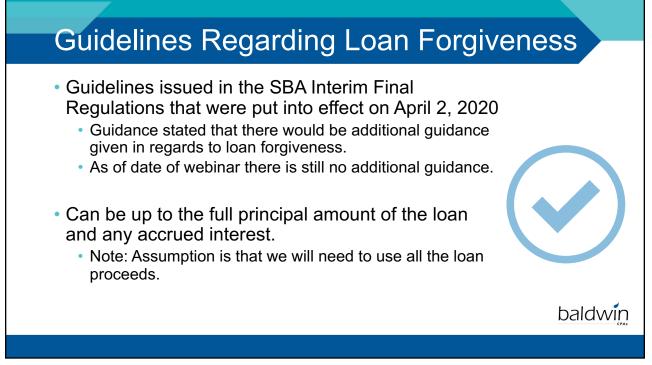
### Loan Forgiveness Rules (Subject to Change Based on Awaiting Guidance from the SBA)

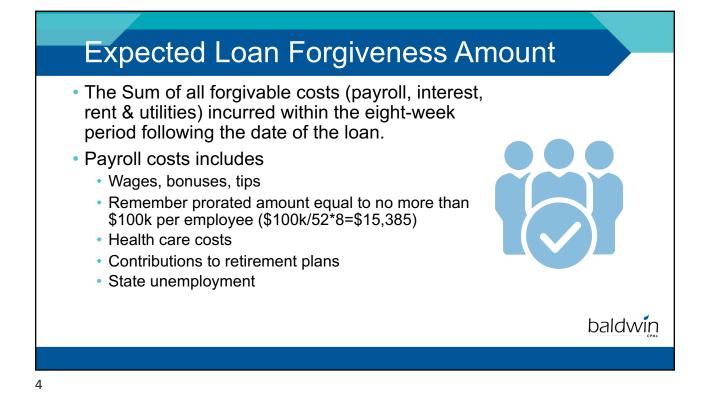
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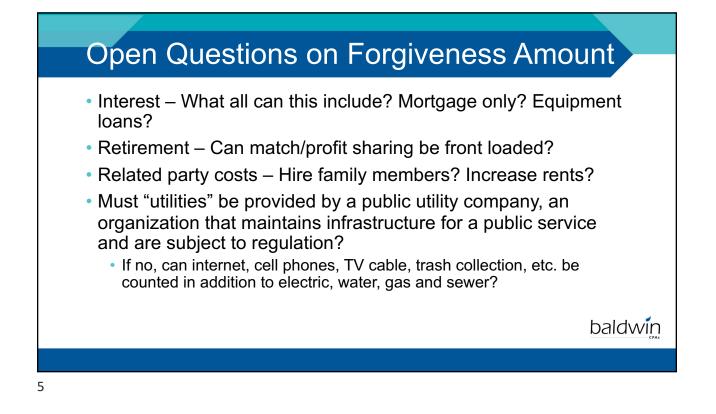


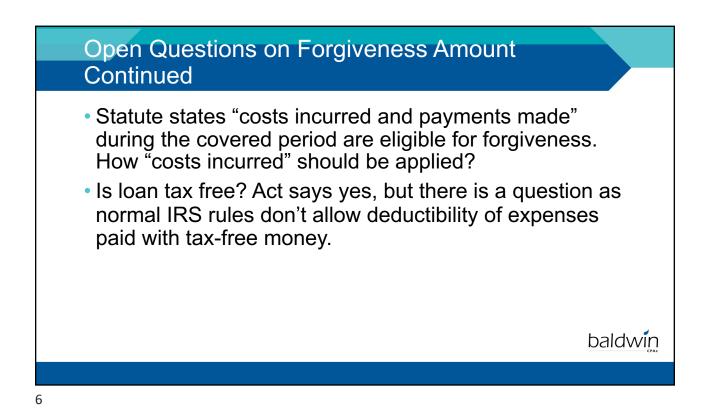
#### Guidelines Regarding Loan Forgiveness Continued

- Borrower must use the loan proceeds for payroll costs, payments of interest on mortgage obligations, rent payments and utilities.
- Employee and compensation levels must be maintained.
- We expect scrutiny on back-end compliance to be much more involved.

