



UDA Board Meeting – September 15, 2008

The Board of Directors of the Utah Defense Alliance met in public session September 15, 2008, at 7:30 a.m. at Weber Basin's District Headquarters, Layton, Utah. The meeting was called to order by President Jerry Stevenson. On roll call, the following directors/visitors were found to be present:

Present

Jerry Stevenson, President
 Tage Flint, Treasurer
 Gary Harter
 Rick Mayfield, Executive Director
 Vickie McCall, Past President
 Ken Warnick, Secretary
 Lisa Roskelley
 Louenda Downs
 Jan Zogmaister
 Don Wood
 Steve Curtis
 Dave Harmer
 Ron Kusina
 John Clay
 Steve Petersen
 John Matthews
 Ann Millner
 Mike Bouwhuis
 David Nydam

Excused

Peter Jenks
 Steve Rush
 Collette Johnson
 Debra Tanzi
 Barney Chapman
 Lane Beattie
 Mart Bushnell
 Ed Kleyn
 Ivan Flint
 Pat Condon
 Collette Mercier
 Charlie Precourt
 Sheldon Killpack
 Brad Dee
 Wilf Sommerkorn

Others

Ron Richins
 Paul Morris
 Brian Arnold
 Beverley Jacobs

I
Approval of Minutes

Mayor Steve Curtis made a motion that the UDA Board minutes for July 21, 2008, be approved as presented. Commissioner Louenda Downs seconded the motion. Ken Warnick requested the word "and" be added in the last paragraph showing revenue "and" expenditures. Mayor Steve Curtis and Commissioner Louenda Downs supported their previous motion with the addition. The Board unanimously accepted the motion with the correction as noted.

II

MIDA/Falcon Hill Update

Rick Mayfield briefly reviewed MIDA's formation, growth and development which was made possible through UDA. Because of UDA's foresight and strategic planning, in addition to legislature support, MIDA and the Falcon Hill Project have mushroomed into what they are today.

Last fiscal year, \$500,000 was appropriated by the legislature for UDA to cover the work on the strategic plan and to assist MIDA. This last year fiscal year, only \$100,000 was allotted for UDA.

The Falcon Hill MOU was signed in August and is now being converted to a three-way agreement. It is anticipated that it will be ready by the November Board meeting.

The tentative ground breaking date for the first building is October 10, 2008. Although the first building will be built behind the fence, it will be a private, taxable building. It is anticipated that additional buildings will begin construction in early Spring which will bring the total square footage under construction to approximately 400,000 square feet.

Building codes were adopted at the last MIDA Board meeting. MIDA will be the enforcing authority and is in the process of creating a fee schedule as well as developing a process for site permit approval, building permit application and safety inspections. It has not yet been determined if MIDA will contract these types of services to the cities or if it will be necessary to hire an outside entity. Blu line designs has been hired to act as the MIDA planning consultant and works closely with the Development Review Committee (DRC). The DRC consists of six representatives, one from each city and two representatives from each of the counties. This group acts similar to a city planning commission as they will be reviewing any policies and making recommendations to the MIDA Board.

It is anticipated that the first site plan will be ready to review within the next thirty to forty-five days. The first building will be at the south end of the project near the Clearfield Gate. The gate will be moved and the road reconfigured for the project. The State has allocated \$5 million through UDOT for this project, and it is hoped construction can begin by November. MIDA has met with UDOT and is currently working out the details. Before construction begins, MIDA must have everything in place. The target date for occupancy is Fall 2009.

Gary Harter mentioned that GOED is working with EDC Utah to target and recruit out of state companies and businesses. In order for the Falcon Hill project to be successful, good, strong tenants will need to relocate to the Falcon Hill Industrial Park. An EDC Utah recruiting team is

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currently at a conference promoting the Falcon Hill project. There may be some businesses already in the State who would like to move to the Falcon Hill location, but the goal is to bring in new aerospace and related industries.

Mayor Steve Curtis requested that manufacturing companies desirous of relocating be referred to Layton City. He reminded the group that Layton City was in the process of developing properties on the Base's East Gate, and would appreciate any assistance.

Chairman Jerry Stevenson thanked the Board for all they have done to promote MIDA and the Falcon Hill project and stated that it is a big project that has the potential of becoming something enormous. Without the cooperation and interaction of the cities, none of this would be happening today. The Falcon Hill project is going to be a great benefit to Northern Utah.

