

Additional Terms for First Draw PPP Loans

A. **Maturity:** This Note will mature in five (5) years (“Maturity Date”) from the date of this Note (“Note Date”).

B. **Repayment Terms:**

The interest rate is 1.00% per annum. Interest shall accrue on outstanding principal pursuant to this Note, including during the Deferment Period, and shall be computed on the outstanding principal on a 365/365 basis and on a non-compounding, non-adjustable basis.

The following defined terms are used herein: (1) “Covered Period” means the period that begins on the loan disbursement date and ends on any date selected by the Borrower that occurs during the period that begins on the date that is 8 weeks after the loan disbursement date and ends on the date that is 24 weeks after the loan disbursement date; (2) “Forgiveness Application Period” means the period that commences after the last day of the Covered Period and ends ten (10) months thereafter; and (3) “Deferment Period” means (a) the period that commences with the Note Date and ends on the last day of the Forgiveness Application Period, if the Borrower does not apply for loan forgiveness during the Forgiveness Application Period or (b) the period that commences with the Note Date and ends on the day the SBA (i) remits to the Lender the loan forgiveness amount applicable to the Borrower’s loan forgiveness application or (ii) notifies the Lender that no loan forgiveness is allowed, if the Borrower applies for loan forgiveness during the Forgiveness Application Period.

The Lender shall provide notice to the Borrower of the amount of loan forgiveness remitted to it by the SBA or if the SBA has notified Lender that no loan forgiveness is allowed. If the SBA determines that no loan forgiveness is allowed or only partial loan forgiveness is allowed or the Borrower does not apply for loan forgiveness during the Forgiveness Application Period, the Lender shall notify the Borrower of the date the first payment is due (“First Payment Date”).

No principal or interest payments shall be due during the Deferment Period. If there is any principal or interest not forgiven, and therefore outstanding after the end of the Deferment Period, commencing on the First Payment Date and continuing on the same day of each month thereafter, Borrower shall make a monthly principal payment on the outstanding principal balance (after application of any loan forgiveness) in an amount that shall fully amortize the outstanding principal balance of the Loan by the Maturity Date. Accrued interest shall be due and payable with each monthly principal payment. Lender will apply each installment payment first to pay interest accrued to the day Lender received the payment, then to bring principal current, and apply any remaining balance to reduce principal. This Note is payable in full on the Maturity Date without further demand or action of the Lender.

Loan Prepayment: Borrower may prepay this Note at any time without penalty.

C. **Paycheck Protection Program:** The Loan is a “first draw PPP loan” and is being made by Lender to Borrower pursuant to the Paycheck Protection Program (“PPP”), which is part of the Coronavirus Aid, Relief, and Economic Security Act, as amended from time to time (including, but not limited to, amendments pursuant to the Paycheck Protection Program and Health Care Enhancement Act, the Paycheck Protection Program Flexibility Act of 2020, and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, as each is amended from time to time) (collectively, the “Act”), and the provisions of the Act and the rules, regulations, and guidance applicable to loans under the PPP, as amended from time to time (collectively, the “Rules”), are incorporated herein by reference. If a conflict exists between the terms of the Loan Documents and the Act or Rules, the Act or Rules will control and the terms of the Loan Documents will be amended by the effect and operation of the Act or Rules so that the legal effect of the Loan Documents conforms to the provisions of the Act and Rules, and the Loan Documents as amended shall remain in full force and effect in accordance with the Act and Rules. If all or part of any term of the Loan Documents is disallowed or impermissible under the Act or Rules, such term shall be deemed to be stricken from the Loan Documents, and the Loan Documents as amended shall remain in full force and effect in accordance with the Act and Rules. Borrower represents and warrants that it will use the Loan proceeds in compliance with the Act and Rules and only for permissible costs and expenses under the Act and Rules. Borrower represents and warrants that all representations, authorizations, and certifications made by Borrower in its application for the Loan under the PPP are true, accurate, and correct as of the date hereof.



German American Bank

Banking | Insurance | Investments
Member FDIC

- D. **Loan Forgiveness:** All or part of the Loan may be forgiven if Borrower satisfies and complies with the terms and conditions for loan forgiveness under the Act and Rules. All loan forgiveness amounts must be calculated in accordance with the Act and Rules. Borrower agrees to submit to Lender verifying documentation or the simplified loan forgiveness certification (if Borrower is eligible to use such certification) for loan forgiveness in accordance with the Act and Rules. No loan forgiveness will be available absent submission of the required verifying documentation or the simplified loan forgiveness certification (if Borrower is eligible to use such certification).
- E. **No Lender Fees:** Notwithstanding any terms to the contrary, Lender shall not collect any fees or costs from Borrower relating to this Loan.
- F. **No Collateral or Guarantee:** Notwithstanding any term to the contrary, no collateral and no personal guarantee is required in connection with the Loan.
- G. **Non-Recourse.** Lender and SBA shall have no recourse against any individual shareholder, member or partner of Borrower for non-payment of the Loan, except to the extent that such shareholder, member, or partner uses the loan proceeds for an unauthorized purpose.
- H. **Assignability.** Borrower may not assign its rights in or delegate its duties under this Note without the prior written consent of Lender. Lender may assign its rights in or delegate its duties under this Note at any time without the consent of or notice to Borrower.
- I. **Interpretation.** The terms of this Section 3 shall control over any terms in this Note.
- J. **Additional Documentation.** At the request of Lender, Borrower agrees to promptly re-execute this Note and any other Loan Document if the Loan was closed using a copy and/or to execute a replacement note and other Loan Documents as Lender may deem necessary or appropriate, in its sole discretion, to comply with the Act or Rules.
- K. **Borrower Certifications:** Borrower further represents, warrants, and certifies to Lender (a) Borrower acknowledges that if Borrower defaults on the Loan, SBA may be required to pay Lender under the SBA Guarantee under the PPP, and SBA may then seek recovery on the Loan (to the extent any balance remains after loan forgiveness), (b) Borrower will keep books and records in a manner satisfactory to Lender, furnish financial statements as requested by Lender, and allow Lender and SBA to inspect and audit books, records and papers relating to Borrower's financial or business condition, and (c) Borrower will not, without Lender's consent, changes its ownership structure, make any distribution of company assets that would adversely affect its financial condition, or transfer (including pledging) or dispose of any assets, except in the ordinary course of business, and, in any event, Borrower shall comply with all applicable laws, rules, regulations, and guidance relating to the forgoing, including SBA Procedural Notice Control No. 5000-20057.



German American Bank

Banking | Insurance | Investments
Member FDIC