	30	21,513.80	50,198.86
10	\$7,481,994.00	\$2,244,598.00	3.1949	25	17,928.17	53,784.49
Total					\$480,474.82	\$236,651.78

If the City terminates the Economic Revitalization Area designation and associated tax abatement deductions, it may require the Applicant to repay the City all or a portion of the tax abatement savings received through the date of such termination. The amount of tax abatement required to be repaid for each year of noncompliance shall not exceed an amount equal to the percentage by which the Applicant has failed to attain substantial compliance in position retention and/or creation and average hourly wage rate and salary categories multiplied by the dollar amount of taxes actually abated. If the Applicant fails to substantially comply with more than one of the aforementioned categories, repayment shall be based on the highest level of noncompliance.

If at any time during the term of this Agreement, whether before or after the Commitment Date, the Applicant shall: (i) cease operations at the facility for which the tax abatement was granted: or (ii) announce the cessation of operations at such facility, then the City may immediately terminate the Economic Revitalization Area designation and associated future tax abatement deductions.

In the event the City requires repayment of the tax abatement savings as provided hereunder, it shall provide Applicant with a written statement calculating the amount due (the "Statement"), and Applicant shall make such repayment to the City within 30 days of the date of the Statement. 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.

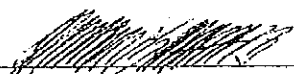
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

"Applicant"

Board of Public Works & Safety  
City of Terre Haute

Sony DADC US, Inc.

By: \_\_\_\_\_

  
Michael Mitchell, Executive Vice President  
and General Manager

Approved as to Legal Adequacy and Form on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.

By: \_\_\_\_\_

Title: \_\_\_\_\_



**STATEMENT OF BENEFITS  
REAL ESTATE IMPROVEMENTS**

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

20 <u>    </u> PAY 20 <u>    </u>
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:**

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation. BEFORE a deduction may be approved.
3. 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.
4. 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(f))
5. 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.

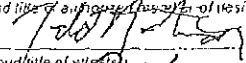
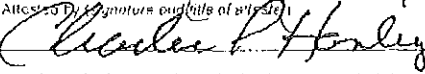
SECTION 1 TAXPAYER INFORMATION					
Name of taxpayer Sony DADC US, Inc, F/K/A Sony Digital Audio Disc Corporation					
Address of taxpayer (number and street, city, state, and ZIP code) 1800 North Fruitridge Ave Terre Haute IN 47804					
Name of contact person Michael Mitchell		Telephone number (812) 462-8123		E-mail address	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body Common Council of City of Terre Haute				Resolution number 4,2008	
Location of property 1800 N Fruitridge Ave Terre Haute		County Vigo		DLGF taxing district number Harrison	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) Internal Remodeling of current buildings & Building expansion for Blu-ray product line to meet market demand				Estimated start date (month, day, year) 5/1/08	
				Estimated completion date (month, day, year) 12/31/08	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 1183	Salaries \$51,917,380	Number retained 1183	Salaries \$51,917,380	Number additional 65	Salaries \$2,817,625
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					8,134,200
Plus estimated values of proposed project					2,244,598
Less values of any property being replaced					
Net estimated values upon completion of project					10,378,798
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER					
Estimated solid waste converted (pounds) _____			Estimated hazardous waste converted (pounds) _____		
Other benefits					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 		Title E.V.P. S.P.M.		Date signed (month, day, year) 3/29/08	

**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 10 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  Yes  No
  - 2. Residentially distressed areas  Yes  No
  - 3. Occupancy of a vacant building  Yes  No
- C. The amount of the deduction applicable is limited to \$ \_\_\_\_\_.
- D. Other limitations or conditions (specify) \_\_\_\_\_.
- E. The deduction is allowed for 10 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 representative of designating body) 	Telephone number 812-232-3375	Date signed (month, day, year) 04-10-08
Attested by (signature and title of witness) 	Designated body CITY COUNCIL	

\* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.12-12.1-4

- 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 30, 2000, the deduction period may not exceed ten (10) years.
- C. For vacant buildings, the deduction period may not exceed two (2) years.

