

EL CAMINO REAL ALLIANCE
PAYCHECK PROTECTION PROGRAM
UPDATES AND INFORMATION
FEBRUARY 25,2021

El Camino Real Alliance (ECRA) applied for and received a \$3,815,700 Paycheck Protection Program (PPP) Loan (as approved by the Small Business Administration) from our Lender-Fountainhead SBF LLC (Our Bank) on August 17th 2020, as previously approved by the ECRA Board of Directors. The PPP Loan was considered necessary due to the impending significant State of California Budget Deferrals proposed for 2020-2021 (\$6-8 million).

The terms and conditions of the PPP Loan are:

Term - 5 Years beginning 8/17/2020

Interest Rate - 1% for the term of the Loan

Payments - Deferred for 10 months, if not seeking Loan Forgiveness. Interest will continue to accrue until the final Loan amount (if any) is determined. Subsequent loan payments will be made on a monthly basis.

Loan Forgiveness Application - An application for forgiveness will require ECRA to complete an on-line application with Our Bank which needs to provide documentation of salaries, benefits and selected qualifying operating expenses (i.e., utilities) paid during a 24-week measurement period from the original date of the Loan (August 17, 2020- February 1, 2021). Starting from February 1, 2021, ECRA has a 10-month window (which would end on December 1, 2021) to apply for some or all of the Loan to be forgiven by the SBA.

Loan Forgiveness Review Process - If ECRA chooses to apply for Loan Forgiveness, Our Bank has 60 days to review the application, audit the Application and recommend a Forgiveness Amount to the SBA. The SBA will then review Our Bank's recommendation and have 90 days to issue a final determination any forgiveness of the Loan.

Next Steps: The Board of Directors need to approve an Action item during the 10 month window of time to seek Loan Forgiveness from the SBA. If approved, ECRA will begin to compile the information needed to seek some Forgiveness. If the Board is not inclined to seek Forgiveness, ECRA can advise Our Bank and accelerate the Loan payment process.