



MISSOURI DEVELOPMENT FINANCE BOARD

SINGLE ISSUE TAX-EXEMPT INDUSTRIAL REVENUE BOND PROGRAM

**GENERAL INFORMATION
AND
LOAN APPLICATION**

**MISSOURI DEVELOPMENT FINANCE BOARD
200 MADISON STREET, SUITE 1000
P.O. BOX 567
JEFFERSON CITY, MISSOURI 65102
(573) 751-8479**

(Rev. April 2006)

PART A

I. Introduction

The Missouri Development Finance Board's Single Issue Tax-Exempt Industrial Revenue Bond Program (the "Tax-Exempt Program") is an innovative method of financing (i) the acquisition, construction and equipping of qualified manufacturing production facilities and/or equipment, and (ii) refinancing outstanding tax-exempt bonds. The Tax-Exempt Program provides low interest rate loans to qualified borrowers through the issuance of tax-exempt revenue bonds by the Missouri Development Finance Board (the "Board").

The Tax-Exempt program is limited to loans ranging from \$400,000 to \$10 million for industrial, manufacturing, production, or related support industries. Except for the refinancing of outstanding bond issues, commercial, non-manufacturing, real estate, retail and service projects are not eligible for the Tax-Exempt Program.

Like the Board's Loan Guarantee Program and Taxable Industrial Revenue Bond Programs, this Tax-Exempt Program works closely with Missouri financial institutions. Under the Tax-Exempt Program each borrower must provide to the Board a Letter of Credit, sufficient guaranty or other credit enhancement (the "Credit Enhancement") to secure its loan.

What is a "Qualified Manufacturing or Production Facility"?

In general, a "Manufacturing Facility" is defined broadly under the 1986 Tax Act to include any facility that is used in the manufacturing or production of tangible personal property (including processing resulting in a change in condition of such property). Not included are free-standing warehouses, research and development facilities, and distribution facilities. If you have any questions concerning whether your project qualifies, please contact the Board at (573) 751-8479.

II. Benefits to Borrowers

- A. Lower Interest Rates - Borrowers obtain below Prime Rate financing. Interest on the Bonds is exempt from both federal income tax and Missouri income tax.
- B. Continued Ability to Work with Local Banks - As a result of changes in the Internal Revenue Code of 1986, banks are often not willing to directly purchase tax-exempt bonds at favorable rates. This program allows the banks to again participate in these projects and earn fee income and allows borrowers to obtain low-cost tax-exempt financing while continuing to work with their local bankers.

- C. More Flexible Loan Terms - Borrowers negotiate amortization terms directly with the provider of the Credit Enhancement. The maximum term depends upon the economic useful life of the facilities being financed.
- D. Loan Amount - Qualified projects can obtain loan amounts from \$400,000 up to \$10 million.
- E. Construction Financing Available - Bond proceeds are available for construction and permanent financing. Proceeds are held by the Bond Trustee, and are released to pay appropriate expenses once the participating lender has approved the requisitions. Once the Board has adopted the Inducement Resolution, the Borrower can begin the project construction or acquisition before bond proceeds are available from any sources of funds available to the borrower. This inducement, however, is not a guaranty that the bonds will be issued for the project.
- F. Existing Facility Financing Available - Bond proceeds are also available for the acquisition of eligible facilities provided certain amounts are expended to rehabilitate the existing facilities.
- G. Refunding Existing Industrial Revenue Bonds - The Tax-Exempt Program is also available for borrowers with existing Industrial Revenue Bonds who would like to refinance in order to obtain a lower interest rate. In this case, it is important to note that no issuance costs can be financed with bond proceeds.

For more information, please contact the Board office:

Missouri Development Finance Board
200 Madison Street, Suite 1000
P.O. Box 567
Jefferson City, MO 65102

Phone: (573) 751-8479
Fax: (573) 526-4418

Additional contact:

