



INCOME SHARE AGREEMENT (ACADEMIC YEAR 2019–20)

PARTICIPANT:
First and Last Name
Street Name
City, State
Zip Code

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

ISA (Funding) Amount	Income Share	Maximum Number of Payments (Payment Term)	Payment Cap
\$XX,XXX	X.XX%	XX months	\$XX,XXX.XX
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 ISA (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:** \$25 (\$20 for NY residents).

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 monthly and total ISA payments for different levels of earned income.

Annual Earned Income	\$10,000.00 ISA 3.31% income share, 96-month payment term		
	Monthly Payments	Number of Payments	Total Payments
< \$20,000	\$ X	0	\$ 0
\$ 20,000	\$ XX	XX	\$ X,XXX
\$ 40,000	\$ XXX	XX	\$ X,XXX
\$ 60,000	\$ XXX	XX	\$ X,XXX
\$ 80,000	\$ XXX	XX	\$ X,XXX
\$ 100,000	\$ XXX	XX	\$ X,XXX

About this illustration

- The illustration assumes that you make monthly payments tied to earned income over up to XX monthly payments.
- When your monthly earned income is less than \$1,666.67 (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 (\$23,100.00), then you make no further payments and your account is closed in good standing.
- The payments columns assume that your 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:
**August 30,
2019**

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 August 30, 2019, 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 a sophomore, junior, or senior enrolled full-time in a Purdue bachelor's-level academic program—or enrolled in the PharmD or DVM programs—and you must be making satisfactory academic progress (as defined by Purdue) toward your degree.
- You must be a U.S. citizen (includes naturalized citizens) or permanent resident, and at least the age of majority for 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 in excess of 15% of your gross Earned Income in any given month.

Making Payments; Refunds; Prepayment

- You will have a 6-month Grace Period after you leave Purdue or your enrollment status drops to less than half time. You will not make monthly payments based on income earned during your Grace Period.
- You will be required to make monthly payments based on income earned **after** the Grace Period ends. Payments will be due on the 1st day of each month in connection with income earned in the prior month.
- If you leave Purdue during the course of study or training being financed by this ISA, Purdue's refund policy provides that you may still be responsible to pay for some or all of your ISA.
- You may extinguish your obligation under this ISA at any time by paying a Prepayment Amount \$23,100.00, less any prior payments made and plus any outstanding fees.

Circumstances When Payments Are Not Required (Deferments)

- No payments will be required in any month for which you provide appropriate documentation showing that your monthly Earned Income is below \$1,666.67 (equivalent to \$20,000/per year). We may extend your payment term by one month for each month in which no payment is due, up to an additional 60 months, unless you are employed full time or are unemployed.
- Months in which no payment is due are not credited toward your Maximum Number of Monthly Payments.

Information You Must Provide; Annual Reconciliation

- One month before the due date of your 1st payment, you must provide to us acceptable documentation of your monthly income. If you do not provide acceptable documentation, we may estimate your income based on the average full-time income for occupations directly related to the course of study for which this ISA will be used (determined based on federal U.S. data). If you subsequently provide acceptable documentation of your income, we will use that information instead.
- Every time your income changes and by April 30 of each year, you must provide updated, acceptable documentation of your income. For each year of your Payment Term, if you do not provide the required information by April 30, we will assume that your income has increased by 10%.
- On or before April 30 of each year of your Payment Term, you must provide acceptable documentation demonstrating all of your Earned Income for the prior year and authorization to obtain your tax return information directly from the Internal Revenue Service or similar taxing authority. We will use this information to confirm your payment amounts were correct. You must reimburse us for any underpayments, and we will credit your account for any overpayments.

Default

- If your payments are late by 270 days or more, we may declare your account to be in default.

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.

Additional Terms

THIS IS NOT A LOAN OR CREDIT. THIS IS NOT AN ASSIGNMENT OF WAGES.

THIS INCOME SHARE AGREEMENT REQUIRES THE USE OF ARBITRATION ON AN INDIVIDUAL BASIS TO RESOLVE DISPUTES, RATHER THAN JURY TRIALS OR CLASS ACTIONS. YOU MAY OPT OUT OF ARBITRATION BY FOLLOWING THE PROCEDURE SET FORTH IN SECTION 28 BELOW (ARBITRATION AGREEMENT). PLEASE READ SECTION 28 CAREFULLY AS IT AFFECTS YOUR LEGAL RIGHTS IN THE EVENT OF A DISPUTE.

READ THIS ENTIRE AGREEMENT CAREFULLY AND NOTE SECTION 12 (ABOUT YOUR TAX LIABILITY), SECTION 16 (ABOUT INFORMATION ABOUT YOU THAT WE USE AND REPORTS ABOUT YOU THAT WE MAKE TO CREDIT BUREAUS), AND SECTION 25 (ABOUT THIS BEING AN ARMS-LENGTH TRANSACTION BETWEEN YOU AND US).

YOU SHOULD SEEK ADVICE ABOUT YOUR EDUCATION FINANCING OPTIONS FROM A TRUSTED ADVISOR BEFORE SIGNING THIS ISA.

This Income Share Agreement (“ISA” or “Agreement”) includes: (i) this document, including the Arbitration Agreement in Section 28 below (which you can reject); (ii) the Application; (iii) the Participation Disclosure above (“Participation Disclosure”) and the Final Disclosure (“Final Disclosure”), which will be provided to you upon execution of this Agreement to summarize the terms of the Agreement and your obligations (the Participation Disclosure and the Final Disclosure are referred to collectively as the “Disclosures”); and (iv) the Consent to Electronic Communications. You have also been provided with the Back a Boiler – ISA Fund Privacy Policy and the Privacy Notice. In the event of any inconsistency between this document and the Final Disclosure, or between the Final Disclosure and the other Disclosures, the Final Disclosure controls. In this Agreement, “you,” “your” and “Participant” mean the person who signed the Application and this Agreement. “We,” “our,” “us,” and “BaB” mean Back a Boiler – ISA Fund, LLC and any of its successors, successors-in-interest, transferees, assignees, agents, designees or servicers.

