

Junction Texas Economic Development Corporation's (JTEDC) "Micro-Loan" Assistance

As part of Junction's ongoing economic development, the JTEDC has established the micro-loan program specifically designed to provide financial resources to encourage entrepreneurs to start new home-based business ventures such as:

- Computer repair
- Website developer and host
- Home baking
- Butcher, including butcher products (e.g., smoked sausage and jerky)
- Seamstress
- Mechanic who makes house calls
- Saddler
- Leather goods
- Metal worker (manufacturer of products such as cups, pans, buckets, etc.)
- Specialized products (e.g., niche goat cheeses)
- Arts and crafts
- Jewelry
- Bicycle sales and repair
- Furniture making and repair
- Small appliances repair
- Businesses making innovative uses of cedar and mesquite
- Solar-related equipment production
- Recreational related enterprises
- Farmers' Market, serving both local residents and as a tourist attraction (i.e., akin to typical old-fashioned markets in Mexico)
- Environmental undertakings – e.g., rain catchment systems
- Truck gardens
- Home-based child care

Individual loans not to exceed \$3,000 per year for three years will be approved and funded by the JTEDC and will be administered in accordance with requirements of a performance agreement between JTEDC and Applicants.

For additional information, contact Patricia Whitty, JTEDC executive director, at 325-446-3402 or email patricia.whitty@junctionedc.org. Application forms may be obtained at the JTEDC office at 730 Main St., Junction, Texas 76849.

**Junction Texas Economic Development Corporation's (JTEDC)
"Micro-Loan" Assistance**

APPLICATION CHECKLIST

Please submit the following information with this application:

1. Completed Business Plan
2. Completed Personal Financial Statement (form is enclosed)
3. Existing businesses: Completed Business Balance Sheet and Profit and Loss Statement (form is enclosed)
4. Individual and Business Tax Returns (if applicable) for the past 3 years
5. Income Statement, Balance Sheet, and Cash Flow Projections for next 3 years. Cash Flow Projection should be monthly for first year, quarterly for second, and annual for third.
6. Resumes of owners/principal managers

Additional information may be required as determined by the JTEDC Board.

PLEASE REMEMBER: This is an *"Applicant Driven Process"* ... we work as quickly as you do!

The sooner we have the required information, the sooner we can make a decision regarding your request.

Do not hesitate to call with any questions. We realize that this is a lot of information, but it is necessary. We are here to help you through the process.

JUNCTION TEXAS ECONOMIC DEVELOPMENT CORPORATION'S MICROLOAN APPLICATION

Applicants should know Junction Texas Economic Development Corporation (JTEDC) grants are subject to a number of requirements, including approval by the City of Junction City Council.

Please provide the following information. If you need more space, attach additional sheets to this Application.

SECTION 1: BUSINESS INFORMATION

1. Business Owners:
Name (s)(include middle initial) SS# Address: City/State/Zip

2. Length of residency in Junction, Texas: _____ US Citizen: _____ YES _____ NO
3. Business Telephone: () _____ Home Telephone: () _____
4. Legal Business Name:

Doing Business As:

5. Business Location: _____
6. Describe Type of Business (Product or Service) _____

7. Business Status (check one) _____ To be Established _____ New (less than 12 months) or
_____ Existing (more than 12 months)
8. Date Business was established: _____ 13. Current Number of Employees: _____ (Including Owner)
Full Time: _____ Part Time: _____
9. Have you met all the legal requirements necessary to establish your business:
_____ YES _____ NO _____ Not Sure
10. Federal Tax ID Number (if you have one) _____
11. Type of Business Organization:
_____ Partnership _____ Sole Proprietorship _____ Not yet established
_____ Corporation _____ Other _____
12. Is your Business _____ For-Profit _____ Non-Profit
13. Do you have any personal/business judgments, unsettled lawsuits, major disputes, or tax liens against you, or pending against you? _____ YES _____ NO
If yes, please describe: _____

14. Has the business, or any principal of the business, been involved in bankruptcy or insolvency proceedings? Yes No If yes, please explain _____

15. Have you had any past credit problems that we should be aware of?
 Yes No If yes, please explain _____

16. What kind of insurance do you currently carry? (check all that apply)
 Business Health Life Homeowners/renters Auto

SECTION II: BUSINESS PLAN INFORMATION

17. Have you completed a business plan? Yes No
(If you answered yes, please attach a copy of the Business Plan to this application. If you answered no, please complete a business plan)
18. When and by whom was the Business Plan prepared? _____