Gilmore & Bell, P.C., Bond Counsel
David Queen (816) 221-1000

SINGLE ISSUE TAX-EXEMPT INDUSTRIAL REVENUE BOND PROGRAM

PROGRAM PARTICIPANTS

- ISSUER:** MISSOURI DEVELOPMENT FINANCE BOARD: Coordinates and administers the Program; Processes Project Applications; Assists the Borrower in structuring the financing, including obtaining satisfactory Credit Enhancement; Enters a Trust Indenture with the Bond Trustee; Issues the Bonds.
- BORROWER:** Submits an application to the Board; Obtains a commitment for Credit Enhancement from a Participating Lender acceptable to the Board; Executes loan and security documents; Submits requisitions and receives bond proceeds in exchange for the promise to repay the debt and its expenses.
- PARTICIPATING LENDER:** (optional) Reviews the credit of the Borrower, and if acceptable to them, provides a commitment for the Letter of Credit or other credit Enhancement which provides the security for the Bonds; Takes the credit risk of the Borrower; Typically holds first mortgage lien on the project and any other collateral the Participating Lender deems necessary.
- BOND TRUSTEE:** Board policy requires the Trustee to be a qualified Missouri bank. Holds the bond proceeds for disbursement to the Borrower as requisitions are submitted; Administers the various Bond Funds; Disburses payments to bondholders; performs additional duties as stipulated under the bond documents.
- UNDERWRITER:** (optional) Assists the Borrower in structuring the financing, including obtaining satisfactory Credit Enhancement; Purchases the Bonds from the Board for resale to the Bondholders selected by the Borrower and approved by the Board.
- BONDHOLDERS:** Purchase the Bonds the proceeds of which are used by the Board to make a loan to the Borrower in exchange for a promise of repayment through the Bond Trustee, and in reliance on the promise of the Credit Enhancement to provide funds for payment.
- BOND COUNSEL:** GILMORE & BELL, P.C.: Advises the Board on legal matters and project eligibility; Prepares the Trust Indenture, Loan Agreement and other bond documents; Provides opinion that the interest on the Bonds is exempt from Missouri income taxes.

PART B

MISSOURI DEVELOPMENT FINANCE BOARD

P.O. Box 567
Jefferson City, Missouri 65102
(573) 751-8479

PROJECT APPLICATION

SINGLE ISSUE TAX-EXEMPT INDUSTRIAL REVENUE BOND PROGRAM

The undersigned Applicant hereby submits this Project Application and requests the Missouri Development Finance Board (the "Board") to issue and sell its Industrial Revenue Bonds (the "Bonds") for the purpose of financing the Project described below (the "Project") pursuant to the Board's Single Issue Tax-Exempt Industrial Revenue Bond Program.

The undersigned hereby agrees that the submission of this Project Application to the Board, and the Board's adoption of a Resolution indicating an intent to issue the Bonds to provide funds for the Project will not give rise to an obligation by the Board to fund such Project in the amount requested or in any amount. The undersigned further understand and agree that there is no assurance that Bonds will be issued by the Board or that Bond proceeds will be sufficient to fund the Project as hereby requested.

For the Board to consider an application, it must be complete with all required attachments or supporting documentation and received by Board staff on the first Monday of the month in which the applicant wishes to be considered. If this date is a state or federal holiday the application is due on the next business day. Applicants are encouraged to work with Board staff prior to submitting the final application to determine if additional information is needed. If sufficient information is not present, the application will be held until a subsequent meeting.

Preliminary resolutions of intent expire 180 days after the date of adoption by the Board. Final authorizing resolutions expire 90 days after the date of Board adoption. Preliminary resolutions for applications processed to the Final Resolution stage, or, not closed prior to expiration of the Final Resolution can only be extended or reauthorized by the Board at a regularly scheduled meeting. If a resolution has expired and the applicant wishes to proceed in closing, then all information in the application must be updated and the applicant, and sub-applicant if applicable, must certify in writing that no material adverse changes have occurred in their financial condition or any other aspect of the project prior to being represented to the Board.

The Board encourages the involvement of minority and women-owned businesses in all of its programs and purchases.

Date: _____ Amount of Bonds Requested: _____

Proposed Borrower (Applicant):

Legal Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____ Contact: _____

Title: _____ Telephone: _____ Fax: _____

E-Mail: _____

A. THE APPLICANT

1. Business Organization

_____ Corporation (State of Incorporation: _____)
(Date of Incorporation: _____)
_____ S-Corporation
_____ Partnership (_____ General _____ Limited)
_____ Sole Proprietorship

Is the Applicant a subsidiary or affiliated directly with any other organization? If so, indicate relationship and name of related organization: _____

2. Officers and Directors:

<u>Title</u>	<u>Name</u>	<u>Home Address</u>
President	_____	_____
Vice President	_____	_____
Secretary	_____	_____
Treasurer	_____	_____
Directors	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____

Attach resumes of each, if available. List other principal business affiliations, if any.

3. Principal Stockholders or Partners:

<u>Name</u>	<u>%</u>	<u>City/State</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. Legal Counsel to the Applicant:

Name: _____
Address: _____
Telephone: _____ Fax: _____

5. Applicant's Principal Bankers:

Name: _____

Address: _____

Telephone: _____ Fax: _____

Name: _____

Address: _____

Telephone: _____ Fax: _____

Indicate whether any banks have been contacted concerning the issuance of a letter of credit.