This ISA is not a loan or other debt or credit instrument. It represents your obligation to pay a specific percentage of your future earned income and does not give us any rights regarding your educational, training, or employment pursuits. The amount of the payments you make will depend upon your future earned income. The total amount you will pay under this Agreement will vary depending upon your future earned income and may be more or less than the amount of funds you receive.

1. **Definitions.**

(a) “Academic Period” means the period covering the first day of the fall 2019 semester through the last day of the spring 2020 semester.

(b) “Business Day” means Monday through Friday, except for federal holidays in the United States.

(c) “Earned Income” means your total wage and self-employment income. On an annual basis, this amount is currently the sum of Line 1 (“Wages, salaries, tips, etc.”) of IRS Form 1040, Line 1 (“Gross receipts or sales”) of Schedule C Part I, and Schedule E, Line 29a, Column (k) (“Nonpassive income from Schedule K-1”) of U.S. federal income tax returns (2018 revision). If applicable, “Earned Income” includes all income reported on a joint income tax return, minus, to the extent documented to our satisfaction, any income earned solely by your spouse. In our discretion, we may estimate your Earned Income using documentation other than your U.S. federal income tax return, provided the documentation is another verifiable source acceptable to us.

(d) “Funding Amount” means the amount of money set forth in your Final Disclosure that we disburse to the University on your behalf for the Academic Period. The Funding Amount is the total amount we will disburse for the Academic Period. The Funding Amount will be disbursed in two (2) equal parts, with the first part being disbursed at the beginning of the fall semester and the second part being disbursed at the beginning of the spring semester.

(e) “Higher Education or Training” means a program of study at a school that is eligible under Title IV of the Higher Education Act, as amended from time to time, or a proprietary or vocational education program.

(f) “Income Share” means the fixed percentage of your Earned Income that you will owe during the Payment Term in return for the funding you receive. The Income Share is not an interest rate or annual percentage rate.

(g) “Monthly Payment” means your Income Share multiplied by the amount of your monthly Earned Income.

(h) “Payment Cap” means the maximum amount you will pay under this ISA, not including fees and collection costs.

(i) “Payment Term” means the period during which you pay us a fixed percentage of your Earned Income. Your Payment Term may be extended as described in this ISA.

(j) “University” means Purdue University, its affiliates, successors and assigns.

2. **Disbursement; Setoff.** The servicer of this ISA will disburse the Funding Amount set forth in your Final Disclosure on your behalf to the University and send you a funding confirmation notice that itemizes the disbursed funds. You understand that we may have a right to set off the disbursement against amounts due to us for pre-existing outstanding tuition and fees on your University account.

3. **Your ISA Contract Terms.** The Participation Disclosure above sets forth your Funding Amount, Income Share, Payment Term and Payment Cap, which terms will also be reflected on your Final Disclosure. In the event that these terms are adjusted during the review and certification process, you will be provided with a new or amended Final Disclosure. Your Final Disclosure and any new or amended Final Disclosure will also inform you of your right to cancel period and instructions for exercising your right to cancel. In the event of any inconsistency between this ISA and the Disclosures, or between the Disclosures, the Final Disclosure controls. If the full Funding Amount is still available in your University account on the date that BaB receives notice of your cancellation, then this ISA will be cancelled in full. If you have already taken disbursements from your University account such that the full Funding Amount is not available in your University account on the date that BaB receives notice of your cancellation, then your ISA will be amended and a new Final Disclosure distributed to you showing a Funding Amount equal to the amount that BaB was not able to recapture from your University account, unless you refund such amount to BaB within three (3) Business Days after your cancellation notice.

4. **Grace Period.** You will not owe any payments while you are enrolled at the University or during your 6-month grace period. Your grace period begins on the date you graduate or withdraw from or fall below half-time enrollment status at the University. If you begin working prior to the end of your grace period, and your Earned Income is at least \$1,666.67 monthly (equivalent to annual Earned Income of \$20,000) or more, you may waive your grace period by submitting, in accordance with the Notice provisions of Section 22 of this Agreement, the following: (i) the Request for Waiver of Grace Period and Employment Income Verification Form, and (ii) Informal Earned Income Documentation (as defined in Section 6(c)(i) below). If you waive your grace period, your Payment Term will begin and end earlier, but waiver of your grace period does not make the Payment Term shorter or reduce the amount of your payments.

5. **Withdrawal.** If you withdraw or fall below half-time enrollment status, you may be entitled to a pro rata refund of tuition and fees as described in the University's refund policy. The funds disbursed to the University on your behalf under Section 2 of this ISA are considered to be a "private source of aid" under the refund policy. If you are entitled to a refund, and a portion of the refund is applied to this ISA, you will be provided with notice of any changes to your Funding Amount, Income Share, Payment Term and Payment Cap. If refund amounts available from the University are sufficient to cover the entire Funding Amount, this ISA will be terminated.

6. **Payment of Your ISA.**

(a) **Payment Term.** Your Payment Term begins on the first day of the month following the end of your grace period. For example, if you graduate or leave the program on May 14, 2020, your Grace Period will end on November 30, 2020, and your Payment Term will begin on December 1, 2020. As another example, if you drop below half-time enrollment status on April 10, 2020, your Grace Period will end on October 31, 2020, and your Payment Term will begin on November 1, 2020. Your Payment Term may

be extended for up to sixty (60) months in certain circumstances as explained in Section 6(g).