EXHIBIT D

**FILED**

MAR 05 2009

**CITY CLERK**

RESOLUTION NO. 7, 2009

A Resolution of the Common Council of the City of Terre Haute, Indiana, Designating an Area Within the City of Terre Haute, Indiana, commonly identified as 1800 and 3181 North Fruitridge Avenue, as an Economic Revitalization Area for the Purposes of Real Property Tax Abatement.

WHEREAS, a petition for ten (10) year real property tax abatement has been filed with the Common Council of the City of Terre Haute requesting that the real property described therein on Exhibit A be designated an Economic Revitalization Area for purposes of real property tax abatement; and

WHEREAS, the petitioner, Sony DADC US, Inc., formerly known as Sony Digital Audio Disc Corporation, has submitted a Statement of Benefits and provided all information and documentation necessary for the Common Council to make an informed decision, said information including a description of the real property which is commonly known as 1800 and 3181 North Fruitridge Avenue, and more particularly described as follows:

(See attached Exhibit "A")

WHEREAS, the Common Council of the City of Terre Haute is authorized under the provisions of I.C. 6-1.1-12.1-1 et seq., to designate areas of the City as Economic Revitalization Areas for the purpose of tax abatement; and

WHEREAS, the Common Council of the City of Terre Haute has considered the Petition and Statement of Benefits and has conducted a complete and proper investigation of the subject property and neighborhood to determine that the area qualifies as an Economic Revitalization Area under Indiana statutes; and

WHEREAS, the Common Council has found the subject property to be an area which is within the corporate limits of the City of Terre Haute which has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property; and

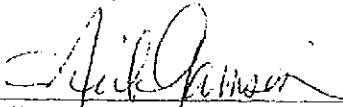
WHEREAS, the petitioner estimates the investment to be made on the subject site will continue to provide the opportunity to retain 1200 jobs with an annual payroll of \$56,938,373, and have an estimated value of \$4,000,000 for internal remodeling of current buildings for Blu-Ray product line to meet market demand.

WHEREAS, the Common Council of the City of Terre Haute has found the request for the Real Property Tax Abatement to satisfy the requirements of Special Ordinance 11, 1997, as amended by Special Ordinance 43, 2000.

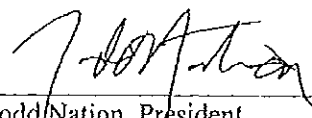
NOW, THEREFORE, IT IS FOUND, DETERMINED AND RESOLVED by the Common Council of the City of Terre Haute that:

1. The petitioner's estimate of the number of individuals who will be retained and employed can reasonably be expected to continue from the proposed renovation.
2. The totality of the benefits of the proposed renovation is sufficient to justify a ten year real property tax deduction from assessed valuation to result therefrom under Indiana statutes, and each such deduction should be, and is hereby, allowed.
3. The real property is located within an Economic Development Target Area as required pursuant to Indiana Code 6-1.1-12.1-3 and 6-1.1-12.1-7.
4. That the petition for designating the subject property as an Economic Revitalization Area for the purposes of ten year real property tax abatement and the Statement of Benefits are hereby approved, and the property is hereby designated as an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.

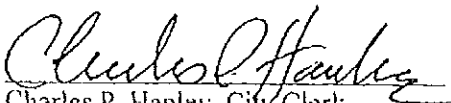
Presented by:

  
Neil Garrison, Councilman

Passed in open Council this 12 day of March, 2009.

  
Todd Nation, President  
Common Council of Terre  
Haute, Indiana

ATTEST:


  
Charles P. Hanley, City Clerk




Presented by me to the Mayor this 13 day of March, 2009.

