

Missouri Linked Deposit Program

Eligible Facility Borrower

*Missouri Agricultural and Small
Business Development Authority
&
Missouri State Treasurer*

June 2005

Introduction

The Missouri State Treasurer's Office administers the Missouri Linked Deposit Program, one of the nation's most utilized low interest loan programs. In order to promote Missouri's economic growth and development, below-market rate deposits of state funds are placed in Missouri financial institutions, allowing eligible borrowers to obtain low interest loans from that institution. The borrower typically saves 25-30% of the interest paid on a standard business loan.

Eligibility

"Eligible facility borrower", a development facility or renewal fuel production facility borrower qualified by the authority under this section to apply for a reduced rate loan under sections 30.750 to 30.767;

(a) "Borrower", any partnership, corporation, cooperative, or limited liability company organized or incorporated under the laws of this state consisting of not less than twelve members for the purpose of owning or operating within this state a development facility or a renewable fuel production facility in which producer members:

- (1) Hold a majority of the governance or voting rights of the entity and any governing committees;
- (2) Control the hiring and firing of management; and
- (3) Deliver agricultural commodities or products to the entity for processing, unless processing is required by multiple entities;

(b) "Development facility", a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product;

- (1) "Agricultural commodity", any agricultural product that has been produced for purpose of sale or exchange, except for animals whose principal use may be construed as recreational or as a pet;

(c) "Renewable fuel production facility", a facility producing an energy source that is derived from a renewable, domestically grown organic compound capable of powering machinery, including an engine or power plant, and any by-product derived from such energy source.

Limitations

The state treasurer may invest in linked deposits, however:

- (1) The total amount so deposited at any one time shall not exceed, in the aggregate, seven hundred twenty million dollars.
- (2) No more than three hundred thirty million dollars of the aggregate deposit shall be used for linked deposits to eligible farming operations, eligible agribusinesses, eligible beginning farmers, eligible livestock operations, and eligible facility borrowers.
- (3) May not exceed seventy million dollars for any single eligible facility borrower.

- (4) May not exceed seventy percent of the total anticipated cost of the development facility or renewable fuel production facility.
- (5) In the case of refinancing existing debt, may not exceed ninety percent of the fair market value of the development facility or renewable fuel production facility.
- (6) May not exceed a loan term of five years, except that such loan may be extended up to two additional loan periods of five years each for a maximum total loan term of fifteen years.

Approval Process

Applications are made to Missouri Agricultural and Small Business Development Authority (MASBDA), which will analyze, make recommendation and issue a certificate of approval to the Treasurer's Office.

The lending institution shall apply all usual lending standards to determine the credit worthiness of each eligible facility borrower.

In determining whether a facility will qualify as an eligible facility borrower, the authority shall consider the following factors:

New Loans:

1. The borrower's ability to repay the loan;
2. The general economic conditions of the area in which the agricultural property will be or is located;
3. The prospect of success of the particular project for which the loan is sought;
4. Financial Statement not more than six months old;
5. Cash Flow Statement prepared by lending institution;
6. Business Plan;
7. Feasibility study;
8. Marketing study;
9. Offering circular (if applicable);
10. By-Laws;
11. Construction Contracts;
12. Proof of Compliance with Missouri Securities Laws;
13. Provide proof of any third party lending institution participating (if applicable).

Refinancing:

1. The borrower's ability to repay the loan;
2. The general economic conditions of the area in which the agricultural property will be, or is located;
3. The prospect of success of the particular project for which the loan is sought;
4. Cash Flow Statement prepared by lending institution;
5. Financial Statements not more than six months old;
6. Current Business Plan;
7. Provide proof of any third party lending institution participating (if applicable).

Questions and Technical Assistance

Representatives of MASBDA and the State Treasurer's Office can provide information and technical assistance, as requested by any eligible facility borrower, on the requirements of the Program and the general requirements of Missouri Linked Deposit Program.

Further information or assistance can be obtained by contacting:

Missouri Agricultural and Small Business Development Authority
1616 Missouri Blvd.
P.O. Box 630
Jefferson City, Missouri 65102
Phone: (573) 751-2129
E-mail: masbda@mda.mo.gov
Web site: www.mda.mo.gov

Missouri State Treasurer
Missouri Linked Deposit
PO Box 210
Jefferson City, MO 65102
(573) 751-2372
Web site: www.treasurer.mo.gov

MASBDA Application & Processing Fee

MASBDA charges an application and processing fee of 25 basis points (1/4 of 1% or .0025) with a cap of \$25,000. The entire fee is due with the application.

Missouri Agricultural and Small Business Development Authority

Application for Requesting Certification of "Eligible Facility Borrower"

| | | | |
|--|-------------------------------|---|-------------------------------|
| Please Type | | | |
| SECTION 1 | | ELIGIBLE FACILITY BORROWER INFORMATION | |
| NAME OF ELIGIBLE FACILITY BORROWER | | CONTACT NAME | |
| ADDRESS (STREET/P.O. BOX) | CITY | STATE | ZIP CODE |
| TELEPHONE NUMBER | FAX NUMBER | SIC CODE or NAICS CODE | |
| BUSINESS FEDERAL IDENTIFICATION NUMBER | COUNTY FACILITY IS LOCATED IN | STATE SENATORIAL DISTRICT | STATE REPRESENTATIVE DISTRICT |
| ELIGIBLE FACILITY BORROWER IS A (check one) <input type="checkbox"/> DEVELOPMENT FACILITY OR Briefly describe the good produced and the agricultural commodity utilized or the process used to produce a good from an agricultural product. Use additional sheets if necessary. | | <input type="checkbox"/> RENEWABLE FUEL PRODUCTION FACILITY Briefly describe the energy source and the renewable, domestically grown, organic compound utilized. Use additional sheets if necessary. | |
| SECTION 2 | | LOAN INFORMATION AND TERMS | |
| Total amount of loan: | | | |
| USE OF LOAN PROCEEDS: Detail listing of the intended uses of loan proceeds | | | |

SECTION 3**OTHER INFORMATION:**

Applications are made to MASBDA, which will analyze, make recommendation and issue a certificate of approval to the Treasurer's Office,

In determining whether a facility will qualify as an eligible facility borrower, please provide the following:

New Loans:

1. Financial Statement not more than six months old;
2. Cash Flow Statement prepared by lending institution;
3. Business Plan;
4. Feasibility study;
5. Marketing study;
6. Offering circular (if applicable);
7. By-Laws;
8. Construction Contracts (if applicable);
9. Proof of Compliance with Missouri Securities Laws (is applicable);
10. Provide proof of any third party lending institution participating (if applicable);
11. MASBDA may require additional information in determining whether a facility will qualify.

Refinancing:

1. Cash Flow Statement prepared by lending institution;
2. Financial Statements not more than six months old;
3. Current Business Plan;
4. Provide proof of any third party lending institution participating (if applicable);
5. MASBDA may require additional information in determining whether a facility will qualify.

SIGNATURE OF BORROWER

SECTION 4**LENDING INSTITUTION INFORMATION**

| | | | |
|-----------------------------|------------|--------------|----------|
| NAME OF LENDING INSTITUTION | | CONTACT NAME | |
| ADDRESS (STREET/P.O. BOX) | CITY | STATE | ZIP CODE |
| TELEPHONE NUMBER | FAX NUMBER | | |

SIGNATURE OF LENDER

SECTION 5**SUBMIT TO**

**MISSOURI AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT AUTHORITY
PO BOX 630
JEFFERSON CITY, MO 65102-0630
TELEPHONE: (573) 751-2129**