DEFINITIONS

1. “Eligible participants” means:
   a. Any small business organized for profit, including any business related to tourism, doing business in and from the State of Oklahoma, which employs not more than two hundred (200) employees or has gross annual receipts of not more than four million dollars ($4,000,000.00);
   b. Any industrial park that has been certified by the Oklahoma Department of Commerce as meeting minimum guidelines necessary for an industrial park; or
   c. Any public trust authorized in accordance with Section 176 of Title 60 of the Oklahoma Statutes engaged in industrial development as determined by the Department of Commerce.

2. “Eligible lending institution: means a financial institution that:
   a. Is eligible to make commercial loans;
   b. Is a public depository of state funds; or

3. “Small business linked deposit” means a certificate of deposit placed by the State Treasurer with an eligible lending institution.

4. “Board” means the Oklahoma Linked Deposit Review Board.

ELIGIBILITY

1. Maximum loan amounts under Oklahoma Small Business Linked Deposit Act shall:
   a. Not exceed One Million Dollars ($1,000,000.00) for an eligible small business, and
   b. Not exceed Six Million Dollars ($6,000,000.00) for an eligible industrial park.

2. Applications for an amount exceeding $30,000 per job, may require additional information as deemed necessary by the Board.

3. Applications wherein an amount exceeding 50% of the Linked Deposit will be used for refinancing the existing debt of the applicant may require additional information as deemed necessary by the Board and/or State Treasurer.

4. An eligible participant shall certify on the loan application that the reduced rate loan will be used exclusively to create new jobs or preserve existing jobs and employment opportunities.
5. Only one linked deposit loan shall be made and be outstanding at any time to any eligible participant, providing that the linked deposit loan may be refinanced.

6. If a person owns 50% or more of a business already participating in the Linked Deposit Program, he/she is declared ineligible for another linked deposit loan for the term of the existing linked deposit.

7. The State Treasurer shall reject any small business linked deposit loan package if the participant requesting such loan is not in good standing with the Oklahoma Tax Commission, and/or the Oklahoma Employment Security Commission. Notwithstanding any provision of law to the contrary, said state agencies shall provide the State Treasurer with information regarding the standing of each applicant within ten (10) days of the request for the information.

8. No loan shall be made to any officer or director of the lending institution making the loan or to any entity in which any such officer or director maintains a controlling interest.

9. No loan shall be made to any employee of the State Treasurer’s Office or members of the Board or to any entity in which any such employee, officer or director maintains a controlling interest.

10. In considering which eligible participants to include in the small business linked deposit loan program for reduced rate loans, the eligible lending institutions shall give priority to the economic needs of the area in which the business is located and other factors it considers appropriate to determine the relative financial need of the business.

TERMS

1. Linked deposits may be made for any maturity considered appropriate by the State Treasurer not to exceed two (2) years and may be renewed for up to an additional three renewals not to exceed two (2) years each at the discretion of the State Treasurer. However, such loans made to be used within an enterprise zone may be made for the maturity date of three (3) years and have another three (3) years of renewal and a final renewal of up to two (2) years. Loans made to be used within Priority Enterprise Zones may be made with a maturity date of five (5) years and have another three (3) years of renewal. Interest shall be paid at the times determined by the State Treasurer. The State Treasurer may place a small business linked deposit with an eligible lending institution or decline to do so based on the cash flow needs of the state, the security of state funds, investment needs of the state and ratio of state funds deposited to jobs which would be sustained or created.

2. No renewals will be allowed unless the amount of principal has been reduced by a minimum of five (5%) and all interest paid to date from the time of the prior loan or renewal. However, the principal amount may be increased if the applicant can demonstrate that the applicant’s business is expanding and the increase will result in the creation of new jobs. The request for an increase in principal must be approved by the Board, and the Board will apply the same criteria as it would for a new application. An approval by the Board will not increase the total number of years the applicant may participate in the Program.