(b) **Monthly Payments.** Except as set forth below, during the Payment Term, you agree to make your Monthly Payments to us by the first Business Day of each month based on income earned in the prior month. Payments are applied first to fees, if any, and then to the Monthly Payment amount owed. If you make all required payments on time during your Payment Term, you will not owe anything at the end of your Payment Term even if your payments sum to less than your Funding Amount.

(c) **Calculation of Your Initial Monthly Payments.** Not later than one month before your first scheduled payment is due, you agree to provide us with one of the following kinds of documentation, dated not earlier than thirty (30) days before the date you provide it to us:

(i) A copy of any pay stub or letter from your employer containing your salary information, a self-employment contract, a consulting agreement, a good faith estimate of your self-employment income for the current calendar year (along with documentation of the basis for your estimate), or another verifiable source acceptable to us (collectively, “Informal Earned Income Documentation”) for each source of Earned Income; or

(ii) Documentation acceptable to us demonstrating a circumstance that qualifies you for a deferment as described in Section 6(g) (“Documentation for Deferment”).

(iii) If you do not provide your Informal Earned Income Documentation or Documentation for Deferment at least one (1) month prior to your first scheduled payment, we will calculate your initial monthly payments based on the average full-time income for occupations directly related to your major or program (as reported by graduates to the Purdue Center for Career Opportunities).

(iv) **Service Members Civil Relief Act Limitation on Monthly Payments.** If you are a “Servicemember” of the U.S. uniformed military services and, after you enter into this ISA, you enter “military service,” as those terms are defined in the Servicemembers Civil Relief Act (SCRA) at 50 U.S.C. § 3911, your monthly payment will be limited to the lesser of (i) your ISA payment as calculated based on your Informal Earned Income Documentation, or (ii) the maximum payment that would be due for a loan charging six percent (6%) interest, calculated based on the funding amount of your ISA. This limitation is intended to comply with 50 U.S.C. § 3937 of the SCRA. In order for this limitation to apply, you must provide us with (i) written notice of your request, and (ii) a copy of the military orders calling you to military service. For purposes of determining whether you qualify for this limitation, the terms “servicemember” and “military service” will have the meanings defined in the SCRA.

(d) **Annual Reconciliation.** On or before April 30 each year of the Payment Term and April 30 following the end of the Payment Term, you agree to provide us with:

(i) A completed and signed IRS Form 4506T or Form 4506T-EZ (or any successor form) designating us as the recipient of your tax return information for returns covering any and all months of your Payment Term, dated not earlier than thirty (30) days before the date you provide it to us; and one of the following to verify your Earned Income or deferment status for the preceding year:

(ii) A year-end pay stub, Form W-2, Form 1099, Schedule K-1, or other verifiable source acceptable to us (collectively, "Formal Earned Income Documentation") for each source of Earned Income in the prior calendar year, or

(iii) If your ISA is in a deferment status, updated documentation to re-verify your Documentation for Deferment.

If you are not in deferment status, we will use the Formal Earned Income Documentation to determine whether the payments you made in the prior calendar year were more or less than what you actually owed. If you underpaid, we will bill you for, and you agree to pay, the difference by the deadline stated in the bill. If you overpaid, we will apply excess amounts first to unpaid fees and second as a credit toward future payments due. If you overpaid in the final year of your Payment Term, we will refund the excess amounts.

(e) **Annual Adjustment of Monthly Payments.** We will re-estimate your Monthly Payment effective each June 1. You have two options:

(i) On or before April 30 each calendar year of your Payment Term, you can provide us with Informal Earned Income Documentation for each source of Earned Income for the current calendar year and we will use this to re-estimate your Monthly Payments.

(ii) Alternatively, if you choose not to provide us with new documentation and you are not in deferment, we will assume your Earned Income has increased by ten (10) percent and adjust your Monthly Payments accordingly, beginning with the payment due June 1. Since this is an estimate of your current Earned Income, it may result in Monthly Payments that are either higher or lower than what you actually owe. Any over- or under-payments will be reconciled the following calendar year as described in Section 6(d).

(f) **Periodic Adjustment of Monthly Payments.** If you are not in a deferment status, you will inform us of any changes in your monthly Earned Income within thirty (30) days of the change and send us updated Informal Earned Income Documentation as soon as it is available to you. When you send us Informal Earned Income Documentation we will re-calculate your Monthly Payments. In addition, if information that you provide to us pursuant to Section 8 shows that your Earned Income has changed during the year, we may also modify your Monthly Payments at the time

even if you did not supply us with updated Informal Earned Income Documentation. This includes changes in your Earned Income due to fluctuations in your self-employment income, whether as a consultant or otherwise. Periodic modifications in your Monthly Payments may avoid significant underpayments or overpayments during the annual reconciliation process set forth in Section 6(d).

(g) **Payment Deferment and Extensions of Payment Term.** After you leave the program, certain circumstances, such as going back to school or earning below an Earned Income threshold, qualify you for a deferment. If you provide Documentation for Deferment (as defined in Section 6(c)(ii)), we will place your account in an inactive/deferment status and you will not be required to make Monthly Payments. Depending on the qualifying circumstance, we may extend your Payment Term by one month for each month of deferment, up to an additional sixty (60) months, as described in the table below. If you meet two or more qualifying circumstances, and at least one provides for a Payment Term extension and at least one does not, you agree that a Payment Term extension shall apply.

