

SEED CAPITAL LOAN AGREEMENT

THIS AGREEMENT MADE BY AND BETWEEN/AMONG

THE INDIVIDUAL(S) WHOSE NAME(S) APPEAR(S) UNDER THE HEADING "STUDENT" ON THE SIGNATURE PAGE OF THIS AGREEMENT

AND

THE JUNIATA COLLEGE CENTER FOR ENTREPRENEURIAL LEADERSHIP ("JCEL").

Whereas, each individual whose name appears under the heading "Student" on the signature page of this Agreement (each such individual, whether one or more than one, referred to collectively in this Agreement as "Student") is, on the effective date of this Agreement, a full time student of Juniata College in good standing, and

Whereas Student has prepared a business plan which has been presented to JCEL and which business plan may be amended from time to time in accordance with this Agreement (the "Business Plan"); and

Whereas, each individual whose name appears under the heading of "Student" on the signature page of this Agreement agrees to be bound jointly and severally to all terms of this agreement; and

Whereas JCEL in reliance on the Business Plan has approved a loan to Student (the "Loan") subject to the terms and conditions set forth in this Agreement.

Now therefore, in consideration of the foregoing and the covenants and conditions hereinafter contained, Student and JCEL, intending to be legally bound hereby, agree as follows:

1. LOAN BY JCEL

JCEL agrees to lend the sum of \$_____ to Student on or before _____, 200____. Interest shall accrue on the Loan at an annual rate of 6% on the outstanding principal of the Loan but, except as otherwise provided herein, no interest or principal shall be payable until the first day of the seventh month following the date Student receives the full funds of the Loan.

2. REPRESENTATIONS AND WARRANTIES OF STUDENT

- a. Each of the individuals whose name appears under the heading of "Student" on the signature page of this Agreement is eighteen (18) years of age or older.
- b. The Business Plan attached hereto as Exhibit A is a true, correct and complete copy of the Business Plan presented to JCEL to induce it to make a loan to Student. The business entity identified in the Business Plan shall be referred to hereinafter as "Enterprise."

3. COVENANTS OF STUDENT

- a. Student will conduct the business of the Enterprise in accordance with the Business Plan. Within fifteen (15) calendar days following the close of each quarter of Enterprise's fiscal year, Student shall provide status reports to JCEL describing the steps taken in that period to implement the Business Plan.
- b. Student will maintain books of account and will provide to JCEL an income statement, accounts payable, accounts receivable and a balance sheet report for each quarter of its fiscal year and for the fiscal year itself within fifteen (15) calendar days after the close of each quarterly reporting period until the Loan and interest is repaid in full. Student will use the standard reporting formats from QuickBooks or a JCEL recommended/approved accounting program. Student will keep

current and accurate financial records based on generally accepted accounting principles (GAAP). Any deviation from GAAP shall be approved by JCEL before the action occurs.

- c. Student will not incur any additional indebtedness without the written consent of JCEL. JCEL may require that any additional indebtedness be subordinated to its Loan as a condition of granting such consent.
- d. Student will comply with all applicable federal, state and local laws, ordinances and regulations. In particular and without limiting the foregoing, Student shall file timely tax returns/reports and make timely payment of all federal state and local taxes and comply with all applicable requirements for remittance of withheld taxes.

4. REPAYMENT OF LOAN

- a. Commencing on the first business day of the seventh month following the month in which Student receives the proceeds of the Loan and on the first business day of each month thereafter, Student will repay to JCEL the loan and accrued interest in eighteen (18) monthly installments in accordance with the schedule attached hereto as Exhibit B.
- b. Student may prepay the Loan and accrued interest at any time.
- c. In the event of any default by Student in Student's obligations under the terms of this Agreement, JCEL may give notice to Student specifying the default. Unless Student shall have cured the default within fifteen (15) days of the date of the notice, repayment of the Loan in full with accrued interest shall be due thirty (30) days from the date of the notice of default. Any amount not paid when due shall bear interest thereafter at the rate of one and one half percent (1 ½%) per month and Student shall pay any costs of collection incurred by JCEL including reasonable attorney's fees."

5. GENERAL PROVISIONS

- a. Student may propose modifications of the Business Plan. Consent to modification of the Business Plan is within the sole discretion of JCEL. Any approved modification of the Business plan shall be in writing and shall be signed by Student and by JCEL.
- b. **JCEL SHALL HAVE NO RESPONSIBILITY FOR THE SUCCESS OF THE BUSINESS PLAN OR OF STUDENT. STUDENT AGREES THAT HE/SHE/THEY SHALL HAVE NO CLAIM AGAINST JCEL, JUNIATA COLLEGE, OR ANY OF THEIR EMPLOYEES OR VOLUNTEERS BASED UPON LOSS OF MONEY BY STUDENT OR ANY FAILURE OF STUDENT TO REALIZE ANTICIPATED FINANCIAL SUCCESS.**
- c. This Agreement may not be assigned by Student without the written consent of JCEL.
- d. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.
- e. All claims arising out of or relating to this Agreement are subject to arbitration by a single arbitrator under the Commercial Rules of the American Arbitration Association (AAA), selected by alternate striking from a list provided by the AAA. The parties will share in the cost of the arbitration equally. The arbitration shall take place in Blair County, Pennsylvania, or in such other location as the parties may mutually agree upon. The decision of the arbitrator shall be final and judgment may be entered on it in the Court of Common Pleas of Blair County, Pennsylvania, or in any court having jurisdiction over a party against whom an award has been made. No party nor the arbitrator may disclose the existence or results of any arbitration hereunder without the prior written consent of all parties, except as required by law.

- f. Before engaging in arbitration of any dispute, the parties agree to engage in good faith mediation.
- g. In the event any provision of this Agreement shall be determined to be invalid, void or otherwise unenforceable, the remaining provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, it being understood that the remaining provisions shall be construed in a manner most closely approximating the intention of the parties with respect to the invalid, void or unenforceable provision or part thereof.
- h. This Agreement contains the entire agreement between the parties with regard to its subject matter and supersedes all previous agreements, negotiations, or discussions between the parties and no statement or promise made by any party that is not contained herein shall be binding on that party. This Agreement may be modified only by a writing signed by all parties.
- i. All notices or other communications that may be, or are required to be, given by one party to another pursuant to this Agreement must be in writing and may be sent by any means which provides a confirmation of receipt to the address set forth below:
 - i) If to JCEL:

 - ii) If to Student:
- j. Each party may designate by notice in writing a new address to which notices or other communications shall be thereafter given.

Each party acknowledges that it has read and understands this Agreement and has had ample opportunity prior to execution to seek advice of legal counsel.

This Agreement shall become effective as of the date of the signature of the last party to sign it..

IN WITNESS WHEREOF, Student has hereunto set his/her hand and JCEL has caused this Agreement to be executed by its appropriate officer.

JCEL

By: _____

Printed Name: _____

Title: _____

Date: _____

STUDENT

Student: _____

Student: _____

Student: _____

Date: _____

Date: _____

Date: _____