PARTICIPANT LOAN RULES AND PROOF

The Board of Trustees of the Local Union No. 9, I.B.E.W. and Outside Contractors Defined Contribution Plan has extended the Loan Program through December 31, 2013.

PARTICIPANT LOAN CONDITIONS AND LIMITATIONS

In addition to the rules and regulations adopted by the Board of Trustees, all loans must comply with the following conditions and limitations.

- **Eligibility.** Any participant with an account balance in the Plan may apply for a loan. Participant Loans are not available to Beneficiaries or former Participants. By applying, you are certifying that the loan is for your immediate and financial need in accordance with Plan provisions.

- **Duration.** Participant Loans are available beginning 12:01 a.m., May 4, 2009 through 11:59 p.m., December 31, 2013, unless the Board of Trustees extends the duration of the loan availability.

- **Participant Loan Request.** You must submit a completed Participant Loan Application to the Loan Administrator. The Loan Administrator will review and verify your application (and supporting documentation) and make a decision.

- **Maximum Loan Amount(s).** The maximum principal amount in total of any or all loans must be the lesser of 50% of the vested balance in your Participant Account as of the date the loan is approved or $50,000.

- **Minimum Loan Amount.** The minimum principal amount for any loan is $1,000, and more than one loan may be outstanding at any time. However, if you have a loan in default (see Default on Loan on back) you are not allowed any additional loans until the defaulted loan is repaid in full.

- **Reason for Loan and Proof.** You are permitted to take a loan in an amount necessary to satisfy an immediate and financial need due to one or more of the reasons listed below. **You must provide evidence documenting the need for the amount you are requesting,** as required by the Board of Trustees or Loan Administrator.
  - Medical care expenses (already incurred or necessary in the future) for you, your spouse or dependent(s) including expenses for the diagnosis, cure, mitigation, treatment or prevention of disease, as well as for transportation primarily for and essential to this medical care. The Loan Administrator may require documentation including but not limited to medical provider invoices or other written confirmation provided by the medical provider directly to the Loan Administrator.
  - Payment to prevent eviction from or foreclosure on the mortgage of your principal residence. The Loan Administrator may require documentation including but not limited to a filed eviction complaint or a foreclosure notice from a mortgage holder.

- **Repayment Period.** The repayment period of any loan cannot exceed five years. The repayment schedule must be in one-month increments.

- **Repayment Method.** You must repay your loan in equal monthly installments, either by remitting a check to the Plan Administrator or through automatic deductions from a savings or checking account. Loan repayments are made in after-tax dollars. Partial pre-payment of your outstanding balance is permitted; however, all additional payments will be split equally between principal and interest.

- **Repayment in Full.** You may pay off the entire balance of your loan at any time without penalty or service fee. The amount to pay in full will include the principal due on your outstanding loan amount, less interest. Contact the Fund Office for details on how to fully repay your outstanding balance early.

- **Timing of Repayment.** If you do not elect automatic payments, you will not receive a payment booklet or monthly invoice; you must make your monthly payments according to the loan amortization schedule and on or before each monthly due date specified by the Promissory Note.

- **Loan Agreement.** Your loan will be documented as required by the Board of Trustees or Loan Administrator. This documentation may include, but is not limited to, a promissory note. You must sign this documentation as proof of your consent to the Loan Agreement.

- **Plan Accounting.** The distribution of the proceeds of a loan will be charged solely against your Participant Account, and all repayments of principal and interest will be credited solely to your Participant Account according to Plan requirements. The unpaid principal balance of a loan will be reflected as a receivable for your Participant Account. An initiation fee of $30 per loan will be charged against the vested balance in your Participant Account at the time you take your loan. Additionally, a maintenance fee of $5 will be deducted from your vested balance each quarter.

OVER, PLEASE
PARTICIPANT LOAN CONDITIONS AND LIMITATIONS, CONTINUED

- **Interest Rate.** As determined by the Board of Trustees, each loan will bear a fixed interest rate equal to the prime rate being charged by a financial institution designated by the Board of Trustees as of the date of the loan and designated by the Board of Trustees, plus 1% approximately. The Board of Trustees reserves the right to modify the interest rate at any time.

- **Security.** Each loan will be secured by your vested Participant Account balance, not to exceed the amount of your loan. No other security will be required or accepted.

- **Approval or Denial.** Your loan application and accompanying documentation will be reviewed and verified by the Loan Administrator, and may be approved only to the extent that the request complies with the requirements of the Plan. If your loan application is denied, the Loan Administrator will inform you of the reason(s) for the denial, with specific reference to the requirements of the Plan upon which the denial was based. If you are denied a loan, you may file a written appeal with the Board of Trustees no later than 60 days after you receive the denial.

