

PLAN LOAN RULES

1. The attached documents must be completed by you and forwarded to the Plan Trustee for processing. They are legally binding and should be reviewed by your legal advisor. The loan processing fee is not added to the amount you are borrowing and does not *increase* the amount you must repay to the plan.
2. The term of the loan, including any extensions, may never exceed five years, unless the loan is used to acquire a principal residence.
3. The loan must be repaid on a level basis payable through payroll deduction. You will be provided with an amortization schedule showing the allocation between principal and interest of each periodic payment under the loan.
4. If the Plan provides for a joint and survivor annuity benefit, there must be a guarantee by borrower's spouse of the repayment of this loan. This guarantee must be witnessed by either a Plan Trustee or notary public.
5. The proceeds of the loan should be deposited directly to the borrower's personal checking account and should not be endorsed to any other person or other entity.
6. If there is a default on a loan repayment installment during any calendar quarter, the entire outstanding balance becomes subject to income tax (plus a 10% additional tax on premature distributions, if applicable) if the default is not corrected by the end of the calendar quarter following the calendar quarter when payment ceased.
7. The total of the principal amount of this loan plus the unpaid balances of all other loans made by borrower from the Trust and from any other qualified retirement or pension plan sponsored by the employer may not exceed the lesser of (i) \$50,000, reduced by the highest outstanding balance of loans from the plan during the twelve (12) month period preceding the date of the loan or (ii) the greater of (x) fifty percent (50%) of borrower's vested interest in the Trust or (y) \$10,000. You must post additional collateral if the amount of your loan exceeds the value of your vested account as set forth on your most recent Plan Benefit statement.
8. Interest payments you make on the loan are in most cases not tax deductible. You should consult with your personal tax advisors in connection with the rules.

LOAN APPLICATION - Page 1 of 2

PART I – PARTICIPANT INFORMATION

Plan Name (“Lender”):

Employer/Plan Sponsor Name:

Division/Department:

Participant Name (“Borrower”):

Social Security No.:

Participant Address:

Telephone No.: ()

City:

State:

Zip:

Date of Birth:

Date of Hire:

PART II – PARTICIPANT CERTIFICATION

Requested Amount: I hereby request the following amount regarding this application for a loan:

Specified Amount: \$ _____ **OR** Maximum Amount Permitted by Plan

Note: Generally, the maximum loan amount is the lesser of (i) \$50,000, reduced by your highest outstanding Plan loan balance in the past twelve (12) months, or (ii) the greater of 50% of your vested account balance, or \$10,000.

Loan Security: This loan is secured by my irrevocable assignment of my vested interest in the above-referenced Plan.

Purpose of Loan: This loan will be taken (Please check one):

As a General Purpose Loan (Maximum Term – 5 Years) For the purchase of a Primary Residence (Maximum Term – 15 Years)

Length of Loan Term: Unless otherwise specified below, this loan will be repaid by automatic payroll deduction over the following period:

(Please Check One Only): One (1) Year Two (2) Years Three (3) Years Four (4) Years Five (5) Years

Note: Loans taken from a Qualified Plan may not exceed five (5) years unless taken for the purchase of a primary residence (proof is required).

Loan Interest Rate: One Percent (1%) above the current Prime Rate will be used to determine your new loan interest rate.

Loan Fees: \$100 One-Time Fee at Origination of Loan

\$100 Annual On-going Loan Administration Fee

Participant Marital Status: Married Not Married

If married, the Participant’s Spouse must provide consent to the withdrawal via signature authorization in Part III below.

PART III – SPOUSAL GUARANTEE AND CONSENT (FOR MARRIED PARTICIPANTS)

For value received, the undersigned Spouse of the Borrower hereby consent to this loan and unconditionally guarantees to the Lender (hereafter sometimes referred to as the "TRUST") and its successors and assigns and every subsequent holder of the attached Promissory Note of even date herewith of the Borrower (the "Note"), irrespective of the genuineness, validity, regularity or enforceability thereof, or of the obligation evidenced thereby, and irrespective of any other circumstance, that all sums stated therein to be payable thereunder shall be promptly paid in full when due, in accordance with the provisions thereof, at maturity, by acceleration or otherwise, and in case of extension of time of payment or renewal in whole or in part, all said sums shall be promptly paid when due according to such extension or extensions, renewal or renewals, at maturity, by acceleration or otherwise. The undersigned hereby consents that at any time or from time to time, without notice to the undersigned, payment of any sums payable under the Note may be extended or the Note may be renewed in whole or in part, and that any of the acts mentioned therein may be done, all without affecting the liability of the undersigned. The signature of the undersigned hereto is intended as an endorsement of the Note and a consent to the loan documented in the Note, as well as the execution of the foregoing guarantee by the undersigned, who hereby waives presentment, demand of payment, notice of dishonor, notice of protest, and protest, and all other notices or demands in connection with delivery, acceptance, performance, default, endorsement, or guarantee of this instrument. The undersigned also hereby consents to the retention by the Trustees of the Trust of that amount of any benefit under the Trust to which the undersigned might be entitled (including the amount of any Minimum Survivor Benefits to which the undersigned may be entitled as the surviving spouse of the Borrower, which benefit is hereby waived to the extent necessary to effectuate the above), which amount is not in excess of the unpaid principal and accrued interest on the Note in the event of a default in payment of any installment of principal or interest as and when due thereunder.

