

**GOWEST FOUNDATION
CREDIT BUILDING PILOT - LOAN PROGRAM
CREDIT UNION PARTICIPATION AGREEMENT**

This Credit Union Pilot Loan Program Participation Agreement (“Agreement”) is entered into between GoWest Foundation (“Foundation”) and _____ (hereinafter “Participating Credit Union or “PCU”). All parties under this agreement are referred to as the “Parties”.

WHEREAS, Foundation is a 501(c)(3) non-profit corporation organized for charitable and community development purposes and is experienced in organizing and operating programs with participating credit union lenders and the communities they serve.

WHEREAS, Foundation has been awarded a grant from the Washington Department of Commerce (“Department”) (supported by federal funding from the American Rescue Plan Act of 2021, Coronavirus State and Local Fiscal Recovery Funds, Federal Award Identification Number SLFRP0002) for the purpose of establishing a credit building pilot program to provide capital and credit building opportunities for small businesses and entrepreneurs impacted by the Coronavirus pandemic (“Eligible Businesses”).

WHEREAS, PCU is committed to providing loan products to small businesses within its field of membership that have limited access to credit.

WHEREAS, PCU wishes to participate in the program established by Foundation as a contractor of Foundation under the terms and conditions set forth herein.

NOW, THEREFORE, the Parties agree as follows:

1. Definitions. The following definitions apply throughout this Agreement:

1.1 “Applicant” means a qualified small business borrower in a field of membership of PCU that has limited access to credit as determined under criteria established by the Program and the State of Washington.

1.2 “Borrower” means an Applicant who has received a Program Loan from a PCU.

1.3 “Loan Guaranty Account” means the share account established in the name of the Applicant and to which Foundation deposits grant funds as described in this Agreement.

1.4 “Program” means the program established by Foundation in cooperation with the State of Washington Department of Commerce (“Department”) to provide credit building loans to Eligible Businesses.

1.5 “Program Loan” means a loan made by a PCU to a Borrower.

1.6 “SBRN” means the Small Business Resiliency Network established by the Washington Department of Commerce, and includes the local organizations that are partners of the SBRN.

2. Foundation Responsibilities.

2.1 Foundation will work with the SBRN to publicize and promote the Program and the availability of Program Loans to small businesses.

2.2 Foundation will receive applications for Program Loans from the SBRN on forms approved by the Foundation, verify eligibility of the Applicants to receive Program Loans, and distribute the applications to appropriate PCUs based on field of membership and certain other criteria determined by Foundation.

2.3 Upon notice from PCU that an application has been approved, Foundation will give notice of PCU's approval of a Program Loan to the Department ("Department Notice") and request grant funds from the Department for deposit to the Loan Guaranty Account. The Department Notice will be given in the time and manner as may be established by the Department but as soon as reasonably practicable after approval by PCU.

2.4 When the Department transmits grant funds to Foundation to fund Loan Guaranty Accounts for approved Program Loans, Foundation shall immediately (within 1 business day) transmit funds to PCU for deposit to the applicable Loan Guaranty Account(s).

2.5 Foundation shall not make any statements or representations regarding membership approval or loan approval without express consent from PCU.

2.6 Foundation is responsible for monitoring the Program administration and reporting results to the Department.

3. Participating Credit Union Responsibilities.

3.1 PCU will make Program Loans under the Program in accordance with this Agreement. Each Program Loan will be secured by the Borrower's Loan Guaranty Account. PCU may, but is not obligated to, pay dividends or interest on the Borrower's Loan Guaranty Account. Program Loan terms shall conform to the requirements set forth in Exhibit A.

3.2 PCU is solely responsible for determining membership eligibility and qualification.

3.3 PCU shall review each completed loan application under its loan policies (adjusted as necessary for participation in the Program), processing guidelines, and follow all applicable regulatory requirements.

3.4 PCU shall document each loan using forms approved by Foundation.

3.5 PCU shall report individual and aggregate loan information to Foundation on a monthly basis in a format agreed to by the Parties. Such report shall include current outstanding balances, number of days delinquent for each delinquent loan, payments received, and payments applied by offset against the Borrower's Loan Guaranty Account.