  
Charles P. Hanley, City Clerk

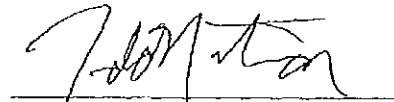
Approved by me this 13<sup>th</sup> day of March, 2009.

  
Duke A. Bennett, Mayor, City  
of Terre Haute

ATTEST:

  
Charles P. Hanley, City Clerk

PUBLIC HEARING held this 12 day of March, 2009.

  
Todd Nation, President  
Common Council of Terre  
Haute, Indiana

This instrument was prepared by Richard J. Shagley, WRIGHT, SHAGLEY & LOWERY, P.C.,  
500 Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448, (812) 232-3388.

EXHIBIT A  
LEGAL DESCRIPTION

A parcel of land described as follows: Beginning at the Northwest corner of the Northeast Quarter of Section 12, Township 12 North, Range 9 West in Harrison Township, Vigo County, Indiana; thence south 0 degrees 03 minutes 00 seconds West, 1,109.19 feet; thence North 89 degrees 97 minutes 98 seconds West, 990.00 feet; thence North 0 degrees 09 minutes 12 seconds East, 232.30 feet; thence North 89 degrees 97 minutes 98 seconds West, 109.73 feet; thence North 0 degrees 09 minutes 12 seconds East, 323.43 feet; thence North 89 degrees 97 minutes 29 seconds West, 318.09 feet; thence North 0 degrees 07 minutes 49 seconds East, 979.91 feet to the North Section line; thence South 88 degrees 11 minutes 99 seconds East, 977.10 feet, to the point of beginning.

Commonly known as 3181 N. Fruitridge Avenue, Terre Haute, Indiana.

AND

A parcel of land described as follows: Commencing at the Northwest corner of the Northeast ¼ (NE ¼) of Section 12, Township 12 North, Range 9 West, Harrison Township, Vigo County, Indiana, thence South 88 degrees 17 minutes 90 seconds East along centerline Fort Harrison Road 447.34 feet to the centerline of Aberdeen Avenue, South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 220.62 feet to the place of beginning. Thence South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 1349.38 feet to the North line extended of a tract as conveyed by Deed Record 388 Page 267-1 Records of Vigo County Recorder thence North 88 degrees 17 minutes 90 seconds West along and with the North line said tract 490.07 feet to the West line of the Northeast ¼ (NE ¼) said Section 12, North 00 degrees 03 minutes 90 seconds West along and with the West line of said Northeast ¼ (NE ¼) 1349.30 feet; South 88 degrees 17 minutes 90 seconds East 447.72 feet to the place of beginning and containing 13.898 acres, more or less.

Commonly known as 1800 N. Fruitridge Avenue, Terre Haute, Indiana.

FINAL ACTION BY COMMON COUNCIL OF THE  
CITY OF TERRE HAUTE, INDIANA REGARDING  
RESOLUTION NO. 7, 2009

WHEREAS, the Common Council of the City of Terre Haute, adopted Resolution No. 7, 2009 on the 12th day of March, 2009, and pursuant to Indiana Law has published notice of the adoption and substance of said Resolution, including a description of the effected area and notice that a description of the effected area is available for inspection in the office of the County Assessor and further stating a date which the Common Council would receive and hear remonstrances and objections; and

WHEREAS, the Common Council has conducted the hearing as required by law and has received no remonstrances or objections to designation of the effected area as an Economic Revitalization Area or to approval of the Statement of Benefits; and

WHEREAS, said matter is before the Common Council for final action pursuant to Indiana law; and

WHEREAS, the Common Council has received and examined, prior to said hearing, (i) a statement of benefits on the form prescribed by the State Board of Tax Commissioners and proper application for designation; (ii) an Agreement with the Board of Public Works for the City of Terre Haute; and (iii) has heard all appropriate evidence concerning the proposed project and is found and does find:

1. That the area has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property.
2. That the estimate of individuals whose employment will be retained as a result of the proposed renovation can reasonably be expected to continue.
3. That the benefits described can reasonably be expected to continue from the proposed renovation.
4. That the totality of benefits is sufficient to justify the deduction.
5. That the real property is located within an Economic Development Target Area as required by Indiana Code 6-1.1-12.1-3 and 6-1.1-12.1-7 for the type of facility proposed by Petitioner.
6. All qualifications for establishing an Economic Revitalization Area have been met.