Spouse Signature: _____ **Date:** _____

Witnessed by Plan Sponsor or Notary Public: _____ **Date:** _____

PART IV – PARTICIPANT SIGNATURE AUTHORIZATION

I hereby certify that I have read the above and that the statements I have made in this Loan Application Form are true and correct.

Participant Signature: _____ **Date:** _____

NOTE: You must return your completed Loan Application to your Employer/Plan Sponsor for final authorization.

PART V – EMPLOYER/PLAN SPONSOR INFORMATION AND SIGNATURE AUTHORIZATION

The Plan Sponsor/Employer must complete the following before this loan application can be processed.

Loan Repayment Commencement (Payroll) Date: _____

Loan Repayment Frequency:

Weekly Bi-Weekly Semi-Monthly Monthly Quarterly

This Loan Application is: Approved Denied

Employer/Plan Sponsor Authorized Signature: _____ **Date:** _____

IMPORTANT NOTE: This Loan Application will not be processed unless it is completed fully and accurately, has been approved by the Employer/Plan Sponsor, and contains all the required signatures for authorization.

LOAN APPLICATION - Page 2 of 2

PARTICIPANT INFORMATION (Please copy from previous page)

Plan Name ("Lender"):

Employer/Plan Sponsor Name:

Division/Department:

Participant Name ("Borrower"):

Social Security No.:

PART VI – PROMISSORY NOTE

1. For value received the Borrower promises to pay to the order of the Lender, at Lender's Address, or at such other place as may be designated in writing by the holder of this Note, the Principal Loan Amount with interest thereon to be computed from the date hereof at the Interest Rate and to be paid in equal, consecutive installments as designated on the Plan Loan Information Sheet and the Amortization Schedule, both of which are made part hereof, commencing on the Repayment Commencement Date (indicated in Part V above). Each payment shall be applied first to the payment of interest and the balance in reduction of principal.
2. This Note may be prepaid in whole or in part at any time without notice and without premium or penalty.
3. This Note is secured by a collateral assignment of even date herewith by the Borrower to the Lender of so much of the Borrower's interest in the Lender (as represented by the Borrower's account under the Lender Plan) and so much of the monies due or to become due to the Borrower from the Lender as shall equal the unpaid principal and interest under this Note.
4. The Borrower, as well as the endorser, sureties and guarantors of this Note, if any, agree that in the event of a default in the payment of any installment of principal or interest hereunder for a period of ten (10) days, or in the event of the insolvency of or the appointment of an assignee for the benefit of creditors, or of a receiver for the Borrower, or in the event that a petition in bankruptcy shall be filed against the Borrower (and not discharged within sixty (60) days) or by the Borrower, or in the event that the employment of the Borrower with the Employer is terminated for any reason, all unpaid principal and interest under this Note shall, at the option of the Lender, become immediately due without demand for payment thereof and without notice to the undersigned, which demand and notice are hereby expressly waived, together with interest, collection charges, and reasonable attorneys' fees. Collateral to this Note may be changed and increased, or reduced or surrendered at the option of the Lender without notice to any guarantor or endorser hereof.
5. The Borrower, as well as the endorser, sureties, and guarantors of this Note, if any, hereby jointly and severally waive presentment, notice of dishonor, notice of protest, and protest, and all other notices or demands in connection with the delivery, acceptance, performance, default, endorsement, or guaranty of this Note.

Participant Signature: _____

Date: _____

PART VII – COLLATERAL ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers to the Lender (hereafter sometimes referred to as the "Trust") and its successors and assigns so much of the undersigned's right, title and interest in and to the undersigned's interest in the Trust and so much of the moneys or proceeds due or to become due the undersigned under the Trust as shall equal the unpaid principal and interest under that certain Promissory Note of even date herewith from the undersigned to the Trust (the "Note"). The undersigned represents and warrants that the undersigned has not made, except to the Trust, any prior assignment of such vested interest due or to become due the undersigned thereunder. The undersigned hereby irrevocably authorizes and empowers the Trustees of the Trust, for the use and benefit of the Trust, in the undersigned's name or in their own name, to demand, collect and receive any moneys due or to become due the undersigned under the Trust and to execute any or all instruments required to collect and receive such moneys, notwithstanding the death, disability or incompetency of the undersigned, and irrevocably waives any entitlement to Minimum Survivor Benefits under the Trust to the extent required to effectuate the above. This is a collateral assignment securing payment of the Note.

Participant Signature: _____

Date: _____

PART VIII- AUTOMATIC PAYROLL DEDUCTION AUTHORIZATION BY PARTICIPANT

I hereby authorize the my Employer/Plan Sponsor to withhold from my paycheck the amount of the periodic repayment installment as indicated on the loan amortization schedule, commencing on the "Repayment Commencement Date" (Part V, above) and from each paycheck thereafter until the outstanding balance (unpaid principal and accrued interest) of the attached Promissory Note of even date herewith (the "Note") is repaid in full. All amounts withheld shall be deposited into the Lender Plan and Trust in repayment of my participant loan.

Participant Signature: _____

Date: _____

PART IX – EMPLOYER/PLAN SPONSOR ACKNOWLEDGEMENT AND AUTHORIZATION

The Employer/Plan Sponsor, acknowledges the consent granted by the participant's signature authorization of the Promissory Note, Collateral Assignment and Payroll Deduction Authorization heretofore contained and set forth in this Loan Application.

Employer/Plan Sponsor Authorized Signature: _____

Date: _____

IMPORTANT NOTE: This Loan Application will not be processed unless it is completed fully and accurately, has been approved by the Employer/Plan Sponsor, and contains all the required signatures for authorization.