

FEDERAL DEPOSIT INSURANCE CORPORATION

Washington, D.C. 20429

Form 8-K Current Report

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 12, 2020

NORTHEAST BANK

(Exact name of registrant as specified in its charter)

Maine
(State or other jurisdiction of incorporation)

01-0029040
(I.R.S. Employer Identification No.)

27 Pearl Street
Portland, Maine 04101
(Address, including zip code, of principal executive office)

Registrant's telephone number, including area code: (207) 786-3245

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Voting Common Stock, \$1.00 par value	NBN	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On June 12, 2020, Northeast Bank entered into an agreement (the “Agreement”) with The Loan Source, Inc. (“Loan Source”) and ACAP SME, LLC (“ACAP”) to act as the correspondent for Loan Source in connection with Loan Source’s pledge of loans made pursuant to the Small Business Administration’s Paycheck Protection Program (“PPP Loans”) to the Paycheck Protection Program Liquidity Facility established pursuant to section 13(3) of the Federal Reserve Act. The PPP Loans to be pledged by Loan Source are required to be PPP Loans originated by depository institutions and purchased by Loan Source. ACAP has agreed to act as a loan service provider for Loan Source in connection with the purchased PPP Loans. Pursuant to the Agreement, and with certain exceptions, Northeast Bank will be compensated by Loan Source for acting as correspondent on a per loan basis that varies based on, among other things, the amount of the fee Loan Source receives on the PPP Loans it purchases and the terms of such PPP Loans. Northeast Bank does not assume any liability for any PPP Loans pledged by Loan Source to the PPPLF pursuant to the Agreement.

The Agreement includes customary representations, warranties and covenants by the parties, and termination provisions. The description above is qualified in its entirety by reference to the full text of the Agreement, which is filed as an exhibit to this current report on Form 8-K and are incorporated by reference into this Item 1.01.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

Number Description

- | | |
|------|---|
| 10.1 | Paycheck Protection Program Liquidity Facility Correspondent Agreement, dated June 12, 2020, by and among Northeast Bank, The Loan Source, Inc. and ACAP SME, LLC |
|------|---|

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NORTHEAST BANK

By: /s/ Richard Wayne
Name: Richard Wayne
Title: President and Chief Executive Officer

Date: June 17, 2020

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Paycheck Protection Program Liquidity Facility Correspondent Agreement, dated June 12, 2020, by and among Northeast Bank, The Loan Source, Inc. and ACAP SME, LLC

PAYCHECK PROTECTION PROGRAM LIQUIDITY FACILITY CORRESPONDENT AGREEMENT

This AGREEMENT dated June 12, 2020, is entered into by and among The Loan Source, Inc., a Delaware corporation (“Loan Source”), ACAP SME, LLC, a Delaware limited liability company (“Servicer”), and Northeast Bank, Portland, Maine (“Bank”), a banking corporation organized under the laws of the State of Maine. For the purposes of this Agreement, Loan Source, Servicer, and Bank may sometimes be referred to herein collectively as the “Parties” and individually as a “Party”.

WHEREAS, Loan Source intends to purchase loans originated by eligible lenders pursuant to the U.S. Small Business Administration’s (“SBA’s”) “Paycheck Protection Program” established by Section 1102 of Division A, Title I of the Coronavirus Aid Relief and Economic Security Act enacted March 27, 2020 (“CARES Act”) which program modifies Section 7(a) of the Small Business Act, 15 U.S.C. § 636(a) (“PPP Loans”);

WHEREAS, Loan Source and Servicer have entered into a Servicing Agreement, dated May 13, 2020 (“Servicing Agreement”);

WHEREAS, Loan Source intends to pledge to the Federal Reserve’s Paycheck Protection Program Liquidity Facility, authorized under section 13(3) of the Federal Reserve Act (“PPPLF”), certain PPP Loans as collateral for Advances (as defined in the PPPLF Letter Agreement);

WHEREAS, Loan Source has entered into the Paycheck Protection Program Liquidity Facility Letter of Agreement, as may be amended from time to time, (“PPPLF Letter Agreement”) with the Federal Reserve Bank of Minneapolis (“Reserve Bank”), and Bank has agreed pursuant to the PPPLF Letter Agreement and the Letter of Agreement to Correspondent Credit and Payment Agreement to act as Loan Source’s Depository Institution (as defined in the PPPLF Letter Agreement) for purposes of the PPPLF in connection with this Agreement and, as such, to be bound by the provisions relating to a Correspondent in the Correspondent Credit and Payment Agreement, which is an ancillary agreement to the Reserve Bank’s Operating Circular No. 10, effective July 16, 2013, as may be amended from time to time (the “Correspondent Agreement”);

WHEREAS, pursuant to the PPPLF Letter Agreement, the Reserve Bank may make an Advance to, and obtain repayment from, Loan Source through Bank’s master account at the Federal Reserve Bank of Boston (“Account”);

WHEREAS, to facilitate Bank’s ability to transmit the proceeds of Advances from the Reserve Bank and to transmit payments on behalf of Loan Source to the Reserve Bank, as contemplated by this Agreement, Loan Source and Servicer will establish an account or accounts with Bank; and

WHEREAS, the Parties desire to enter into an agreement regarding the foregoing.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration mutually exchanged and to be exchanged by the parties hereto, the receipt and sufficiency of which is hereby acknowledged, Bank, Loan Source, and Servicer hereby agree as follows:

SECTION 1. DEFINITIONS

“Account” has the meaning given to such term in the recitals hereto.

“Advance” has the meaning given to such term in the PPPLF Letter Agreement.

“AML Laws” shall mean (i) the USA Patriot Act of 2001, as amended, (ii) the U.S. Money Laundering Control Act of 1986, as amended, (iii) the Bank Secrecy Act, as amended, (iv) any anti-money laundering Laws to which Loan Source or Servicer is subject or (v) any other enabling regulation or guidance related to any of the foregoing.

“Applicable Laws” means all federal and local laws, statutes, regulations, ordinances, orders, guidance from any regulatory authority over a Party or other binding guidance, and other pronouncements having the effect of law of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision of any Governmental Authority.

“Bank” has the meaning given to such term in the recitals hereto.

“Bank PPP Loan” has the meaning given to such term in Section 2.2(a).

“Bank Public Filings” has the meaning given to such term in Section 16.1.

“BSA” means the Bank Secrecy Act and its implementing regulations.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banks in the City of New York or Boston, Massachusetts are authorized or obligated by Applicable Law or executive order to close.

