

## PAYCHECK PROTECTION PROGRAM SUPPLEMENTAL APPLICATION CERTIFICATION

The undersigned Applicant (if more than one person is signing for Applicant, then each such person jointly and severally) hereby represents and warrants to First Horizon Bank in connection with Applicant's application for a Payroll Protection Program loan (the "Loan") the following:

Applicant is a \_\_\_\_\_ (insert legal form of Applicant, e.g. corporation, partnership, LLC, sole proprietorship), is in existence and is in good standing under all applicable law.

The Board of Directors or other applicable governing authority of the Applicant has taken all actions as may be necessary or desirable in order to authorize, execute and perform the Applicant's obligations under the Loan, and to authorize the execution of any and all loan documents and to take all such other actions as may be necessary or desirable in connection with the Loan. Each person signing the loan documents on behalf of the Applicant has full authority and has been duly authorized by Applicant to execute and deliver all documents necessary, required or desirable for Applicant to participate in the Payroll Protection Program and to obtain the Loan.

Applicant has applied for the Loan. First Horizon Bank will file the necessary documentation with the Small Business Administration (SBA) on Applicant's behalf to receive an SBA loan guaranty (Guaranty) for the Loan. The Guaranty is a material condition for First Horizon Bank to make the Loan. To obtain the Guaranty, First Horizon Bank must provide certain required information to SBA, which will be based on information provided by Applicant (Applicant Information). If Applicant provides incorrect, incomplete or inaccurate Applicant Information to First Horizon Bank, it may affect and possibly invalidate the Guaranty on the Loan. Applicant certifies to First Horizon Bank that all Applicant Information provided in connection with the Loan is complete, true and correct. In the event SBA refuses or fails to honor the Guaranty in full or in part at any time because any deficiency or defectiveness in the Applicant's Borrower Information, Applicant (if more than one person is signing for Applicant, then each such person jointly and severally) will indemnify and hold First Horizon Bank and its affiliates harmless from any and all loss, liability and expense that First Horizon Bank may suffer in connection with, as a result of, or due to such deficient or defective Applicant Information.

The Loan Amount Calculator provided to Applicant in this Supplemental Application is solely to facilitate the Applicant's determination of its Average Monthly Payroll. Applicant is solely responsible for making the determination of its Average Monthly Payroll and for the information Applicant submits in this Application. First Horizon Bank shall bear no responsibility for such determination or for any information created by Applicant that is contained in the Application for the loan.

This Supplemental Application may be executed in counterparts by the signatories hereto, and as so executed shall constitute one document. This Supplemental Application shall be binding upon Applicant and the signatories hereto and their respective agents, executors, heirs, successors, and assigns.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Supplemental Application to be signed as of \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**Applicant Tax ID:** \_\_\_\_\_

**Applicant (Individual):**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**Applicant (Entity):**

\_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **BORROWER'S CERTIFICATION**

In order to induce Lender to make the Loan to Borrower, which Loan will be guaranteed by the U. S. Small Business Administration ("SBA"):

A. Borrower certifies that:

1. Borrower acknowledges that the SBA has not yet provided the Authorization (SBA Guaranteed Loan) from the SBA to Lender, and that Lender will provide the Authorization promptly once received, and Borrower acknowledges that:
  - a) The Authorization is not a commitment by Lender to make a Loan to Borrower.
  - b) The Authorization is between Lender and SBA and creates no third-party rights or benefits to Borrower.
  - c) The Note will require Borrower to give Lender prior notice of intent to prepay.
  - d) If Borrower defaults on the Loan, SBA may be required to pay Lender under the SBA guarantee. SBA may then seek recovery of these funds from Borrower. Under SBA regulations, 13 CFR Part 101, Borrower may not claim or assert against SBA any immunities or defenses available under local law to defeat, modify or otherwise limit Borrower's obligation to repay to SBA any funds advanced by Lender to Borrower.
  - e) Payments by SBA to Lender under SBA's guarantee will not apply to the Loan account of Borrower or diminish the indebtedness of Borrower under the Note or the obligations of any personal guarantor of the Note.
  - f) If the small business defaults on the SBA-guaranteed loan and SBA suffers a loss, the names of the small business and the guarantors of the SBA-guaranteed loan will be referred for listing in the Credit Alert Verification Reporting System (CAIVRS) database, which may affect their eligibility for further financial assistance.

g) Lender has provided to Borrower in writing the guidelines governing the Paycheck Protection Program, which are attached to this Certification.

2. **Adverse Change** - That there has been no adverse change in Borrower's financial condition, organization, operations or fixed assets since the date the Loan application was signed.
3. **Child Support** - That no principal who owns at least 50% of the voting interest of Borrower is delinquent more than 60 days under the terms of any (1) administrative order, (2) court order, or (3) repayment agreement requiring payment of child support.
4. **Current Taxes** - That Borrower is current on all federal, state, and local taxes, including but not limited to income taxes, payroll taxes, real estate taxes, and sales taxes.
5. **Immigration Laws** – That Borrower has not been determined by the Secretary of Homeland Security or the Attorney General to have engaged in a pattern or practice of hiring an alien, recruiting an alien, or referring an alien for a fee for employment in the United States, knowing that that person is an unauthorized alien.

B. Borrower certifies that it will:

1. **Reimbursable Expenses** - Reimburse Lender for expenses incurred in the making and administration of the Loan.
- 2) **Books, Records, and Reports** -
  - a. Keep proper books of account in a manner satisfactory to Lender;
  - b. Furnish CPA prepared year-end statements to Lender within 120 days of fiscal year end;
  - c. Furnish additional financial statements or reports whenever Lender requests them;
  - d. Allow Lender or SBA, at Borrower's expense, to:
    - 1) Inspect and audit books, records and papers relating to Borrowers' financial or business condition; and
    - 2) Inspect and appraise any of Borrowers' assets; and
    - 3) Allow all government authorities to furnish reports of examinations, or any records pertaining to Borrowers, upon request by Lender or SBA.
- 3) **Equal Opportunity** - Post SBA Form 722, Equal Opportunity Poster, where it is clearly visible to employees, applicants for employment and the general public.
- 4) **American-made Products** - To the extent feasible, purchase only American-made equipment and products with the proceeds of the Loan.
- 5) **Taxes** - Pay all federal, state, and local taxes, including income, payroll, real estate and sales taxes of the business when they come due.

C. Borrower certifies that it will not, without Lender's prior written consent:

- 1) **Distributions** - Make any distribution of company assets that will adversely affect the financial condition of Borrower.
- 2) **Ownership Changes** - Change the ownership structure or interests in the business during the term of the Loan.
- 3) **Transfer of Assets** - Sell, lease, pledge, encumber (except by purchase money liens on property acquired after the date of the Note), or otherwise dispose of any of Borrower's property or assets, except in the ordinary course of business.

D. Borrower further certifies as follows:

- The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, utility payments and other eligible expenses as specified under the Paycheck Protection Program Rule, as amended; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs and other PPP eligible expenses for the covered period for this loan.
- I understand that loan forgiveness will be provided for the sum of documented payroll costs and other PPP eligible expenses only.
- I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

**IN WITNESS WHEREOF**, the undersigned have executed this Certification as of the date set forth below.

**BORROWER:**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Title)