3.6 If a Borrower has authorized the release of credit information to Foundation, PCU shall, if required by Foundation, obtain updated credit report information periodically in accordance with Foundation's guidelines and shall report such updated information to Foundation.

3.7 If the Borrower has made at least 12 monthly payments on or before 30 days after their due dates, upon Borrower's payment in full of a Program Loan, PCU will release the

funds held in the applicable Loan Guaranty Account to the Borrower. If Borrower prepays the Program Loan in full before having made at least 12 monthly payments, the funds held in the applicable Loan Guaranty Account shall be returned to the Foundation.

3.8 If a Program Loan is not paid as agreed (“Default Program Loan”) by the Borrower, PCU may apply funds in the Borrower’s Loan Guaranty Account to pay any delinquent payment or the entire the outstanding balance of the Default Program Loan in accordance with guidelines established by Foundation. If any funds remain in the Loan Guaranty Account after payment of the Default Program Loan (“Residual Amount”), PCU shall notify Foundation. If the Borrower made at least 12 monthly payments on or before 30 days after their due dates, the Residual Amount shall be released to the Borrower. Otherwise, the Residual Amount shall be returned to Foundation.

4. Compensation. Foundation shall pay PCU an administrative fee of \$100 for each Program Loan made by PCU. The total administrative fees paid to PCU under this Agreement shall not exceed \$20,000 without prior written approval of Foundation.

5. Representations and Warranties.

5.1 Foundation represents and warrants the following:

- (a) Foundation is duly authorized to execute this Agreement and any other document necessary and applicable under the Program.
- (b) Foundation shall cooperate in good faith with PCU to deploy Program Loans to qualified Applicants and to administer the Program in a workmanlike manner.
- (c) Foundation authorizes each PCU to exercise its lien rights and security interest and to apply and release funds in a Loan Guaranty Account according to the terms and conditions of this Agreement.

5.2 PCU represents and warrants the following:

- (a) PCU is duly authorized to enter into this Agreement and to execute any other documentation necessary to commence and perform under the Program.
- (b) Grant funds from Foundation distributed to PCU shall be deposited into an appropriate Loan Guaranty Account for each Program Loan.
- (c) PCU will not discriminate against any Applicant in providing deposit and loan products and services. PCU will follow the same policies and procedures for Applicants as any other new or current PCU member except as may be necessary to meet any Program Loan conditions or requirements established by the Department.
- (d) Neither PCU, nor any of its officers, directors, or employees are suspended, debarred or otherwise excluded from procurement by the Federal government and do not appear on the System for Award Management exclusions list maintained by the federal General Services Administration (GSA).

6. Records and Information Sharing. The Parties agree to prepare and share certain records related to the Program performance including performance of individual Program Loans,

subject to the Confidentiality responsibilities in Sec. 7. The Parties agree to share and release general non-borrower information about the Program to each other and to the public. The Parties agree to share challenges and successes of the Program and these may be discussed at any local, state or national meetings or conferences. Stories from the Parties or Applicants of this Program may be publicized through various media, including brochures, web pages, news articles and press events. General information about the structure of this Program will be made to the public and other agencies. However, no loan documents of PCU and its borrowers will be public records subject to Washington State Public Disclosure Act RCW 42.56. PCU shall retain loan documents and other loan file information for each Program Loan for at least six (6) years following final payment of the Program Loan. PCU shall retain copies of all information and reports furnished to Foundation for at least six (6) years following final payment of the last Program Loan.