3. Upon approval of the small business linked deposit loan package or any portion thereof, the State Treasurer shall notify the Board, the lending institution, and the borrower. Upon approval the State Treasurer may place certificates of deposit with the eligible lending institution at up to three percent (3%) below the comparable U.S. Treasury rate, as determined and calculated by the State Treasurer. The lender must reduce its rate to the borrower by at least three percent (3%) or may add up to 5.5% (550 basis points) to the State Treasurer’s reduced deposit rate, whichever results in the lower rate to the borrower.
4. Upon placement of a small business linked deposit with an eligible lending institution, the institution shall fund the loan to each approved eligible participant listed in the small business linked deposit agreement between the institution and the State Treasurer. The percentage rate of the loan shall be reduced by at least the same number of percentage points that the certificate of deposit was reduced upon placement. A certification of compliance with this subsection in the form and manner as prescribed by the State Treasurer shall be required of the eligible lending institution.

LENDING INSTITUTIONS

The eligible lending institutions shall forward to the State Treasurer a small business linked deposit loan package in the form and manner prescribed and approved by the State Treasurer. The package shall include information regarding the amount of the loan requested by each eligible participant, the number of jobs to be created or sustained and any other information required by the State Treasurer and the Board. The institution shall certify that each applicant is an eligible participant, and shall, for each business, certify the present borrowing rate applicable to each specific small business.

If more than one lending institution will be involved in lending money to the borrower, attach separate copies of page 8, section P through page 10, section V with information for each lending institution and the amount of funds each lending institution would receive. Attach addendum(s) if needed.

PROCESSING PROCEDURES

1. Upon receipt of a completed small business linked deposit loan package, the State Treasurer shall forward the loan package to the Board. The Board shall review the small business linked deposit loan package to determine if said package is qualified under 62 O.S. §§ 88.1 – 88.1B. The Board shall make a recommendation concerning the package at its next regular or special meeting. The Board shall return the package to the State Treasurer with a written recommendation of approval or rejection. If the Board recommends rejection, the written recommendation shall include reasons for said rejection. The Board shall forward a copy of its rejection notice to the lending institution and the borrower. The State Treasurer shall keep a chronological list of applications returned by the Board for approval or rejection.

2. Applications approved by the Board shall be subject to available funds, and if a loan or loan package is not funded for such reason, it will be funded in the chronological order of its approval.

Funds

The amount that the State Treasurer may invest in all linked deposit programs authorized by law shall not exceed the lesser of Two Hundred Million Dollars ($200,000,000.00) or fifteen percent (15%) of all monies available to the State Treasurer for investment as calculated by taking the average of the quarter-end amount for the previous four (4) quarters.

DEPOSIT BALANCING

The lending institution shall submit to the Office of the State Treasurer, once per quarter, a quarterly report acceptable to the Treasurer, along with the appropriate amount of deposit interest and principal paid on loan.
PENALTY

Whoever knowingly makes a false statement concerning a linked deposit loan application shall be prohibited from entering into the linked deposit loan program, and may be subject to fines and imprisonment under 18 U.S.C. § 1014 and 18 U.S.C. § 1341.

For assistance in completing applications please contact the Linked Deposit Department at (405) 521-3191. Fax no. (405) 521-4994. Mail completed applications to:

    Linked Deposits
    Office of the State Treasurer
    2300 N. Lincoln Blvd, Room 217
    Oklahoma City, OK 73105
APPLICATION

(Please type or print.)

BORROWER Please check appropriate box: (To be completed by business applicant.)

New (     )    Renewal (     )    Readmittance (     )

A. NAME AND ADDRESS OF OKLAHOMA BUSINESS OR INDUSTRIAL PARK

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

City            Zip Code         County

Social Security No.  _______________ Tax Identification No.  (FEI#) ____________________

President/Chief Executive Officer:  _________________________________________________

Name          Telephone No.  

