

## MASTER LOAN PARTICIPATION AGREEMENT

**THIS CREDIT UNION BUSINESS LOAN PARTICIPATION AGREEMENT** (the "Agreement") is made between **FRANKLIN MINT FEDERAL CREDIT UNION**, a Federally Chartered Credit Union, with its principal office located at **5 Hillman Drive, Suite 100 Chadds Ford PA 19317** and **TIDEMARK FERDERAL CREDIT UNION**, a Federally Chartered Credit Union with its principal office located at **1941 Bridgeville Hwy Seaford DE 19973**.

### 1. Overview

The Parties desire to enter into this Agreement wherein either Party may sell and either Party may buy a portion of a qualifying loan from the other Party. The portion of loans sold may be that of closed loans in a Party's portfolio or loans that will be closed in the future. The loans in which Participation Interests are sold hereunder will be identified in the Loan Participation Certificate and Summary attached hereto and made a part hereof as Addendum "A". The Loan Participation Certificate and Summary also sets forth all the economic terms of the Participation Interest and identifies the loans, the security (if applicable) and the identity of the member/borrower ("Borrower"). The duties and rights of the respective Parties are more specifically described in the Terms and Conditions attached hereto and made a part hereof as Addendum "B".

### 2. Definitions

Buyer:	A Party that purchases a portion of a loan that has been originated by another Party.
Loan Documents:	All documents evidencing the terms and agreements of the respective loans, in which Participation Interests are sold under this Agreement, documents used or relied upon in evidencing a security interest and documents pertaining to the loan underwriting process. Without limiting the generality of the foregoing, Loan Documents may include: (a) the note, (b) the documentation required to comply with the agreed underwriting standards (e.g. loan application, income tax returns, balance sheets, cash flow statements, and account verifications); (c) security instrument in secured loans (e.g. mortgage or vehicle title), appraisals, verifications of loan to value ratio, UCC filings, and any required insurance coverage; (d) if personal guarantees are required, the guaranty agreement and related security documents on the guarantors' interests; and (e) all other documents that pertain to agreed conditions of the loan, including post-closing balance sheets, cash flow statements and income tax returns as may be required by other Loan Documents.
Participant:	Any Party that owns a Participation Interest under this Agreement.

Participation Interest:	The undivided proportionate legal rights to the loans purchased or retained by a Participant.
Party:	A signatory to this Agreement
Seller:	A Party to this Agreement that originates a loan and sells a portion of the loan to a Party to this Agreement.
Servicer:	Any Party that has the responsibility to service the participated loan, i.e. to collect the loan payments, remit the respective portions to the Participants and engage in collection efforts, if required.

### **3. Types of Loans Sold**

The Parties agree that this Agreement pertains to the sale of Participation Interests in a Participant's member business loans.

### **4. Underwriting Standards**

The Parties have mutually agreed on the underwriting standards that will qualify a loan for the sale and purchase of a Participation Interest. Seller, as lead underwriter, warrants that it has and/or will comply with the underwriting standards as agreed upon and its own business loan policy, unless it advises Buyer to the contrary prior to offering a participation interest in any affected loan. The underwriting standards shall not vary from Seller's underwriting standards for like loan(s) not being participated, unless the Parties agree in writing to different underwriting standards prior to disbursement of the loan(s). Buyer shall have the opportunity to review the Seller's business loan policy and the loan file prior to the purchase of a Participation Interest to verify the underwriting and the terms and conditions of a particular loan. Buyer warrants that it is buying the Participation Interest based on its independent review of the Loan Documents provided to it by the Seller.

### **5. No Obligation to Sell and Purchase**

By entering into this Agreement, a Party is not obligating itself to either sell or purchase a Participation Interest in any loans. The agreement to sell and buy a Participation Interest shall be made by the Parties on a loan by loan basis. Unless a Party specifically obligates itself to the other Party in writing to commit, in advance, a specific pool of funds for specific purposes, a Party may defer the decision whether to sell or purchase loan(s) until specific loan(s) are presented by a potential Seller.

### **6. Privacy**

The Parties hereto shall safeguard any and all non-public personal information obtained regarding the Borrower(s) and only use and/or share the same in accordance with the applicable privacy laws and with the consent of the Party from whom the non-public personal information was received.

### **7. Sales on a Non-Recourse Basis**

Each sale that is the subject of the Agreement is on a non-recourse basis. Each Participant bears the credit risk of loss on the Participation Interest purchased. Seller is not obligated to repurchase a loan that goes into default. In the case of a loan default by a Borrower, Servicer shall engage in collection efforts for the benefit of the Participants as set forth herein or as agreed by at least 75% of the Participant Interests. Each Participant assumes the risk and collection costs for all loans in the package in proportion to the Participation Interest held by the respective Participant. Notwithstanding the foregoing, Seller shall be obligated to repurchase a Participation Interest if Buyer can demonstrate that there was a material misrepresentation of fact, intentional or otherwise, by Seller, or that the Seller has knowledge of, prior to or within eighteen (18) months of sale, as set forth in Section 5.1 of the Terms and Conditions.

**8. Termination**

Either party may terminate this Agreement upon thirty (30) days written notice, provided that all outstanding loans and Participation Interests will be governed by this Agreement until all loans involving Participation Interest sold herein are paid off and the payments are properly paid as provided herein.

**9. Controlling Law**

This Agreement shall be interpreted under the laws of the State where the main office of the Seller is located, without giving effect to choice of law provisions, except on those issues exclusively controlled by Federal Law.

IN WITNESS WHEREOF, each Party warrants that the signatures below evidence the authorization of the Party to enter into this Agreement on the date indicated, which Agreement includes all Addenda attached hereto.

**FRANKLIN MINT FEDERAL  
CREDIT UNION**

Date: 1/23/2019

By: Muhl B Maynard  
[NAME]

Title: President / CEO

**TIDEMARK FEDERAL CREDIT  
UNION**

Date: 10/22/2018

By: John A. Flenneth  
[NAME]

Title: CEO