



Participant Loan Agreement

The Contractors Plan loan program allows you to access amounts from your qualified retirement plan account and have been approved to borrow under the rules of the participant loan program. This Participant Loan Agreement (**Agreement**) contains the terms and conditions that govern access to your Loan Account (as defined below) and explains how it operates.

In this Agreement, certain terms have specific meanings. The word **Plan** means The Contractors Plan that approved your Loan Account according to the Plan's written loan program guidelines (**Guidelines**). The word **Plan Account** means your individual account within your Plan. The term **Loan Account** means the loan line established for you pursuant to the terms of your Plan, which can be accessed by requesting a check or other form of payment available from The Contractors Plan. The term **Loan Account Fund** means the money market mutual fund, an FDIC-insured deposit account or similar cash management vehicle selected by your Plan into which a portion of your vested Plan balance (**Plan Balance**) has been transferred in connection with your Loan Account. Other specific terms are defined elsewhere in this agreement and will be noted in **bold** type. Please contact The Contractors Plan to obtain a copy of your Plan's Guidelines and more information about the Loan Account Fund selected by your Plan.

This Agreement contains important information and disclosures regarding your loan from your Plan through the Contractors Plan Loan Program. Your Plan permits you to borrow money from your Plan Account balance, subject to the Plan's Guidelines and applicable laws and regulations (**Applicable Law**). By deciding to apply for a loan from your Plan through the use of the Contractors Plan Loan Program, you agree to the terms and conditions contained in this Agreement. You also will be provided with a Loan Fees and Other Disclosures document which will set out any specific disclosures relating to your Loan Account, including the details of fees and charges.

The Loan Account Program

You have requested that your Plan establish a loan line to enable you to borrow from your Plan Account subject to your obligation to repay the amount you borrow plus interest to your Plan Account. Your Plan will transfer the amount you have requested, and have been approved to borrow, to your Loan Account in accordance with your Plan's Guidelines. Amounts in your Loan Account will be invested in the Loan Account Fund and will continue to be considered part of your Plan Balance until withdrawn by you.

You will receive a payment from The Contractors Plan in the form of a check or via direct deposit. The amount withdrawn by you will be considered a loan from your Plan Account, and you will be obligated to repay that amount plus interest to your Loan Account and to pay applicable fees. Each time you make a payment toward the outstanding loan balance, an amount equal to your payment (including interest), less all applicable charges and fees, will be deposited into your Loan Account and invested in the Loan Account Fund. In other words, you are repaying your retirement account for the loans made to you plus interest. You will receive monthly billing statements for your Loan Account that will detail loan advances, the applicable interest rate and amount of accrued interest, loan fees, and any loan repayments you make to your retirement fund.

If required by your Plan, your spouse must consent in writing to your participation in the Contractors Plan Loan Program by completing a spousal consent form and submitting it to the Plan Administrator. The spousal consent form must be witnessed by a notary public.

General Terms

1. Your Loan Line Limit

- (a) Your **Loan Line Limit** is determined by your Plan and approved by your Plan Administrator according to your Plan's Guidelines. The **Loan Line** represents the maximum total aggregate amount you are permitted to borrow against your Plan at any one time through your Loan Account.
- (b) You may access your Loan Account by requesting a payment from The Contractors Plan. You may access your Loan Account up to the lesser of (i) your Loan Line Limit or (ii) the IRS Limit. For example, after you have opened your Loan Account, if distributions, investment performance or other loans cause your Loan Account allocation to exceed the IRS Limit, you will not be permitted to access any portion of your Available Loan Line that would cause you to exceed the IRS Limit.
- (c) Whenever you access your Loan Account, the amount of funds available for you to borrow from your Loan Account (the **Available Loan Line**) will decrease by that amount. Whenever you repay all or any portion of your outstanding loan balance, your Available Loan Line will increase by the amount of the repayment less interest and any applicable fees. Your Available Loan Line as of the end of a monthly billing cycle will be stated on the billing statement for that monthly billing cycle.
- (d) You agree not to exceed your Available Loan Line. The Contractors Plan reserves the right to not process any request that would result in you exceeding your Available Loan Line. You understand and agree that Contractors Plan will not be liable if Contractors Plan declines to process any transaction that would result in you exceeding your Available Loan Line.

- (e) Your Loan Line and/or Available Loan Line may be reduced at any time and from time to time to ensure compliance with the terms of your Plan, Plan Guidelines and Applicable Laws, which generally limit maximum loan amounts to a percentage of your vested Plan Balance, subject to an overall maximum dollar amount (see below).
- (f) The maximum amount you may borrow from your Plan (when added to the outstanding balance of all other loans from the Plan) will be the lesser of (i) \$50,000 (reduced by the excess of the highest outstanding balance on any of your other loans from the Plan during the one-year period ending on the day before such loan is made over the outstanding balance on any such loans on the date such loan is made) or (ii) 50% of your vested Plan account balance (**the IRS Limit**). No Plan loan may be made from your Loan Account to the extent that (i) the amount of the loan would exceed the IRS Limit or (ii) the loan would cause you to exceed your Loan Line.
- (g) You understand and agree that your Plan will have a security interest in your Plan account balance as security for loans made from your Loan Account.
- (h) You authorize the amount you allocated to your Loan Account to be taken from your other Plan investments.