B. BUSINESS DATA

1. Is the company headquartered in the State of Oklahoma?      Yes (   )  No  (   )

2. Does the company maintain offices and operating facilities in Oklahoma? Yes  (   )  No  (   )

3. Does the company employ less than 200 people?        Yes  (   )  No  (   )

4. Are the majority of employees Oklahoma residents?       Yes  (   )  No  (   )

5. Is the company organized for profit?           Yes  (   )  No  (   )

6. Are gross annual receipts less than $4,000,000?        Yes  (   )  No  (   )

7. Is applicant in good standing with the Oklahoma Tax Commission?  Yes  (   )  No  (   )

8. Is applicant in good standing with the Oklahoma Employment Security Commission?  Yes  (   )  No  (   )

9. Is applicant an officer or director of the lending institution?  Yes  (   )  No  (   )
10. Does an officer or director of the lending institution maintain an ownership or management interest in the applicant?  
   Yes ( ) No ( )  
   If yes, who?  ____________________________________________________________________

11. Is applicant currently participating in the Linked Deposit Program (Agriculture or Business)?  
   Yes ( ) No ( )  
   If yes, under what name?  ____________________________________________________________________

12. Has applicant previously participated in the Linked Deposit Program (Agriculture or Business)?  
   Yes ( ) No ( )  
   If yes, under what name?  ____________________________________________________________________

13. Is 50% or more of the interest in or control of the applicant owned directly or indirectly by a person, partnership, or corporation who owns directly or indirectly 50% or more of or controls a business currently participating in the program?  
   Yes ( ) No ( )  
   If yes, who?  ____________________________________________________________________

14. Is applicant an employee of the State Treasurer’s Office or a member of the Oklahoma Linked Deposit Review Board?  
   Yes ( ) No ( )  
   If yes, who?  ____________________________________________________________________

C. What is the amount of linked deposits requested for this intended loan?  (Must agree with Section S, Page 10.)
   $_________________ Small Business (not to exceed $1,000,000)
   $_________________ Industrial Park (not to exceed $6,000,000)

D. Is the business located in an enterprise zone designated by the Department of Commerce?  
   Yes ( ) No ( )  
   If yes, please attach a copy of the certification.

E. EMPLOYMENT DATA

Oklahoma small businesses who qualify under the Oklahoma Small Business Linked Deposit Program must have less than 200 employees at the time of application or gross annual receipts of less than $4,000,000. Count only those employees who are currently working and use only the applicant’s own employees. Under “jobs saved”, only include employees who will not lose their jobs because of business decisions made by your company as a result of a lower interest rate loan obtained under the Oklahoma Small Business Linked Deposit Program. “Jobs created” are new jobs specifically created because of your company’s decision to expand or restructure operations as a result of a lower interest rate loan obtained under the Oklahoma Small Business Linked Deposit Program (expansion constitutes the addition of new fixed assts or capital invested for the specific purpose of expanding products or services). Applications for an amount exceeding Thirty Thousand Dollars ($30,000) per job being saved or created, may require additional information as deemed necessary by the Board. (Attach addendum if necessary.)

1. Number of jobs at the present time. (Date) __________________  
   a. Full-time employees __________________
b. Part-time employees ________________ (Less than 1000 hours per year)
c. Total number of hours worked by all part-time employees per year. __________

2. Number of jobs that will be lost without a lower interest loan.
   a. Full-time employees ________________
   b. Part-time employees ________________ (Less than 1000 hours per year)
   c. Total number of hours worked by all part-time employees per year. __________

3. Number of jobs expected to be created in the future.
   a. Full-time employees ________________
   b. Part-time employees ________________ (Less than 1000 hours per year)
   c. Total number of hours worked by all part-time employees per year. __________

4. If this application indicates that part-time job(s) will be created or saved, please give the number of hours each part-time employee will work each week. (Attach addendum if necessary.)

5. Provide a job creation schedule indicating the estimated date all job(s) (part-time and full-time) will be created. (Attach addendum if necessary.)

