

IMPORTANT INFORMATION ABOUT YOUR PAYCHECK PROTECTION PROGRAM (“PPP”) LOAN

The federal Paycheck Protection Program under which you received your Coronavirus relief loan from Avidia Bank has been updated by the Paycheck Protection Program Flexibility Act (the “PPPFA”) and related Small Business Administration (“SBA”) Rules. Because all PPP loans are subject to the PPP laws as they change over time, the PPPFA and revised SBA Rules affect the provisions of your loan. This notice is to explain the changes to your Avidia Bank PPP loan to reflect the PPPFA and the updated SBA Rules.

- **Term:** The PPPFA establishes a minimum term of 5 years for PPP loans. The SBA Rules allow lenders and borrowers on loans made before June 5, 2020 to extend the term of their loans to match the new minimum. Therefore, if your Promissory Note does not already provide for a 5-year term, we are extending the term to 5 years. You may decline this extension by notifying us that you do not want it to apply to your loan, *but you will be deemed to have agreed to this extension unless you notify us by November 15, 2020 that you decline it.*
- **Deferment Period:** Under the PPPFA, no payments are required on your loan until the SBA remits the loan forgiveness amount to us or notifies us that no amount will be forgiven. If you do not apply for forgiveness, repayment begins 10 months after the end of the “Covered Period” described below. This period during which you are not required to make payments is called the “Deferment Period.” If there is an unpaid balance of your loan at the end of the Deferment Period, we will send you a notice of the amount of your required payments and when they are due.
- **Covered Period:** The PPPFA extends the “Covered Period” during which a borrower may use the loan proceeds from 8 weeks to 24 weeks, starting on the date we paid out your loan. The longer period is intended to give borrowers more flexibility to use the loan proceeds. However, if the SBA issued a loan number for your loan before June 5, 2020, you may elect to keep the original 8-week Covered Period by sending us a notice of your election.
- **Allowable Expenses:** The PPPFA reduces the percentage of the loan amount that must be used for payroll expenses from 75% to 60%. Therefore, up to 40% of your forgiveness amount may be used for allowable non-payroll expenses.

The PPPFA made other changes to the Paycheck Protection Program, but the changes summarized above are the only ones that affect the terms of your Promissory Note. Your Promissory Note, modified as described above, remains in full force and effect.

If you have questions about the changes to your PPP loan or you want to make any of the elections described above, you can contact Avidia Bank at 1-800-508-2265, email us at ppp@AvidiaBank.com, or write to us at Avidia Bank, 42 Main Street, Hudson, MA 01749, Attn: Paycheck Protection Program.