Rick Mayfield reminded the group that the Falcon Hill project has been slated as a business research park being modeled after the University of Utah's Research Park. Despite the media reports, Falcon Hill will not have a mall or retail stores. The majority of the project will be dedicated to office space with supportive services including a motel and restaurants.

In order for MIDA to bond, make tax collections, and have concurrent jurisdiction, the MIDA legislation needs to be amended. A meeting has been set with Senator Killpack to discuss the proposed changes which will clarify the executive police power.

III & IV

Staffing Update – Contract for Services & Draft Fiscal Year Budget

Ron Richins and Beverley Jacobs' employment contracts were converted, and they became MIDA employees on September 1, 2008. In view of the future goals and funding of both organizations, it was suggested to the MIDA Board that the entire staff be kept under one organization. When the UDA Executive Committee met, it was agreed that it would be in the best interest of both organizations to cancel the UDA contracts and contract for services from MIDA. There will be no changes in the services; the only change will be who pays the bills.

Up until September 1, 2008, all contracts were being paid from UDA funds. With UDA only being funded \$100,000 for the current fiscal year, which was down from the \$500,000 appropriated the previous year, it was felt this move would be in UDA's best interest. In conjunction with this, it is being recommended that the UDA's year end be changed from a calendar year to a fiscal year which would run from July 1st to June 30th each year. This would also be more accommodating with the State contracts. Board members were asked to review the proposed FY09 budget and provide comments and/or questions to the Finance Committee prior to the next Board meeting. A refined mid-year budget will be prepared for the October Board meeting.

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Chairman Jerry Stevenson reminded the group that both organizations are important. The direction of both depends on the decisions of the respective Boards. It is important that the organizations run seamlessly while supporting one another. Each organization has unique characteristics that the other needs. An example he used is UDA can lobby, MIDA cannot.

A discussion about conflicting interests ensued. Gary Harter told the group that Jason Perry had also been concerned about this same issue, but after reviewing the contracts, and with the letter to UDA covering any unlikely conflicts, Jason was confident the issue had been addressed.

Paul Morris reviewed the proposed contract with the group noting that a letter from MIDA had been provided covering unlikely conflicts between the two groups. Because Paul Morris is acting as counsel for both organizations and he prepared the contracts, outside legal counsel, Robert Lund, has reviewed them to ensure objectivity.

Paul also mentioned that the service contract is a yearly renewable contract that can be cancelled at the end of the year given a ninety (90) day notice or at any other time of the year with a thirty (30) day notice. The contract also includes an indemnification clause which holds UDA harmless. The last page of the contract, Exhibit B – Compensation, has not been determined as it is pending figures from the final UDA budget.

Ron Kusina made a motion that the UDA Board accept Resolution No. 2008-1- A Resolution approving the Termination of the Contracts Effective September 1st, 2008 between Rick Mayfield, Associates, Inc., Beverley Jacobs, Ron Richins, Cottle Morris and Associates, of the Military Installation Development Authority (MIDA) and Utah Defense Alliance (UDA). Dave Harmer seconded the motion requesting the body of the resolution be corrected to show the resolution is retroactive as of September 1, 2008. With a unanimous vote, the Board adopted the resolution and correction.

Staff members will sign a document waiving the thirty-day notice requirement cancelling the contracts.

Ron Kusina made a motion that the Board accept Resolution No. 2008-2 – A Resolution approving a Support Services Contract Between the Military Installation Development Authority (MIDA) and the Utah Defense Alliance (UDA) proposing that the Board ratify the contract amount once the FY09 budget is amended. Commissioner Louenda Downs seconded the motion followed by a unanimous vote to adopt Resolution 2008-2.

V

Contract Update

The \$750,000 GOED Procurement Outreach contract has been signed and the first installment has been received.

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The \$100,000 GOED Contract covering UDA operations was misplaced at the State, but has since been found and signed. It is anticipated the first installment will be received within the next couple of weeks.

VI

Corona Sponsorship

The Executive Committee had discussed the strategic plan and felt that participation as a sponsor for the Corona conference would be a good opportunity for UDA. It was suggested that the two (2) civic leaders of the Air Combat Command Team represent UDA.