“CARES Act” has the meaning given to such term in the recitals hereto.

“Closing Instructions” means the instructions to the Escrow Agent detailing the disbursements to be made from the proceeds of each Advance, calculated in accordance with Section 7.3.

“Collection” has the meaning given to such term in Section 5.4.

“Collection Account” has the meaning given to such term in Section 5.4.

“Correspondent” has the meaning given to such term in the Correspondent Agreement.

“Correspondent Agreement” has the meaning given to such term in the recitals hereto.

“Custodial and Escrow Agreement” means a custodial and escrow agreement entered into among the parties to a Loan Purchase and Sale Agreement, substantially in the form of the agreement attached hereto as Annex A.

“Custodian” has the meaning given to such term in Section 4.1.

“Disbursement Instructions” means the instructions to Bank detailing the disbursements to be made from the Collection Account, calculated in accordance with Sections 8.5.

“Disbursement Statement” has the meaning given to such term in Section 8.2.

“Eligible PPP Loan” has the meaning given to such term in Section 2.2.

“Eligible PPP Loan Pool” has the meaning given to such term in Section 6.1.

“Escrow Agent” has the meaning given to such term in Section 4.2.

“Escrow Agreement” means an escrow agreement entered into among Servicer, Loan Source, Kravitz Trust and the Escrow Agent thereto, substantially in the form of the agreement attached hereto as Annex B, in connection with the purchase of PPP Loans.

“Governmental Authority” means any federal, state, municipal, local, territorial or other governmental department, commission, board, bureau, agency, regulatory authority, instrumentality or judicial or administrative body, domestic or foreign.

“Kravitz Trust” means The 1993 Steven D. Kravitz Trust.

“Kingdom Trust” has the meaning given to such term in Section 4.1.

“Loan Guaranty Agreement” means a SBA Form 750, SBA Form 3506, or SBA Form 3507, as applicable, executed by an approved lender under the SBA’s PPP Loan Program Requirements or Section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

“Loan Purchase and Sale Agreement” means a Loan Purchase and Sale Agreement substantially in the form of the agreement attached hereto as Annex C, and the associated Custodial and Escrow Agreement, Assignment, and such other documents deemed necessary by the parties to such Loan Purchase and Sale Agreement in order to effectuate the Transfers as contemplated by such Loan Purchase and Sale Agreement.

“Loan Source” has the meaning given to such term in the recitals hereto.

“OFAC” means the U.S. Office of Foreign Assets Control.

“PPP Loans” has the meaning given to such term in the recitals hereto.

“PPP Loan Program Requirements” means all PPP requirements and SBA guidelines under the CARES Act, section 7(a)(36) of the Small Business Act, any rules or guidance that has been issued by SBA implementing the PPP, or any other applicable SBA loan requirements, as defined in 13 CFR § 120.10, et seq.

“PPPLF” has the meaning given to such term in the recitals hereto.

“PPPLF Letter Agreement” has the meaning given to such term in the recitals hereto.

“PPPLF Terms” means the Paycheck Protection Program Liquidity Facility Term Sheet effective April 9, 2020, as may be updated from time to time.

“Purchased PPP Loan” has the meaning given to such term in Section 2.1.

“Reserve Bank” has the meaning given to such term in the recitals hereto.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by U.S. Governmental Authorities (including, but not limited to, OFAC, the U.S. Department of State and the U.S. Department of Commerce), the United Nations Security Council, the European Union, or the United Kingdom.

“SBA” has the meaning given to such term in the recitals hereto.

“Seller” has the meaning given to such term in the respective Loan Purchase and Sale Agreement.

“Servicing Agreement” has the meaning given to such term in the recitals hereto.

“Servicer” has the meaning given to such term in the recitals hereto.

“Sourced Bank PPP Loan” means a Bank PPP Loan that was sourced by Bank from a third party unaffiliated with any Party.

“Termination Date” has the meaning given to such term in Section 13.1.

SECTION 2. PPP LOANS

2.1 Any PPP Loan purchased by, or on behalf of, a Party or any affiliate of a Party is subject to this Agreement (“Purchased PPP Loan”) and must be an Eligible PPP Loan.

2.2 To be eligible to be pledged to the PPPLF pursuant to this Agreement (an “Eligible PPP Loan”), a Purchased PPP Loan:

(a) must be originated by (i) Bank (“Bank PPP Loan”); or (ii) a depository institution or credit union; and

(b) purchased pursuant to a Loan Purchase and Sale Agreement.

SECTION 3. CORRESPONDENT

3.1 Bank shall be the exclusive Correspondent for Loan Source or any of its affiliates with respect to the PPPLF during the term of this Agreement.

3.2 Bank, or any affiliate of Bank, shall act as Correspondent exclusively for Loan Source with respect to the PPPLF during the term of this Agreement.

3.3 Bank, or any affiliate of Bank, shall only purchase or sell PPP Loans with Loan Source and Servicer during the term of this Agreement.

SECTION 4. ESCROW AGREEMENT; CUSTODIAL AGREEMENT

4.1 The custodian and escrow agent under each Custodial and Escrow Agreement (“Custodian”) shall initially be The Kingdom Trust Company (“Kingdom Trust”).

4.2 The escrow agent under the Escrow Agreement (“Escrow Agent”) shall initially be Kingdom Trust.

4.3 At the request of Bank, Loan Source and Servicer shall replace or give notice to replace the Escrow Agent and/or Custodian with respect to any Eligible PPP Loan Pool to be pledged to the PPPLF after the date of such request and such Escrow Agent and/or Custodian shall be replaced within no more than thirty days of Bank’s request.

4.4 Bank must provide written consent to a change in Custodian or Escrow Agent.

SECTION 5. SERVICING AGREEMENT; SERVICER REIMBURSEMENT

5.1 The Servicing Agreement is attached hereto as Annex D. The Servicing Agreement must remain in effect for the term of this Agreement and may not be amended or terminated without the written consent of Bank.

