

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
INDIANA ECONOMIC DEVELOPMENT CORPORATION
DECEMBER 8, 2005

The Board of Directors ("Board") of the Indiana Economic Development Corporation (the "Corporation") met on December 8, 2005 at Purdue Technology Center, 3000 Kent Avenue, West Lafayette, Indiana. Present at the meeting were directors Mitchell E. Daniels, Jr., James Marcuccilli, Bruce White, Bill Mays, John Mutz, Tim Solso, Kip Tom, Dane Miller and Sarah R. Byrn. Bob Koch and Cathy Langham were absent due to a conflict. Representing the Corporation were Patricia R. Miller, Michael S. Maurer, Nathan J. Feltman, Chad J. Sweeney and Ryan Asberry. Also present was Joseph E. DeGroff in his role as outside counsel to the Corporation.

Following brief opening remarks, Governor Daniels, as chairman of the Board, called the meeting to order.

Governor Daniels recognized that a sufficient number of the members of the Board were present to constitute a quorum. Governor Daniels also recognized that the meeting of the Board was being held in full compliance with the open door laws of the State of Indiana and noted that all postings and other related requirements were observed.

Governor Daniels then reviewed and presented for approval the minutes from the previous Board meeting. Upon motion duly made and seconded, the minutes from the prior meeting were unanimously adopted.

Governor Daniels opened the meeting by calling on Pat Barkey to provide the Board with a summary of the economic forecast for the State of Indiana recently completed by Dr. Barkey and his colleagues at Ball State University. Dr. Barkey summarized the forecast for the Board, which included challenges facing the Indiana economy, a comparison of Indiana's economy versus surrounding states and a forecast for growth for the upcoming year.

Following general discussion and questions from members of the Board, Governor Daniels thanked Dr. Barkey for his presentation. Governor Daniels then recognized that the Mayor of Lafayette, Tony Roswarski, was in attendance and asked Mayor Roswarski if he would like to address the Board. Mayor Roswarski expressed his appreciation for the Corporation holding its meeting in West Lafayette and stated that he looked forward to future cooperation between the state and the City of Lafayette in strengthening the state's economy.

Governor Daniels then asked the executive staff of the Corporation to provide the Board with a report of activity since the prior Board meeting. Indiana Secretary of Commerce Patricia Miller provided a report on the progress of the Corporation on various organizational matters and initiatives. The report included a summary of

accomplishments of the Corporation in its first year, an update on the Indiana auto industry and a description of the recent agreement reached between the Corporation and the Center for Automotive Research. Secretary Miller updated the Board regarding ongoing discussions with Toyota regarding the potential for a major investment in Lafayette. Secretary Miller also provided the Board with an update on personnel matters, including the hiring of a new project manager (Leslie Wagner), a director for the Corporation's life sciences initiative (Todd Pederson) and a director of entrepreneurship (Bruce Kidd). Secretary Miller concluded by providing the Board with a summary of the Corporation's legislative initiatives for the upcoming legislative session, including the importance of the Governor's Major Moves agenda.

Corporation President Mickey Maurer then provided the Board with an update on the Corporation's deal activity level. He advised the Board that year to date the Corporation had closed 126 competitive projects, including 32 so far in the current quarter. Mr. Maurer noted that these projects involved the commitment to create 13,500 new jobs, retain 19,500 current jobs and leverage approximately \$2.5 billion in new investment. Mr. Maurer also commented on the current pipeline of new projects, which included 40 projects currently subject to active negotiations. Mr. Maurer referred the Board to a map provided in advance of the meeting identifying the location of completed projects across the state. Mr. Maurer closed by reminding the Board that the Corporation is analyzing every incentive project and that the metric report provided to the Board in advance reflects that the return to the State of Indiana on completed projects reflects a two to three year return taking into account only direct benefits and just over one year when including indirect benefits.

The Governor then called on IEDC Vice President Nathan J. Feltman to provide a report on the Strategic Economic Development Planning Conference that was held in Indianapolis on November 15th. Mr. Feltman thanked the Board members who participated in the conference and provided a summary of the conference and a timeline for the distribution of a draft of the statewide strategic economic development plan.

