

INCOME SHARE AGREEMENT (ACADEMIC YEAR)

PARTICIPANT:
[Participant Name]
[Participant Address]

FUNDER:
Back a Boiler – ISA Fund, LLC
1281 Win Hentschel Blvd
West Lafayette, IN 47906
(765) 588-5495

***** THIS IS NOT
A LOAN
OR CREDIT *****

Participation Disclosure

Funding Amount	Income Share	Payment Term	Payment Cap
\$xx,xxx	x.xx%	xxx	\$xx,xxx
The amount of funds you will receive for the academic year plus any funding charges	The percent of your total earned income that you will share each month	The maximum number of months during which you will share your income	The maximum amount you will pay over the payment term

ITEMIZED TOTAL FUNDING AMOUNT

Amount paid to you	\$0
Amount paid or credited to others on your behalf • Purdue University	+ \$xx,xxx
Initial funding charges • Origination fee • Disbursement fee	+ \$0
Total Funding Amount	= \$xx,xxx

ABOUT YOUR INCOME SHARE AGREEMENT (ISA)

- **Your income share is the percentage of your future earned income you will owe in return for the funding you receive.** Your share is not an interest rate or annual percentage rate.
- **Your income share is fixed.** This means that it will never differ from the income share percentage shown above.
- **Your payments will vary based on the amount of your earned income.** The total amount you will pay may be more or less than your funding amount.
- **The maximum you will pay is \$xx,xxx, regardless of your earned income.** You may also pay this maximum amount (less any payments made to date plus any outstanding

fees) in order to extinguish your obligations before the payment term ends.

FEES

- **Late Fee:** The lesser of \$5 and 5% of the payment amount due.
- **Returned Payment Fee:** \$20.

Payment Illustration

An ISA is different from a loan (which has principal and interest payments) or a conventional tuition payment plan (which requires payment in full and may charge interest). An ISA requires you to pay a fixed percentage of your earned income each month for a fixed period of time. The table below compares illustrative monthly and total ISA payments for different levels of average earned income.

Average Annual Earned Income	\$xx,xxx ISA x.xx% income share, xxx monthly payments	
	Monthly Payments	Total Payments
< \$20,000	\$ 0	\$ 0
\$20,000	\$ xx	\$ x,xxx
\$40,000	\$xxx	\$xx,xxx
\$60,000	\$xxx	\$xx,xxx
\$80,000	\$xxx	\$xx,xxx
\$100,000	\$xxx	\$xx,xxx

About this illustration

The illustration assumes that you make monthly payments tied to earned income over 100 months. When your monthly earned income is less than \$1,667 (equivalent to \$20,000/year), your account will be placed in a deferment status, and you will not be required to make payments. If your cumulative payments reach the payment cap, then you make no further payments and your account is closed in good standing. The payments columns assume that your average earnings remain the same over the payment term. Your actual total payments may be a blend of monthly payments since your earnings may fluctuate over time. Remember that your earned income will depend on many factors, including your occupation, industry, and the area of the country in which you work. All dollar figures have been rounded to the nearest dollar.

Next Steps & Terms of Acceptance

This offer
is good until:
[Offer
Expiration
Date]

- 1. Questions?**
Contact Back a Boiler – ISA Fund (backaboilerinfo@prf.org) or Purdue University's Division of Financial Aid (<http://www.purdue.edu/dfa>) for more information.
- 2. You have until [Offer Expiration Date], to accept this offer.**
The terms of this offer will not change except as required by law.
To accept the terms of this ISA, sign and date below.

Reference Notes

Income Share Agreement (ISA)

- An ISA is not a loan or other debt or credit instrument. It represents your obligation to make payments linked to a specific percentage of your earned income and does not give **Back a Boiler – ISA Fund** any rights regarding your educational or employment pursuits. The amount you will be required to pay under this ISA may be **more** or **less** than the **funding amount** you receive and will vary in proportion to your future earned income.

Eligibility Criteria

- You must be enrolled full time at the West Lafayette campus at the sophomore class level or higher.
- You must be a U.S. citizen or permanent resident.
- You must be at least the age of majority at the time of the application based on your current state of residence.
- Your total obligations under all income-based agreements with us or another person must not require you to pay an aggregate income share exceeding fifteen (15) percent of your earned income in any given month.

Monthly Payments, Reconciliation, and Early Termination

- Your monthly payments equal your income share times your monthly earned income. We calculate your initial payments using your pay stub, letter from your employer, or other verifiable source acceptable to us. We re-calculate your monthly payments any time your earned income changes, based on information you provide us such as an updated pay stub. We also re-calculate your monthly payments each June 1 using updated documentation of your earned income you provide on or before April 30, such as an IRS tax return. If you do not provide documentation, we will assume your earned income has increased by ten (10) percent and adjust your monthly payments accordingly.
- Each year we reconcile over- or under-payments made in the prior calendar year using copies of your year-end pay stub, Form W-2, Form 1099, Schedule K-1, or similar source and validation of the dates of your employment (due on or before April 30), all of which must reflect each source of your earned income. Each year we also obtain your authorization to request your tax return information from the IRS. You must reimburse us for any under-payments, and we will credit your account for any overpayments (or refund the excess amount if your payment term has ended).
- You may extinguish your obligations under your ISA before the payment term ends by paying **\$xx,xxx**, less payments made to date plus any outstanding fees.

Payment Status

- You begin making payments on the first day of the month following six (6) months after you graduate, withdraw, or fall below half-time enrollment.
- After you leave the program, your account will be placed in a deferment status and you will not owe payments if you can demonstrate that you: (i) have enrolled at least half time in higher education or training, (ii) earn less than \$1,667/month (equivalent to \$20,000/year), (iii) are unemployed, or (iv) are not in the labor force. We may extend your payment term by one month for each month of deferment, up to an additional sixty (60) months, unless you are employed full time or are unemployed.

See the Additional Terms for further information about deferment, nonpayment, and early termination.

Back a Boiler – ISA Fund will enforce the terms of its ISAs to the fullest extent allowed by law.