5.2 The Parties agree that Servicer shall service all Purchased PPP Loans pursuant to the Servicing Agreement.

5.3 Notwithstanding any provision of the Servicing Agreement, Servicer shall be reimbursed on a monthly basis for costs incurred by Servicer to service the Purchased PPP Loan in accordance with the Section 8, subject to the following:

(a) Prior to the decision by the SBA on whether to make a PPP Loan forgiveness reimbursement on the Purchased PPP Loan, reimbursement for costs incurred by Servicer in connection with each application for forgiveness with respect to such Purchased PPP Loan shall be capped at the lesser of (x) \$80.00 or (y) the actual costs associated with the forgiveness application; and

(b) With respect to a Purchased PPP Loan for which:

(i) the SBA has made a PPP Loan forgiveness reimbursement payment;

(ii) the SBA has determined not to make a PPP Loan forgiveness payment; or

(iii) no application for forgiveness has been made during the loan forgiveness period;

the monthly reimbursement for servicing costs associated with ongoing servicing for such Purchased PPP Loans with a residual balance shall be capped at the lesser of (x) \$10 per loan, per month or (y) a monthly reimbursement amount calculated at a rate of five (5) basis points per annum on the balance of the loan at the beginning of the month for which servicing costs are being reimbursed.

5.4 Unless required to be paid directly to the Reserve Bank pursuant to the terms of the PPPLF Letter Agreement, any payments made pursuant to a Purchased PPP Loan, whether such payment is made by a Borrower, the SBA, or other person (a “Collection”), shall be deposited, in accordance with instructions provided by Servicer, which shall be irrevocable, into an account at Bank in the name of Loan Source (each, a “Collection Account”), which will be established pursuant to a separate agreement between Bank and Escrow Agent.

5.5 Servicer will provide instructions, which shall be irrevocable, to Borrowers under Purchased PPP Loans that any payment under a Purchased PPP Loan made by check must be addressed to a lockbox held at an institution selected by Servicer with the consent of Bank. Such Collections will be swept to the Collection Account on a daily basis.

SECTION 6. PPPLF PLEDGE

6.1 Loan Source shall be solely responsible for identifying and bundling Eligible PPP Loans to be pledged to the PPPLF (each bundle, an “Eligible PPP Loan Pool”), and for taking all actions necessary to pledge an Eligible PPP Loan Pool to the PPPLF.

6.2 Loan Source shall provide written notice to Bank no later than five (5) days prior to pledging an Eligible PPP Loan Pool.

6.3 The obligation to repay any amounts due to the Reserve Bank with respect to an Advance or Indebtedness (as defined in the PPPLF Letter Agreement) is solely the obligation of Loan Source, notwithstanding the Reserve Bank’s general authorization to debit Bank’s master account for the amount of repayments of Advances under the PPPLF Letter Agreement.

6.4 Each Business Day at 2:00pm Eastern Time, Loan Source must provide Bank with a notice of each credit and/or debit that the Reserve Bank will make to Bank’s Account on the next Business Day. If Bank determines that there are insufficient funds in the Collection Account (defined below) to fund a debit, Bank will notify Loan Source in writing, and Loan Source must pay to Bank, by wire in immediately available funds in accordance with Bank’s instructions, an amount sufficient to cover the debit. If Bank does not receive the payment from Loan Source by 5:00pm Eastern Time on the Business Day prior to the day the debit is scheduled to occur, Bank may in its sole discretion instruct the Reserve Bank not to debit Bank’s Account.

SECTION 7. DISBURSEMENT OF PROCEEDS OF RESERVE BANK ADVANCES

7.1 No later than three (3) Business Days prior to the pledge of any Eligible PPP Loan Pool to the PPPLF, Servicer shall prepare and deliver to Bank and Loan Source (i) the Closing Instructions and (ii) a statement (together with the Closing Instructions, the “Closing Statement”) setting forth its calculation of (A) the Transferred Loan Purchase Prices (as defined in the respective Loan Purchase and Sale Agreements) for all Sellers of the Purchased PPP Loans comprising the Eligible PPP Loan Pool to be pledged to the PPPLF, (B) any closing fees associated with the purchase of the Eligible PPP Loan Pool owed to the Custodian in accordance with the terms of the Custodial Agreement, and any closing fees associated with the purchase of the Eligible PPP Loan Pool owed to the Escrow Agent in accordance with the terms of the Escrow Agreement, (C) any referral fees incurred by Loan Source in connection with acquiring the Purchased PPP Loans comprising the Eligible PPP Loan Pool to be pledged to the PPPLF and (D), the amounts to be paid to Bank and Servicer in accordance with Section 7.3(d) and, in each case determined in accordance with this Agreement, together with reasonable supporting detail (including, for the avoidance of doubt, any underlying agreements not previously provided to Bank and Loan Source) and the work papers supporting its preparation of the Closing Statement.

7.2 Bank and Loan Source may, no later than one (1) Business Day prior to the pledge of such Eligible PPP Loan Pool to the PPPLF, dispute or object to any of the amounts reflected on the Closing Statement; provided, however, that, in each case, Bank or Loan Source shall notify the other Parties in writing of each disputed or objected-to item, specify in reasonable detail the amount in dispute and the basis therefor and include a list of proposed adjustments. If such a notice is timely delivered, then the Parties shall negotiate in good faith to resolve the disputed and objected-to items. If prior to the pledge of such Eligible PPP Loan Pool to the PPPLF, the Parties reach an agreement with respect to any or all disputed item(s), such agreement shall be evidenced in writing and the Closing Statement (each as revised pursuant to such written agreement) shall become final and binding on the date of such agreement with respect to each such agreed upon disputed or objected to item. If the Parties cannot reach agreement on any disputed or objected-to item, the Eligible PPP Loan Pool whose pledge the Closing Statement was prepared for will not be pledged to the PPPLF until the Parties reach an agreement.

7.3 The Closing Instructions will be calculated using the following priority of payments except with respect to proceeds relating to any Bank PPP Loans in an Eligible PPP Loan Pool, which will be calculated using the priority of payments in Schedule 7.3:

(a) First, to the Escrow Agent for further benefit to the Sellers (as defined in the respective Loan Purchase and Sale Agreements) of the Purchased PPP Loans comprising the Eligible PPP Loan Pool to pay the Transferred Loan Purchase Price (as defined in the respective Loan Purchase and Sale Agreements);

(b) Second, to the Custodian to pay any closing fees associated with the purchase of the Eligible PPP Loan Pool, in accordance with the terms of the Custodial and Escrow Agreement, and to Escrow Agent to pay any closing fees associated with the purchase of the Eligible PPP Loan Pool, in accordance with the terms of the Escrow Agreement;

(c) Third, to the Escrow Agent for the further benefit of any brokers or similar persons that are not affiliates of either Loan Source or Servicer to pay referral fees incurred by Loan Source in connection with acquiring the Purchased PPP Loans; and

(d) Fourth, the remainder to be paid in equal amounts to Bank for its own account, on the one hand, and Escrow Agent, on the other hand, to be distributed to Servicer and Loan Source per the terms of the Escrow Agreement.