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## **Three Main Reduction Provisions**

- 75/25 Provision
- Full Time Equivalent (FTE) Provision
- Employee Salary and Wage Provision

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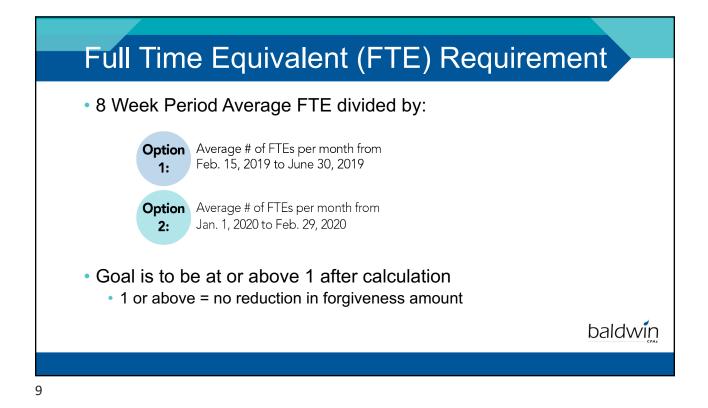
# 75/25 Rule

 At least 75% of Total Forgivable Expenses Must be Spent on Payroll

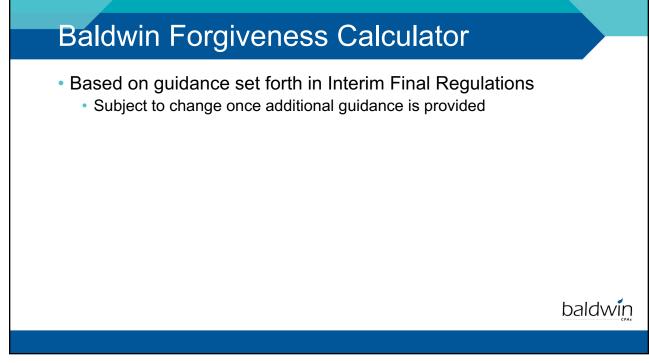
Total Loan Amount:	\$150,000	
		% of Total Loan Amount
Included Payroll Costs	\$120,000	80.00%
Utilities	\$10,000	6.67%
Rent	\$20,000	13.33%
Meets	Requirement	

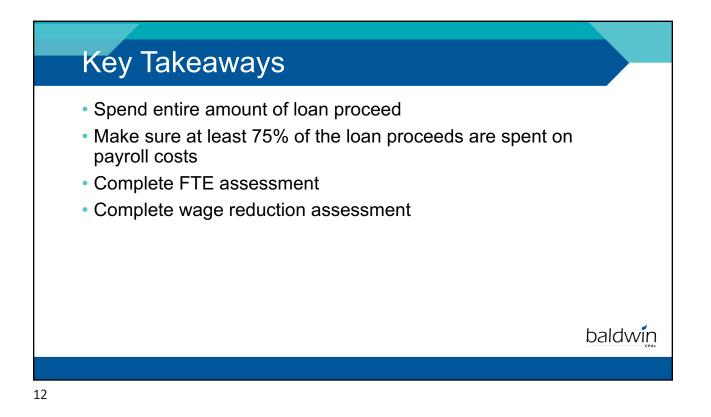
Total Loan Amount:	\$150,000	
		% of Total Loan Amount
Included Payroll Costs	\$100,000	66.67%
Utilities	\$15,000	10.00%
Rent	\$35,000	23.33%

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Calculated per employee									
Employee Name	2019 Annual Compensation	Excluded Due to Compensation over \$100K or Reduction is Less than 25%	YTD Gross Wages Earned as of March 31 (1/1/20 - 3/31/20)	YTD Gross Wages Earned as of Date of Loan Disbursement (1/1/20 - X/XX/20)	YTD Gross Wages Earned as of End of 8 Week Period (1/1/20 - X/XX/20)	Amount Earned During Covered Period	% Reduction on Lookback period	Max % of Allowed Reduction	Reduction Amount
Employee 1	\$65,000.00		\$10,000.00	\$11,000.00	\$17,000.00	\$6,000.00	-40%	25%	(\$1,500.00)
Employee 2	\$325,000.00	x	\$50,000.00	\$60,000.00	\$80,000.00	\$20,000.00	-60%	25%	
Employee 3	\$97,500.00	x	\$15,000.00	\$18,000.00	\$32,000.00	\$14,000.00	-7%	25%	
Totals	\$487,500.00		\$75,000.00	\$89,000.00	\$129,000.00	\$40,000.00			(\$1,500.00)





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