Qualifying Circumstance	Monthly Payment	Is Payment Term Extended?
At least half-time enrollment (as defined by your institution) in Higher Education or Training that provides a more advanced degree or certification than you are receiving from the University and making satisfactory academic or training progress in the program.	\$0	Yes
Employed full-time (working 35 hours or more per week on average at one or more jobs, including self-employment) and earning less than \$1,666.67 monthly (equivalent to an annual Earned Income of \$20,000)	\$0	No
Employed part-time (working less than 35 hours per week on average at one or more jobs, including self-employment) and earning less than \$1,666.67 monthly (equivalent to an annual Earned Income of \$20,000)	\$0	Yes
Unemployed (not working but actively seeking employment) Note: You must provide proof of your efforts to seek employment satisfactory to us in our sole and absolute discretion. Otherwise, we will assume you are not in the labor force and extend your Payment Term.	\$0	No
Not in the labor force (not working and not actively seeking employment; for instance, taking time off due to illness or to care for a child, relative or spouse)	\$0	Yes
Military Service Deferment (terms defined below)	\$0	Yes

If you no longer qualify for deferment under any of the circumstances described in the table above, you must notify us within thirty (30) days.

We will retroactively count any deferred months toward your Payment Term if annual reconciliation shows that your earned income results in an average monthly income of \$1,666.67 or more for any month in which you were in deferment. For example, if you were paid a lump sum for contract work at any time during the prior calendar year, and you performed work under the contract during a month or months where your account was inactive/deferred, and if the lump sum paid averaged over the prior calendar year is \$1,666.67/month or more of effective income, we will retroactively count the deferred months towards your Payment Term.

If you are employed full-time or part-time and earn less than \$1,666.67 monthly (equivalent to an annual Earned Income of \$20,000), you cannot elect to make payments. If at the end of the maximum deferment period of sixty (60) months, you are still earning less than \$1,666.67 monthly (equivalent to an annual Earned Income of \$20,000) and are enrolled at least half-time in Higher Education or Training, employed only part-time or are not in the labor force (not working and not actively seeking employment), your payment term will continue to extend unless you provide proof of your efforts to seek adequate employment.

Military Service Deferment is available to members of any branch of the U.S. military, including members of the Reserves or National Guard during Military Service (as defined in the SCRA) while assigned to a duty station other than your normal duty station in connection with (i) a Contingency Operation (as defined in 10 U.S.C. §101(a)(13)), (ii) a national emergency declared by the President of the U.S., supported by federal funds and requiring military service for more than thirty (30) consecutive days, or (iii) a war declared by the U.S. Congress.

(h) **Early Termination; Payment Cap.** If you desire to extinguish your obligations under this ISA prior to the expiration of your Payment Term, you may at any time pay an amount equal to the Payment Cap, less any Monthly Payments you already made, plus any outstanding fees, as satisfaction in full of your payment obligations under this ISA. The sum of the total Monthly Payments you owe under this ISA will not exceed the Payment Cap, plus fees described in the Disclosures.

(i) **Limit on Other Income-Based Agreements.** You agree that you have not and will not enter into additional income-based agreements with us or another person that, in the aggregate, obligate you to pay a total share of your income exceeding fifteen (15) percent of your Earned Income. Loans with income-driven repayment plans, including federal student loans, will not be considered private income-based agreements under this Section.

(j) **Waiver of ISA Due to Death or Total and Permanent Disability.** We will waive the remainder of what you owe under this ISA, including any past due amounts and fees, if you die or become totally and permanently disabled. You or your estate must provide us with any tuition refund, which we will apply to the Funding Amount. If you would like to assert a waiver based on total and permanent disability, you will need to submit an application accompanied by a physician's statement and such other information or documentation that we may require, showing that you are unable to work

in any occupation due to a condition that began or deteriorated after the date of the Final Disclosure and that the disability is expected to be permanent. Unless your Monthly Payments already are deferred under Section 6(g), you must continue to make payments until the time the disability application is completed to our satisfaction. If we approve your disability waiver application, the waiver will be effective as of the date of the completed application.

7. **Fees.** The following fees apply, subject to applicable law:

Description	Amount
<p>Late Payment Fee</p> <p>A fee charged if you do not make any payment due under this ISA on or before the 10th day after the due date. Any payment received after 6:00 PM Eastern time on a Business Day is deemed received on the next Business Day.</p>	<p>The lesser of \$5 and 5% of the payment amount due</p>
<p>Returned Payment Fee</p> <p>A fee charged if any payment is returned or fails due to insufficient funds in your account or for any other reason.</p>	<p>\$25 (\$20 for NY residents)</p>

8. **Notice of Certain Changes.** You agree to notify us within thirty (30) days of any change in your:

- (a) primary residence address, phone number or email, or any other material change to information previously provided to us;
- (b) employment status, including both terminations of employment and new employment;
- (c) monthly Earned Income;
- (d) marital status, to the extent reasonably required for us to exclude earnings of your spouse from the calculation of your Earned Income; and
- (e) enrollment status in Higher Education or Training.

9. **Review of Your Tax Returns.** For the tax year in which your Payment Term begins through the tax year in which your Payment Term ends, you agree to file your U.S. federal income tax returns no later than April 15 of the following year. You agree to notify us of any extension you seek for filing federal income tax returns. Moreover, if we request, you agree to sign and file IRS Form 4506-T or Form 4506T-EZ

(or any successor form) within thirty (30) days of our request, designating us as the recipient of your tax return information for returns covering any and all years of your Payment Term. You agree to perform any similar requirements or procedures for any other applicable country's taxing authority.

10. **Default and Remedies.**

(a) **Default.** Without prejudice to our other rights and remedies hereunder, and subject to applicable law, we may deem you to be in default under this ISA upon: (i) your failure to make any payment in full and on time for nine (9) consecutive months; (ii) your failure to provide Formal or Informal Earned Income Documentation or Documentation for Deferment as required by Sections 6(c), 6(d) and 6(g) within one (1) year of its due date; (iii) your failure to provide us a completed and signed IRS Form 4506-T or Form 4506T-EZ (or any successor form) within thirty (30) days of the annual deadline or our separate request, as set forth in Sections 6(d) and 9; or (iv) your violation of any other provision of this ISA that impairs our rights, including but not limited to our receipt of information we deem to be materially false, misleading or deceptive.