Governor Daniels then called on Trevor Lane, the director of the Corporation's Southeast office, to provide a presentation regarding a successful project from the prior quarter. Mr. Lane provided the Board with a summary presentation of the IDX project, including a description of the company's business, a project timeline and the key aspects of the Corporation's offer of incentives. It was noted that the project is anticipated to create 90 new jobs in Jeffersonville, Indiana.

Governor Daniels thanked Trevor for his presentation and called upon Jon Myers, the director of the Corporation's Northeast office, to provide a presentation regarding a job retention project that occurred in the prior quarter. Mr. Myers gave a presentation regarding Cooper Standard's NVH division in Auburn, Indiana. He described that the company was deciding to close either the Auburn facility or a facility in Arkansas. Mr. Myers summarized the Corporation's involvement in the project, including offering incentives, which helped to retain 650 Indiana jobs.

Governor Daniels thanked Jon and then called on Sally Byrn to provide a report from the earlier meeting of the Entrepreneurship Committee of the Board. Ms. Byrn provided the Board with a summary of the discussion regarding the Twenty First Century Research & Technology Fund. She noted that the executive staff of the Corporation had recommended a number of new policies regarding administration of the fund and had two resolutions to submit to the Board for consideration.

Ms. Byrn then submitted the following resolutions for consideration:

Delegation of Authority:

As the Board is aware, the IEDC is responsible for the administration and investment of the 21st Century Research & Technology Fund. The legislation creating the fund requires that all fund awards, and many administrative functions relating to the management of the fund, be approved in advance by this Board. As you will recall, the Board previously delegated authority for approval of certain tax credit awards to the Economic Policy Committee to allow for the more efficient operation of those programs.

Likewise, in order to provide for the more efficient operation of the 21st Century Fund, the Entrepreneurship Committee recommends that the board delegate the authority for all decisions relating to the administration of the 21st Century Research & Technology Fund, including the approval of fund awards, to the Entrepreneurship Committee.

Upon motion duly made and seconded, the foregoing resolution for the delegation of authority to the Entrepreneurship Committee was unanimously approved.

Approval of Matching Grants:

In the past, the 21st Century Fund has provided a dollar-for-dollar match to Indiana companies that are recipients of Federal SBIR or STTR grant awards. This program was well received and is effective at leveraging federal funding. In anticipation of the continuation of this program, the IEDC has received 37 matching requests from grant recipients totaling \$3,700,000.

The Entrepreneurship Committee feels that this program should be continued and recommends that this Board (i) approve the reservation of fifteen percent (15%) of the 21st Century Fund Appropriation for grants to Indiana companies that are recipients of Federal SBIR or STTR funds; (ii) recommend all current matching grant requests to the Budget Committee for approval; and (iii) empower the staff of the IEDC to do all things necessary to make these awards consistent with these resolutions.

A motion was made and seconded to approve the foregoing resolution for the reservation and approval of matching grants from the 21st Century Fund. After discussion regarding the nature of SBIR and STTR grants and the amount of the reservation, the resolution was unanimously approved.

Governor Daniels then called on Jim Marcuccilli to provide a report of the Audit Committee. Mr. Marcuccilli noted that the Corporation had previously adopted a general conflict of interest and nondisclosure policy. However, through discussions with staff of the Corporation, Mr. Marcuccilli noted that there was a need to establish specific guidelines for negotiating and approving incentives for companies in which a director has a financial interest. To that end, Mr. Marcuccilli summarized the proposed director conflict of interest policy statement that was provided to the Board in advance, and recommended the policy to the Board for approval.

A motion was made to adopt the director conflict of interest policy statement in the form provided to the Board. The motion was seconded and following discussion, unanimously approved.

Governor Daniels then called on Chad J. Sweeney, the Chief Financial Officer of the Corporation to present a project for approval. Mr. Sweeney noted that the project was being brought to the Board for approval due to the fact that the project involved a company in which a director had a financial interest. Consistent with the director conflict of interest policy statement just adopted by the Board, Tim Solso, the CEO of Cummins, Inc., recused himself from the meeting.

Mr. Sweeney then summarized the Cummins – Scania XPI Manufacturing project. He noted that the project involves a capital investment of approximately \$30 million and that it is expected to result in the creation of 66 new jobs earning an average wage of \$21.47 per hour. He summarized the incentive package preliminarily offered to the company, as follows: (i) Training Assistance of \$86,500 and (ii) EDGE Tax Credits of \$825,000. Mr. Sweeney noted that the project fell within the investment parameters previously approved by the Economic Policy Committee of the Board and recommended the project to the Board for approval.

