

**SAN JUAN 2000 ECONOMIC DEVELOPMENT ASSOCIATION
INDIVIDUAL LOAN AGREEMENT**

I, _____ (name) _____, am being provided with a loan of \$ _____ (amount) _____ to assist with business expenses (specifically limited to _____ (approved uses) _____) for _____ (business name) _____, in Silverton, CO.

My signature below confirms that I understand and accept the following terms and conditions as set forth by San Juan 2000 Economic Development Association (SJ2000):

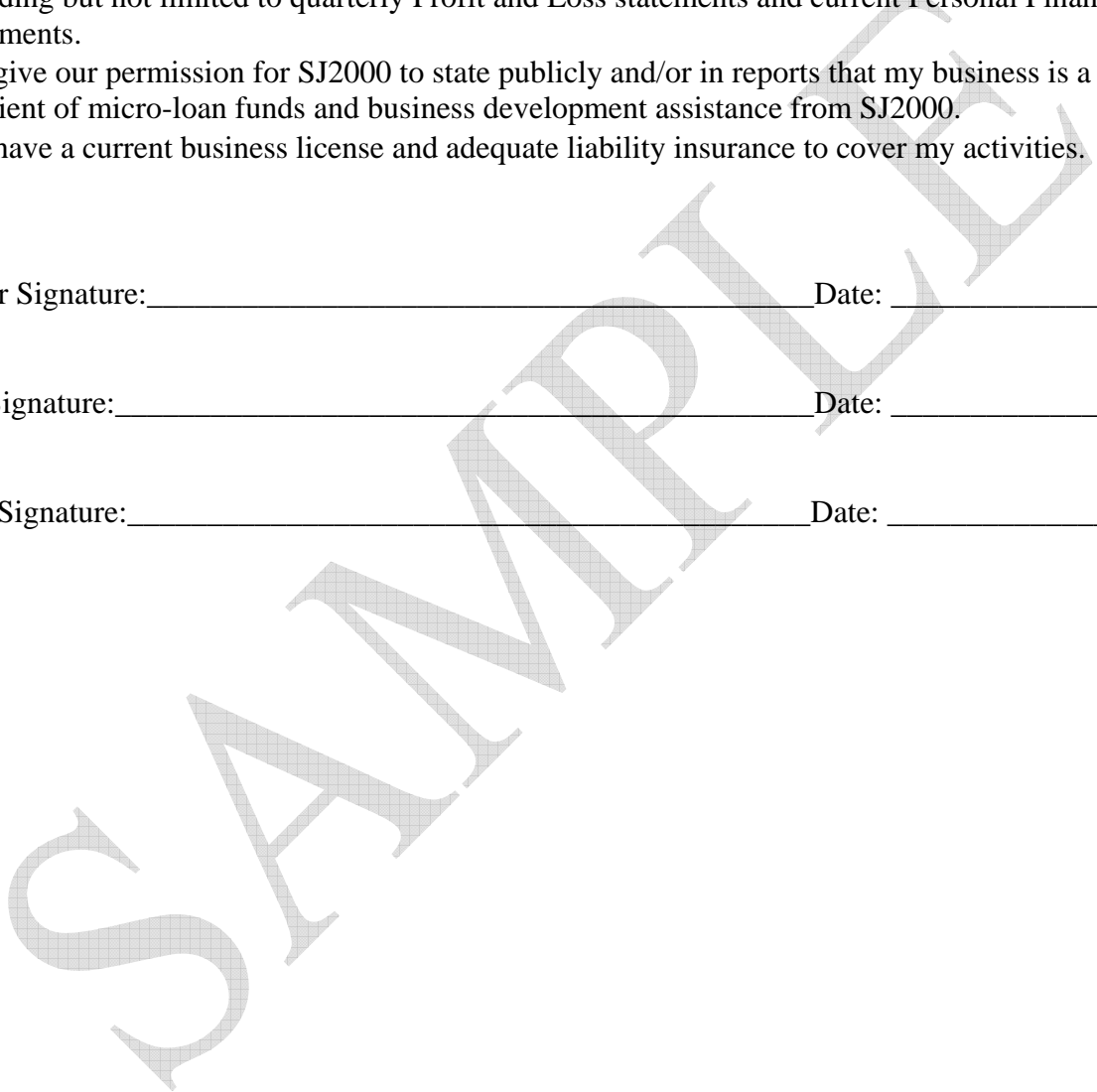
- The cost of the loan is annual simple interest at a rate of _____ %.
- Payments between _____ (dates) _____ will include only interest in the amount of \$/month. Regular payments will be due beginning _____.
- The first complete principal and interest payment of \$ _____ will be due on or before _____.
- Loan proceeds will be paid out to the Borrower in unless otherwise negotiated monthly increments of \$ _____ /month starting on _____.
- The closing of this loan is contingent upon the following:
 - payment of any and all delinquent business accounts and commercial rent prior to loan closing.
 - loan proceeds being used for expenses incurred during or after the month of the closing of this loan.
 - continued participation in San Juan 2000 Business Training Program, including Quickbooks instruction, marketing assistance, and business counseling.
 - assurance to San Juan 2000 that the business will not extend credit to customers in the form of tabs or IOU's.
 - timely reconciliation of monthly bank statements and accurate financial statements.
- The repayment period is _____ months, with the total due of \$ _____ by _____.
- Each monthly payment will be due on or before the 10th day of each month.
- Each late payment will carry a \$20.00 finance charge, which will be due with the late payment or with the immediately following payment.
- I understand that I may repay the loan, including accrued interest, at any time without penalty.
- I understand that if I make payments on time, I may be eligible for future loans with San Juan 2000. If payments are late, I will not be eligible for another loan until 1 year from the payoff date of this loan, and for no more than the amount of this current loan.
- My payments shall be sent to San Juan 2000 Economic Development Association, P.O. Box 722, Silverton, CO 81433 by the due date, or delivered directly to the Executive Director on or before the business day immediately prior to the due date.
- Collateral provided for this loan is a \$ _____ security lien against the following business property wholly owned by the applicant: _____
(If collateral is equipment, an itemized list with serial numbers shall be included in final closing documents for this loan.)
- I understand that if my business is meeting its goals at the end of the first year of payments, I may approach the Loan Committee to request a reduction in the interest rate or extension of the repayment term.