7.4 Any proceeds of an Advance with respect to an Eligible PPP Loan Pool deposited to the Account will be disbursed by Bank to an account of Escrow Agent at Bank to be disbursed by the Escrow Agent pursuant to the Closing Instructions; provided, however, that if an Advance is received with respect to an Eligible PPP Loan Pool for which there are no Closing Instructions that have been agreed by the Parties pursuant to Sections 7.1 and 7.2, the Bank shall deposit the proceeds of such Advance in a separate account in the name of Loan Source and shall not disburse such proceeds until Closing Instructions have been agreed pursuant to Sections 7.1 and 7.2.

SECTION 8. DISBURSEMENT OF COLLECTIONS

8.1 Collections deposited in the Collection Account with respect to a Purchased PPP Loan that is pledged to the PPPLF shall be disbursed by Bank as needed to meet payment obligations to the Reserve Bank or based on Disbursement Instructions provided by Servicer on behalf of Loan Source on a monthly basis. Notwithstanding any other provisions of this Agreement, Bank may at any time debit the Collection Account to make payments due to the Reserve Bank with respect to the PPPLF.

8.2 No later than five (5) Business Days after the last Business Day of each month, Servicer shall prepare and deliver to Bank and Loan Source (i) the Disbursement Instructions and (ii) a statement (together with the Disbursement Instructions, the “Disbursement Statement”) setting forth its calculation of (A) any payments made to the Reserve Bank during the preceding month, (B) any amount Bank reasonably deems necessary to hold in reserve to pay amounts that will become due to the Reserve Bank in the future under the PPPLF, which Bank will inform Servicer of no later than three (3) Business Days after the last Business Day of each month, (C) any amounts due to Servicer pursuant to Section 5.3 with respect to the preceding month, and (D) the amounts to be paid in accordance with Section 8.5 to Bank and Escrow Agent for distribution to Loan Source and Servicer, in each case determined in accordance with this Agreement, together with reasonable supporting detail (including, for the avoidance of doubt, any underlying agreements not previously provided to Bank and Loan Source) and the work papers supporting its preparation of the Disbursement Statement.

8.3 Bank and Loan Source may, no later than eight (8) Business Days after the last Business Day of the preceding month, dispute or object to any of the amounts reflected on the Disbursement Statement; provided, however, that, in each case, Bank or Loan Source shall notify the other Parties in writing of each disputed or objected-to item, specify in reasonable detail the amount in dispute and the basis therefor and include a list of proposed adjustments. If such a notice is timely delivered, then the Parties shall negotiate in good faith to resolve the disputed and objected-to items. If no later than nine (9) Business Days after the last Business Day of the

preceding month, the Parties reach an agreement with respect to any or all disputed item(s), such agreement shall be evidenced in writing and the Disbursement Statement (each as revised pursuant to such written agreement) shall become final and binding on the date of such agreement with respect to each such agreed upon disputed or objected to item.

8.4 Ten (10) Business Days after the last Business Day of each month, Bank shall disburse funds from the Collection Account in accordance with the agreed-upon Disbursement Instructions, provided, however, that if the Parties cannot reach agreement on any disputed or objected-to item in the Disbursement Instructions, no funds will be distributed from the Collection Account until the Parties reach an agreement, other than to make payments due to the Reserve Bank with respect to the PPPLF.

8.5 The Disbursement Instructions will be calculated using the following priority of payments with respect to Purchased PPP Loans pledged to the PPPLF, except with respect to Collections related to Sourced Bank PPP Loans pledged to the PPPLF, which will be disbursed in the manner described in Schedule 8.1:

(a) First, to the Reserve Bank to pay any and all amounts due to the Reserve Bank with respect to the PPPLF;

(b) Second, in the discretion of Bank, to an account at Bank established to hold in reserve such amounts as Bank reasonably deems necessary to pay amounts that will become due to the Reserve Bank in the future under the PPPLF;

(c) Third, to Escrow Agent for further benefit of Servicer in accordance with Section 5.3; and

(d) Fourth, the remainder to be paid in equal amounts to Bank for its own account, on the one hand, and Escrow Agent, on the other hand, to be distributed to Servicer and Loan Source pursuant to the Escrow Agreement.

8.6 Bank shall not disburse funds from the Collection Account except pursuant to Disbursement Instructions agreed-upon pursuant Section 8.3 or to meet payment obligations to the Reserve Bank, notwithstanding other instructions from Loan Source or Servicer.

SECTION 9. REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of Loan Source. Except for those representations and warranties which by their terms are made solely as of the date hereof or as of another date, Loan Source hereby represents and warrants to Bank, on its behalf and on behalf of each of its subsidiaries, that as of the date hereof (or as of such other date), and continuously throughout this Agreement, that:

(a) Organization. Loan Source is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) Due Qualification. Loan Source is duly qualified to do business in its jurisdiction of organization and has obtained all necessary licenses and approvals from

Governmental Authorities in each jurisdiction that requires such qualification, except where the failure to so qualify or obtain licenses or approvals would not have a material adverse effect on its ability to perform its obligations under this Agreement.

(c) Due Authorization. The execution, delivery and performance of this Agreement and the consummation of the transactions provided for in this Agreement have been duly authorized by all necessary action on the part of Loan Source. This Agreement constitutes the legal, valid and binding obligation of Loan Source, enforceable against Loan Source in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship, and the rights and obligations of receivers and conservators under 12 U.S.C. § 1821(d) and (e) and other laws relating to or affecting creditors' rights generally and by general principles of equity.

(d) No Conflict, Restrictions, Encumbrances. The execution and delivery of this Agreement by Loan Source, the performance by Loan Source of the transactions contemplated by this Agreement, and the fulfillment by Loan Source of the terms of this Agreement will not (i) conflict with, violate or result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which Loan Source is a party or by which it or any of its properties are bound; (ii) violate the charter or bylaws or any other equivalent organizational document of Loan Source; (iii) require any consent or approval under any judgment, order, memorandum of understanding, writ, decree, permit or license to which Loan Source is a party or by which Loan Source is bound; or (iv) require the consent or approval of any other party to any contract, instrument, or commitment to which Loan Source is a party or by which it is bound, other than approvals of regulatory authorities, if any, which have been obtained or will be obtained prior to or on the date of this Agreement.

