

NOTICE

[To PPP borrowers with a PPP loan that received an SBA E-Tran before June 5, 2020]

This notice is provided to you because you previously signed a promissory note (your “**PPP Note**”) in favor of FC Marketplace, LLC (together with its agents, affiliates, successors and assigns, the “**Lender**”) with respect to your Paycheck Protection Program (“**PPP**”) loan. As you may know, the Paycheck Protection Program Flexibility Act of 2020 (the “**PPP Flexibility Act**”) was enacted on June 5, 2020, and made several retroactive changes to the PPP. Capitalized terms used in this notice that are not defined in this notice have the meanings specified in your PPP Note.

Notwithstanding anything in your PPP Note to the contrary, Lender hereby notifies you that the following provisions of the PPP Flexibility Act accrue to your benefit effective as of June 5, 2020:

1. **Minimum Payroll Costs Requirement for Forgiveness:** For purposes of calculating the amount of your PPP loan that will be forgiven, at least 60% of such amount must be for eligible payroll costs and no more than 40% of such amount may be for eligible non-payroll costs. For your reference, SBA provided the following example of application of this requirement in Section III.1.e of the Interim Final Rule posted by SBA on June 11, 2020 at <https://home.treasury.gov/system/files/136/PPP-IFR-Revisions-to-First-Interim-Final-Rule.pdf>:
“For example, if a borrower uses 59 percent of its PPP loan for payroll costs, it will not receive the full amount of loan forgiveness it might otherwise be eligible to receive. Instead, the borrower will receive partial loan forgiveness, based on the requirement that 60 percent of the forgiveness amount must be attributable to payroll costs. For example, if a borrower receives a \$100,000 PPP loan, and during the covered period the borrower spends \$54,000 (or 54 percent) of its loan on payroll costs, then because the borrower used less than 60 percent of its loan on payroll costs, the maximum amount of loan forgiveness the borrower may receive is \$90,000 (with \$54,000 in payroll costs constituting 60 percent of the forgiveness amount and \$36,000 in non-payroll costs constituting 40 percent of the forgiveness amount).”
2. **Forgiveness Covered Period:** The “covered period” for forgiveness is extended to 24 weeks, although as an existing PPP borrower, you may elect to use the original 8-week covered period to calculate your forgiveness amount. No interim period may be elected.
3. **First Repayment Date:** Your First Repayment Date under your PPP Note shall be determined based on when you apply for forgiveness as follows:
 - a. If you apply for forgiveness on or before the last day of the covered period applicable to your PPP loan, your first repayment date shall occur on the date that is 30 days after the first to occur of (i) the date SBA remits to Lender the forgiven amount (or such lesser amount as is determined by SBA) and (ii) the date that SBA or Lender determines that you are not eligible for forgiveness for any portion of the Loan, and
 - b. If you have not applied for forgiveness on or before the date that occurs ten months after the last day of the forgiveness period applicable to your PPP loan, your first repayment date shall occur on the first business day after the date that occurs ten (10) months after the last day of your forgiveness period.

The PPP Flexibility Act included other amendments to the PPP that did not directly impact the terms of your PPP Note but that could impact the calculation of forgiveness of your PPP loan. For avoidance of doubt, however, the extension of the PPP loan term for new PPP lenders was a prospective change and does not retroactively amend the Maturity Date of your PPP Note, which remains unchanged.

In addition, SBA and the U.S. Treasury Department regularly provide new rules, regulations and other guidance with respect to the PPP. Additional guidance is expected from SBA with respect to the Forgiveness Application and related calculations which could impact your forgiveness calculations. Please be sure to consult your counsel, accountants or other advisors to review all the terms of the PPP Flexibility Act and otherwise remain up to date on all relevant rules, regulations and guidance provided by SBA and the U.S. Treasury Department from time to time with respect to the PPP.