6. Provide proposed salary levels for all jobs to be created. (Attach addendum if necessary.)

7. Will the jobs being created through participation in the Oklahoma Small Business Linked Deposit Program be permanent?

8. Explain how your participation in the Oklahoma Small Business Linked Deposit Program will preserve or create jobs. (Attach addendum if necessary.)

F. What percentage of the linked deposit will be for: Refinancing of existing debt? __________
   Expansion ? ______
   Start up? ______

Effective October 5, 2005
G. Type of Business: (i.e.: tourist related, manufacturing, retail, wholesale, service, agri-business, etc.) Give description of goods, services, products, etc. (Attach addendum if necessary.)

H. Provide any information to demonstrate the economic significance or impact of the business on the state or local economy. (Attach addendum if necessary.)

I. Does the business export goods or services outside of Oklahoma? If so, what percentage?

J. This Business Entity is a:
   ___ _____ Sole proprietorship.
   _________ Partnership other than spouse.
   ___ _____ Corporation.
   ___ _____ Other ________________________________

K. FOR CORPORATE OR PARTNERSHIP APPLICANTS ONLY
   1. Tax Identification number of applicant.           _________________
   2. Social Security Number of person signing application.        _________________
   3. Name and Social Security Number of all owners of applicant.

<table>
<thead>
<tr>
<th>Name</th>
<th>% Owned</th>
<th>Social Security Number</th>
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<tbody>
<tr>
<td>1.</td>
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<td>8.</td>
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<td>___  __________________</td>
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</tbody>
</table>
L. FOR RENEWAL OR READMITTANCE APPLICANTS ONLY

The following employment data is requested to compare the original job projections with the actual job experience of the applicant.

1. Employment History
   
   a. Number of jobs at time of the initial application. (Date ___________)
      (Full-time employees ________ Part-time employees ________)
      (Less than 1000 hours per year)
   
   b. Number of jobs you have saved with your current or previous linked deposit.
      (Full-time employees ________ Part-time employees ________)
      (Less than 1000 hours per year)
   
   c. Number of jobs you have created with your current or previous linked deposit.
      (Full-time employees ________ Part-time employees ________)
      (Less than 1000 hours per year)
   
   d. Number of jobs at the present time. (Should agree with F-1) (Date _________________)
      (Full-time employees ________ Part-time employees ________)
      (Less than 1000 hours per year)

2. If this application indicates the existence of part-time job(s), please give the number of hours each part-time employee works each week. (Attach addendum if necessary.)

3. Provide salary levels for all jobs created or saved by your previous linked deposit(s). (Attach addendum if necessary.)

4. Are the jobs which were created or saved through participation in the Oklahoma Small Business Linked Deposit Program permanent as opposed to temporary or seasonal?

5. Explain how your participation in the Oklahoma Small Business Linked Deposit Program has preserved or created jobs. (Attach addendum if necessary.)

6. What percentage of the previous or current linked deposit was used for:
   
   Refinancing of debt? ______
   Expansion? ______
   Start up? ______
7. Has there been a change in ownership since the previous linked deposit was approved? If yes, please explain the changes.

8. Has there been a substantial change in the nature of the business since the previous linked deposit loan was approved? If yes, please describe.

9. If renewal application, what is the interest rate being charged on your current or previous linked deposit loan? ________

M. FOR INDUSTRIAL PARKS ONLY

1. Has the industrial park been certified by the Department of Commerce? Yes ( ) No ( )
   If yes, please attach a copy of the certification.

