ECONOMIC DEVELOPMENT FOR A GROWING ECONOMY FOR RETENTION (EDGE FOR RETENTION) PROGRAM
PROJECTS STATUS REPORT THROUGH 2005

INDIANA ECONOMIC DEVELOPMENT CORPORATION

The Indiana Economic Development Corporation (IEDC) which replaced the Indiana Department of Commerce (IDOC) presents the 2005 annual report for the State of Indiana’s Economic Development for a Growing Economy for Retention (EDGE for Retention) tax credit program, required under I.C. 6-3.1-13-23. The EDGE for Retention program was introduced in the 2003 Indiana General Assembly and signed into law by Governor O’Bannon in June 2003. The EDGE for Retention program provides the State of Indiana with a tool for competing with other states nationwide and worldwide in the retention of current employment opportunities. The EDGE for Retention program is "performance-based"; EDGE for Retention tax credit recipients must retain existing Indiana resident jobs. This report presents the status of EDGE for Retention tax credit projects. A reconciliation of EDGE for Retention tax credits available versus those certified is provided on the final page of this report. Questions regarding this report should be directed to IEDC’s Director of Development Finance, Terri Van Zant, at (317) 232-8827.

STATUS REPORT – 2005 EDGE FOR RETENTION PROJECTS

I/N Kote, LP, located in New Carlisle, St. Joseph County, will replace components to their blast furnace which have become obsolete. The components are needed so that the furnace can obtain the temperature required to apply a protective layer of zinc or aluminum steel. As a result of this credit, 248 persons will be retained with an annual payroll of $11,986,832.

The IEDC approved EDGE for Retention credits in the amount of $250,000 over a period of 2 years. The IEDC is in the process of entering into an agreement with I/N Kote.

STATUS REPORT – 2004 EDGE FOR RETENTION PROJECTS

Dover Industries, Inc. d/b/a Rotary Lift Division, located in Madison, Jefferson County - IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of $500,000 over a period of 2 years. IEDC entered into an agreement with Rotary Lift on December 12, 2005. The IEDC has received Rotary Lift’s annual report on EDGE for Retention credits claimed for the 2005 tax year and is in the process of verifying the reported employment, payroll and EDGE credits.

Ispat Inland, Inc., located in East Chicago, Lake County - IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of $2,000,000 over a period of 2 years. IEDC entered into an agreement with Ispat Inland on July 19, 2005. The annual reports on EDGE for Retention credits claimed for the 2004-2005 tax years have not yet been received.

Flint & Walling, Inc., located in Kendallville, Noble County - IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of $250,000 over a period of 2 years. IEDC is in the process of entering into an agreement with Flint & Walling.

Stanley Security Solutions, Inc., located in Indianapolis, Marion County - IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of
$1,000,000 over a period of 2 years. The EDGE Board entered into an agreement with Stanley Security Solutions on October 26, 2004. EDGE for Retention credits certified since the 2003 tax year total $1,000,000.

**STATUS REPORT – 2003 EDGE FOR RETENTION PROJECTS**

**Dorel Juvenile Group, Inc.**, located in Columbus, Bartholomew County - IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of $1,000,000 over a period of 5 years. The EDGE Board entered into an agreement with Dorel on April 16, 2004. EDGE for Retention credits certified since the 2003 tax year total $600,000.

**Whirlpool Corporation**, located in Evansville, Vanderburgh County - IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of $1,000,000 over a period of 5 years. The EDGE Board entered into an agreement with Whirlpool on April 19, 2004. EDGE for Retention credits certified since the 2003 tax year total $600,000.

**EDGE FOR RETENTION CREDITS AWARDED AND CERTIFIED TO-DATE**

As of December 31, 2005, the IEDC (and former EDGE Board) has approved seven (7) projects. The annual report includes companies approved who are in the process of agreement. Those companies will not have EDGE for Retention credits certified, but will have EDGE for Retention credits available.

IEDC certified 2005 EDGE for Retention credits for annual reports received as of the submission deadline of February 14, 2005. Reports received after the deadline will be certified in the order in which they were received, and the companies will be able to claim 2005 tax credits in the amount certified by IEDC. When an EDGE for Retention tax credit recipient fails to file an annual report for tax credit certification, IEDC follows a procedure of notifying the recipient, in writing, that the annual report is overdue. Failure to file the required annual report for tax credit certification may result in forfeiture of such tax credits by the recipient.

The current schedule reflects EDGE Retention credits awarded over the period 2003-2005.

<table>
<thead>
<tr>
<th>Year</th>
<th>EDGE for Retention Credits Available</th>
<th>EDGE for Retention Credits Certified</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$900,000</td>
<td>$900,000</td>
</tr>
<tr>
<td>2004</td>
<td>$2,400,000</td>
<td>$900,000*</td>
</tr>
<tr>
<td>2005</td>
<td>$1,900,000</td>
<td>$400,000*</td>
</tr>
<tr>
<td>2006</td>
<td>$400,000</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$400,000</td>
<td></td>
</tr>
</tbody>
</table>

* Actual amount certified to date. Not all companies have reported.

Percentage of credits certified:

- 2003 – 100.0%
- 2004 – 37.5%
- 2005 – 21.1%

Percentage of credits certified through 3/31/06– 42.3%