(b) **Remedies Upon Default.** Subject to applicable law (including any notice and/or cure rights provided by applicable law), upon default, we may elect to (i) collect the Payment Cap, less any Monthly Payments already made and plus any outstanding fees, (ii) enforce all legal rights and remedies in the collection of such amount and related fees (including any rights available to us to set off any state tax refund), (iii) put a hold on the release of your transcript from the University, or (iii) utilize any combination of these remedies. You agree to pay our court costs, reasonable attorneys' fees, collection fees charged by states for state tax refund set-off (currently fifteen percent in Indiana), and other collection costs related to the default (including our fees and costs due to your bankruptcy or insolvency, if applicable) to the extent permitted by applicable law.

(c) **Equitable Remedies.** If we conclude that money damages are not a sufficient remedy for any particular breach of this ISA, then we will be entitled to seek injunctive or other equitable relief as a remedy for any such breach to the fullest extent permitted by applicable law. Such remedy shall be in addition to all other remedies available at law or equity to us.

11. **Truthfulness of Application.** You represent that all information provided in connection with your Application is true and accurate and you have not provided any false, misleading or deceptive statements or omissions of fact. Except as disclosed to us in your Application, you represent that: (i) you have never been convicted of a felony or of any crime involving dishonesty or breach of trust under any federal or state statute, rule or regulation; (ii) you are not contemplating bankruptcy and you have not consulted with an attorney regarding bankruptcy in the past six months; (iii) you are at least 18 years of age and the age of majority in your state of current residence; (iv) you are a U.S. citizen or permanent resident; (v) the Funding Amount will be used toward your cost of attendance at the University; and (vi) you have filed all federal tax returns and reports as

required by law, they are true and correct in all material respects, and you have paid all federal taxes and other assessments due.

12. **Tax Reporting.** You agree and acknowledge that the federal, state and local income tax consequences of this ISA are not certain, and that we have not provided you with any tax advice or assurance of specific consequences.

Notwithstanding the foregoing, recognizing that all parties are best served by consistent, good faith tax reporting of the transaction in accordance with what the parties believe to be its economic substance, except as otherwise required by law, you agree to report the transaction for federal, state and local income tax purposes as a financial contract and not as a loan or any other form of indebtedness. Whether the financial contract results in a gain or loss will be unknown until the end of the Payment Term or until this Agreement is terminated, if prior to the end of the Payment Term. Under tax law, when the parties do not know the extent of the gain or loss from a transaction when it occurs, they can treat the transaction as an “open transaction” and determine the consequences once the final terms are known. Under this tax treatment, it is expected that you will not recognize the Funding Amount as income when you enter into this Agreement. **Upon the maturity or termination of this ISA, if the aggregate amount of cash you received from us is greater than the aggregate sum of the payments you made to us during your Payment Term, then you will likely recognize ordinary income equal to the difference between the amount of cash received from us and the sum of the payments you made to us.** You agree to file your federal, State and local income tax returns in accordance with this expected tax treatment unless you notify us in writing at least thirty (30) days before filing any such return that you intend to take a contrary position.

You acknowledge that because the appropriate tax reporting is uncertain, the IRS and/or state or local taxing authorities may challenge the method of reporting described above, and new legislation may affect the federal, state or local tax treatment of this Agreement. If such a challenge were to succeed, you could have significantly greater tax liability at a significantly earlier time or times than would be the case under the method described above. While we are under no obligation to do so, it is also possible that we may seek a ruling from the IRS during your Payment Term regarding these tax consequences. **You agree and acknowledge that you have had an opportunity to consult with your own trusted advisor about the tax consequences of entering into this ISA and receiving the Funding Amount.**

13. **Electronic Delivery.** We may decide to deliver any documents or notices related to this ISA by electronic means. Except as otherwise provided in the Consent to Electronic Communications, you agree to receive such documents or notices by electronic delivery and to participate through an on-line or electronic system established and maintained by us or a third party designated by us.

14. **Automatic Reminders.** We may use automated telephone dialing, text messaging systems and electronic mail to provide messages to you about payment due dates, missed payments and other important information. The telephone messages may

be played by a machine automatically when the telephone is answered, whether answered by you or someone else. These messages may also be recorded in your voicemail. You give us your permission to call or send a text message to any telephone number you provide us now or in the future and to play pre-recorded messages or send text messages with information about this ISA over the phone. You also give us permission to communicate such information to you via electronic mail. You agree that we will not be liable to you for any such calls or electronic communications, even if information is communicated to an unintended recipient. You understand that, when you receive such calls or electronic communications, you may incur a charge from the company that provides you with telecommunications, wireless and/or Internet services. You agree that we have no liability for such charges.

15. **Telephone Recording.** You understand and agree that we may monitor and/or record any of your phone conversations with us.

16. **Consent to Credit and Income Verification; Credit Reporting.** You authorize us to obtain your credit report, verify the information that you provide to us, and gather additional information that may help us assess and understand your performance under this ISA. You understand that we may verify your information and obtain additional information using a number of sources, including but not limited to consumer reporting agencies, other third-party databases, past and present employers, other school registrars, public sources, and personal references provided by you. If you ask, you will be informed whether or not we obtained a credit report and, if so, the name and address of the consumer reporting agency that furnished the report. You also understand and agree that we may obtain a credit report and gather additional information, including from the sources described above, in connection with the review or collection of your ISA. You consent to our sharing of your information with our affiliates and financing parties, which we will do using reasonable data security procedures.