19. If you have not completed a Business Plan, would you like assistance in preparing one?
 Yes No

SECTION III: FINANCING INFORMATION Please be specific

20. Purpose of the loan request: _____

21. Describe how this loan will help your business: _____

22. Have you applied to another lender(s) for financing? Yes No
If yes, what is the status of your application? _____

23. How did you hear about JTEDC's Micro-Loan Assistance? _____
24. Total amount of Loan Request: \$_____ (Please specify and describe the use of loan funds on the next page)

25. **Proposed Use of Funds:**

Description: (Please be specific):

\$ Amount

What supplies or merchandise will you buy?

\$ _____

What tools and equipment will you buy?

\$ _____

What improvements will you make to your place of business?

\$ _____

What will you spend on marketing, advertising or trade shows?

\$ _____

How much do you plan to spend for other purposes? (describe uses)

\$ _____

26. I would like to pay this loan off in ____ months

27. Proposed collateral: _____ Business Assets _____ Mortgage _____ Co-Signer
_____ Other _____

28. Describe any other sources of household income: _____

29. Amount and source of personal (non-loan) funds that you have invested or plan to invest in the business/project:

Cash Amount \$ _____

Source _____ (savings, credit card, personal loan, other)

SECTION IV: REFERENCES

30. Credit References (other banks, suppliers, utilities, credit cards, business and/or personal):

Name _____ Address _____

Account number _____ Telephone _____

Name _____ Address _____

Account number _____ Telephone _____

Name _____ Address _____

Account number _____ Telephone _____

31. Personal References:

Name _____ Address _____

Telephone _____

Name _____ Address _____

Telephone _____

SECTION V: RESUMES

32. Please include a current resume for all principals of the business.

SECTION VI: DEMOGRAPHIC INFORMATION

33. The following information is being obtained for statistical purposes only.
Please check those that apply:

Business Owned by:	Veteran Status:	Race/Ethnicity:
<input type="checkbox"/> Female	<input type="checkbox"/> Non-Veteran	<input type="checkbox"/> American Indian or Alaskan Native
<input type="checkbox"/> Male	<input type="checkbox"/> Vietnam-era Veteran	<input type="checkbox"/> African American
	<input type="checkbox"/> Other Veteran	<input type="checkbox"/> Caucasian
		<input type="checkbox"/> Hispanic
		<input type="checkbox"/> Asian/Pacific Islander <input type="checkbox"/> Other

SECTION VII: CERTIFICATIONS

Please read the following and sign the Application form below. All owners, officers or partners must sign this Application.

The information provided in this Application is accurate to the best of my knowledge. I understand that personal and/or business information may be requested pursuant to this Loan Application, and I hereby give my consent for such information to be provided. It is my right to accept or decline the loan amount, rate and terms approved by the JTEDC. I understand that credit reports may be obtained in connection with this application. Upon my request, I will be informed whether or not credit reports were obtained, and if so, the name and address of the consumer reporting agency that furnished the report. By signing this loan application, and if a loan is awarded, I agree to comply with applicable local, state, and federal laws governing business/organizational conduct and the use of the loan funds. I certify that I or my business does not and will not knowingly employ an undocumented worker.

Name (Printed) _____ Name (Printed) _____

Signature: _____ Signature: _____

Date: _____ Date: _____

SECTION VIII: APPLICATION CHECKLIST

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PERSONAL FINANCIAL STATEMENT

**All owners of 20% or more of the company need to complete both the Personal Financial Statement and the Personal Balance Sheet*

1. **ANNUAL GROSS INCOME:** Please show actual gross income for the previous 12 months for all household members.

<u>NAME</u>	<u>GROSS INCOME</u>	<u>FROM WHAT SOURCE</u>
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
TOTAL GROSS INCOME	\$ _____	

2. **ANNUAL HOUSEHOLD EXPENSES:** Please show personal expenses for the previous 12 months. **Do Not include business expenses in this section.**

Mortgage payments (12 months)	\$ _____
Rent/Mortgage payments (12 months)	\$ _____
Car payments (12 months)	\$ _____
Installment debt/credit cards	\$ _____
Insurance	
Property	\$ _____
Auto	\$ _____
Health/Life	\$ _____
Real Estate Taxes	\$ _____
Income Taxes	\$ _____
Utilities	
Heat	\$ _____
Lights/Electric	\$ _____
Phone	\$ _____
Water	\$ _____
Misc. (cable etc.)	\$ _____
Medical expenses (not covered by insurance)	\$ _____
Education (include student loans)	\$ _____
Food	\$ _____
Other (list)	\$ _____
TOTAL ANNUAL EXPENSES	\$ _____