Upon motion duly made and seconded, the Board (absent Mr. Solso) unanimously approved the project.

Mr. Solso then rejoined the meeting.

It was noted that the next meeting of the Board would be held on March 16th in Fort Wayne. There being no more business to come before the Board at the public meeting, Governor Daniels concluded the public portion of the meeting, thanked all of the visitors for attending and excused the visitors and members of the media so that the Executive Session could be called to order.

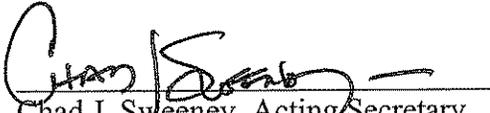
Executive Session

The Executive Session was called to order by Governor Daniels. Present other than members of the Board were Patricia R. Miller, Michael S. Maurer, Nathan J.

Feltman, Chad J. Sweeney, and Ryan Asberry, each of the Corporation. Also present was Joseph E. DeGroff, in his role as outside counsel to the Corporation.

The subject matter of discussion during the Executive Session related to the matters specified in the public notice, i.e., consideration of confidential pending incentive requests made to the State of Indiana (confidential proposals in progress) and discussion of records classified as confidential by state or federal statute, IC. 5-14-1.5-6.1(b). No other subject matter was discussed during the Executive Session.

Respectfully submitted,


Chad J. Sweeney, Acting Secretary

Approved:


Mitchell E. Daniels, Jr., Chairman

Attachments:

1. Public Notice of Meeting
2. Meeting Agenda dated December 8, 2005

**NOTICE OF A MEETING OF THE BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

AND

**NOTICE OF EXECUTIVE SESSION OF
THE BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

Notice is hereby given that the Board of Directors of the Indiana Economic Development Corporation will hold a public meeting on December 8, 2005, at 10:30 a.m., at the Purdue Technology Center, 3000 Kent Avenue, West Lafayette, Indiana.

In addition, the Board of Directors of the Indiana Economic Development Corporation will hold an executive session on December 8, 2005, at the conclusion of the public meeting, which is anticipated to be at 12:00 p.m., at the Purdue Technology Center, 3000 Kent Avenue, West Lafayette, Indiana, for consideration of confidential pending incentive requests made to the State of Indiana (confidential proposals in progress) and discussion of records classified as confidential by state or federal statute, IC. 5-14-1.5-6.1(b).

Indiana Economic Development Corporation Board of Directors Meeting

December 8, 2005 (10:30 a.m.)

- I. Welcome
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Approval of Minutes from September 22, 2005 Meeting
- II. IEDC Executive Report
- III. Report on Strategic Economic Development Planning Conference
- IV. Report and Analysis of recent Win / Loss
- V. Report of the Entrepreneurship Committee
- VI. Report of the Audit Committee
- VII. Consideration of Projects for Approval
- VIII. Place and Time of Next IEDC Board Meeting and Schedule of 2006 Meetings

EXECUTIVE SESSION

Consideration of confidential pending incentive requests made to the State of Indiana (confidential proposals in progress) and discussion of records classified as confidential by state or federal statute, IC. 5-14-1.5-6.1(b).

IEDC Policy Statement
Director Conflict of Interest

At the initial meeting of the Board of Directors ("Board") of the Indiana Economic Development Corporation ("IEDC"), held on March 17, 2005, the Board unanimously adopted a Confidentiality and Conflict of Interest Policy in the form attached hereto ("Conflict Policy"). The Conflict Policy provides general guidelines with respect to potential conflicts of interest. The Conflict Policy does not however provide guidelines for dealing with specific conflict of interest situations. The intent of this policy statement is to outline steps to be taken in dealing with a specific conflict of interest situation in a manner consistent with the Conflict Policy.

Specifically, the following are requirements with respect to the issuance of an offer of state incentives to a company in which a member of the Board has a direct or indirect financial interest (an "Interested Board Member"):

- (i) the Interested Board Member shall not participate in any discussions with other Board members regarding the proposed project or the state incentive offer;
- (ii) the staff of the IEDC shall evaluate the project based upon established IEDC criteria and shall make any offer of state incentives accordingly;
- (iii) irrespective of the amount of the state incentive offer, the company's application for state incentives shall be presented to the full Board for consideration and approval; and
- (iv) with respect to subparagraph (iii) above, the Interested Board Member shall not participate in any Board discussions or committee discussions or vote with respect to the approval of the project under consideration.