- If I cease to operate my business in Silverton or San Juan County, I understand that my loan may be due in full immediately and that I am contractually obligated to contact San Juan 2000 Development Association to make arrangements for repayment.
- I understand that it is my obligation to notify SJ2000 in the event of sale or additional deed of trust on said business property, or any other activity which might impact the collateral offered for this loan. In the event that any listed asset is sold or transferred before the loan is paid in full, SJ2000 will be paid as first lien holder.
- I understand that I must provide SJ2000 with periodic financial reports when requested, including but not limited to quarterly Profit and Loss statements and current Personal Financial Statements.
- I do give our permission for SJ2000 to state publicly and/or in reports that my business is a recipient of micro-loan funds and business development assistance from SJ2000.
- I do have a current business license and adequate liability insurance to cover my activities.

Borrower Signature: _____ Date: _____

Lender Signature: _____ Date: _____

Witness Signature: _____ Date: _____



PROMISSORY NOTE

FOR VALUE RECEIVED: _____ (Borrower Name) _____.

Promises to pay to the order of San Juan 2000 Economic Development Association (Lender) the principal sum of all money from _____ (loan amount) _____ as may be disbursed pursuant to the Loan Agreement hereafter referred to, and to pay interest on the principal balance outstanding from _____ (start date) _____ through _____ (end date) _____, or until paid in full.

THE AMOUNT OF THE PROMISSORY NOTE IS _____ (loan amount) _____. The Interest rate on money received from the line of credit will be 10% on the outstanding balance.

THE LOAN proceeds will be available at the time of signing of the Loan Agreement and Promissory Note.

All costs of making this loan are to be paid to the Borrower.

THE LOAN as evidenced by this NOTE is being made pursuant to the terms and conditions of an "INDIVIDUAL LOAN AGREEMENT" of even date herewith the Borrowers and the Lender.

This NOTE is secured by those items listed in the INDIVIDUAL LOAN AGREEMENT and the SECURITY AREEMENT.

The Borrowers hereby covenant and promise to abide by and comply with each and every covenant and condition set forth in this NOTE and LOAN AGREEMENT of which said borrowers are the signers.