NET INCOME (Total Gross Income minus Total Annual Expenses) \$ _____

Do you receive food stamps? (Y/N) _____ Do you receive any other assistance? (Y/N) _____

BUSINESS PROFIT AND LOSS STATEMENT

**SECTION I: Historical Financial Information for the past five fiscal years, as applicable:
{To be completed by existing businesses only – please fill in year}**

	Year _____	Year _____	Year _____	Year _____	Current Year to Date
Gross Sales	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of goods sold	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Operating expenses	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Net business income	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Loan payments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Owners draw (salary)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Signature Title

Date

Signature Title

Date

BUSINESS BALANCE SHEET

{To be completed by existing businesses only}

WHAT YOUR BUSINESS OWNS

CURRENT VALUE

Cash on hand	\$ _____
Bank accounts (name of bank)	\$ _____
Real Estate (describe)	\$ _____
Equipment	\$ _____
Furniture and Fixtures	\$ _____
Inventory (supplies, merchandise)	\$ _____
Automobiles (make, model, year, mileage, condition)	\$ _____
	\$ _____
	\$ _____
Accounts receivable (money customers owe you)	\$ _____
Other	\$ _____
	\$ _____
TOTAL VALUE:	\$ _____

WHAT YOUR BUSINESS OWES: (amount due now)

	<u>OWE TO WHOM?</u>	<u>BALANCE OWED</u>	<u>MONTHLY PAYMENT</u>	<u>PAYOFF DATE</u>
			(Where Applicable)	
Mortgage	_____	_____	_____	_____
Bills, Accts. payable, due suppliers	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	
Loans (Business)	_____	\$ _____	\$ _____	_____
	_____	\$ _____	\$ _____	_____
Auto Loans	_____	\$ _____	\$ _____	_____
	_____	\$ _____	\$ _____	_____
Credit Cards	_____	\$ _____	\$ _____	_____
	_____	\$ _____	\$ _____	_____
	_____	\$ _____	\$ _____	_____
Unpaid Taxes	_____	\$ _____	\$ _____	_____
Other	_____	\$ _____	\$ _____	_____
	_____	\$ _____	\$ _____	_____
TOTAL AMOUNT OWED		\$ _____		

NET WORTH (Total Value minus Total Amount Owed) \$ _____

Request For Credit History

Requestor: Junction Texas Economic Development Corporation
730 Main St.
Junction, Texas 76849
(325) 446-3402 Fax: (325) 446-3003

Please furnish a credit report on the following person(s) for the reason stated below:

Head of Household:

Name: _____
Address: _____
City, State, Zip: _____
Social Security Number: _____
Date of Birth: _____

Co-Applicant or Spouse:

Name: _____
Address: _____
City, State, Zip: _____
Social Security Number: _____
Date of Birth: _____

Reason for Request: _____

To Be Completed by Applicant(s)

Permission to Release information:

I authorize the credit bureau to release a copy of my credit report to the requestor listed above.

A copy of this authorization may be accepted as an original.

Applicant Signature

Date

Co-Applicant Signature

Date

STATE OF TEXAS
Kimble County
City of Junction

MICRO-LOAN ASSISTANCE
CONTRACTUAL PERFORMANCE AGREEMENT

This contractual performance agreement (the "agreement or "contract" or "performance agreement") is entered into by and between the Junction Texas Economic Development Corporation (the "JTEDC"), whose address is 730 Main Street, Junction, Texas 76849, and _____ ("Borrower" - a person, persons, or a business entity with commercial business activities in Junction, Kimble County, Texas), whose address is _____, who for the consideration herein expressed, do each contractually agree as follows:

Project: Funds will be expended to support _____
[Attach loan application form approved by the JTEDC Board]

Loan: The Loan under this Loan Contract shall be solely for business purposes and used for the above stated project. Borrower shall not divert the funds under this Loan Contract to any other purpose.

Loan Amount: \$ _____

Borrower may apply for release of funds under the agreement, at one time or at different times, within the fixed loan period. Payments to be made to Borrower shall require a written request from Borrower to be accompanied by all necessary supporting documentation. JTEDC shall have 15 days before making payment after receipt of such payment request. The payment request should be directed to Patricia Whitty, executive director, JTEDC, 730 Main Street, Junction, Texas 76849.