7. That the requirements of Special Ordinance 11, 1997, as amended by Special Ordinance 43, 2000 have been met.

NOW, THEREFORE, for final action on Resolution No. 7, 2009, the Common Council of the City of Terre Haute, Indiana, RESOLVES, and FINDS, and DETERMINES:

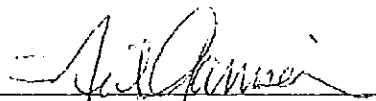
1. That all the requirements for designation of the real property described in Resolution No. 7, 2009, as an Economic Revitalization Area have been met, the foregoing findings are true and that all information required to be submitted has been submitted in proper form.

2. That Resolution No. 7, 2009, is in all respects confirmed and approved (as modified to incorporate therein this final action) and the benefits of the proposed redevelopment are sufficient to justify ten year real property tax abatement under Indiana statutes for the proposed construction and development described in the Statement of Benefits of Sony DADC US, Inc. and the deduction for the proposed project and the Statement of Benefits submitted by Sony DADC US, Inc. is approved and that the real estate described in Resolution No. 7, 2009, is declared an Economic Revitalization Area for the purposes of ten year real property tax abatement, and the said real estate is hereby designated an Economic Revitalization Area pursuant to I.C. 6-1.1-12.1-1 et seq.

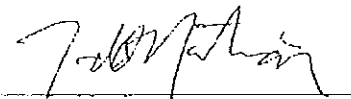
3. That said Resolution supplements any other designation of the real estate as an Economic Revitalization Area.

4. That this final action, findings and confirmation of Resolution No. 7, 2009, shall be incorporated in and be a part of Resolution No. 7, 2009.

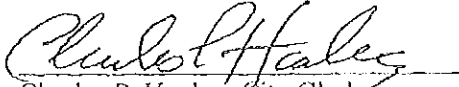
Presented by:

  
Neil Garrison, Councilman

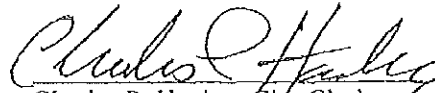
Passed in open Council this 7<sup>th</sup> day of April, 2009.

  
Todd Nation, President  
Common Council of Terre  
Haute, Indiana

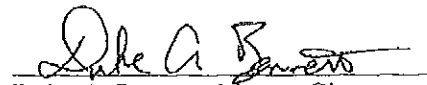
ATTEST:

  
Charles P. Hanley, City Clerk

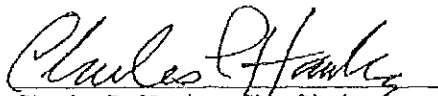
Presented by me to the Mayor this 13 day of April, 2009.

  
Charles P. Hanley, City Clerk

Approved by me this 13<sup>th</sup> day of April, 2009.

  
Duke A. Bennett, Mayor, City  
of Terre Haute

ATTEST:

  
Charles P. Hanley, City Clerk

This instrument prepared by: Richard J. Shagley, WRIGHT, SHAGLEY & LOWERY, P.C., 500  
Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448

CITY OF TERRE HAUTE  
PETITION FOR REAL PROPERTY  
TAX ABATEMENT CONSIDERATION

The Petitioner, SONY DADC US, INC., formerly known as SONY DIGITAL AUDIO DISC CORPORATION, an Indiana Corporation, owner of real property located within the City of Terre Haute, hereby petitions the Common Council of the City of Terre Haute for real property tax abatement consideration pursuant to I.C. 6-1.1-12.1-1, et seq., and in support of this petition states the following:

1. The project, the Petitioner proposes internal remodeling of current buildings and building expansion for Blu-Ray product line to meet market demand.
2. This project, once completed, not counting construction labor, Sony DADC US, Inc. will continue to retain 1200 jobs in the manufacturing facility as long as business conditions and sale of products permit.
3. That the estimated dollar value of this project is about \$4,000,000 in real property improvements.
4. That the facilities for which tax abatement consideration is petitioned are currently owned by or leased to Sony DADC US, Inc., 1800 North Fruitridge Avenue, Terre Haute, Vigo County, Indiana.
5. The commonly known address of the location of the property is 1800 and 3181 North Fruitridge Avenue, Terre Haute, Indiana, a legal description of which is attached hereto, and marked as Exhibit "A".
6. The best estimate of the amount of taxes being and to be abated for the proposed expansion and renovation is set forth in the "Sony DADC US, Inc. Estimated Tax Abatement", which is attached hereto, made a part hereof and marked as Exhibit "B".
7. No public financing is being used for any phase of the project.
8. In view of the foregoing circumstances, Petitioner in good faith applies for a ten (10) year tax abatement as above set forth.
9. Indiana State Form 51767 (R2/1-07), Statement of Benefits, as prescribed by the Indiana State Board of Tax Commissioners, which contains confidential information pursuant to the provisions of I.C. 6-1.1-35-9, will be submitted by Petitioner to the members of the Common Council at an appropriate time and manner for consideration to preserve its confidentiality.
10. The current use of the Property is manufacturing and the current zoning is M-2 Manufacturing District.

11. Sony DADC US, Inc. agrees to enter into an Agreement with the Board of Public Works for the City of Terre Haute, Indiana, in substantially the same form as is attached hereto and made a part hereof as Exhibit "C", and further, Petitioner agrees to comply with Special Ordinance 11, 1997, as amended by Special Ordinance 43, 2000.

12. The person to contact as the Petitioner's agent regarding additional information and the public hearing notifications is:

Mr. Michael Mitchell  
Executive Vice President and General Manager  
Sony DADC US, Inc.  
1800 North Fruitridge Avenue  
Terre Haute, IN 47804

WHEREFORE, Petitioner, requests that the Common Council of the City of Terre Haute, Indiana, adopt a declaratory resolution declaring and designating the area described herein to be an Economic Revitalization Area for purposes of real property tax abatement consideration, and after publication of notice and public hearing, determine qualifications for an economic revitalization area have been met and confirm such resolution.

PETITIONER:

Sony DADC US, Inc.

By: 

Michael Mitchell, Executive Vice President  
and General Manager of Sony DADC US,  
Inc.

This instrument prepared by Richard J. Shagley, Attorney at Law, Wright, Shagley & Lowery,  
P.C., 500 Ohio Street, P.O. Box 8448, Terre Haute, IN 47808-8448, (812) 232-3388.

EXHIBIT A  
LEGAL DESCRIPTION

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Commonly known as 3181 N. Fruitridge Avenue, Terre Haute, Indiana.

AND

A parcel of land described as follows: Commencing at the Northwest corner of the Northeast ¼ (NE ¼) of Section 12, Township 12 North, Range 9 West, Harrison Township, Vigo County, Indiana, thence South 88 degrees 17 minutes 90 seconds East along centerline Fort Harrison Road 447.34 feet to the centerline of Aberdcen Avenue, South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 220.62 feet to the place of beginning. Thence South 00 degrees 09 minutes 90 seconds East along and with the centerline said road 1349.38 feet to the North line extended of a tract as conveyed by Decd Record 388 Page 267-1 Records of Vigo County Recorder thence North 88 degrees 17 minutes 90 seconds West along and with the North line said tract 490.07 feet to the West line of the Northeast ¼ (NE ¼) said Section 12, North 00 degrees 03 minutes 90 seconds West along and with the West line of said Northeast ¼ (NE ¼) 1349.30 feet; South 88 degrees 17 minutes 90 seconds East 447.72 feet to the place of beginning and containing 13.898 acres, more or less.