(e) No Existing Claims or Proceedings. As of the date hereof, there are no claims, litigation, arbitrations, proceedings or investigations, pending or, to the best knowledge of Loan Source, threatened or contemplated against Loan Source by or before any Governmental Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, (iii) seeking any determination or ruling that could materially and adversely affect the exercise by Loan Source of its rights or performance by Loan Source of its obligations under this Agreement or (iv) seeking any determination or ruling that could materially and adversely affect the validity or enforceability of this Agreement. Loan Source is not subject to any agreement with any Governmental Authority that would prevent the consummation of the transaction contemplated by this Agreement.

(f) Approved Lender. Loan Source is a Small Business Lending Company pursuant to 13 C.F.R. § 120.470 and has executed a Loan Guaranty Agreement with the SBA and is authorized to originate and service PPP Loans.

(g) Eligible Borrower. Loan Source is an Eligible Borrower (as defined in the PPPLF Terms).

(h) Compliance with Applicable Laws. Loan Source is (i) in compliance with all Applicable Laws, and (ii) is not in violation of any order of any Governmental Authority or other board or tribunal, except, in the case of both (i) and (ii), where noncompliance is not reasonably expected to materially and adversely affect the Purchased PPP Loans, Loan Source's ability to pledge Purchased PPP Loans to the PPPLF or to meet its obligations hereunder.

(i) PPPLF Letter Agreement. Loan Source has entered into the PPPLF Letter Agreement with the Reserve Bank, including submitting a certified copy of the required Authorizing Resolutions for Non-Bank Borrowers attached as Annex E and an executed borrower certification attached as Annex F;

(j) Money Laundering and Sanctions Matters. During the three (3) years preceding the date hereof, none of Loan Source, its subsidiaries or any officer, manager or director thereof, or, to the knowledge of Loan Source, any other employee or agent (each in their capacity as an officer, manager, director, employee or agent) of Loan Source or any of its subsidiaries:

(i) has taken any action that would cause Loan Source or any such subsidiary to be in violation of any AML Laws or Sanctions; or

(ii) has, to the knowledge of Loan Source, been subject to any written claim, action, proceeding, investigation, notice or demand with regard to any actual or alleged violation of any AML Laws or Sanctions.

(k) Purchased PPP Loans. As of the date of purchase by Loan Source of each Purchased PPP Loan, Loan Source has complied with all PPP Loan Program Requirements and Applicable Laws in order to purchase the Loans from Seller (as defined the respective Loan Purchase and Sale Agreement), including without limitation, the requirements set forth in SBA Procedural Notice Control No: 5000-20024 dated May 1, 2020

9.2 Representations and Warranties of Servicer. Except for those representations and warranties which by their terms are made solely as of the date hereof, Servicer hereby represents and warrants to Bank, on its behalf and on behalf of each of its subsidiaries, that as of the date hereof, and continuously throughout this Agreement, that:

(a) Organization. Servicer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) Due Qualification. Servicer is duly qualified to do business in its jurisdiction of organization and has obtained all necessary licenses and approvals from Governmental Authorities in each jurisdiction that requires such qualification, except where the failure to so qualify or obtain licenses or approvals would not have a material adverse effect on its ability to perform its obligations under this Agreement.

(c) Due Authorization. The execution, delivery and performance of this Agreement and the consummation of the transactions provided for in this Agreement have been duly authorized by all necessary action on the part of Servicer. This Agreement constitutes the legal, valid and binding obligation of Servicer, enforceable against Servicer in accordance with

its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship, and the rights and obligations of receivers and conservators under 12 U.S.C. § 1821(d) and (e) and other laws relating to or affecting creditors' rights generally and by general principles of equity.

(d) No Conflict, Restrictions, Encumbrances. The execution and delivery of this Agreement by Servicer, the performance by Servicer of the transactions contemplated by this Agreement, and the fulfillment by Servicer of the terms of this Agreement will not (i) conflict with, violate or result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which Servicer is a party or by which it or any of its properties are bound; (ii) violate the charter or bylaws or any other equivalent organizational document of Servicer; (iii) require any consent or approval under any judgment, order, memorandum of understanding, writ, decree, permit or license to which Servicer is a party or by which Servicer is bound; or (iv) require the consent or approval of any other party to any contract, instrument, or commitment to which Servicer is a party or by which it is bound, other than approvals of regulatory authorities, if any, which have been obtained or will be obtained prior to or on the date of this Agreement.

(e) No Existing Claims or Proceedings. As of the date hereof, there are no claims, litigation, arbitrations, proceedings or investigations, pending or, to the best knowledge of each Servicer, threatened or contemplated against Servicer by or before any Governmental Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, (iii) seeking any determination or ruling that could materially and adversely affect the exercise by Servicer of its rights or performance by Servicer of its obligations under this Agreement or (iv) seeking any determination or ruling that could materially and adversely affect the validity or enforceability of this Agreement. Servicer is not subject to any agreement with any Governmental Authority that would prevent the consummation of the transaction contemplated by this Agreement.

(f) Money Laundering and Sanctions Matters. During the three (3) years preceding the date hereof, none of Servicer or any officer, manager or director thereof, or, to the knowledge of Servicer, any other employee or agent (each in their capacity as an officer, manager, director, employee or agent) of Servicer or any of its subsidiaries:

(i) has taken any action that would cause Servicer or any such subsidiary to be in violation of any AML Laws or Sanctions; or

(ii) has, to the knowledge of Servicer, been subject to any written claim, action, proceeding, investigation, notice or demand with regard to any actual or alleged violation of any AML Laws or Sanctions.

9.3 Representations and Warranties of Bank. Except for those representations and warranties which by their terms are made solely as of the date hereof, Bank hereby represents and warrants to Loan Source and Servicer that as of the date hereof, and continuously throughout this Agreement, that:

(a) Organization. Bank is a state-chartered bank duly organized and validly existing under the laws of Maine.

(b) Due Qualification. Bank is duly qualified to do business in its jurisdiction of organization and has obtained all necessary licenses and approvals from Governmental Authorities in each jurisdiction that requires such qualification, except where the failure to so qualify or obtain licenses or approvals would not have a material adverse effect on its ability to perform its obligations under this Agreement.

(c) Due Authorization. The execution, delivery and performance of this Agreement and the consummation of the transactions provided for in this Agreement have been duly authorized by all necessary action on the part of Bank. This Agreement constitutes the legal, valid and binding obligation of Bank, enforceable against Bank in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship, and the rights and obligations of receivers and conservators under 12 U.S.C. § 1821(d) and (e) and other laws relating to or affecting creditors' rights generally and by general principles of equity.

