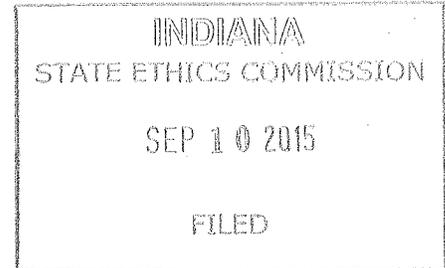




VIA EMAIL

August 29, 2015

Ms. Jennifer Cooper
Ethics Director
Indiana Office of Inspector General
jcooper@ig.in.gov



Re: IC 4-2-6-9 and IC 4-2-6-10.5 Disclosure

Director Cooper,

Out of an abundance of caution and in the interests of transparency, I write to disclose the following information to satisfy the requirements of IC 4-2-6-9 and IC 4-2-6-10.5.

In May, the IEDC Board awarded incentives to Hoist Liftruck Mfg., Inc. (“Hoist”). Then, on August 12th, the IEDC announced Hoist’s decision to expand its manufacturing operations into East Chicago, Indiana, where Hoist is anticipated to create up to 500 new jobs by 2022. This announcement was a major milestone in the continuing close collaboration between the IEDC, the Northwest Indiana Regional Development Authority, and the City of East Chicago (the “City”) to assist Hoist in its transition to Indiana.

On August 26th, the IEDC was informed that the \$2.5M in financing from the City necessary for Hoist to close on the purchase of a 550,000 square foot building at 4407 Railroad Avenue, East Chicago, IN 46312, cannot be available by August 31st, the date scheduled for closing. The IEDC subsequently confirmed with the City’s financial advisor that this was merely the result of timing of its Council meetings, and that the City remains fully committed to the project.

In an effort to ensure that the real estate transaction can proceed to support future the job creation anticipated in East Chicago, the IEDC immediately considered a variety of options to “bridge the gap.” Those options included entering into an interlocal agreement with the City (which we did not think we could reach in a timely manner due to the nature of negotiations and approvals required for such agreements) or directly transferring available IEDC funds (which we thought suboptimal given the short term nature of the arrangement). We asked for the closing to be postponed (which could not be arranged). We did not view allowing the deal to fail as an option. Instead, Peoples Bank, which has historically assisted the City, was asked to quickly assess the availability of a bridge loan to Hoist. As detailed in the attached proposed guarantee letter from the IEDC, Peoples Bank intends provide the bridge loan for closing on August 31st, with the IEDC’s guarantee as a backstop to Hoist and with IEDC’s backstop secured by funding from the City.

Director Cooper
August 29, 2015
Page 2

While we are pleased with the speed with which Hoist, the City, Peoples Bank, and our IEDC team have worked to ensure this timing issue does not impact the success of this transformational transaction for the people of East Chicago, we bring this all to your attention and file this disclosure because Joel Gorelick is an employee, director, and shareholder of Peoples Bank and is also a member of the IEDC Board of Directors.

Indiana Code § 4-2-6-9(a) provides that a special state appointee may not participate in a matter relating to that decision or vote if the special state appointee has knowledge that he/she would have a financial interest in the outcome of the matter. The events relating to this disclosure occurred well after the decision of the IEDC Board in May and could have occurred notwithstanding the IEDC's prior involvement, but they nonetheless relate to the IEDC Board's decision in May. Importantly, Mr. Gorelick's compensation as an employee of Peoples Bank is not, and will not be, affected by this transaction in any way. Nonetheless, we have worked with counsel from Peoples Bank to exclude Mr. Gorelick from the negotiations of our guarantee letter. Further, it is the City, not the IEDC, that will incur the fees associated with the loan from Peoples Bank.