Commonly known as 1800 N. Fruitridge Avenue, Terre Haute, Indiana.



EXHIBIT B

Sony DADC US, Inc.

ESTIMATED REAL PROPERTY TAX ABATEMENT

Tax Year	Cost	Assessed Value	Per \$100	Tax Abatement %	Abated	Paid
1	\$4,000,000.00	\$1,200,000.00	3.9965	100	47,958.00	-0-
2	\$4,000,000.00	\$1,200,000.00	3.9965	95	45,560.10	2,397.90
3	\$4,000,000.00	\$1,200,000.00	3.9965	90	43,162.20	4,795.80
4	\$4,000,000.00	\$1,200,000.00	3.9965	85	40,764.30	7,193.70
5	\$4,000,000.00	\$1,200,000.00	3.9965	80	38,366.40	9,591.60
6	\$4,000,000.00	\$1,200,000.00	3.9965	70	33,570.60	14,387.40
7	\$4,000,000.00	\$1,200,000.00	3.9965	55	26,376.90	21,581.10
8	\$4,000,000.00	\$1,200,000.00	3.9965	40	19,183.20	28,774.80
9	\$4,000,000.00	\$1,200,000.00	3.9965	30	14,387.40	33,570.60
10	\$4,000,000.00	\$1,200,000.00	3.9965	25	<u>11,989.50</u>	<u>35,968.50</u>
				Total	\$521,318.60	\$158,261.40

EXHIBIT C  
AGREEMENT

This Agreement (the "Agreement") dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 2009, serves as a confirmation of Sony DADC US, Inc., formerly known as Sony Digital Audio Disc Corporation, (the "Applicant") commitment, pending an April 10, 2008 public hearing, to comply with the project description, and job retention (and associated wage rates and salaries) figures contained in its designation application, Statement of Benefits, the Preliminary Economic Revitalization Area Resolution No. 7, 2009 and attachments adopted by the Common Council of the City of Terre Haute, Indiana (the "Council") on March 12, 2009 and this Agreement (the "Commitment").

Subject to the adoption of a Final Economic Revitalization Area Resolution by the Council, the City of Terre Haute, Indiana (the "City") commits to providing a ten (10) year real property tax abatement for the Applicant's capital expenditure of up to \$4,000,000 associated with the construction of the Commitments. The capital expenditure for the Project and the retention of such positions shall occur within two (2) years of the estimated completion date of July 1, 2009, contained in the approved Statement of Benefits Form SB-1 (the "Commitment Date").

During the term of the abatement, the City may annually request information from the Applicant concerning the status of the Project, the approved capital expenditure for the Project, the number of full-time permanent positions retained 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 (the "Annual Survey"). The applicant shall provide a copy of the annual CFI to the Board of Public Works and Safety at the same time the CFI is filed with the County. The City shall utilize this information to verify that the Applicant has complied with the commitments contained in "the Commitments" at all times after the Commitment Date and during the duration of the 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 additional request.

The City, by and through the Council, reserves the right to terminate the Economic Revitalization Area designation and associated property tax abatement deductions if it determines that the Applicant has not made reasonable efforts to substantially comply with all the commitments, and the Applicant's failure to substantially comply with the Commitments was not due to factors beyond its control. As used in the Agreement, "substantial compliance" shall mean the Applicant's compliance with the following: Making capital expenditures of up to \$4,000,000 for the Project.

As used in this Agreement, factors beyond the control of the Applicant shall only include factors not reasonably foreseeable at the time of the designation application and submission of Statement of Benefits which are not caused by any act or omission of the Applicant and which materially and adversely affect the ability of the Applicant to substantially comply with this Agreement.