(d) No Conflict, Restrictions, Encumbrances. The execution and delivery of this Agreement by Bank, the performance by Bank of the transactions contemplated by this Agreement, and the fulfillment by Bank of the terms of this Agreement will not (i) conflict with, violate or result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which Bank is a party or by which it or any of its properties are bound; (ii) violate the charter or bylaws or any other equivalent organizational document of Bank; (iii) require any consent of approval under any judgment, order, memorandum of understanding, writ, decree, permit or license to which Bank is a party or by which Bank is bound; or (iv) require the consent or approval of any other party to any contract, instrument, or commitment to which Bank is a party or by which it is bound, other than approvals of regulatory authorities, if any, which have been obtained or will be obtained prior to or on the date of this Agreement.

(e) No Existing Claims or Proceedings. As of the date hereof, there are no claims, litigation, arbitrations, proceedings or investigations, pending or, to the best knowledge of Bank, threatened or contemplated against Bank by or before any Governmental Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, (iii) seeking any determination or ruling that could materially and adversely affect the exercise by Bank of its rights or performance by Bank of its obligations under this Agreement or (iv) seeking any determination or ruling that could materially and adversely affect the validity or enforceability of this Agreement. Bank is not subject to any agreement with any Governmental Authority that would prevent the consummation of the transaction contemplated by this Agreement.

SECTION 10. ADDITIONAL COVENANTS

10.1 Loan Source. Loan Source covenants and agrees with Bank that Loan Source shall:

(a) do, or cause to be done, all things necessary to preserve, renew and keep in full force and effect its legal existence with all power and authority necessary to perform Loan Source's obligations hereunder and do, or cause to be done, all things necessary to preserve, renew and keep in full force and effect its and to maintain its eligibility to seek Advances from the PPPLF;

(b) comply with all Applicable Laws, decrees and orders of Governmental Authorities as is necessary to perform its obligations under this Agreement;

(c) maintain a sufficient amount of capital necessary to perform its obligations and duties hereunder, and not take any action or make any extensions of credit that will adversely affect its ability to perform its obligations and duties herein;

(d) to the extent permitted by law, provide the Bank notice of any proceedings or investigations pending or, to the best knowledge of Loan Source, threatened or contemplated against Loan Source or any affiliate of Loan Source before any Governmental Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, (iii) seeking any determination or ruling that could materially and adversely affect the performance by Loan Source of its obligations under this Agreement, or (iv) seeking any determination or ruling that could materially and adversely affect the validity or enforceability of this Agreement;

(e) provide Bank audited financial statements of Loan Source, including a signed and certified opinion letter prepared by the external auditor of Loan Source, within 120 days of the end of each of Loan Source's fiscal years; and

(f) for the avoidance of doubt, consistent with the Loan Purchase and Sale Agreement, pay any origination fee paid by SBA with respect to a Bank PPP Loan to Bank.

10.2 Servicer. Servicer covenants and agrees with Bank that Servicer shall:

(a) do, or cause to be done, all things necessary to preserve, renew and keep in full force and effect its legal existence with all power and authority necessary to perform Servicer's obligations hereunder and do, or cause to be done, all things necessary to preserve, renew and keep in full force and effect its licenses;

(b) comply with all Applicable Laws, decrees and orders of Governmental Authorities as is necessary to perform its obligations under this Agreement;

(c) maintain a sufficient amount of capital necessary to perform its obligations and duties hereunder, and not take any action or make any extensions of credit that will adversely affect its ability to perform its obligations and duties herein;

(d) to the extent permitted by law, provide the Bank notice of any proceedings or investigations pending or, to the best knowledge of Servicer, threatened or contemplated against Servicer or any affiliate of Servicer before any Governmental Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, (iii) seeking any determination or ruling that could materially

and adversely affect the performance by Servicer of its obligations under this Agreement, or (iv) seeking any determination or ruling that could materially and adversely affect the validity or enforceability of this Agreement; and

(e) provide Bank audited financial statements of Servicer, including a signed and certified opinion letter prepared by the external auditor of Servicer, within 120 days of the end of each of Servicer's fiscal years.

10.3 Bank. Bank covenants and agrees with Loan Source and Servicer that Bank shall:

(a) do, or cause to be done, all things necessary to preserve, renew and keep in full force and effect its legal existence with all power and authority necessary to perform Bank's obligations hereunder and do, or cause to be done, all things necessary to preserve, renew and keep in full force and effect its licenses;

(b) comply with all Applicable Laws, decrees and orders of Governmental Authorities as is necessary to perform its obligations under this Agreement;

(c) maintain a sufficient amount of capital necessary to perform its obligations and duties hereunder, and not take any action or make any extensions of credit that will adversely affect its ability to perform its obligations and duties herein; and

(d) to the extent permitted by law, provide Loan Source and Servicer notice of any proceedings or investigations pending or, to the knowledge of Bank, threatened or contemplated against Bank or any affiliate of Bank before any Governmental Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, (iii) seeking any determination or ruling that could materially and adversely affect the performance by Bank of its obligations under this Agreement, or (iv) seeking any determination or ruling that could materially and adversely affect the validity or enforceability of this Agreement.

SECTION 11. CONDITIONS TO PLEDGING

11.1 Loan Source shall not pledge any PPP Loans to the PPPLF until the satisfaction or waiver in writing by Bank of each of the following conditions:

(a) Loan Source has provided Bank a written opinion of external counsel in form and substance satisfactory to Bank, in its sole discretion;

(b) Servicer has provided Bank a written opinion of external counsel in form and substance satisfactory to Bank, in its sole discretion;

(c) Bank has approved the final form of Escrow Agreement; and

(d) the Escrow Agreement has been executed by Loan Source and Servicer.

SECTION 12. LIMITATION OF LIABILITY; INDEMNIFICATION

12.1 Bank assumes no responsibility for any loss incurred by any other Party in connection with this Agreement, except to the extent that such loss has been caused by the gross negligence or willful misconduct of Bank, or any of its officers, directors or employees. In circumstances where Bank is liable, Bank's liability will be limited to direct losses, and will not include special, incidental or consequential damages, and shall not exceed the aggregate amount paid to any Party hereto under the Agreement with respect to Purchased PPP Loans.

12.2 To the maximum extent permitted by law, Bank shall be indemnified and held harmless by Loan Source and Servicer, jointly and severally, from and against any expense, cost, loss or liability (including any punitive, special or consequential damages or other direct or indirect losses) arising out of or relating to this Agreement and transactions contemplated hereby.