6. Applicant Historical Operations:

Provide the date the Applicant's existing business was established and a brief history of the events leading to the current operations.

7. Applicant's Current Operations:

Briefly, describe the Applicant's operations, including description of existing products, facilities and in general, its method of operations, customers and suppliers. Also provide its NAICS code: _____.

NAICS – North American Industry Classification System. The Federal Office of Management and Budget (OMB) adopted the NAICS as the industry classification system used by the statistical agencies of the United States. NAICS replaces the 1987 Standard Industrial Classification (SIC). The NAICS is used for classifying business establishments to assist with gathering data related to measuring productivity, unit labor costs, and the capital intensity of production, employment and other information. Missouri businesses are assigned a NAICS when the company files a "Report to Determine Liability Status" with the Missouri Department of Labor and Industrial Relations, Division of Employment Security to determine Unemployment Tax Liability. Normally, a general business employer becomes liable for the tax and responsible for providing unemployment insurance for its workers when it:

- Pays \$1,500 in wages (cash and in-kind) in a calendar quarter, or
- Has an employee in some portion of a day in each of 20 different weeks, or
- Becomes liable under the Federal Unemployment Tax Act (FUTA) and employs a worker in Missouri, or
- Acquires and continues without interruption substantially all the business of a liable employer.

B. THE PROJECT

1. Project Description:

Type of Expansion:

- _____ Construction of new facilities
- _____ Additions or improvements to existing facilities
- _____ Refinancing of existing facilities

Locations of Project Site:

(Street) (City) (County)

U.S. Congressional District: _____

In which state legislative District(s) is the Project located:

House: _____

Senate: _____

Description of the Project, including land, buildings (type and size), improvements, machinery and equipment to be acquired or constructed, the principal use of the facilities once acquired or constructed and the address of the proposed Project: (attach Exhibits if necessary).

Has construction of Project commenced?

Yes _____ No _____

If so, state the date construction commenced, the extent of such construction and the time needed to complete each remaining portion of the Project:

2. Project Costs:

State the costs reasonably necessary for the acquisition of the site and/or construction of the proposed Project together with any machinery and equipment in connection therewith, including any utilities hook-up, access roads, or appurtenant structures.

<u>Description of Estimated Costs:</u>	<u>Amount</u>	<u>Cost Financed With Bonds Proceeds</u>
A. Acquisition of Land and Existing Buildings	\$ _____	\$ _____
B. Construction Costs:		
1. Architectural and Engineering	_____	_____
2. Site Preparation	_____	_____
3. Materials.....	_____	_____
4. Labor	_____	_____
5. Construction Contracts.....	_____	_____
6. Utilities Connection	_____	_____
7. Paving and Landscaping.....	_____	_____
C. Renovation Costs	_____	_____
D. Machinery and Equipment.....	_____	_____
E. Furniture and Fixtures.....	_____	_____
F. Interest During Construction (From _____ to _____)	_____	_____
G. Accounting, Legal, Miscellaneous	_____	_____
H. Contingency.....	_____	_____
I. Working Capital, Moving Costs, etc.....	_____	_____
TOTAL PROJECT COSTS.....	_____	_____

The Board encourages the involvement of minority and women-owned businesses in all of its programs and purchases. The following disclosure is compiled for information purposes only:

	<u>No. of Firms</u>	<u>Amount \$</u>
Minority Business Enterprise (MBE)	_____	_____
Women Business Enterprise (WBE)	_____	_____

Source of Funds:

State amount and sources of financing of all of the Project costs listed above.

<u>Sources</u>	<u>Amount</u>
Bond Proceeds	\$ _____
Other Financing	\$ _____
Applicant's Fund	\$ _____
TOTAL	\$ _____

3. Ownership:

Present legal owner of Project site: _____

If presently owned by Applicant, indicate date of purchase, reason for purchase, and current use of site:

Is there a relationship legally or by virtue of common control between either the proposed Project occupant or proposed Project owner and seller of the Project. _____ Yes (please give details) _____ No

4. Effect of Project on Employment:

- a. Number of temporary jobs (including construction) created as a result of the Project: _____.
- b. Number of new permanent jobs created as a result of the Project: _____.
- c. Number of existing jobs that will be retained as a result of the Project: _____.
- d. If the proposed Project results in the closing of facilities or the reduction of employees at other Missouri sites, indicate the reasons for such closing or reduction and set forth facts upon which the Board may determine that the Project will result in added employment for the State of Missouri and that financing the Project will be in the public interest.

