

An important message to Trek retailers regarding what financial assistance is available to Dealers under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Dear Trek Retailer,

As the COVID-19 pandemic continues to unfold across the country, we want to keep you updated on the situation in the field as we see it.

Trek Financial Services is available to help you navigate the different programs that are being offered. It is important to act quickly and be prepared to provide the necessary information.

CARES ACT SUPPORT FOR SMALL BUSINESS (3/27/2020)

1. What financial assistance is available to Dealers under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)?

There are two SBA programs to assist Dealers, the Paycheck Protection Program and the Emergency Economic Injury Disaster Loan (EIDL):

Paycheck Protection Program

- How Much:** Under the Paycheck Protection Program, SBA will guarantee loans up to 2.5 times of monthly payroll expenses, not to exceed \$10 million.
- Terms:** Payments of principal, interest, and fees will be deferred for at least 6 months, but not more than 1 year. Interest rates are capped at 4%.
- Loan forgiveness:** Use for qualifying expenses. Loan forgiveness for 8 weeks of payroll costs and rent payments, utility payments, or mortgage interest payments. The amount of the forgiveness may be reduced if business lays off workers.

Emergency Economic Injury Disaster Loan (EIDL):

- How Much:** Under the EIDL program, SBA will guarantee loans up to \$2,000,000.
- Terms:** No payments for the first year, up to 30-year amortization. As low as 3.75% interest rate.
- Eligible Expenses:** Funds may be used Accounts Payable, Payroll, Rent, Utilities, & mortgage interest. Funds cannot be used for capital expenditures (i.e. fit outs), or to refinance (pay off) existing dept.
- Loan Forgiveness:** Up to \$10,000 loan advance that does not need to be repaid if used for eligible expenses

2. Who qualifies for SBA CARES Act assistance?

- Most Trek Dealers:** For both programs, U.S. companies with 500 employees or fewer, and sole proprietors.
- How long in Business:** Must have been in business on or before February 15, 2020.
- Credit Qualification:** Borrower credit eligibility requirements apply, in line with SBA's favorable lending standards.

3. How does a business apply?

- Paycheck Protection Program** loans are to be made by SBA-certified lenders. A list of lenders can be found at <https://www.sba.gov/article/2020/mar/02/100-most-active-sba-7a-lenders>
- EIDL assistance:** Businesses are invited to apply for EIDL assistance now at <https://disasterloan.sba.gov/apply-for-disaster-loan/index.html>

4. Where can dealers go with questions?

- Resources:** The best resource, with the most knowledge of the programs facts and benefits will be the Small Business Administration (SBA). They are standing by to answer any questions related to the program, applying for the program, and assisting with technical matters. They are here to help.
- Where to go:** Visit the SBA website <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>
- Who to Call:** Call the SBA hotline 1-800-659-2955, Monday – Sunday, 8am to 8pm.

5. How is Trek Helping?

- Communication:** We are committed to helping our independent dealers navigate these unprecedented times. To that end, we will continue to keep you informed on these and other programs as they develop.
- Support:** Trek is committed to providing the tools necessary to help assess your financial situation. To that end, the Financial Services Department will be providing budgeting and cashflow templates, as well as assisting dealers in utilizing them effectively.
- Navigate:** If we can help assist in you making use of these programs, we are here to help, just call. If we can't help directly, we will direct you to the appropriate resources and organization to best assist.

6. What Documents do I need to gather before applying for Assistance?

1. **Key Company Registration Info:** Legal name, Federal EIN, Trade Name, Business Phone number, & SSN.
2. **Federal Income Tax Returns:** Most recent, complete copies, including all supporting schedules.
3. **Financial Statements:** Prior Year & YTD Profit and Loss statements
4. **Personal Financial Statement:** Summary of personal financial health (income, assets, liabilities, (SBA Form 413)
5. **Schedule of Liabilities:** Listing all fixed debts (SBA Form 2202 may be used)
6. **Monthly Sales Figures for prior 3 years:** Monthly P&L for prior 36 months (January 2017-March 2020).
7. **Financial Forecast:** A financial forecast (P&L) for the remainder of 2020, in the current environment.

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Best Regards

Andy St. Clair



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