12.3 Indemnification under the Loan Purchase and Sale Agreements

(a) To the extent Bank incurs cost, expense, loss or liability as a result of a breach by any Seller (as defined in the relevant Loan Purchase and Sales Agreement) for which Seller must indemnify Loan Source and/or Servicer, Loan Source and Servicer agree to pursue expeditiously their indemnification rights under each Loan Purchase and Sale Agreement.

(b) Each of Loan Source and Servicer will give an irrevocable, written instruction to the Sellers under each Loan Purchase and Sale Agreement to pay any indemnity payments to accounts at Bank.

SECTION 13. TERM OF AGREEMENT

13.1 The Agreement shall terminate on the date on which all payments under the Advances and Indebtedness have been made in full and all Purchased PPP Loans have matured, been forgiven, been repurchased pursuant to the SBA's guarantee or been written off, or as otherwise agreed by the Parties in writing ("Termination Date").

SECTION 14. TERMINATION

14.1 This Agreement may be terminated by Bank, by sending a written notice to the other Parties if it determines, in its discretion:

(a) that this Agreement or any Party's performance under this Agreement does not comply with Applicable Law or is inconsistent with supervisory expectations;

(b) there is any change in twenty-five (25) percent or more of the ownership of Loan Source or Servicer other than as disclosed on Schedule 14.1(b); or

(c) any of the conditions in Section 11.1 have not been satisfied by June 15, 2020.

14.2 This Agreement may be terminated by any Party for cause (and not for any cause with respect to themselves) by sending a written notice to the other Parties. For purposes of this Section 14, "for cause" means:

- (a) With respect to Bank:
 - (i) any of Bank's representations or warranties herein is false or misleading in any material respect and is not promptly cured; or
 - (ii) Bank commits a material breach of any other provision in this Agreement and fails to remedy that breach promptly.
- (b) With respect to Loan Source:
 - (i) any of Loan Source's representations or warranties herein is false or misleading in any material respect and is not promptly cured;
 - (ii) Loan Source commits a material breach of any other provision in this Agreement and fails to remedy that breach promptly;
 - (iii) Loan Source commits a material breach of any Loan Purchase and Sale Agreement or Custodial and Escrow Agreement or the Escrow Agreement or the Servicing Agreement; or
 - (iv) notice is received from any Governmental Authority that Loan Source's performance under this Agreement does not comply with Applicable Law.
- (c) With respect to Servicer:
 - (i) any of Servicer's representations or warranties herein is false or misleading in any material respect and is not promptly cured;
 - (ii) Servicer commits a material breach of any other provision in this Agreement and fails to remedy that breach promptly;
 - (iii) Servicer commits a material breach of any Loan Purchase and Sale Agreement or Custodial and Escrow Agreement or the Escrow Agreement or the Servicing Agreement; or
 - (iv) notice is received from any Governmental Authority that Servicer's performance under this Agreement does not comply with Applicable Law.

14.3 This Agreement may be terminated by any Party by sending a written notice to the other Parties, if no PPP Loans other than Bank PPP Loans have been purchased by the Parties as of August 31, 2020.

14.4 For the avoidance of doubt, termination of this Agreement by any Party in no way alters the obligation of Loan Source to repay all Advances or Indebtedness to the Reserve Bank outstanding as of the date of termination or for Bank to fulfill its obligation as Correspondent with respect to such outstanding Advances or Indebtedness.

SECTION 15. REPORTS AND ACCESS TO INFORMATION; AUDITED FINANCIALS

15.1 In conjunction with Loan Source's and Servicer's obligations under this Agreement, Loan Source and Servicer shall provide any and all reports, to the extent permitted by Applicable Laws, reasonably requested by Bank relating to this Agreement.

15.2 To the extent permitted by Applicable Laws, Loan Source and Servicer shall provide Bank with immediate access to (and copies as requested of) any information Bank requests to respond to a request from any Governmental Authority with respect to this Agreement or the Bank's obligations under this Agreement.

15.3 To the extent permitted by Applicable Laws, Loan Source and Servicer shall provide Bank and its representatives with the right to inspect the books and records of each of Loan Source and Servicer and their subsidiaries or other affiliates as they relate to this Agreement, as well as to review and make copies of correspondence and other documents, however sent or received, possessed by Loan Source or Servicer pertaining to this Agreement and to make appropriate officers and directors of Loan Source or Servicer, as applicable, available at such times as reasonably requested by Bank for consultation with Bank and its representatives with respect to matters relating to this Agreement.

SECTION 16. COOPERATION ON FILINGS

16.1 Loan Source and Servicer agree to provide Bank and its representatives all material information with respect to Loan Source or Servicer, as the case may be, that Bank reasonably requires in connection with the preparation by Bank of any filings to be made by Bank with the Federal Deposit Insurance Corporation, any national securities exchange or otherwise made publicly available by Bank with respect to this Agreement ("Bank Public Filings"). Loan Source and Servicer agree to reasonably cooperate with Bank with respect to furnishing such required information in order to enable Bank to file all Bank Public Filings within the deadlines as required by Applicable Law.

SECTION 17. CONFIDENTIALITY

17.1 Except as otherwise provided herein, each Party agrees that all information communicated to it by the other, whether before or after the date of this Agreement, is and will be deemed to have been received in strict confidence, will be used only for purposes of fulfilling its obligations under this Agreement, and each will use the same means as it uses to protect its own confidential information, but in any event not less than reasonable means, to prevent the disclosure and to protect the confidentiality thereof. No such information, including without limitation the terms of this Agreement, shall be disclosed by the recipient Party, its agents, representatives, or employees without the prior written consent of the other Party. Unless otherwise prohibited by law, the foregoing shall not prevent either Party from disclosing information which belongs to such Party or is: (a) already known by the recipient Party without an obligation of confidentiality other than pursuant to this Agreement; (b) publicly known or becomes publicly known through no unauthorized act of the recipient Party; (c) rightfully received from a third party; (d) independently developed without the use of the other Party's

confidential information; (e) disclosed without similar restrictions to a third party by the Party owning the confidential information (f) approved by the other Party for disclosure; (g) required to be disclosed in connection with the conduct of any dispute resolution proceedings as established herein, *provided* that such disclosure is made pursuant to and in accordance with the approval and at the direction of the officers conducting such dispute resolution; or (h) required to be disclosed pursuant to a requirement of a Governmental Authority or law or requirement of the rules of a national securities exchange provided that, other than with respect to a disclosure to Bank's federal or state bank regulator, the disclosing Party provides the other Party with notice of such requirement prior to any such disclosure. Without limiting the survivability of any of the provisions of this Agreement, the provisions of this Section will survive termination of this Agreement for any reason.