C. 1. Financial Statements:

Attach financial statements for at least the three (3) fiscal years, including a recent statement (less than 60 days old). If pro forma financial statements have been prepared, please submit. If the Applicant is a corporation and it or its parent is publicly held and regularly files annual and quarterly reports on SEC Forms 10-K, the Applicant's (or its parent's) most recent report to shareholders, and any reports of Form 8-K filed within the past fiscal year.

2. Certified Public Accountant:

List the name of the certified public accounting firm(s) which has(have) performed audits of the Applicant's books and records for the past five years.

3. Outstanding Prior Bond Issues:

Has the Applicant (or related persons or organizations) previously received financing from the sale of tax-exempt bonds?

Yes_____ No_____ If yes, give details.

4. Existing Collateral:

	<u>Present Market Value</u>	<u>Present Mortgage Balance</u>
A. Land and Building	\$ _____	\$ _____
B. Machinery and Equipment	_____	_____
C. Furniture and Fixtures	_____	_____
D. Accounts Receivable	_____	_____
E. Inventory	_____	_____
F. Other (Specify)	_____	_____
TOTAL COLLATERAL	_____	_____

Will Applicant pledge any assets other than the Project itself to secure the Bonds? _____ Yes No_____ If so, describe.

5. Present Debt or Lease Obligations:

<u>Creditor</u>	<u>Original Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Present Balance</u>	<u>Security</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

6. Financial Difficulties:

Has the Applicant or any of the management of the Applicant or its affiliates, or any concern with which such management has been connected, ever defaulted on its debt obligations, been involved in bankruptcy, creditor's rights, or receivership proceedings, or involved in criminal proceedings bearing on the handling of financial matters?

_____ Yes _____ No If yes, please give details.

7. Litigation:

Is the Applicant presently involved in any litigation, which would have a material effect on its financial solvency?

_____ Yes _____ No If yes, please give details.

8. Payroll and Employment Data at Location to be financed:

	<u>Current</u>	<u>After the First Year of Project</u>
Annual Payroll	_____	_____
Number of Employees	_____	_____

9. Other Information:

Indicate facts which would support the Board's determination that the Project will tend to maintain or provide gainful employment for the people of the State of Missouri; maintain or increase the tax base or the economy of the State; maintain, diversify or expand industry in the State or in any other way will be a benefit to the economy of the State.

D. **CERTIFICATION OF APPLICANT:**

- I certify that I am an authorized representative of the applicant and as such am authorized to make the statement of affirmation contained herein.
- I certify that the applicant does NOT employ illegal aliens and that the applicant has complied with federal law (8 U.S.C. § 1324a) requiring the examination of an appropriate document or documents to verify that an individual is not an unauthorized alien.
- I understand that if the applicant is found to have employed an illegal alien in Missouri and did not, for that employee, examine the document(s) required by federal law, that the applicant shall be ineligible for any state-administered or subsidized tax credit, tax abatement or loan for a period of five years following any such finding.
- I hereby agree to allow representatives of the Department of Economic Development and the Missouri Development Finance Board access to the property and applicable records as may be necessary for the administration of this program.
- I certify under penalties of perjury that the above statements and information contained in the application and attachments are complete, true, and correct to the best of my knowledge and belief.

The undersigned hereby represents and certifies that, to the best knowledge and belief of the undersigned, the Project Application contains no information or data contained herein or in the exhibits or attachments that are false or incorrect and that they are truly descriptive of the property which is intended as the security for the proposed bonds.

A check in the amount of \$_____ representing the application fee is enclosed.

The issuance fee of \$_____ will be due simultaneously with the issuance of the Bonds.

NAME: _____

SIGNATURE: _____

TITLE: _____

Application Fee: 0.10% of the principal amount of the bonds requested (with a minimum of \$500 and a maximum of \$2,500)

Issuance Fee: 0.30% of the principal amount of the bonds issued up to and including \$25,000,000

The maximum issuance fee is \$75,000.

(Please note: For the refunding of bonds that were original issued by the Board, the Board will not charge (1) an application fee and (2) each tier of the issuance fee above will be reduced by 33.34%.)

STATE OF MISSOURI)
) ss.
COUNTY/ CITY OF _____)

On this ____ day of _____, 200_, before me, _____, a Notary Public in and for said state, personally appeared _____, known to me to be the person who executed the Certification and acknowledged and states on his/her oath to me that he/she executed the same for the purposes therein stated.

Notary Public

(SEAL)

My commission expires _____

If you would like a follow-up call from the Department of Economic Development concerning other programs sponsored by the Department such as tax credits for new investment and jobs creation, employee training, Missouri Product Finder, etc., please complete the following:

Name of Company: _____

Address: _____

Contact: _____ Telephone: _____

Nature of information desired: _____