7. Confidentiality. The Parties agree to the following Confidentiality obligations. The term “Disclosing Party” means the Party which provides Confidential Information to Recipient. The term “Recipient” means the Party receiving Confidential Information. “Confidential Information” means information, without regard to form, regarding a Party or its affiliates that is disclosed to, or becomes known to, the other Party as a result of the Parties’ communications with each other including without limitation: (i) any information with respect to the Disclosing Party’s business, products and services, business plans and strategies, business methodologies, marketing plans, financial statements, and information systems; vendor lists and information, marketing, pricing or advertising strategies and plans, trade secrets, and operations or any other tangible or intangible information with respect to any aspect of the Disclosing Party, its subsidiaries, affiliates, (ii) any member files, data and information that constitutes nonpublic personal information as defined in the Gramm-Leach-Bliley Act and CFPB Regulation P, Privacy of Consumer Financial Information disclosed or shared by PCU.

8. Indemnification. Each Party will defend, indemnify, and hold the other Party, its officers, directors, agents and employees, harmless from any claims or liabilities brought against it or its employees or agents, including attorneys’ fees, costs and expenses at trial, on appeal or on any petition for review, based on any claim that any services or materials delivered to the Party pursuant to this Agreement violate or infringe upon the rights of any other party or a constitute a breach of the delivering Party’s contractual obligations under this Agreement; provided, however, this Section shall not apply where such injury or damage is caused by the negligence or willful misconduct of the Party claiming indemnification, or that Party’s agents or employees. Notwithstanding the foregoing, whether or not the possibility of such damages has been disclosed or is reasonably foreseeable, neither Party shall be liable to the other for special, incidental, exemplary or consequential damages, including, but not limited to, loss of profits or revenue, loss of use of equipment or data, cost of capital, cost of substitute equipment, facilities or services, downtime costs, or claims of customers of either party for such damages.

9. Insurance. PCU shall maintain fidelity bond coverage as required by the Washington Credit Union Act or the Federal Credit Union Act as applicable, and shall maintain general liability insurance coverage in an amount not less than \$1 million. PCU shall provide Foundation with evidence of the coverage required under this Section 9 on Foundation’s request.

10. No Liability for State of Washington. Neither the State of Washington nor any of its agencies, departments, officers, or employees shall be liable for any claims, damages, or liabilities arising from PCU’s performance under this Agreement.

11. Termination. Foundation or PCU may terminate this Agreement at any time for any reason. The terms of this Agreement will continue to govern the parties' rights and responsibilities for Program Loans already made until such Program Loans have been paid in full. If not sooner terminated by either party, this Agreement will terminate on December 31, 2026.

12. Dispute Resolution. In the event of any action or proceeding at law or in equity by a Party to enforce or interpret any provision of this Agreement or to protect or establish any right or remedy of either Party hereunder, the Party not prevailing in such action or proceeding shall pay to the prevailing Party all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred therein by such prevailing Party and if such prevailing Party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included in and as part of such judgment.

13. Miscellaneous.

13.1 Waiver. The waiver by any party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. Any waiver of a term, covenant or condition in this Agreement shall be valid only if in writing.

13.2 Governing Law. This Agreement shall be interpreted and construed under and pursuant to the laws of the State of Washington.

13.3 No Assignment. Neither Party shall assign its rights nor delegate its duties under this Agreement without prior written consent of the other Party.

13.4 Public Announcements. Neither Party shall publicly announce or disclose the terms and conditions of this Agreement except that either party may use the other Party's name as a reference in media releases and marketing material. This provision shall survive the termination of this Agreement.

13.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

13.6 Entire Agreement. This Agreement constitutes the entire agreement of the Parties hereto with respect to the matters contemplated hereby, and no other agreement, statement or promise, made by any party hereto, that is not contained herein shall be binding or valid.

Effective Date. This Agreement will become effective _____, 2024.

Participating Credit Union

GoWest Foundation

Credit Union: _____

By: _____

Title: _____

Date: _____

Credit Union UEI: _____

By: _____

Title: _____

Date: _____

**Exhibit A
Program Loan Terms**

Minimum Loan Amount: \$500

Maximum Loan Amount: \$25,000

Minimum Loan Term: 12 months

Maximum Loan Term: Loan maturity date must not exceed December 31, 2026

Loan Interest Rate: 4% fixed

Required Loan Guaranty Account Deposit: Program Loan principal amount plus 4% of scheduled interest on Program Loan.