

Income Share Agreement (ISA) Final Disclosure

STUDENT:
[Student Name]
[Address]

**Better Future Forward
Opportunity ISA Fund (CP1), LLC:**
400 N. Washington St., Suite 203
Falls Church, Virginia 22046

RIGHT TO CANCEL

You have the right to cancel this transaction, without penalty, by midnight on [deadline for cancellation]. No funds will be disbursed to you or to your school until after this time. You may cancel by calling us at 703-554-3862.

Income Share Agreement Terms

After you graduate or leave your institution, and after a six month grace period, your payment term will begin. The total amount you will pay will vary depending on your actual income and therefore may be more or less than the funding amount we provide to you. We will not and cannot tell you what job you take, if any, after you leave school. Here is how your income share works:

| Funding Amount | Income Share | Payment Term |
|---------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------|
| [\$x] | [x]% | [x] months |
| The amount of funds you will receive plus any funding charges | The percentage of you total annual income that you will share each month | The number of months during which you will share your income |

Itemization of Funding Amount

| | |
|----------------------------------------------------------------------|-------|
| Amount Paid to You | \$0 |
| Amount Paid to Others on your behalf: • [Your institution] | \$[X] |
| Total Amount Funded | \$[X] |
| Initial Charges • Application Fee • Disbursement Fee | \$0 |
| Total Funding Amount | \$[X] |

About Your Income Share Agreement:

- Your income share agreement is not a loan.
- The income share percentage is not an interest rate or an annual percentage rate. It is the percentage of your income that you will return to us throughout the Agreement’s term
- Your income share percentage is fixed. It will not change over the term of the Income Share Agreement.
- Your income share payments, the amount you will return to us, will vary based on the amount of your earned income.
- Your payment obligation ends with either at the end of the Income Share Term or if you prepay the agreement by making a payment equal to the monthly prepayment amount for the current year (as shown in the chart below) multiplied by the remaining months in your term, plus any fees or outstanding payments.

Income Share Agreement Fees

There are certain fees associated with applying for and disbursing the funding amount of your Income Share Agreement. Further, if you do not perform as promised or if you do not follow the rules of your Income Share Agreement, you may be responsible for the payment of additional fees to us.

| | | | |
|--------------------------|--------------------------------------------------|-------------------------------------------------------------|---------|
| Application Fee | \$0.00 | Stop Payment/Returned Check Fee | \$30.00 |
| Late Payment Fee | \$7.80 or 5% of the payment whichever is greater | Returned Item or Electronic Debit Check by Phone Fee | \$30.00 |
| Late Document Fee | \$20.00 | | \$20.00 |

SAMPLE DISCLOSURE

Income Share Agreement Payment Example

Your income share payment will vary depending on your income and the total amount you pay to us may be more or less than the funding amount you initially receive. An ISA requires that you pay a fixed percentage of your income for a fixed term. There is no principal amount to be repaid and you do not pay interest. The table and graph below demonstrate the monthly and total ISA payments for different levels of income and show how changes in your income could affect your ISA payments. If your payments would exceed the annual cap in any year, your obligation is simply equal to the cap amount. The monthly payments below are shown assuming the highest possible cap over the term of the contract.

| Average Income Earned | Estimated Monthly Payments | |
|-----------------------|----------------------------|----------------|
| | Monthly Payments | Total Payments |
| Less than \$20,000 | | |
| \$20,000 | | |
| \$40,000 | | |
| \$60,000 | | |
| \$80,000 | | |
| \$100,000 | | |
| \$120,000 | | |
| \$140,000 | | |
| \$160,000 | | |
| \$180,000 | | |
| \$200,000 | | |

Income Share Agreement Obligations

You will have certain obligations both while you are attending college and after you leave school.

While you are in school, you should provide us with:

- Your current contact information any time your contact information changes
- Your enrollment status and whether you are graduating or plan to take a leave of absence or leave school
- Any documents we request

Your Obligations After You Leave School

- You should make your income share payments
- You should tell us if there is any change to information you have previously provided to us
- You should inform us of any change in employment status
- You should let us know if there is any increase or decrease in your salary or compensation

Reference Notes

Income Share Agreements (ISA)

- An ISA does not create debt and is not a loan. Instead, an ISA is your obligation to make payments which are indexed to your income. An ISA is not an assignment of your income, rather BFF will use your income to determine the amount you owe to us. Throughout the term of your ISA, your income share percentage will not change. Thus, if your income increases, your payments will increase. If your income decreases, so do your payments. The amount you remit to us may be more or less than the funding amount you receive.

Monthly Payments

- You will begin making payments on the first day of the month following six months after you graduate, withdraw from school, or are no longer considered to be enrolled at least half-time. We will calculate your first monthly payments using a verifiable source of your income acceptable to us.
- Each year we will re-calculate your payment payments on June 1st using the documentation you have provided to us on or before May 15.
- Each year we will reconcile over- or under-payments made in prior year using your year-end IRS tax documentation approved by us. You must reimburse us for any under-payments and we will credit your account for any over-payments.

What Happens if you do not provide us with required information?

- You will have an obligation to provide us with new tax documentation every year. If you do not provide us with that documentation by May 15, you will be charged a fee of \$20.00 and we will assume that your personal income has increased by 10%, and will adjust your payments accordingly. If you do not make these payments, your failure to pay will be treated as a breach even if your actual income did not increase by that amount. Upon providing us with you tax documentation, we will adjust your payments accordingly. We will reconcile any over- or under-payments made during this time.

Deferment, Forbearance, and Termination

- If you believe that events justify a deferment of your income share obligations, you can ask us for a deferment. To seek deferment, you must submit a request in writing to us, by mail or email. During deferment, all payments will be suspended and will resume on a date determined prior to the deferment. However, at the end of the year your annual obligation calculation will include income earned during the deferment period.
- You can also apply for forbearance if you think that paying your required income share places an undue burden on your family. Forbearance will be granted at our sole discretion, and must cover an entire calendar year. You will have no annual obligation in a year where you are granted a forbearance.
- You may terminate your ISA at any time by making a payment equal to the monthly prepayment amount for the current year (as shown in the chart below) multiplied by the remaining months in your term, plus any fees or outstanding payments.

See your ISA contract for additional information.