You authorize us to report information about this ISA to credit bureaus. Although this ISA is not “a loan or other debt or credit instrument,” we may inform credit bureaus about your positive payment behavior when you make payments as agreed. However, this also means that late payments, missed payments or other defaults under this ISA may be reflected in your credit report.

17. **Amendments and Waivers.** We may amend this ISA by providing you with 30 days advance written notice of any significant changes to the address in our records. However, if an amendment is necessary to comply with changes in applicable law, we may amend this ISA without providing you with advance notice. No delay or failure to require performance of any provision of this ISA shall constitute a waiver of that provision as to that or any other instance.

18. **Customer Identification Policy.** To help the government fight the funding of terrorism and money laundering activities, we will obtain, verify and record information that identifies each person who enters into this ISA. What this means for you: when you enter into this ISA, we reserve the right to ask for your name, address, date of birth and

other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents, or for you to provide true and correct copies to us.

19. **Governing Law.** The validity, interpretation, construction and performance of this ISA, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto and thereto shall be governed, construed and interpreted in accordance with the laws of the State of Indiana, without giving effect to principles of conflicts of law. Notwithstanding the foregoing, federal law shall govern the Arbitration Agreement in Section 28.

20. **Entire ISA.** This ISA sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between you and us relating to the subject matter hereof.

21. **Successors and Assigns.** Except as otherwise provided in this ISA, this ISA, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. We may sell, assign or otherwise transfer any of our rights, economic benefits or obligations under this ISA. You may not assign, whether voluntarily or by operation of law, any of your rights, economic benefits or obligations under this ISA, except with our prior written consent.

22. **Notices.** Any notice, demand or request required or permitted to be given under this ISA shall be in writing and, except as otherwise provided, shall be deemed sufficient when sent by email or two (2) Business Days after being deposited in the U.S. mail as certified or registered mail with postage prepaid. Notices to BaB shall be sent by first class U.S. mail or nationally recognized overnight courier to Back a Boiler – ISA Fund, LLC c/o Vemo Education, P.O. Box 2453, Oldsmar, FL 34677, or faxed to (813) 438-7862, with a copy to backaboilerinfo@prf.org. We may modify our notice address by written notice to you. Notices to Participant shall be sent to the e-mail or physical mail addresses set forth below your signature on your Application, or as subsequently modified by written notice to us.

23. **Severability.** Except as set forth in the Arbitration Agreement, if one or more provisions of this ISA are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this ISA, (ii) the balance of the ISA shall be interpreted as if such provision were so excluded and (iii) the balance of the ISA shall be enforceable in accordance with its terms.

24. **Execution; Electronic Transactions.** This ISA may be executed electronically or manually. Execution may be completed in counterparts (including both counterparts that are executed on paper and counterparts that are electronic records and executed electronically), which together constitute a single agreement. Any copy of this

ISA (including a copy printed from an image of this ISA that has been stored electronically) shall have the same legal effect as an original.

25. **Independent Decision to Enter into ISA.** You agree that this ISA is an arms-length transaction. You agree that we are not an agent or fiduciary or advisor in your favor in connection with the execution of this ISA. You agree that we have not provided any legal, accounting, investment, regulatory or tax advice with respect to this ISA.

26. **Marriage.** If you are married or get married, you agree to document your income separately from your spouse's and to provide us with the necessary documentation to calculate your individual Earned Income. If you are married and live in Wisconsin on the date you sign this ISA or during the term hereof, your signature on this ISA confirms that any financial obligation incurred as a result of this ISA is being incurred in the interest of your marriage or family. If you are married and live in Texas on the date you sign this ISA or during the term hereof, you agree to hold your Earned Income in a separate bank account from your spouse.

27. **Notice and Cure.** Prior to initiating a lawsuit or arbitration regarding a Claim (as defined in Section 28 below), the party asserting the Claim (the "Complaining Party") shall give the other party (the "Defending Party") written notice of the Claim (a "Claim Notice") and a reasonable opportunity, not less than 30 days, to resolve the Claim. If we are the Complaining Party, we will send the Claim Notice to you at your email or physical address appearing in our records or, if you are known to be represented by an attorney, to your attorney at his or her office address. Any Claim Notice must explain the nature of the Claim and the relief that is demanded. The Complaining Party must reasonably cooperate in providing any information about the Claim that the Defending Party reasonably requests.

28. **Arbitration Agreement.** Except as expressly provided below, Participant and BaB agree that any past, present or future claim, dispute or controversy, regardless of the legal theory on which it is based, arising out of, relating to or in connection with this ISA, or that arises from or is related to any relationship resulting from this ISA (a "Claim"), shall be submitted to and resolved on an individual basis by binding arbitration under the Federal Arbitration Act, 9 U.S.C. §§1 et seq. (the "FAA") before the American Arbitration Association (the "AAA") under its Consumer Arbitration Rules (the "AAA Rules"), in effect at the time the arbitration is brought, unless BaB and the Participant agree in writing to arbitrate before a different party. If a Claim is arbitrated, it will be resolved by a neutral third-party arbitrator, and not by a judge or a jury, and Participant and BaB knowingly and voluntarily waive the right to a jury trial on such Claim. "Claim" has the broadest possible meaning, and includes initial claims, counterclaims, cross-claims and third-party claims. It includes disputes based upon contract, tort, consumer rights, fraud and other intentional torts, constitution, statute, regulation, ordinance, common law and equity (including any claim for injunctive or declaratory relief). If the AAA is unable to serve as administrator, the arbitration shall be conducted under, and the arbitrator shall be selected in accordance with the Indiana Rules of Court Rules for Alternative Dispute Resolution. The AAA Rules are available online at www.adr.org. For purposes of this Arbitration