Gary Harter moved that UDA support sponsorship for the Corona conference and that two (2) UDA members participate. Commissioner Louenda Downs seconded the motion followed by a unanimous vote to allow sponsorship and participation.

VII

Strategic Plan Survey

Board members had previously been sent an e-mail requesting survey participation in regards to the UDA Strategic Plan. Survey participation has been less than 70%. Board members who have not filled out the survey were encouraged to do so in preparation for next Board meeting where the strategic plan will scrutinize and refined.

VIII

Air Force Update

Prior to the Air Force Update, Vickie McCall was recognized for receiving the Lifetime Achievement Award from Weber State University. She was thanked for her leadership.

Vickie McCall reported that the Air Force is in great turmoil. There have been a number of changes in leadership which has affected, shifted and changed many of the policies and initiatives that were previously in place. In an effort to keep UDA informed of the changes, she suggested that Bill Castle be invited to address and update the UDA.

Nothing has been officially issued, but indications are that Cyber Command will no longer be an Air Force mission. It is anticipated that it will fall under the Joint Command umbrella.

IX

Other items

- The Strategic Plan Update report will be completed and sent to Jason Perry next week.
- News items and accomplishments for the website would be greatly appreciated. Please submit those to Beverley for posting.

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- Gary Harter mentioned he would be attending a meeting at Dugway to discuss enhanced use leasing.

X

Next Meeting

The next UDA Board meeting will be held on Monday, October 20, 2008 at 7:30 a.m.

Ken Warnick made a motion to adjourn at 9:45 a.m.

MIDA

Military Installation Development Authority

September 12, 2008

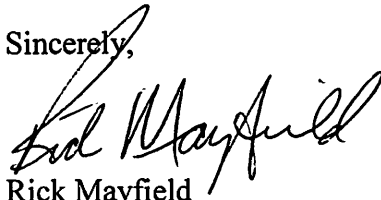
Utah Defense Alliance
PO Box 967
Kaysville, UT 84037

Dear Utah Defense Alliance,

As the relationship between the Military Installation Development Authority (MIDA) and the Utah Defense Alliance (UDA) continues to progress, MIDA felt it was appropriate to define its relationship with UDA in a clear manner regarding legal services. The relationship between MIDA and UDA has been very productive. MIDA is thankful for the continued role that UDA plays in their success.

In the unlikely event that litigation or legal services were needed because of a conflict between UDA and MIDA, Cottle Morris and Associates would represent MIDA. Further, if an unlikely conflict were to arise, the cost of the legal services of Cottle Morris and Associates would need to be reduced because of the need of UDA to retain independent legal counsel. Even though we feel that such a type of conflict is unlikely, we felt it was necessary to define the role that Cottle Morris and Associates would play in such a conflict.

Sincerely,



Rick Mayfield
MIDA Executive Director



Acknowledgment
Jerry Stevenson
UDA President

UTAH DEFENSE ALLIANCE
FY09 BUDGET WORKSHEET
 July 1, 2008 to June 30, 2009

DRAFT

	Proposed FY09 Budget	UDA CASH BUDGET
REVENUE (SOURCE OF FUNDS)		
GOED CONTRACT (PTAC)	\$ 750,000	\$ 37,500
GOED CONTRACT (UDA OPERATIONS)	\$ 100,000	\$ 100,000
CONTRIBUTED SUPPORT		
In-Kind/Services Contributions	\$ 15,000	\$ -
INTEREST INCOME	\$ 24,000	\$ 24,000
TOTAL REVENUE	\$ 889,000	\$ 161,500
EXPENSES(USE OF FUNDS)		
CONTRACTED SERVICES		
Local Contracts		
MIDA Contract	\$ 115,000	\$ 115,000
Public Relations	\$ 10,000	\$ 10,000
SWDA Support	\$ 20,000	\$ 20,000
SWDA Travel	\$ 10,000	\$ 10,000
Special Projects		
PTAC	\$ 712,500	\$ -
Contracted Studies		
Baseline		
HAFB Workload		
Tooele Workload		
Workforce		
Other		
Future Projects	\$ 400,000	\$ -
Total Contracted Services	\$ 1,267,500	\$ 155,000
OPERATIONAL EXPENSES		
Equipment Depreciation or Purchase)	\$ 500	\$ 500
Insurance	\$ 4,700	\$ 4,700
Local Meetings/Conferences	\$ 5,000	\$ 5,000
Out of Area Meetings.Conferences	\$ 30,000	\$ 30,000
In Kind Travel	\$ 15,000	\$ -
Memberships	\$ 2,000	\$ 2,000
Postage-shipping etc	\$ 600	\$ 600
Presentations		
Printing and Copying	\$ 1,500	\$ 1,500
Publications	\$ 1,000	\$ 1,000
Rent Office Space	\$ 7,200	\$ 7,200
Research		
Supplies	\$ 200	\$ 200
Telephone/Internet	\$ 200	\$ 200
UDA STAFF SUPPORT		
Financial Staff	\$ 3,000	\$ 3,000
Legal and Professional	\$ 6,000	\$ 6,000
Secretary/Admin		
In Kind Services		
TOTAL OPERATIONAL & Staff Expenses	\$ 76,900	\$ 61,900
TOTAL INCREASE (DECREASE)	\$ (455,400)	\$ (55,400)

