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STATEMENT OF PURPOSE

ABC CORPORATION, an S-Corporation established in 1985, is a tool and die company that manufactures specialized parts for the aerospace industry and is located at 372 East Main Street, Burke, N.Y. The company is seeking growth capital in the amount of \$50,000 for the purpose of purchasing new and more modern equipment and for training existing personnel in the use of that new equipment.

Funding is needed in time for the equipment to be delivered and in place by 11 January 1993. There is a two-month period between order placement and delivery date.

The modernized equipment will result in a 35 percent increase in production and a 25 percent decrease in the unit cost. Repayment of the loan and interest can begin promptly within 30 days of receipt and can be further secured by real estate, which is owned by the company and which has a 1990 assessed valuation of \$185,000.

THE BUSINESS

The first major section of your plan covers the details of your business. Begin this section with a one-page summary addressing the key elements of your business. The following text will expand on each area presented in the summary. Use the key word system to help you write concisely. Address all of the topics as they relate to your business in an order that seems logical to you. Include information about your industry in general, and your business in particular. Be prepared to back up statements and justify projections with data in the supporting documents section.

Legal Structure

State the reasons for your choice of legal structure. If you are a sole proprietor, you may include a copy of your business license. If you have formed a partnership, include a copy of your partnership agreement in the supporting documents section. Your agreement should include provisions for partners to exit and for the dissolution of the company. It must spell out the distribution of the profits and the financial responsibility for any losses. Explain the reasoning behind the terms of the agreement. If you have formed a corporation, explain why this legal form was chosen and how the company will operate within the corporate structure, and include a copy of the charter and articles in the supporting document section.