Agreement, (1) the term “BaB” includes (a) Back a Boiler – ISA Fund, LLC, (b) any successor, assignee, transferee, agent, designee or servicer of Back a Boiler – ISA Fund, LLC; (c) any affiliates, subsidiary, and/or parent of the persons and entities referenced in (a) or (b); (d) the officers, directors, employees, stockholders, members, affiliates, subsidiaries, and parents of all of the foregoing in (a) through (c); and (e) any party named as a co-defendant with BaB in a Claim asserted by the Participant, such as servicers and debt collectors; and (2) the term “Participant” means the Participant. Notwithstanding the above, if a Claim that the Participant or BaB wishes to assert against the other is cognizable in a small claims court (or your state’s equivalent court) having jurisdiction over the Claim and the parties, the Participant or BaB may pursue such Claim in that small claims court; however, if the Claim is transferred, removed, or appealed to a different court, it shall be resolved by arbitration. Nothing in a small claims court lawsuit or its outcome shall constitute a waiver of any party’s rights under this Arbitration Agreement with respect to Claims asserted in any related or unrelated lawsuits. Moreover, any dispute concerning the validity or enforceability of this Arbitration Agreement must be decided by a court; any dispute concerning the validity or enforceability of the ISA as a whole is for the arbitrator.

Any arbitration hearing that you attend will take place in a location that is reasonably convenient for you. If you cannot obtain a waiver of the AAA’s or arbitrator’s filing, administrative, hearing and/or other fees, we will consider in good faith any request by you for us to bear such fees. Each party will bear the expense of its own attorneys, experts and witnesses, regardless of which party prevails, unless applicable law or this ISA gives a right to recover any of those fees from the other party. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and privilege rules that would apply in a court proceeding, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys’ fees and costs. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator’s award will be final and binding, except for any appeal right under the FAA. Any court with jurisdiction may enter judgment upon the arbitrator’s award.

This Arbitration Agreement shall survive the termination of this ISA, your fulfillment or default of your obligations under this ISA and/or your or our bankruptcy or insolvency (to the extent permitted by applicable law). In the event of any conflict or inconsistency between this Arbitration Agreement and the administrator’s rules or other provisions of this ISA, this Arbitration Agreement will govern. Purdue University, Purdue Research Foundation and Vemo Education, Inc. are third party beneficiaries of this Arbitration Agreement.

CLASS ACTION WAIVER: IF A CLAIM IS ARBITRATED, NEITHER PARTICIPANT NOR BaB WILL HAVE THE RIGHT TO PARTICIPATE IN A CLASS ACTION, PRIVATE ATTORNEY GENERAL ACTION OR OTHER REPRESENTATIVE ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE

OR CLASS MEMBER. Further, unless both Participant and BaB agree otherwise in writing, the arbitrator may not join or consolidate Claims with claims of any other persons. The arbitrator shall have no authority to conduct any class, private attorney general or other representative proceeding, and shall award declaratory or injunctive relief only in favor of the party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. If a determination is made in a proceeding involving BaB and the Participant that the class action waiver is invalid or unenforceable, only this sentence of this Arbitration Agreement will remain in force and the remainder of this Arbitration Agreement shall be null and void, provided, that the determination concerning the class action waiver shall be subject to appeal.

RIGHT TO REJECT: Participant may reject this Arbitration Agreement by mailing a signed rejection notice to Back a Boiler – ISA Fund, LLC, c/o Vemo Education, P.O. Box 2453, Oldsmar, FL 34677, or by faxing it to (813) 438-7862 within thirty (30) calendar days after the date of this ISA. Any rejection notice must include Participant's name, address, email address, telephone number and account number. If you reject this Arbitration Agreement, that will not affect any other provision of the ISA.

29. **Waiver of Jury Trial.** YOU ACKNOWLEDGE AND AGREE THAT, INASMUCH AS THE PURPOSE OF THE ARBITRATION AGREEMENT IN SECTION 28 IS TO REQUIRE THAT ALL CLAIMS BE RESOLVED BY BINDING ARBITRATION, NO PARTY TO THIS ISA SHALL BE ENTITLED TO A TRIAL BY JURY IF SUCH ARBITRATION AGREEMENT IS IN EFFECT. MOREOVER, TO THE EXTENT YOU TIMELY AND ADEQUATELY REJECT THE ARBITRATION AGREEMENT IN SECTION 28, OR IF FOR ANY OTHER REASON A CLAIM IS NOT ARBITRATED, BaB AND THE PARTICIPANT KNOWINGLY AND VOLUNTARILY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM.

[SIGNATURE PAGE FOLLOWS]



The parties, intending to be legally bound, have executed this ISA as of the date set forth below.

NOTICE TO PARTICIPANT:

1. Do not sign this Agreement before you read it or if it contains any blank terms.
2. You are entitled to a completely filled in copy of this Agreement.
3. You have the right to pay off this Agreement in advance by paying the amount set forth in Section 6(h).

Participant: By signing below, you acknowledge that you have read this entire Agreement carefully and agree to its terms, including Section 12 (about your tax liability), Section 16 (about information about you that we use and reports about you that we make to credit bureaus), Section 25 (about this being an arms-length transaction between you and us), and Section 28 (about arbitration on an individual basis and class action waiver, including your opt-out right).