The Borrowers reserve the right to prepay all or any part of the principal owing on this NOTE at any time or times prior to maturity without payment of any premium or penalty upon fifteen days notice to the Lender.

In the event that any payment due hereunder shall become overdue for a period in excess of ten (10) days, then, in addition to all the other remedies of the Lender hereunder, a late charge of twenty (\$20) dollars will be charged by the Lender for the Purposes of defraying the expenses incident to handling such delinquent accounts.

Upon the occurrence of any of the following events, the entire unpaid principal hereof, together with all accrued interest thereon, shall, at the option of the Lender and without notice, become at once due and payable (and no failure by the Lender to exercise such an option shall be deemed or construed as a waiver of the right to exercise the same in the event of any subsequent default or breach):

Initial _____
Initial _____

PROMISSORY NOTE (con't)

1. Any default in the payment when due of any part of the principal or interest hereunder.
2. Any breach or failure of the Borrower to perform within the allotted time of any term or condition of the LOAN AGREEMENT, or any other instrument securing the Lender payment or performance of any obligation of the Borrower.
3. If the borrower shall be involved in financial difficulties as evidence:
 - (I) By an admission in writing of the Borrower's inability to pay its debts generally as they become due;
 - (II) By filing a petition in bankruptcy or for the adoption of an arrangement under the National Bankruptcy Act (as now or in the future amended) or an admission of seeking the relief therein provided;
 - (III) By making an assignment for the benefit of creditors;
 - (IV) By consenting to the appointment of a receiver or trustee for all or a substantial part of the Borrower's assets or the filing of a petition against the Borrower(s) under said Bankruptcy Act;
 - (V) By being adjudicated a bankrupt;
 - (VI) By the entry of a Court Order appointing a receiver or trustee for all or a substantial part of the assets of the Borrower or approving as filed in good faith a petition filed against the Borrower under Bankruptcy Act;
 - (VII) By the assumption of custody or sequestration by a Court of competent jurisdiction of all or substantially all of the assets of the Borrower;
 - (VIII) By an attachment for an excess of \$_____ (amount of this Loan/Credit) on any substantial part of the assets of the Borrower which shall not be discharged within (30) days from making thereof; or
 - (IX) By the judgment or decree for the payment of money in excess of \$_____ (amount of loan/credit) being entered against the Borrower, or if, pursuant thereto an attachment, execution or levy is made upon any of the Borrowers assets and the Judgment, execution or levy, as the case may be, is not discharged or stayed within thirty (30) days from the date of the Judgment, attachment, execution or levy, as the case may be.
4. If the Borrower shall have made any misrepresentation of a material nature to the Loan or the performance by the Borrower of any of its duties or obligations hereunder.
5. If there is pending bona fide litigation with respect to the Loan or the performance of the Borrower of any of its duties or obligations hereunder.

The borrower, and any and all endorsers, sureties, guarantors and assumes hereof, hereby jointly and severally waive presentment, demand, protest, notices of dishonor and to protest the benefits of homestead, all other waivable exemptions, and all defenses and pleas on the grounds of an extension at the time of payment or of the due dates of this Note in whole or in part before or after maturity, with or without notice, it being further agreed by the Borrower and all such Parties that they will pay all collection expense, Court costs, and reasonable attorney's fees which may be incurred in the collections or enforcement of this Note or any part hereof.

Initial _____

Initial _____

PROMISSORY NOTE (con't)

This Note and the obligations of the Borrower hereunder, shall be governed by, construed and enforced in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, Borrower has executed this Note on the date recorded below.

By signing the PROMISSORY NOTE, Borrower also acknowledges receipt of one copy.

Signed this _____ day of _____, 2006.

By:

Date:

(Borrower)

By:

Date:

(Borrower)

San Juan 2000 Development Association

By:

Date:

(Lender Representative, Title)

Witness to above Signatures:

Date:

SECURITY AGREEMENT

We, _____, agree to pay San Juan 2000 Development Association a sum of \$ _____ by monthly payments of \$ _____ for 36 months with a final payment of \$ _____ due on _____ (date) _____. This loan is secured by a lien on the property described below:

By:

Date:

(Borrower)

By:

Date:

(Lender Representative, Title)

SAMPLE