2. List the types of businesses expected to be included in the industrial park.

3. For the business expected to be established, give an estimate of the following.
   a. Number of jobs at the present time. (Date) __________________
      1. Full-time employees __________________
      2. Part-time employees __________________ (Less than 1000 hours per year)
      3. Total number of hours worked by all part-time employees per year. _________

   b. Number of jobs that will be lost without a lower interest loan.
      1. Full-time employees _______________
      2. Part-time employees _______________ (Less than 1000 hours per year)
      3. Total number of hours worked by all part-time employees per year. _________

   c. Number of jobs expected to be created in the future.
      1. Full-time employees _______________
      2. Part-time employees _______________ (Less than 1000 hours per year)
      3. Total number of hours worked by all part-time employees per year. _________

   Do not mark here
   _____      _____
   _____      _____

   _____      _____
   _____      _____

   _____      _____
N. CERTIFICATION AND STATEMENT OF BUSINESS

Under penalty of law, the small business named in this statement has accurately and truthfully answered the questions as listed and made application to the financial institution for the sole purpose of preserving and/or creating jobs under the Linked Deposit Program provisions of the Oklahoma Statutes. Said business certifies, herein, that the funds borrowed from the eligible lending institution will be not be used for purpose of gain under an investment arbitrage situation. Furthermore, it is fully understood that any use of the funds, other than that intended pursuant to Section 88.1 through 88.9 of Title 62 of the Oklahoma Statutes, constitutes an act of fraud and perjury.

Subscribed and sworn to this _____ day of __________________________, 20_____.

_________________________________________  ____________________________________
Business Name  Notary Public

SEAL    My commission expires  ___________________________

O. CERTIFICATION

Access to records: The lender and applicant agree to maintain required records and supporting documentation for a period of three (3) years following the conclusion of this contract period. The lender and applicant agree to allow the State Treasurer, the State Auditor and Inspector, or their authorized representatives access to the lender’s and applicant’s records, books, documents, accounting procedures, practices or any other items of the service provider relevant to the Small Business Linked Deposit Loan for purpose of audits, examination, etc.

The undersigned lender and applicant for a new, readmittance or renewal small business linked deposit loan hereby certify that the estimate of jobs saved and/or created is a good faith estimate of the economic impact of the business and/or expansion to be funded by the requested loan.

The undersigned lender and applicant for a renewal or readmittance of a Small Business Linked Deposit Loan certify that the amount of principal has been reduced by a minimum of five percent (5%) and all interest paid to date from the time of the prior loan or renewal unless otherwise approved by the Oklahoma Linked Deposit Review Board.

____________________________________
Bank Name

____________________________________    Signed:  ________________________________
Authorized Officer (Please print or type.)    Applicant

____________________________________
Authorized Signature

Date: ________________________________    Witness:   ______________________________

Date: _________________________________    Witness:   ______________________________

* Note: Information provided to the State Treasurer is a matter of public record. Therefore, only such data that directly affects acceptance under this program should be submitted. Since the State Treasurer is not a lender of funds, information vital to the creditworthiness of the small business or other matters of confidentiality should not be included in this application process. Only eligible state depositories can submit a Linked Deposit application.
LENDER  (To be completed by lending institution.)

P. NAME AND ADDRESS OF OKLAHOMA LENDING INSTITUTION

_______________________________________________________________________________________
City           Zip Code         County
_______________________________________________________________________________________
Telephone Number                Fax Number

Contact regarding this application ____________________________________________________________

Application is hereby made by (lender) ___________________________________________ (hereinafter referred to as applicant) for consideration as a Small Business Linked Deposit lending institution in accordance with Section 88.1 through 88.9 of Title 62 of the Oklahoma Statutes. It is understood and applicant hereby agrees that, by completing this application process, all applicable provisions of the Oklahoma Small Business Linked Deposit Program regarding eligible institutions will be met. The State Treasurer has the sole discretion in awarding Oklahoma Small Business Linked Deposits and in determining the manner, form, method and process of such award and placement. This application does not, in itself, guarantee that any Oklahoma Small Business Linked Deposits will be made to the applicant. This program may end at the maturity of Oklahoma Small Business Linked Deposit certificates of deposits or investments, or upon the direction of the State Treasurer.

The purpose of the Oklahoma Small Business Linked Deposit Program is to support small business or industrial parks in Oklahoma. Applicant hereby agrees that any Small Business Linked Deposits placed by the Treasurer of the State of Oklahoma are to be used solely to finance Oklahoma small businesses or industrial parks pursuant to Sections 88.1 through 88.9 of the Oklahoma Statutes.