SUPPORT SERVICES AGREEMENT
between
MILITARY INSTALLATION DEVELOPMENT AUTHORITY
and
UTAH DEFENSE ALLIANCE, INC.

This Support Services Agreement ("Agreement") is made and entered into this _____ day of _____, 2008, by and between the Military Installation Development Authority ("MIDA"), a Utah Authority created pursuant to Title 63H of the Utah Code and the Utah Defense Alliance, Inc. ("UDA"), a Utah non-profit corporation. MIDA and UDA may be individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, MIDA was created by the Utah Legislature in 2007 but did not receive any direct funding until fiscal year 2008-09; and

WHEREAS, UDA received funding to initially provide support and staffing to MIDA through appropriations received from the Utah Legislature; and

WHEREAS, UDA fulfilled this responsibility by using its contracted Executive Director, general counsel, financial management services, and executive assistant services to provide all staff support to MIDA; and

WHEREAS, MIDA now has direct funding such that it can contract for its own services and hire employees and has contracted or hired these same UDA contractors ("MIDA Staff"); and

WHEREAS, UDA will have need for general support and staffing to run as an organization and to fulfill contractual obligations it has already entered into;

NOW, THEREFORE, in consideration of the above recitals and the terms and conditions set forth below, the Parties agree as follows:

TERMS AND CONDITIONS

1. Scope of Services. MIDA agrees to provide all staff support to UDA necessary for it to run as an organization and to fulfill its contractual obligations, as more fully set forth in Exhibit A, attached hereto and by this reference incorporated herein.
2. Compensation. UDA shall pay for the services rendered by MIDA, pursuant to this Agreement, as more fully set forth in Exhibit B, attached hereto and by this reference incorporated herein.
3. Current Office Space. During the term of this Agreement MIDA shall continue to use the office space rented by UDA at the Roy Simmons Entrepreneurial Center, Davis Business Alliance Building and the computers and other office equipment ("UDA Office Equipment") owned by UDA that is currently used by MIDA Staff. UDA shall continue to maintain property insurance coverage for this UDA Office Equipment during the term of this Agreement. Upon

termination of this Agreement, the UDA Office Equipment shall be returned to UDA in good working order, with normal wear and tear excepted.

4. **Duration.** This Agreement has an initial term from the date executed until June 30, 2009 and shall automatically renew for subsequent terms of July 1 to June 30 unless a Party gives the other Party written notice, pursuant to Paragraph 6, by June 1 of any year that it does not intend to renew the Agreement for the following term.
5. **Termination.** This Agreement may be terminated by either Party, without cause, with 90 days written notice to the other Party, pursuant to Paragraph 6. UDA shall pay MIDA for services rendered up to the date of termination.
6. **Notice.** Any and all notices, demands, or other communications required or desired to be given by any Party shall be in writing and shall be validly given or made to the other party if personally served, or if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested. If such notice or demand is served personally, notice shall be deemed constructively made at the time of such personal service. If such notice, demand or other communication is given by mail, such notice shall be conclusively deemed given five (5) days after deposit thereof in the United States mail addressed to the Party to whom such notice, demand, or other communication is to be given as follows:
 - a. To MIDA: Military Installation Development Authority
Chair, Board of Directors
Roy Simmons Entrepreneurial Center
Davis Business Alliance Building
450 Simmons Way
Kaysville, Utah 84037
 - b. To UDA: Utah Defense Alliance, Inc.
President
Roy Simmons Entrepreneurial Center
Davis Business Alliance Building
450 Simmons Way
Kaysville, Utah 84037

Any Party may change its address for purposes of this Paragraph by written notice given in the manner provided above.