SECTION 18. NO JOINT VENTURE; NO THIRD PARTY BENEFICIARIES

18.1 This Agreement shall not be construed as constituting any joint venture, partnership, other cooperative venture, franchise, or principal/agent relationship, nor will any Party do or permit any act that will be regarded as such. Nothing expressed or referred to in this Agreement will be construed to give any person other than the Parties any legal or equitable rights, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

SECTION 19. FURTHER ASSURANCES

19.1 On and after the date hereof, each of the Parties shall: (i) cooperate in good faith to give effect to the terms hereof and execute, acknowledge and deliver all such acknowledgments, documents and other instruments; and (ii) take such further action as the other Party may reasonably request to enable such Party to exercise its rights or perform its obligations under, or to fully and completely effectuate, the terms, conditions and intent of this Agreement.

SECTION 20. FORCE MAJEURE

20.1 If performance by a Party of any obligation under this Agreement is prevented, restricted, delayed or interfered with by reason of labor disputes, strikes, acts of God, floods, lightning, severe weather, shortages of materials, rationing, utility or communication failures, failure or delay in receiving electronic data, earthquakes, war, revolution, civil commotion, acts of public enemies, blockade, embargo or any Applicable Law, or any other act or omission whatsoever, whether similar or dissimilar to those referred to in this clause, which is or are beyond the reasonable control of the Party, the Party shall provide written notice to the other Parties identifying the cause of the prevention, restriction, delay or interference and the Party shall be excused from the performance to the extent of the prevention, restriction, delay or interference, so long as the Party is taking reasonable action to accomplish such performance as promptly as possible under the circumstances.

SECTION 21. SEVERABILITY

21.1 The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects

as if such invalid or unenforceable provision were omitted to the maximum extent permitted by law.

SECTION 22. AMENDMENT

22.1 This Agreement may only be amended, supplemented, or modified by a written instrument duly executed by or on behalf of each Party hereto.

SECTION 23. NO ASSIGNMENT

23.1 No Party may assign any of its rights or obligations hereunder to any other person without the prior written consent of the other Parties and any attempt to assign this Agreement in violation of this Section 23 shall be null and void.

SECTION 24. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

24.1 This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York.

24.2 Each of the Parties hereto agrees that any suit, action or proceeding instituted against such Party under or in connection with this Agreement may be brought in a court of competent jurisdiction in New York County. By execution hereof, each Party irrevocably waives any objection to, and any right of immunity on the grounds of improper venue, the convenience of the forum, the personal jurisdiction of such courts or the execution of judgments resulting therefrom. Each Party hereto irrevocably accepts and submits to the jurisdiction of such courts in any such action, suit or proceeding.

24.3 EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 25. NOTICES

25.1 Unless otherwise specified in this Agreement, all notices, requests and other communications required or given under this Agreement (each, a "Communication") shall be in writing (including email transmission; provided that if given by email, such Communication shall be confirmed within one (1) Business Day by dispatch pursuant to one of the other methods described herein) and shall be given:

(a) If to Bank, to:

Northeast Bank
200 Berkeley Street, 17th Floor
Boston, Massachusetts 02116
Attention: Richard Wayne

Email: RWayne@northeastbank.com

(b) If to Loan Source, to:

The Loan Source, Inc.
353 E. 83rd Street,
Suite 3H,
New York, NY 10028
Attention: Steven D. Kravitz
Email: skravitz123@theloansource.us

(c) If to Servicer, to:

ACAP SME, LLC
333 W. Wacker Dr.,
16th Floor,
Chicago IL 60606
Attention: Luke LaHaie
Email: LLaHaie@acapgp.com

or such other mailing or email address as any of the Parties may hereafter specify for the purpose by notice to the other. All such Communications shall be deemed received on the date of receipt by the recipient thereof.

SECTION 26. COUNTERPARTS

26.1 This Agreement may be executed in any number of counterparts, each of which when executed and delivered will constitute an original and all such counterparts together constituting one single agreement.

SECTION 27. SURVIVAL

27.1 The rights, liabilities and obligations contained in Section 9 (Representations and Warranties), Section 12(Limitation of Liability; Indemnification), Section 14 (Termination), Section 17 (Confidentiality), Section 18 (No Joint Ventures; No Third Party Beneficiaries), Section 21 (Severability), Section 22 (Amendment), Section 24 (Governing Law; Consent to Jurisdiction; Waiver of Jury Trial), Section 25 (Notices) and this Section 27 (Survival) of this Agreement shall survive any termination of this Agreement pursuant to Section 14.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed and delivered on its behalf by its officers thereunto duly authorized, all at or on the date and year first above written.

THE LOAN SOURCE, INC.

By: /S/ Steven Kravitz
Name: Steven Kravitz
Title: President

ACAP SME, LLC

By: /S/ Luke LaHaie
Name: Luke LaHaie
Title: CIO

NORTHEAST BANK

By: /S/ Richard Wayne
Name: Richard Wayne
Title: President and CEO

SCHEDULE 7.3

BANK PPP LOAN ADVANCE PAYMENT PRIORITY

The Closing Statement will be calculated using the following priority of payments with respect to proceeds relating to any Bank PPP Loans in an Eligible PPP Loan Pool:

(a) First, to the Escrow Agent for the further benefit of Sellers (as defined in the respective Loan Purchase and Sale Agreements) of the Bank PPP Loans that are part of the pledged Eligible PPP Loan Pool to pay the Transferred Loan Purchase Price (as defined in the respective Loan Purchase and Sale Agreements);

(b) Second, to the Custodian to pay any closing fees associated with the purchase of the Eligible PPP Loan Pool, in accordance with the terms of the Custodial and Escrow Agreement, and to Escrow Agent to pay any closing fees associated with the purchase of the Eligible PPP Loan Pool, in accordance with the terms of the Escrow Agreement; and

(c) Third, the remainder to be paid to Escrow Agent, to be distributed to Servicer and Loan Source per the terms of the Escrow Agreement.

SCHEDULE 8.1

BANK PPP LOAN COLLECTIONS PAYMENT PRIORITY

The Disbursement Instructions will be calculated using the following priority of payments respect to Collections related to Sourced Bank PPP Loans:

- (a) First, to the Reserve Bank to pay any and all amounts due to the Reserve Bank with respect to the PPPLF;
- (b) Second, in the discretion of Bank, to an account at Bank established to hold in reserve such amounts as Bank reasonably deems necessary to pay amounts that will become due to the Reserve Bank in the future under the PPPLF; and
- (c) Third, the remainder to be paid to Bank for its own account.