ADDITIONAL PROVISIONS OF THE DEPOSIT AGREEMENT

To the best of applicant’s (lender’s) knowledge and judgment, a Small Business Linked Deposit will contribute to the relative financial need of the Oklahoma small business or industrial park whose application is contained herein. Applicants may be rejected at any time and without explanation. The placement of funds under this Program is subject to the cash flow and investment needs of the State of Oklahoma.

It is understood that the State Treasurer is not a lender and that the certificate of deposit will mature as indicated above. The State Treasurer assumes no responsibility or liability for any loan made by the depository.

The depository agrees to fully comply with all applicable provisions of state and federal law, specifically 62 O.S. §§ 88.1, et seq. (The Oklahoma Small Business Linked Deposit Program) and to adequately collateralize state funds.

If a bank has lower loan limits than the amount of the loan to be made and desires participation from another bank or banks, the lead bank, or the one that makes application for a linked deposit, shall determine where the deposit shall be made, providing all banks are approved depositories for state funds.
The provisions contained in this application are accepted and fully understood by the applicant.

Date __________________ Na __________________ me of Lending Institution __________________

County __________________ and City __________________

Signature __________________ President/CEO __________________

Q. COMPLIANCE WITH SECTIONS 88.1 THROUGH 88.9 OF TITLE 62 OF THE OKLAHOMA STATUTES

The Treasurer currently requires the collateralization of the uninsured portions of state deposits under the individual assignment method. Accordingly, trust receipts evidencing the pledge of securities must be in receipt of the State Treasurer prior to the Linked Deposits being awarded.

R. Amount applied for under Oklahoma Small Business Linked Deposit Program (this application). $ __________________

S. Is the Financial Institution making application for this linked Deposit an approved State Depository? Yes (   ) No (   )

T. ESTIMATION OF INTEREST RATE ON LINKED DEPOSIT LOAN

Estimation of two-year T-Note rate. (Actual rate is determined when sent to C.D. department for funding.)

Minus Discount (Normally 3%, see Guidelines).

Equals Rate to Lending Institution. (CD placed in bank.)

Plus Margin, service charges, mark-up (maximum 5.5% or 550 basis points).

Equals Estimated loan rate to borrower.

Equals Estimated loan rate to borrower without a Linked Deposit Loan.

Will the Linked Deposit Program save the borrower at least 3% (300 basis points)? Yes (   ) No (   )

U. CERTIFICATION OF FINANCIAL INSTITUTION

Under penalty of law, the financial institution making application under the Oklahoma Small Business Linked Deposit Program provisions of the Oklahoma Statutes certifies hereto that, according to information contained in the loan application, all sections of this statement and relevant information in financial statements, and any other information known to it, the applicant is an eligible small business or industrial park, and that the benefits of the linked deposit materially contribute to the preservation and/or creation of jobs. The financial institution (lender) hereby acknowledges that determinations of creditworthiness, or any other decision involved in granting loans to the business whose application is contained herein, rests solely upon said financial institution. The financial institution (lender) hereby certifies that the present borrowing rate of the
business whose application is contained herein, and the rate to be charged for the linked deposit loan, are in compliance with the rules and regulations issued by the State Treasurer.

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>Authorized</th>
<th>Signature</th>
</tr>
</thead>
</table>

Subscribed and sworn to me this ______ day of ______________________ , 20____.

SEAL My commission expires: __________________________

Tax Commission and Employment Security Commission Only

**Tax Commission**
I hereby certify that the applicant is in good ___ / bad ___ standing. Date: ______ Signature: __________________

**Employment Security Commission**
I hereby certify that the applicant is in good ___ / bad ___ standing. Date: ______ Signature: __________________

Please send completed application to: Linked Deposits, Office of the State Treasurer, 2300 N. Lincoln Blvd, Room 217, Oklahoma City, OK 73105.