- **Spousal Consent.** Because the Plan requires distribution in the form of annuities unless waived by you, spousal consent for a loan is required. Any consent required under this provision will be valid only with respect to the spouse who signs it and once given, will remain irrevocable after the date of the loan. If you cannot obtain the required spousal consent, consent will be considered valid if it is established to the satisfaction of the Board of Trustees or Plan Administrator that consent cannot be obtained because:
  - There is no spouse;
  - Your spouse cannot be located;
  - Your spouse is considered incompetent (in which case, your spouses’ guardian must provide consent); or
  - Unless otherwise required by a qualified domestic relations order (QDRO), you are legally separated or have been abandoned (as defined by local law) and you have a court order to this effect.

PROMISSORY NOTE AND SECURITY AGREEMENT

Once your loan request has been approved, you will receive a Promissory Note and Truth-in-Lending Statement showing the principal amount of your loan, the interest rate, and your payment schedule. If you agree to the terms, you must sign and return the originals to the Fund Office so your loan can be processed (keep copies for your records). If you cash and deposit the check for your loan upon receipt, or if you have requested that the loan proceeds be deposited directly into your bank account, you are agreeing to repay the loan according to the terms of this notice, your Promissory Note, and Truth-in-Lending Statement. Together, your endorsed or negotiated loan check (or your request to have the loan proceeds direct-deposited into your bank account), signed Promissory Note, and signed Truth-in-Lending Statement constitute proof of your consent to obtain and repay your loan.

Your Promissory Note and Truth-in-Lending Statement are your permanent records of the terms of your loan. Keep them with your financial records. Your regular Participant statement from the Fund Office will show how much you have repaid on a loan, and your quarterly statements from Comerica Bank will show how it has been reinvested (repayment monies will be invested according to investment directions you have established and cannot be different from those investment directions for regular employer contributions).

DEFAULT ON LOAN

Your loan will be considered in default if you fail to make a missed loan payment before the cure period, which is the last day of the calendar quarter following the calendar quarter in which you failed to pay. If you fail to make a timely payment, the Loan Administrator will send you a notice to make a payment to correct the delinquency within the cure period. If you fail to correct the delinquency, the loan will be in default and the Plan will foreclose on your benefit(s) securing the loan as follows:

- If at the end of the cure period you are entitled to a distribution from the Plan because of leaving the trade (as defined by the Plan), the unpaid balance of principal and interest of the defaulted loan will be offset against your benefit(s) and will constitute a distribution.

- If at the end of the cure period you have not incurred a distribution event, then the offset procedure described above will not be instituted and no further action will be taken until you leave the trade, die, or have any other distributable event under the terms of the Plan. At that time, your Participant Account will be offset and foreclosure of the loans will be considered complete.

- If your loan fails to meet the requirements specified by IRC Section 72(p), then the outstanding balance of the loan will be considered a taxable distribution. This normally will occur when you do not repay a loan according to the loan agreement terms and it is not possible to foreclose on the security as described above. If this occurs, then immediately following the end of the cure period, the outstanding balance of the loan will be taxable as if it had been distributed, and you will be issued a Form 1099-R.

- If you leave the trade, you will be given the opportunity to continue repaying the loan. However, if you elect to receive a distribution of your Participant Account, then the loan will be in default and you must repay the outstanding amount in full before any distribution is made. The loan, including interest, will be offset against the distribution.

- You may not take a loan if any prior loan is in default until the defaulted loan, including any accrued interest, is repaid in full.
PARTICIPANT LOAN APPLICATION

Please print using blue or black ink and return the original form completed and signed to the address above (faxes are not accepted) with any necessary documentation. If you are not in default, you may have more than one loan outstanding at a time. If approved, your loan will be processed as soon as administratively possible. A nonrefundable initiation fee of $30 per loan will be deducted from your vested Participant Account balance if your loan is approved. In addition, a maintenance fee of $5 will be deducted from your vested Participant Account balance each quarter.

PARTICIPANT INFORMATION

Participant’s Name: ____________________________

Last
First
Middle

Address: ____________________________

Street Address
City
State
Zip Code

Social Security #: ____________________________
Current Employer: ____________________________

Home Phone: ____________________________

Date of Birth: ____________________________

Email (optional): ____________________________
Cell Phone: ____________________________

AMOUNT OF PARTICIPANT LOAN

Please enter the loan amount you are requesting below (minimum of $1,000). The total of any loan or all loans cannot exceed the lesser of 50% of the vested balance in your Participant Account as of the date this loan is approved or $50,000. Carefully read the Participant Loan Rules and Proof for terms and conditions.

Specific dollar amount requested: $____________ (must be at least $1,000).

Payments must be made at least monthly. Number of years of monthly payments requested: _____ (cannot exceed 5 years).

REASON FOR PARTICIPANT LOAN

You may request a participant loan only for one of the reasons listed below. Please check the applicable reason. The Loan Administrator may ask you to submit documents to support the need and reason for this loan.

☐ Medical care expenses (already incurred or necessary in the future) for you, your spouse or dependent(s), including expenses for the diagnosis, cure, mitigation, treatment or prevention of disease, as well as for transportation primarily for and essential to this medical care.

☐ Payment to prevent eviction from, or foreclosure on the mortgage of, your principal residence.