Indiana Code § 4-2-6-10.5(a) provides that a special state appointee may not knowingly have a financial interest in a contract made by a state agency; however, this subsection does not apply if the special state appointee does participate in or have contracting authority for the agency and files a written disclosure statement before the contract is executed. Indiana Code § 4-2-6-10.5(c) provides for additional information to be disclosed, which is as follows: (1) Mr. Gorelick does not have contracting authority for the IEDC or for Peoples Bank. (2) This contract is not subject to public bidding requirements because the IEDC is not required to bid out such services; moreover, a bid was not possible given the pressing time constraints. (3) Mr. Gorelick is an employee of Peoples Bank, but his compensation is not affected by this transaction in any way. (4) This contract can be performed without compromising the performance of Mr. Gorelick's official duties because IEDC Board action with regard to Hoist has already long ago since occurred; Mr. Gorelick was initially made aware of the discussions with Peoples Bank, but has since been screened from further involvement in, and negotiations on, this particular matter between the IEDC and Peoples Bank; and, he will recuse himself from any later involvement in matters involving the IEDC and Hoist. (5) The IEDC is not capable of providing banking services like those provided by Peoples Bank and, as described earlier, cannot provide the funding through other mechanisms.

It is, therefore, my intention to execute our guarantee letter and related documentation following this disclosure to ensure the closing occurs on Monday, August 31, 2015. As always, if there are additional precautions your office would like us to take, we welcome your advice and direction.

Sincerely,

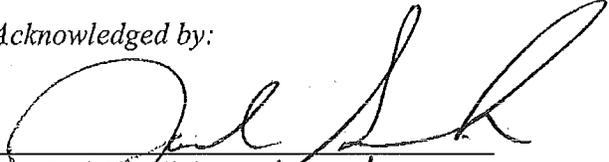
s/

Chris W. Cotterill
Executive Vice President & General Counsel

ENCLOSURES

Director Cooper
August 29, 2015
Page 3

Acknowledged by:



Mr. Joel Gorelick

Date:

8/29/15



VIA EMAIL

August 31, 2015

Mr. Todd Scheub
Chief Lending Officer
Peoples Bank SB
tscheub@ibankpeoples.com

Mr. Dan Kossow
Chief Financial Officer
Hoist Liftruck Mfg., Inc.
dankossow@icloud.com

Re: Bridge Loan to Ensure Successful Closing for Hoist in East Chicago, Indiana

Gentlemen,

On August 12th, the IEDC proudly announced Hoist Liftruck Mfg. Inc.'s ("Hoist") decision to expand its manufacturing operations into East Chicago, Indiana, where Hoist is anticipated to create up to 500 new jobs by 2022. This announcement was a major milestone in the continuing close collaboration between the IEDC, the Northwest Indiana Regional Development Authority, and the City of East Chicago (the "City") to assist Hoist in its transition to Indiana.

On August 26th, the IEDC was informed that the \$2.795M in financing from the City necessary for Hoist to close on the purchase of a 550,000 square foot building at 4407 Railroad Avenue, East Chicago, IN 46312, (the "Property") cannot be available by August 31st, the date scheduled for closing. The IEDC subsequently confirmed with the City's financial advisor, Jim Bennett, that this was merely the result of timing of its Council meetings, and that the City remains fully committed to the project.

Given the importance of this particular project and in furtherance of the IEDC's unflinching commitment to the success of economic development opportunities in Northwest Indiana, the IEDC is willing to take extraordinary measures to ensure closing proceeds as planned, as follows:

1. The IEDC acknowledges that Peoples Bank SB ("Peoples Bank"), which is a long-standing partner to the City, has agreed to provide an unsecured \$2.5M bridge loan to Hoist, or its designee, for the sole purpose of ensuring closing on the Property on August 31st (the "Bridge Loan") as originally planned.
2. With its acknowledgement below, Hoist confirms that this letter serves as sufficient authorization for Peoples Bank and/or the IEDC to request that the City direct the funding that its Council later approves for this project to the Peoples Bank or the IEDC, as appropriate, satisfy the Bridge Loan and that Peoples Bank and the IEDC may take any other action either deems necessary in their sole discretion to ensure that the City's funding is directed to satisfy the Bridge Loan as contemplated in this letter.