7. **Indemnification.** MIDA agrees to indemnify and hold harmless UDA against any and all liability, claims, suits, losses, costs and legal fees caused by, arising out of, or resulting from any negligent act or omission of MIDA Staff in the performance and/or failure to perform its obligations under this Agreement.
8. **Choice of Law.** Both MIDA and UDA voluntarily submit to, consent to, and waive any defense to the jurisdiction of the Second District Court located in Davis County, Utah, as to all matters relating to or arising from this Agreement. The laws of the State of Utah shall

govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the Parties hereto.

9. Controversies. If any controversies arise out of the terms of this Agreement or its interpretation, the Parties may either (1) agree to mediate the matter and share the costs of mediation equally, or (2) proceed in court and the Parties shall bear their own attorney's fees and costs of the litigation.
10. Headings. Paragraph headings are not to be considered a part of this Agreement and are not intended to be a full and accurate description of the contents hereof.
11. Waiver. Waiver by one Party of breach of any provision of this Agreement by the other shall not operate or be construed as a continuing waiver.
12. Modification or Amendment. No amendment, change or modification of this Agreement shall be binding and enforceable unless in a dated writing signed by both Parties.
13. Entire Understanding. This Agreement constitutes the entire agreement of the Parties, and there are no other promises or conditions either oral or in writing. This Agreement supersedes any prior written or oral agreements between the Parties. This Agreement may be modified or amended as provided above.
14. Severability Clause. If a court finds that any provision of this Agreement is invalid or unenforceable, then the remainder of this Agreement shall nevertheless remain in full force and effect.

The undersigned Parties executed this Agreement on ____ day of _____, 2008.

Military Installation Development Authority

Stuart Adams
Chair, MIDA

MIDA Staff

Utah Defense Alliance, Inc.

Jerry Stevenson
President of UDA

Rick Mayfield
Executive Director of UDA

Exhibit A
Scope of Services

- A. General Support Services. MIDA shall be responsible to provide all staff support for UDA. MIDA's current or future Executive Director, General Counsel, Chief Financial Officer, and Executive Assistant ("MIDA Staff") shall act in this same capacity for UDA. MIDA's staff shall take its direction from the UDA Board of Directors and Executive Committee when it is acting on behalf of UDA.

- B. \$100,000 GOED Contract. MIDA Staff shall assist UDA to fulfill its obligations under a contract with the State of Utah's Governor's Office of Economic Development ("GOED") for the contract period of July 1, 2008, to June 30, 2009, to fulfill the objectives set forth in the contract to "support UDA's mission" and use some of the funds to "provide staff support to . . . MIDA."

- C. \$750,000 GOED PTAC Contract. MIDA Staff shall assist UDA to fulfill its obligations under a contract with the State of Utah's Governor's Office of Economic Development ("GOED") for the contract period of July 1, 2008, to June 30, 2009, to fulfill the objectives set forth in the contract to "enhance and supplement GOED's PTAC program."

**Exhibit B
Compensation**

- A. Fiscal Year 2008-09. For the services specified in Exhibit A, UDA shall pay MIDA for fiscal year 2008-09 \$ _____ in [quarterly/semiannual] payments of \$ _____.
- B. Subsequent Fiscal Years. For each year after the initial term, UDA shall pay MIDA as mutually agreed to by the Parties by the execution of a supplement to this Exhibit B that shall be attached to this Agreement.

ATTACHMENT B:

I. OBJECTIVES. The objectives of this contract are to support UDA's mission to strengthen and support all appropriate governmental and private enterprises in their accomplishments of national defense objectives and expand investment and employment opportunities in defense and aerospace related industries and provide staff support to the Military Installation Development Authority (MIDA).

II. SCOPE OF SERVICES.

A. Administrative services and staff support. UDA shall retain or hire staff to provide administrative services and support as necessary to support UDA's mission, which may include, but is not limited to:

1. staffing regularly scheduled Board meetings of UDA including executive, finance and other sub-committee meetings;
2. attending and reporting on conferences, forums, and meetings of other entities that relate to UDA's mission;
3. maintaining ongoing relationships with entities associated with UDA's mission;
4. counseling and advising the Board on issues related to UDA's mission;
5. making travel arrangements and traveling that relates to UDA's mission;
6. reviewing reports, briefs and other writings and reporting to the Board;
7. preparing minutes, memoranda, correspondence and other writings as needed by UDA.