Loan Period: _____

Interest Rate: _____ (Prime Rate + 1 point) %, based on 30 days in a month and 360 days in a year.

The formula for calculating the interest is as follows: Interest on the loan = (the prescribed interest rate under this Agreement) x (Loan amount) x (actual days of use), where actual days of use is calculated from the day the Loan is issued.

Settlement of interest under this Agreement is to be calculated per month. The settlement date is the 20th day of each month. All principal and interest shall be paid in full on the day the Loan Period expires.

Failure by Borrower to provide actual loan disbursement documentation when requested will be considered a breach of this agreement and no further payment will be made by JTEDC. The JTEDC Board will review on an annual basis the status of the Borrower's micro-loan.

Upon completion and acceptance of the Application and subject to any modification warranted by an analysis of final costs as described above, JTEDC will grant and convey by money loan to Borrower a total up to \$_____ per year for a _____-year period (not to exceed _____ years) with an annual review and evaluation made by the JTEDC Board.

Warranties, Obligations, and Duties:

Borrower makes the following warranties to JTEDC and agrees that inclusion of any false or misleading statement contained herein or failure to timely and fully perform as required in the agreement shall be an act of default by Borrower.

Borrower has the full authority to execute this agreement, and has obtained any necessary authorization to execute this agreement through its organizational structure (example: by its Board of Directors, partners, members, managers, officers or agents). Borrower will furnish any authorization to JTEDC upon request by JTEDC.

Borrower will continue full-time business activities at its Junction, Texas location described in this contract for at least _____ years from the date of this agreement.

Borrower will affect no change in ownership of the business without prior notice to JTEDC.

No litigation or bankruptcy proceeding is pending or threatened or contemplated against or affecting Borrower that may result in material adverse change in business, properties or operation.

Suspension/Termination:

The JTEDC, under the following circumstances, and its sole discretion, may suspend its obligations under this agreement or terminate this agreement and recapture from Borrower any of the money paid by JTEDC, upon any of the following events, which are an act of default.

1. The closure of the business for any reason.

2. The change of entity structure for any reason without the permission of the JTEDC.
3. The sale or lease or any other form of conveyance of Borrower's Junction, Texas business or assets described in this agreement within _____ years of the date of this agreement.
4. The adjudication of Borrower as bankrupt or the filing by Borrower or a creditor of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.
5. Borrower misappropriates loan funds;
6. Borrower is delinquent in its repayment of the principal or interest;
7. Borrower refuses normal financial or operational supervision by the JTEDC, or Borrower provides false financial statements or asset appraisal reports;
8. Borrower or guarantor is involved in illegal activities;
9. Any other event the JTEDC believes jeopardizes the repayment of the loan funds.

In the event Borrower commits an act of default that is not timely corrected and cured, Borrower shall immediately return to JTEDC all loan funds previously paid by JTEDC and JTEDC shall be relieved of any further obligations under this agreement.

Notice of Default:

JTEDC shall give Borrower written notice of any act of default by Borrower, and Borrower shall have thirty (30) days after receipt of the notice to cure the default. Failure by Borrower to timely and fully cure the act of default shall permit JTEDC to pursue all legal remedies provided by law and not specifically prohibited herein.

This agreement is performable in Kimble County, Texas, and jurisdiction and venue for any litigation will be in Kimble County, Texas.

Reporting and Monitoring:

Borrower, shall allow JTEDC reasonable access to its Junction, Texas business during the term of this agreement and during normal business hours, for the purpose of verifying the existence of an ongoing business or any other concern.

JTEDC Liability Limitations:

Borrower specifically agrees the JTEDC shall only be liable for the actual amount of the loan funds to be conveyed according to this agreement and JTEDC shall not be liable for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default under the terms of this agreement. It is further specifically agreed the JTEDC shall only be required to pay the micro-loan amount solely out of its sales tax revenue currently collected, allocated and budgeted during the term of this agreement.

Sole Agreement:

This agreement constitutes the sole and only agreement of the parties hereto, and supersedes any prior understandings or written or oral agreements between the parties.

EXECUTED on the _____ day of _____, 20__.

JTEDC President

Grantee:

(Signature of Grantee)

Print Name: _____

Title: _____

Business: _____