If the City terminates the Economic Revitalization Area designation and associated tax abatement deductions, it may require the Applicant to repay the City all or a portion of the tax abatement savings received through the date of such termination. The amount of tax abatement required to be repaid for each year of noncompliance shall not exceed an amount equal to the percentage by which the Applicant has failed to attain substantial compliance in position retention and/or creation and average hourly wage rate and salary categories multiplied by the dollar amount of taxes actually abated. If the Applicant fails to substantially comply with more than one of the aforementioned categories, repayment shall be based on the highest level of noncompliance.

If at any time during the term of this Agreement, whether before or after the Commitment Date, the Applicant shall: (i) cease operations at the facility for which the tax abatement was granted; or (ii) announce the cessation of operations at such facility, then the City may immediately terminate the Economic Revitalization Area designation and associated future tax abatement deductions.


In the event the City requires repayment of the tax abatement savings as provided hereunder, it shall provide Applicant with a written statement calculating the amount due (the "Statement"), and Applicant shall make such repayment to the City within 30 days of the date of the Statement. 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.

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

"Applicant"

Board of Public Works & Safety  
City of Terre Haute

Sony DADC US, Inc.

By:   
Michael Mitchell, Executive Vice President  
and General Manager

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Approved as to Legal Adequacy and Form on this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

By: \_\_\_\_\_

Title: \_\_\_\_\_



**STATEMENT OF BENEFITS  
REAL ESTATE IMPROVEMENTS**

State Form 51067 (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-VBO (whichever is applicable) must be filed with the County Auditor by the filer 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(d))
- The schedules established under IC 6-1-1-12 1-4(1) 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  
**Sony DADC US, Inc. F/K/A Sony Digital Audio Disc Corporation**

Address of taxpayer (number and street, city, state, and zip code)  
**1800 N. Fruitridge Ave Terre Haute, IN 47804**

Name of contact person  
**Michael Mitchell** Telephone number  
**(812)462-8123** E-mail address

**SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT**

Name of designating body  
**Common Council of City of Terre Haute** Resolution number  
**7,2009**

Location of property  
**1800 N. Fruitridge Ave Terre Haute IN** City of  
**Vigo** District number  
**Harrison**

Description of real property improvements, redevelopment, or rehabilitation (use odd or even streets if necessary)  
**Internal remodeling of current buildings for Blu-Ray product line to meet market demand** Estimated start date (month, day, year)  
**5/1/09** Estimated completion date (month, day, year)

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

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
1250	\$58,926,853	1200	\$56,938,373	0	0

**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		8,134,200
Plus estimated values of proposed project		1,200,000
Less values of any property being replaced		
Net estimated values upon completion of project		9,334,200

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

Estimated solid waste converted (pounds) \_\_\_\_\_ Estimated hazardous waste converted (pounds) \_\_\_\_\_

Other benefits \_\_\_\_\_

**SECTION 6 TAXPAYER CERTIFICATION**

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

Signature of authorized representative: Title: **E.J. D. + GEN. MAN.** Date signed (month, day, year): **3-2-09**

**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 10 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  Yes  No
  - 2. Residentially distressed areas  Yes  No
  - 3. Occupancy of a vacant building  Yes  No
- C. The amount of the deduction applicable is limited to \$ \_\_\_\_\_.
- D. Other limitations or conditions (specify): \_\_\_\_\_.
- E. The deduction is allowed to: 10 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 Designating Body Member)	Telephone Number	Date signed (month, day, year)
<i>[Signature]</i>	616-232-2525	4-7-2009
Approved (Signature and Title of Applicant)	Designated Body	
<i>[Signature]</i>	City of Haute City Council	

\* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1-1-12.1-4.

- A. For residentially distressed areas, the deduction period may not exceed five (5) years.
- B. For redevelopment and rehabilitation of 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 30, 2000, the deduction period may not exceed ten (10) years.
- C. For vacant buildings, the deduction period may not exceed two (2) years.