MARITAL STATUS

I certify that I am (choose one from the following):

☐ Not Married (for example: never married, currently divorced; or widowed)

☐ Married (If checked, your spouse must complete the Spousal Waiver on the other side)

OVER, PLEASE

Your Funds. Your Foundation. Your Future.
LOCAL UNION NO. 9, IBEW AND OUTSIDE CONTRACTORS
DEFINED CONTRIBUTION PENSION FUND

PARTICIPANT AUTHORIZATION

I have read and understand this Participant Loan Application and the Participant Loan Rules and Proof (Notice 1L) provided with this form for the Local Union No. 9, I.B.E.W. and Outside Contractors Defined Contribution Pension Plan. I verify the reason for the loan selected above is valid and that the amount requested does not exceed the amount required to address my immediate and heavy financial needs. I understand I have the right to receive my benefits under the Plan as a qualified joint and survivor annuity if I am married and, therefore, my spouse must consent to this loan. If my loan is approved, I agree to repay the amount according to the repayment terms that will be specified in my Promissory Note and Truth-in-Lending Statement.

Participant’s Signature: __________________________________________ Date: ______________________

State of: ____________________________________________________ County of: ______________________

On the _______ day of __________________________, before me came __________________________ to me known and known by me to be the person described herein and who executed the foregoing statement and duly acknowledged to me that they executed the same.

Notary Public’s Signature: ______________________________________ Date: ______________________
(Seal)

SPOUSAL CONSENT

Your spouse must complete this section if you are married. If not signed in the presence of a Plan Representative, your spouse’s signature must be notarized.

I hereby certify that I am the spouse of the Participant whose signature appears on the front of this form. I understand that the Plan will pay my spouse’s retirement benefits in the qualified joint and survivor annuity payment form, and I must consent to my spouse’s request for a Participant Loan from the Plan. I understand that if the loan is not repaid for any reason that I may receive less money than I would have received under the qualified joint and survivor annuity payment form. I understand that I do not have to sign this Spousal Consent, and that I am signing this voluntarily. I further understand that this election is irrevocable.

Spouse’s Signature: __________________________________________

State of: ____________________________________________________ County of: ______________________

On the _______ day of __________________________, before me came __________________________ to me known and known by me to be the person described herein and who executed the foregoing statement and duly acknowledged to me that they executed the same.

Notary Public’s Signature: ______________________________________ Date: ______________________
(Seal)

LOAN APPROVAL

Approved amount __________________________________________ Denial reason ______________________________________
Approved by signature ______________________________________ Denied by signature ______________________________________
Approval date __________________________________________ Denial date ______________________________________

Your Funds. Your Foundation. Your Future.
**DIRECT WITHDRAWAL FOR MONTHLY LOAN REPAYMENT AUTHORIZATION**

You may use a savings or checking account to have your monthly Participant Loan payments automatically deducted from your financial institution. Fill in the necessary information below and return the completed form to the Fund Office. *Please note: If you will be using a checking account to make your automatic payments, you must attach a voided check or deposit slip with this form; failure to do so will disqualify you for automatic payments.*

Please print or type.

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<thead>
<tr>
<th>PARTICIPANT INFORMATION</th>
<th>BANK INFORMATION</th>
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<tbody>
<tr>
<td>Participant’s Full Name</td>
<td>Bank Name</td>
</tr>
<tr>
<td>Social Security #</td>
<td>Bank Telephone #</td>
</tr>
<tr>
<td>Home Street Address</td>
<td>Branch Street Address</td>
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<tr>
<td>City</td>
<td>State</td>
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☐ (check here if address above is different from address on file at Fund Office or Bank)

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<thead>
<tr>
<th>Nine-digit ABA Transit Routing #</th>
<th>Type of account:</th>
<th>Checking</th>
<th>Savings</th>
</tr>
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<tr>
<th>Home Telephone #</th>
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<table>
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<tr>
<th>Account # (found after routing number)</th>
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**AUTHORIZATION**

I authorize the Plan to withdraw my monthly loan payment from the bank account designated above. This authorization will remain in effect until I provide written notice to terminate it or until the time the loan is paid in full.

I understand that any automatic payments rejected by my bank will result in the termination of automatic payments for this and any other loans under the Plan that I may have in effect. I understand that payments will then need to be made by personal check, money order, or cashier/bank/certified check. I understand that if the Plan is unsuccessful in obtaining the required amount, I will be contacted to make up any missed payments. I also understand that if I fail to make any payments for a period of 90 days, the loan will be subject to automatic default and will be treated as a taxable distribution. In the event that I am under age 59½, an additional 10% penalty may apply.

I understand that I must give advance notice to allow reasonable time for my instructions to be executed and that I am responsible for notifying the Fund Office of a change in bank account information.

The debit will be processed on the 28th day of each month. The amount debited each month is your monthly loan payment.

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<th>Participant’s Signature</th>
<th>Date</th>
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</table>

Return this form to: IBEW Local 9 Defined Contribution Pension Fund
Attention: Loan Administrator
One Westbrook Corporate Center, Ste 430
Westchester, IL 60154-5701