

DATE

LOAN AGREEMENT

This Loan Agreement ("Agreement") is entered into as of **[Date]**, by and between **The Foundation for Pennsylvania Watersheds**, a Pennsylvania nonprofit corporation with its principal place of business at 250 E. Beaver Ave #766, State College, PA 16803 ("Lender"), and **[Borrower Organization Name]**, a Pennsylvania nonprofit corporation with its principal place of business at **[Borrower's Address]** ("Borrower").

WHEREAS, the Lender agrees to provide a working capital loan to the Borrower, and the Borrower agrees to repay the loan under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Loan Amount and Disbursement

1.1 Loan Amount: The Lender agrees to provide the Borrower with a loan in the amount of **\$XX,XXX** (the "Loan").

1.2 Disbursement of Loan: The Loan shall be disbursed to the Borrower in a lump sum or in installments, as agreed upon by both parties, into the Borrower's designated account.

2. Purpose of Loan

The Borrower agrees to use the Loan solely for the purpose of working capital to support the Borrower's conservation programs and initiatives in line with their mission, as outlined in their most recent 501(c)(3) tax-exempt status application and IRS Form 990. Specifically, this loan is to support expenditures related to the **PA Department of Environmental Protection Grant, Agreement XXXX, (Grant) which expires on DATE**. A copy of the Grant is attached hereto as Exhibit A.

3. Interest Rate and Fees

3.1 Interest Rate: The Loan shall bear no interest rate.

3.2 Fees: The Borrower shall not be required to pay any fees upon disbursement of the Loan, except for those agreed upon in this Agreement or as required by law.

4. Repayment Terms

4.1 Repayment Schedule: The Borrower shall pay the unpaid principal balance of the Loan within 30 days of receipt of final payment to close out the Grant.

4.2 Prepayment: The Borrower may prepay the Loan in whole or in part at any time without penalty.

4.3 Late Payments: If any payment due under this Agreement is not made within 30 days of the due date, the Borrower agrees to pay a late fee of **2%** of the overdue amount.

4.4 Payment Method: Payments shall be made by ACH direct transfer, check, or any other method agreed upon by both parties.

5. Reporting Requirements

5.1 Reporting: The Borrower agrees to provide the Lender with semi-annual financial reports detailing the use of the Loan and the overall financial standing of the Borrower. These reports shall include, but not be limited to:

- A copy of the Borrower's most recent IRS Form 990.
- A breakdown of the Loan funds used and the purpose for which they were expended.
- A copy of balance sheet and income statement.
- A statement of cash flow, including evidence of how the Loan funds are helping to support conservation activities.
- A summary of the project supported by the Loan.
- A copy of all requests submitted to the granting agency for disbursements under the Grant.
- A copy of the final grant report submitted to the granting agency.

5.2 Change in Use of Funds: If the Borrower plans to change the use of the Loan funds from the purpose originally stated in this Agreement, the Borrower must obtain prior written consent from the Lender.

5.3 Earned Interest: The Borrower may retain any interest earned on the Loan funds.

6. Default

6.1 Events of Default: For the purposes of this Agreement, an event of default shall occur if:

- The Borrower fails to make any payment due under this Agreement for 30 days or more after the due date.
- The Borrower becomes insolvent or files for bankruptcy.
- The Borrower fails to comply with any material term or condition of this Agreement, including the representations set forth in Section 7.
- The Borrower fails to comply with any material term or conditions of the granting agencies' agreement requirements.
- The Borrower engages in fraudulent activities related to the Loan funds.

6.2 Remedies in the Event of Default: Upon an event of default, the Lender shall have the right to declare the entire remaining unpaid principal balance of the Loan immediately due and payable. In addition, the Lender may pursue any legal remedy available to recover the Loan amount.

6.3 Confession of Judgment

If the Borrower defaults on this agreement, the Borrower agrees that a court official or any attorney in any U.S. court may act on their behalf to enter a judgment against them in favor of the Lender. This can happen without the Borrower being notified first or having a hearing. The judgment can be for the full unpaid amount of the loan, whether it's due immediately or over time, plus legal costs and a 10% attorney fee.

7. Representations and Warranties

The Borrower represents and warrants to the Lender that:

7.1 It is a nonprofit organization in good standing, and it has the necessary power and authority to enter into and perform this Agreement.

7.2 The Loan will be used solely for the purpose set forth in Section 2 of this Agreement and in the attached granting agency's agreement.

7.3 It is not in default under any other loan or financial obligation.

7.4 It is in compliance with all applicable laws and regulations in its operations.

7.5 It is in compliance with all applicable grant agreement requirements set forth by granting agency.

7.6 Any payments or disbursements due the Borrower under the Grant have not been assigned.

7.7 That there is no claim, litigation, investigation or proceeding pending or to Borrower's knowledge, threatened at law or in equity before any court against the Borrower.

8. Indemnification

Borrower agrees to indemnify and to hold Lender harmless from all damages, losses, liabilities and claims, including, but not limited to reasonable attorneys' fees and other costs and expenses incident to any suit, investigation, claim or proceeding instituted against Lender on account of any claims, damages or liabilities based on the Grant and/or the Borrower's use of the Loan funds.

9. Amendment and Waiver

This Agreement may only be amended or modified in writing, signed by both the Lender and the Borrower. No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party waiving the provision.

10. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. The exclusive venue for any action concerning this Agreement shall be the Court of Common Pleas of Cambria County, Pennsylvania.

11. Miscellaneous

11.1 Entire Agreement: This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements or understandings, whether written or oral.

11.2 Severability: If any provision of this Agreement is determined to be illegal or unenforceable, the remainder of the Agreement shall remain in full force and effect.

11.3 Assignment: The Borrower may not assign or transfer its obligations under this Agreement without the prior written consent of the Lender.

11.4 Binding Effect: The covenants, conditions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and such assigns as may be permitted hereunder.

11.5 Notices: Any notice or demand hereunder shall be sufficiently given or made upon Borrower if addressed to Borrower at the address stated in this Agreement and deposited in the United States mail, postage prepaid.

IN WITNESS WHEREOF, the parties have executed this Loan Agreement as of the day and year first above written.

The Foundation for PA Watershed

By: _____
Name: [Name]
Title: [Title]
Date: _____

[Borrower Organization Name]

By: _____
Name: [Name]
Title: [Title]
Date: _____

Required Attachments:

1. Executed grant agreement between organizations with granting agency
2. Most recent audited financial statement