

# LOAN AGREEMENT

This Loan Agreement is between the parties \_\_\_\_\_ (hereinafter referred to as the Lender), and Meat Goats and Sheep, Inc. (hereinafter referred to as the Borrower). In determining the right and duties of the Parties under this Loan Agreement, the entire document must be read as a whole.

## LOAN AGREEMENT TERMS

The Borrower and Lender hereby further set forth their rights and obligations to one another under this Loan Agreement and agree to be legally bound as follows:

**A. Loan Payment Terms:** The total amount for this Loan Agreement is \_\_\_\_\_ Dollars (\$\_\_\_\_\_ U.S.D.)

**B. Method of Loan Payment:** The Loan Agreement period will start \_\_\_\_\_, and continue for a period of six (6) months until \_\_\_\_\_, 201\_\_\_\_. The Lender will then receive from the Borrower the full Loan amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_ U.S.D) plus 18% interest of (\$\_\_\_\_\_ U.S.D). Lender shall have the right to renew and extend the principal amount of this Loan for six (6) months at 15% interest. Lender shall also have the right to exchange the principle amount of this loan for an equal amount of Preferred Stock of Borrower.

The Borrower shall make all payments called for under this Loan Agreement by sending check or other negotiable instrument made payable to the following individual or entity at the address indicated:

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City, St, Zip \_\_\_\_\_

Phone \_\_\_\_\_

If Lender gives written notice to Borrower that a different address shall be used for making payments under this Loan Agreement, Borrower shall use the new address so given by Lender.

**C. Purpose of Loan Agreement:** The purpose of this Loan is for Borrower have Operating Capital to Buy, Feed, House, and Raise Feeder Goats and Sheep on one of the farms near Adair Oklahoma operated by Meat Goats & Sheep, Inc. Lender shall have a First Lien Rights of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (twice the amount of the loan) against Common Stock of Borrower owned by Frank Willis, its President and Founder. Also, Frank Willis, by his signature below, personally guarantees this Loan Agreement.

**D. Default:** The occurrence of any of the following events shall constitute a Default by the Borrower of the terms of this Loan Agreement.

1. Borrower's failure to pay any amount due as principal or interest on the date required by this Loan Agreement.
2. Borrower seeks an order of relief under the Federal Bankruptcy laws
3. Borrower becomes insolvent

4. A federal tax lien is filed against the assets of Borrower

**E. Additional Provisions Regarding Default:**

1. Addressee and Address to which Lender is to give Borrower written notice of default:

Frank Willis; Meat Goats & Sheep, Inc.; 5401 N 435 Rd.; Adair, OK. 74330

If Borrower gives written notice to Lender that a different address shall be used, Lender shall use the address for giving notice of default (or any other notice called for herein) to Borrower.

**F. Cure of Default:** Upon default, Lender shall give Borrower written notice of default. Mailing of written notice by Lender to Borrower via U.S. Postal Service Certified Mail shall constitute prima facie evidence of delivery. Borrower shall have 15 days after receipt of written notice of default from Lender to cure said default. In the case of default due solely to Borrower's failure to make payment as called for in this Loan Agreement, Borrower may cure the default by making full payment of any principal and accrued interest whose payment to Lender is overdue under the Loan Agreement and, also, the late-payment penalty described below.

**G. Penalty for Late Payment:** There shall also be imposed upon Borrower a 1% penalty for late payment of the principal and interest amount stipulated above.

**H. Acceleration:** If the Borrower fails to cure any default on or before the expiration of the 15 day cure period that starts on the date Borrower receives written notice from Lender that an event of default has occurred under this Loan Agreement, the entire unpaid principal and interest and penalties under this Loan Agreement shall accelerate and become due and payable immediately.

**I. Indemnification of Attorney's Fees and Out-of-Pocket Costs:** Should any party materially breach this Agreement, the non-breaching party shall be indemnified by the breaching party for its reasonable attorneys fees and out-of-pocket costs which in any way relate to, or were precipitated by, the breach of this Agreement. The term out-of-pocket costs, as used herein, shall not include lost profits. A default by Borrower which is not cured within 15 days after receiving a written notice of default from Lender constitutes a material breach of this Agreement by Borrower.

**J. Parties that are not individuals:** If any party to this Agreement is other than an individual, (ie. a Corporation, A Limited Liability Company, a Partnership, or a Trust), said Party, and the individual signing on behalf of said Party, hereby represents and warrants that all steps and actions have been taken under the entity's governing instruments to authorize the entry into this Loan Agreement. Breach of any representation contained in this paragraph is considered a material breach.

**K. Severability:** In the event that any provision of this Loan Agreement is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Agreement. All remaining provisions of this Agreement shall then continue in full force and effect. If any provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope and breadth permitted by law.

**L. Modification:** Except as otherwise provided in this document, this Loan Agreement may be modified, superseded, or voided only upon the written and signed Agreement of the Parties. Further, the physical destruction or loss of this document shall not be construed as a modification or termination of the Agreement contained herein.

**M. Exclusive Jurisdiction for Suit in Case of Breach:** The Parties, by entering into this Loan Agreement, submit to jurisdiction in Mayes County, Oklahoma for adjudication of any disputes and/or claims between the Parties under this Agreement. Furthermore, the Parties hereby agree that the courts of Mayes County, Oklahoma shall have exclusive jurisdiction over any disputes between the Parties relative to this Agreement, whether said disputes sounds in contract, tort, or other areas of the law.

**N. State Law:** This Agreement shall be interpreted under, and governed by, the laws of the state of Oklahoma.

Signed:

_____	_____	_____	_____
Lender	Date	Witness	Date

_____	_____	_____	_____
Meat Goats & Sheep, Inc. Borrower	Date	Witness	Date

_____	_____	_____	_____
Frank Willis Personal Guarantor	Date	Witness	Date

Enclosed is \$\_\_\_\_\_.00 for a Loan Agreement with Meat Goats & Sheep, Inc.;

Please issue my Loan Agreement and mail to

Name \_\_\_\_\_

Address \_\_\_\_\_

City, St Zip \_\_\_\_\_