3. The IEDC hereby absolutely and unconditionally guarantees the full payment when due, whether at stated maturity or by acceleration or otherwise, of the Bridge Loan, together with all accrued but unpaid interest and charges, and collection costs (collectively, the "Bridge Loan Obligations"), to Peoples Bank. Peoples Bank is not required, at any time, to resort for payment to Hoist, the Bridge Loan borrower, or any other guarantor or obligor. At the request of Peoples Bank, the IEDC agrees to execute Peoples Bank's standard form of guaranty agreement as a condition to funding the Bridge Loan. In the event the IEDC makes such payment to Peoples Bank under its guaranty, the IEDC will then seek reimbursement from the City—through payment directly from the City, from distributions made to the City by the Northwest Indiana Regional Development Authority, or from an appropriation of the Indiana General Assembly— or Hoist, as the IEDC determines best, in its sole discretion.
4. The IEDC hereby represents and warrants that it has full power and authority to provide this unconditional guaranty of payment, that the execution, delivery and performance of this guaranty has been duly authorized as required by law and its organizational documents, and that Chris W. Cotterill, Executive Vice President & General Counsel of the IEDC, is authorized to execute this guaranty on behalf of the IEDC. The IEDC and Peoples Bank acknowledge that the State Budget Agency has acknowledged in separate correspondence that the IEDC has encumbered sufficient funds to support the IEDC's unconditional guaranty of payment of the Bridge Loan Obligations to Peoples Bank as provided herein.

We look forward to the successful closing on August 31st and to assisting as needed in the future to help Hoist successfully transition to East Chicago. Please return a signed copy of this letter acknowledging and accepting the terms of this letter, and let me know if you have any questions or concerns.

Sincerely,

Chris W. Cotterill
Executive Vice President & General Counsel

cc: The Honorable Mayor Anthony Copeland of East Chicago, Indiana (via U.S. Mail)
Mr. Jim Bennett, Financial Advisor to the City of East Chicago (jimb@jimbennett.com)
Mr. Bill Hanna, Northwest Indiana Regional Development Authority, (bhanna@rda.in.gov)
Mr. Bradley Migdal, Transwestern (brad.migdal@transwestern.com)
Mr. Jim Staton, IEDC (jstaton@iedc.in.gov)

Acknowledged by:

Mr. Todd Scheub, Chief Lending Officer
Peoples Bank SB
Date: _____

Mr. Dan Kossow, Chief Financial Officer
Hoist Liftruck Mfg., Inc.
Date: _____



VIA EMAIL

September 9, 2015

Ms. Jennifer Cooper
Ethics Director
Indiana Office of Inspector General
jcooper@ig.in.gov

Re: Addendum to IC 4-2-6-9 and IC 4-2-6-10.5 Disclosure Dated August 29, 2015

Director Cooper,

I write to supplement our filing dated August 29, 2015, in response to the request from your office seeking more details regarding the screening procedures established.

Mr. Gorelick's interest with Hoist has been logged in the IEDC's Customer Relationship Management (CRM) database, which the IEDC uses to track and alert IEDC staff to conflicts of interests on a go-forward basis. Except as necessary to execute on the ethical screening described here, Mr. Gorelick has and will continue to refrain from discussions relating to Hoist with IEDC staff and board members. Should the question of incentives for Hoist come before the IEDC board in the future, the screening procedures provided in the IEDC's Confidentiality and Conflict of Interest Policy shall also apply.

In addition to these screening procedures at the IEDC, I personally worked with counsel to Peoples Bank to ensure that Mr. Gorelick was not included in the negotiations of our guaranty letter.

Sincerely,

s/

Chris W. Cotterill
Executive Vice President & General Counsel