INDIANA ESOP LINKED-DEPOSIT PROGRAM

Complete Legal Name (Borrower) _____ **Federal Tax ID No.**_____

Business Street Address_____ **City**_____

County_____ **State**_____ **Zip**_____

Business Phone_____ **Business Description**_____

Business Contact Name_____ **Phone Number**_____

ESOP Trustee Name_____ **Phone Number**_____

Month and Year Business Established_____

Legal Entity ☐ **C-Corporation** ☐ **S-Corporation** ☐ **Other**_____

Number of Employees_____ **Number of Employees in Indiana**_____

1) Principal_____ **Title**_____

% of Ownership Before Loan_____ **% of Ownership After Loan**_____

2) Principal_____ **Title**_____

% of Ownership Before Loan _____ **% of Ownership After Loan**_____

3) Principal_____ **Title**_____

% of Ownership Before Loan_____ **% of Ownership After Loan**_____

4) Principal_____ **Title**_____

% of Ownership Before Loan_____ **% of Ownership After Loan**_____

Type of Business and Industry (detailed description)_____

_____

_____

_____

CD Amount Requested:_____

% of Ownership to Be Transferred to ESOP Trust_____

The_____of_____
(Financial Institution) (City and County)

The (financial institution) certifies that the above information is true and accurate and conforms to the limitations of the ESOP Linked-Deposit Program set forth in the accompanying page entitled "2010 Indiana ESOP Initiative." In addition, it is understood that all required documents must also be provided to the Treasurer of State before funds are provided. The Treasurer of State agrees to provide funds, within the guidelines, in a form of a 12 month certificates of deposit (CDs) to the financial institution, in the amount of $_____. Said institution shall loan funds for the purpose indicated at an interest rate not to exceed **3.25%** above the interest rate of ( ) received by the Treasurer of State from the financial institution. The financial institution understands that the 12 month CDs are in no way a loan or financial guarantee tied to the performance of the loan and that the financial institution shall, in the event of default by the borrower, bear all risk. In the event of default, all funds provided by the Treasurer of State shall terminate upon their stated maturity, and the Treasurer shall have no obligation to renew said certificates of deposit with the financial institution.

Name of Financial Institution_____

By_____
Chief Executive Officer

ABA Number_____

Account Number_____

Attention To_____

Signature of Borrower_____Date of Application_____

2010 Indiana ESOP Initiative

GENERAL GUIDELINES

Loans made under this program to support the creation of ESOP companies are subject to the following conditions or as may be determined by the Treasurer of State:

1) A company must have its headquarters located in the State of Indiana, conduct a significant portion of their operations in Indiana, and employ the majority of their employees in Indiana while participating in the ESOP Linked-Deposit Program.
2) A company must have a strong management team, a proven track record of success, and a commitment of its management to the continuing operation of the business.
3) A company may not have an established ESOP prior to participating in the ESOP Linked-Deposit Program. (This program is for new ESOPs only.)

INVESTMENT GUIDELINES

1) At least 10% of ownership in the company must be transferred to the ESOP in the initial transaction.
2) The maximum amount that will be available to a company participating in the ESOP Linked-Deposit Program will $5 million dollars.
3) Funds will be deposited in the form of 12 month certificates of deposit (CDs) with an approved depository as defined by the Indiana Board for Depositories.
4) The CDs can be renewed on a yearly basis for up to 3 years.
    a. The interest rate on the CDs will be determined by the Treasurer of State.
        i. The financial institution may charge up to 3.25% more than the rate received by the Treasurer of State on its CDs
    b. CDs will be purchased by the Treasurer of State on the first and third Thursday of each month.
5) The interest rate for new CDs can be adjusted on a quarterly basis at the discretion of the Treasurer of State's Office

APPLICATIONS

A completed copy of the ESOP Linked-Deposit Program application printed on the lending institutions own letterhead must be provided to the IEI by means of facsimile (317)233-1780 or by e-mail cconner@tos.in.gov

ADDITIONAL REQUIREMENTS

1) A company must provide the following information to the IEI:
    a. A complete business plan
    a. Resumes of key managers and substantial evidence of their commitment to service after the ESOP Linked-Deposit Program is completed.
    b. A complete transition plan
    c. Names and contact information of the firms that created the ESOP trust and did the financial evaluation of the company.

LIMITATIONS OF THE INIAITIVE

1) Availability of funding
2) The financial institution assumes all credit risk. In the event of default by the ESOP, the linked-deposit will be terminated at the maturity of the CDs being held by the lending institution.