BACK A BOILER – ISA FUND, LLC:

PARTICIPANT:

By: _____
 Date: 2019-08-01
 Name: _____
 Title: _____
 Address: Back a Boiler – ISA Fund
 1281 Win Hentschel Blvd.
 West Lafayette, IN
 47906
 Phone: (765) 588-5495
 E-mail: backaboilerinfo@prf.org

By: *First and Last Name*
 Date: 2019-08-01
 Name: First and Last Name
 Address: Street
 City, State
 Zip Code
 Phone: (XXX)XXX-XXXX
 E-mail: youremail@purdue.edu

Earned Income of Employed Workers by Undergraduate Major Category

Persons aged 25–34 with a Bachelor’s Degree

Undergraduate Major Category	Percent of Workforce	Earned Income Distribution					
		Average	10 th Percentile	25 th Percentile	Median	75 th Percentile	90 th Percentile
Agricultural Sciences	1.1%	\$57,213	\$32,615	\$39,770	\$52,450	\$68,438	\$91,357
Architecture	0.7%	\$58,257	\$31,436	\$42,349	\$53,336	\$69,360	\$88,454
Arts & Humanities	1.2%	\$50,455	\$27,497	\$33,556	\$46,025	\$59,872	\$79,177
Biological Sciences	3.7%	\$54,211	\$31,092	\$36,892	\$47,798	\$67,647	\$86,742
Business & Management	24.0%	\$68,932	\$32,910	\$43,039	\$59,255	\$80,846	\$113,374
Communication Technologies	0.4%	\$52,561	\$26,570	\$34,697	\$48,513	\$62,770	\$84,661
Communications & Media	6.3%	\$57,706	\$28,174	\$37,534	\$50,781	\$69,367	\$94,852
Computer Sciences	4.8%	\$69,834	\$34,105	\$45,918	\$62,880	\$87,048	\$111,715
Construction Services	0.5%	\$72,762	\$36,452	\$51,525	\$69,410	\$86,591	\$112,298
Cosmetology & Culinary Arts	0.2%	\$45,036	\$24,686	\$31,965	\$41,693	\$55,435	\$76,688
Criminal Justice & Fire Protection	3.4%	\$52,690	\$26,003	\$34,165	\$46,040	\$63,730	\$83,632
Education	6.3%	\$45,002	\$28,667	\$34,965	\$42,311	\$51,093	\$64,973
Electrical & Mechanical Repairs & Technologies	0.1%	\$54,527	\$39,151	\$44,327	\$54,555	\$61,894	\$72,121
Engineering	8.3%	\$81,835	\$47,799	\$60,575	\$79,405	\$96,696	\$118,318
English Literature & Rhetoric	2.4%	\$49,214	\$23,564	\$32,056	\$43,550	\$59,582	\$79,625
Environmental Sciences	0.8%	\$49,303	\$27,172	\$34,738	\$46,792	\$61,162	\$73,800
Ethnic & Civilization Studies	0.3%	\$57,476	\$26,294	\$36,030	\$48,428	\$66,975	\$107,571
Family & Consumer Sciences	0.7%	\$44,503	\$22,682	\$29,538	\$38,758	\$51,509	\$72,619
Health & Medical Professions	5.9%	\$51,901	\$28,359	\$35,811	\$46,934	\$64,036	\$83,147
History	1.8%	\$52,442	\$30,670	\$35,985	\$47,231	\$59,169	\$77,240
Law & Legal Studies	0.2%	\$52,386	\$35,246	\$40,448	\$46,633	\$55,694	\$87,268
Library Science	0.0%	\$33,235	\$33,159	\$33,159	\$33,159	\$33,159	\$33,519
Linguistics & Comparative Language	0.7%	\$53,508	\$27,843	\$36,099	\$47,767	\$63,511	\$88,634
Mathematics & Statistics	1.0%	\$77,594	\$42,927	\$52,868	\$73,958	\$91,860	\$121,427
Military Technologies	0.0%	\$52,038	\$50,610	\$50,610	\$52,920	\$52,920	\$52,920
Multidisciplinary Studies	1.0%	\$57,380	\$36,356	\$41,102	\$53,012	\$66,431	\$86,916
Nuclear, Industrial, Biotech, & Radiological Technologies	0.0%	\$54,252	\$39,742	\$41,827	\$52,536	\$67,558	\$73,294
Philosophy & Religious Studies	0.5%	\$54,580	\$24,870	\$32,518	\$45,197	\$62,435	\$85,502
Physical Fitness, Parks, Recreation, & Leisure	1.9%	\$48,621	\$24,548	\$32,612	\$42,875	\$57,323	\$75,547
Physical Sciences	2.1%	\$59,698	\$38,036	\$45,192	\$55,264	\$69,996	\$84,764
Psychology	4.5%	\$47,479	\$33,426	\$37,083	\$45,261	\$56,726	\$64,485
Public Administration, Policy, & Services	1.1%	\$55,770	\$31,253	\$37,435	\$47,805	\$67,966	\$99,154
Social Sciences	7.2%	\$62,658	\$30,607	\$40,637	\$53,380	\$75,927	\$102,174
Technology	0.8%	\$66,921	\$37,633	\$49,457	\$63,623	\$80,014	\$101,400
Theology & Religious Vocations	0.4%	\$43,100	\$22,951	\$30,034	\$38,515	\$50,719	\$66,731
Transportation	0.3%	\$61,559	\$29,755	\$41,214	\$56,781	\$74,628	\$100,802
Visual & Performing Arts	5.6%	\$50,590	\$24,137	\$32,534	\$43,419	\$60,448	\$84,959
Overall	100.0%	\$59,523	\$33,238	\$41,642	\$54,312	\$70,910	\$92,308

Source: American Community Survey, US Bureau of the Census, 2015–17 Surveys (<https://www.census.gov/programs-surveys/acs/>).

Notes: Earned income figures reflect wages, deferred income, and self-employment income for both full- and part-time workers with a bachelor’s degree in each category of majors in the US. Dollar figures for 2015 and 2016 have been adjusted to 2017 dollars. For additional information about possible full-time salary outcomes after graduation for Purdue University students, visit the Purdue Center for Career Opportunities at <https://www.cco.purdue.edu/data> or the Back a Boiler Comparison Tool at <http://compare.backaboiler.org/>.