

TEXAS PRODUCT/BUSINESS FUND

The Texas Product/Business Fund provides financing to existing technology-focused companies that create products or do business within the state. Financing is done in the form of direct asset-based loans with a competitive variable interest rate tied to LIBOR. Loans can be amortized up to the life of the asset.

Texas companies or out-of-state/international companies doing business in the state are eligible to apply. Applicants can submit a free, brief pre-assessment in order to check eligibility.

Attributes of the Texas Product/Business Fund:

- ★ Asset-Based Loans
- ★ Competitive Loan-To-Value (LTV)
- ★ Positive EBITDA not required
- ★ Secure Loans with Property Plant & Equipment (PP&E)
- ★ Secure Loans with Accounts Receivable
- ★ Competitive variable interest rates
- ★ Communities or individuals can assist as Guarantors

The Office of the Governor, Texas Economic Development Bank administers the Texas Product/Business Fund at the direction of the Governor's appointed nine-member board. Preference for funding is given to the state's defined industry clusters including, but not limited to: semiconductor, nanotechnology, biotechnology, biomedicine, renewable energy, agriculture and aerospace. Job creation and retention within Texas will be considered as part of funding priorities.

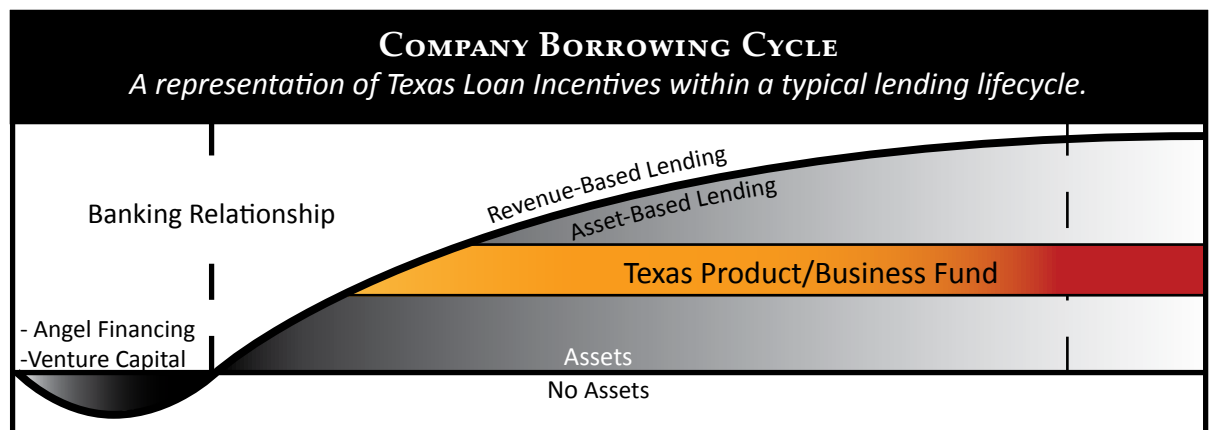
TEXAS PRODUCT/BUSINESS FUND FAQs:

What type of business can access the Texas Product/Business Fund?

The Texas Product/Business Fund is available to businesses looking for asset-based financing. Businesses must have unencumbered assets that are available for collateral.

Does my business fit the program criteria?

Funding preferences will be given to emerging technologies including semiconductors, nanotechnology, biotechnology and biomedicine, renewable energy, agriculture and aerospace.



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What can the funds be used for?

Funds may be used for working capital, machinery, equipment, furniture, and fixtures.

What type of collateral will need to be pledged?

An asset-based loan is secured by a company's accounts receivable, inventory, equipment, and/or real estate, whereby the lender takes a first priority security interest in those specific assets. Real property, equipment, letter of credit or certificate of deposit may also be accepted as collateral. The amount of collateral will be based on the amount borrowed.

Will I need an Economic Impact Study and/or Business Plan?

The company will need to provide a business plan with a minimum of three years of financial statements or comparable, plus a three-year proforma. Projects funded through this program will have to provide evidence of current and future employment, in addition to projections of indirect or induced jobs within Texas. The estimated amount of capital investment in the state must be provided for review.

The Texas Product/Business Fund is self-supporting, paid for by the program loan participants' repayments. Thus the loan repayments are to be structured to fully pay the costs of issuance and program administration. Pursuant to Government Code 489.213(c), loan participants must provide appropriate security or collateral, equity interest, and the rights and remedies of the board and bank in the event of a default on the loan. The supporting bonds are structured using a variable interest rate that follow the London Interbank Offered Rate (LIBOR).

For more information on Texas call (800) 888-0511 or visit www.TexasWideOpenForBusiness.com.