B. Mission support. UDA shall support its mission by supporting the five goals and twenty-seven initiatives outlined in UDA's strategic plan as adopted by the Board. See Attachment C.

C. MIDA staff. UDA may provide staff support to MIDA as funds allow, which may include, but is not limited to:

1. staffing regularly scheduled meetings of MIDA;
2. attending and reporting on conferences, forums, and meetings of other entities that relate to MIDA;
3. maintaining ongoing relationships with entities associated with MIDA's purpose;

4. counseling and advising on issues related to MIDA's purpose;
5. making travel arrangements and traveling that relates to MIDA's purpose;
6. reviewing reports, briefs and other writings and reporting to MIDA;
7. preparing minutes, memoranda, correspondence and other writings as needed by MIDA.

D. *Reporting.* UDA shall file two summary reports on UDA's activities in support of UDA's mission, goals and initiatives as set forth in UDA's Strategic Plan. The first report shall be filed on or before January 31, 2009, which will report on activities made from the date of the contract through December 31, 2008. The second report shall be filed on or before July 31, 2009, to report on activities made for the full term of the contract. The report shall include activities that relate to:

1. supporting Utah military missions, workload and force structure while developing innovative projects for the future,
2. strengthening the Utah defense industry as a prime economic engine;
3. expanding Utah's aerospace industry;
4. promoting the availability of a highly skilled workforce to support the defense/aerospace industry;
5. engaging local, state and national political DoD, and business leaders on defense/aerospace issues.

III. SPECIAL TERMS AND CONDITIONS.

- A. *Sub-contractors.* The parties understand and agree that the scope outlined above in Section II(A)-(B) will be performed through existing, independent, third party contracts with UDA.

MIDA

Military Installation Development Authority

September 12, 2008

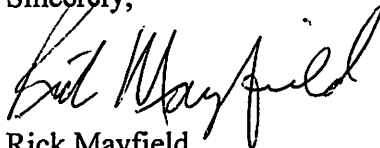
Utah Defense Alliance
PO Box 967
Kaysville, UT 84037

Dear Utah Defense Alliance,

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In the unlikely event that litigation or legal services were needed because of a conflict between UDA and MIDA, Cottle Morris and Associates would represent MIDA. Further, if an unlikely conflict were to arise, the cost of the legal services of Cottle Morris and Associates would need to be reduced because of the need of UDA to retain independent legal counsel. Even though we feel that such a type of conflict is unlikely, we felt it was necessary to define the role that Cottle Morris and Associates would play in such a conflict.

Sincerely,



Rick Mayfield
MIDA Executive Director

Acknowledgment
Jerry Stevenson
UDA President

Lewis & Lund

ATTORNEYS AT LAW
1458 S. 550 E.
KAYSVILLE, UTAH 84037

TELEPHONE (801) 647-0617

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WWW.LEWISANDLUND.COM

September 10, 2008

Military Installation Development Authority ("MIDA")
Roy Simmons Entrepreneurial Center
Davis Business Alliance Building
450 Simmons Way
Kaysville, Utah 84037

Utah Defense Alliance, Inc. ("UDA")
Roy Simmons Entrepreneurial Center
Davis Business Alliance Building
450 Simmons Way
Kaysville, Utah 84037

RE: SUPPORT SERVICES AGREEMENT & PROFESSIONAL SERVICES CONTRACT

To the Chair of MIDA and the President of UDA:

I have reviewed the contract for Support Services Agreement between MIDA and UDA as well as the Professional Services Contract between MIDA and Rick Mayfield & Associates, Inc. and made some minor suggestions.

The contracts are fair and reasonable and contain standard contractual language consistent with the services being provided. The payment for services is reasonable given no health or retirement benefits are included. However, it is my understanding that MIDA will provide director and officer ("D&O") coverage. In the event that liability coverage is not provided, payment for services should increase to cover the costs for private D&O liability protection.

Yours truly,
LEWIS & LUND

Robert E. Lund, Esq.