**CONFIDENTIALITY AND
CONFLICT OF INTEREST POLICY OF
INDIANA ECONOMIC DEVELOPMENT CORPORATION**

Purpose

The purpose of this Confidentiality and Conflict of Interest Policy is to promote the interests of the Indiana Economic Development Corporation (the "Corporation") and the State of Indiana by establishing clear standards of conduct for Corporation employees and members of the Corporation's Board of Directors ("Board") regarding confidentiality and conflicts of interest. As Corporation employees and members of the Board are subject to the rules and regulations of the State Ethics Commission and to the provisions of the Governor's Executive Order 05-12 regarding Ethical Rules of Conduct, this Policy is intended to comply with Indiana Code 4-2-6 et seq. and any rule promulgated or executive order issued pursuant thereto (the "Code of Ethics"). In the event that there is an inconsistency between the Code of Ethics and the requirements and procedures set forth in this Policy, the more restrictive provision or provisions shall control.

Confidentiality

Members of the Board and certain Corporation employees will likely have access to confidential and proprietary information related to the business of the Corporation, including specific economic development initiatives of the Corporation and the State of Indiana. By way of example and not by way of limitation, Corporation employees and Board members will be provided with information from time to time regarding competitions for new Indiana-based businesses and for the expansion of existing Indiana businesses. Therefore, members of the Board and Corporation employees shall keep all such confidential and proprietary information in the strictest confidence and shall not, either during or after their service on the Board or employment by the Corporation, disclose any such confidential and proprietary information until the earlier of (i) such information becoming generally known or available to the general public, or (ii) such information being publicly disclosed by the Corporation (in each case without being disclosed or released by the employee or Board member). For purposes of this Policy, confidential and proprietary information includes, but is not limited to, Corporation financial information, Corporation or State of Indiana strategic plans, business and marketing plans, lists of Corporation customers and prospects, requests for funding or public support, and initiatives to recruit businesses to relocate to, or establish or expand within, the State of Indiana (including any financial or other non-public information about any such businesses).

Conflict of Interest

All Corporation employees and members of the Board should be scrupulous at all times in avoiding a real or potential conflict of interest with regard to the interest of the Corporation or the State of Indiana. In the event that a Corporation employee or member of the Board has knowledge or is aware of an actual or potential conflict of interest resulting from a position (employment, board of director or otherwise) or from a financial interest which the Board

member or employee, or an immediate family member thereof, has as the result of (i) an ownership or investment interest in, (ii) a compensation arrangement resulting from employment with, or (iii) serving as an officer or a member of the board of directors of, any business entity or organization, such person shall be shall immediately disclose the existence and nature of his or her actual or potential conflict of interest. All such reports shall be provided to the Corporation Chief Executive Officer, and the Chief Executive Officer shall take all appropriate steps regarding such matters regarding employees, and shall refer all such matters regarding Board members, to the Board. A member of the Board or a Corporation Employee who has disclosed an actual or potential conflict of interest or who is subject to any issue regarding an actual or potential conflict of interest shall be deemed an "Interested Board Member."

An Interested Board Member shall not, as the result of such actual or potential conflict of interest, (i) participate in any discussions with Corporation employees or other Board Members regarding the subject matter in question, or (ii) participate in any Board discussions or vote on any such matters. The Chairman may or may not ask the Board member to remove himself or herself from the Board meeting during any Board deliberations on such matters. For purposes of this Policy, "immediate family" shall mean the spouse and children living in the same household as a member of the Board.

If, however, an actual or potential conflict of interest which would not have been reasonably known to or discoverable by a member of the Board is brought to the attention of the Corporation or the Board, such member shall be determined to be an Interested Board Member and shall be subject to the participation restrictions set forth in the immediately preceding paragraph unless a majority of the remaining members of the Board, after hearing the response of the Interested Board Member and making such further investigation as may be warranted in the circumstances, reasonably determines that such member is not an Interested Board Member.

Annual Statements

Each member of the Board shall annually complete and sign a Conflicts of Interest Disclosure Statement in the form attached.

Adopted as of the 24th day of March, 2005.