2. Your Loan Account Fund; Your Payments

- (a) Upon approval of your request for a loan line by your Plan Administrator, the Plan will transfer an amount equal to your approved Loan Line from your Plan investments into your Loan Account. Your Loan Account will be invested in the Loan Account Fund and continue to be considered part of your Plan Balance until withdrawn.
- (b) Each time you make a payment toward the outstanding balance on your Loan Account, an amount equal to your payment, less all applicable charges and fees (as described in Sections 7 and 8 below), will be deposited to your Loan Account and invested in the Loan Account Fund. The amount of your payment, after subtraction of all applicable charges and fees, will generally include a principal portion and an interest portion. The principal portion of your deposited payments will remain in your Loan Account and may increase your Available Loan Line. The Interest Rate portion of your payments, plus any dividends and/or interest earned on your investment in the Loan Account Fund, will be transferred periodically from your Loan Account into your other Plan investments.
- (c) At Contractors Plan option, and to ensure compliance with the terms of your Plan, your Plan's Guidelines and Applicable Law, Contractors Plan may, following Contractors Plan receipt and posting of a payment to your Loan Account, place a hold for up to seven (7) days on a portion of your Available Loan Line up to the amount of the payment.
- (d) Contractors Plan reserves the right to place a hold on your Loan Account for any reason, including, but not limited to, the following: (i) a previous payment on your Loan Account was returned for insufficient funds; (ii) your Loan Account is delinquent or is in default; or (iii) Contractors Plan has reason to believe that the payment is fraudulent or that there is or has been unauthorized access to or use of your Loan Account.
- (d) At Contractors Plan option, Contractors Plan may return a payment that exceeds your outstanding balance from your Loan Account (plus any applicable fees). If Contractors Plan accepts such a payment Contractors Plan will refund the excess amount directly to you. In no event will any excess amount be deposited to your Loan Account or applied to increase your Loan Line or Available Loan Line.

3. Acceptance of Agreement

By applying for, activating or using your Loan Account, or receiving a payment from the Loan Line from The Contractors Plan, you accept and agree to be bound by all applicable terms and conditions of this Agreement.

4. Access to Your Loan Line

- (a) Loan advances are referred to as **Transactions** in this Agreement.
- (b) You may request a payment by check (or other means as approved by the Recordkeeper) to access your Loan Line.
- (c) You will promptly provide notice to Contractors Plan and your Plan Administrator if you change your mailing address, email address, or other contact information. All written notices and monthly billing statements will be considered delivered to you when placed in the U.S. mail and addressed to you at your most recent address, or, if you are enrolled in e-delivery, sent via email to your most recent email address as it appears in Contractors Plan records.

5. Promise to Pay

You promise to pay the principal of all Transactions on your Loan Account, plus interest and finance charges on those amounts, and all other applicable charges and fees you incur in accordance with the terms of this Agreement. You acknowledge and agree that any Transaction by you is valid, regardless of the purpose of the Transaction.

6. Monthly Billing Statements and Minimum Payments

- (a) A monthly billing statement will be sent to you for each monthly billing cycle during which: (i) you make any Transactions or incur any fees or other charges, or (ii) your Loan Account has an outstanding balance on the final day of the monthly billing cycle (the **Closing Date**).
- (b) Your monthly billing statement will be sent to you by regular U.S. mail to your most recent address as it appears in Contractors Plan records or, if you are enrolled in e-delivery, by email to your most recent email address as it appears in Contractors Plan records. You may also access your monthly billing statement by logging in to your account at www.contractorsplan.com.
- (c) You must pay the **Minimum Payment** shown on your monthly billing statement on or before the **Payment Due Date** shown. The Payment Due Date will be at least twenty-five (25) days after the Closing Date. The Minimum Payment is determined as provided in this paragraph. On any day that you make a Transaction on your Loan Account, the total aggregate amount of that day's Transactions will constitute a separate **Loan**. Each billing cycle, a separate monthly payment amount is calculated for each outstanding Loan initiated during that billing cycle. This separate monthly payment amount remains the same for the duration of the Loan and is based on the amortization of the original principal amount of the Loan at the applicable rate (**Rate**) (described below) over the scheduled term of the Loan (**Term**). For each Loan, the Term begins on the Closing Date for the monthly billing cycle during which the individual Loan is initiated and ends up to sixty (60) months later. The specific term of the Loan is disclosed to you at the time you apply for your Loan Account by your Plan Administrator. The monthly payment for your Loan is calculated so that the original principal balance of the Loan, together with periodic Finance Charges at the applicable Rate, will be fully paid within the Term of the Loan. Each billing cycle, the separate monthly payment amounts for all outstanding Loans are added together. The Minimum Payment due each billing cycle will be the greater of: (i) the sum of the separate monthly payment amounts for all outstanding Loans, plus any amount past due, plus any amount in excess of your Available Loan Line or Loan Line, plus any other charges or fees incurred, rounded up to the nearest whole dollar, or (ii) \$10. If the entire amount you owe, which is identified on your monthly billing statement as the **New Balance**, is less than \$10, you must pay the entire New Balance. If not sooner paid, the entire outstanding principal balance of the Loan, together with all unpaid periodic Finance Charges and all other unpaid fees and charges due under this Agreement, will be due and payable in full on the last day of the Term of the Loan.
- (d) You will be required to pay any amount that you owe in excess of your Available Loan Line or Loan Line immediately upon Contractors Plan's request. Your failure to do so may constitute an event of default under Section 9 of this Agreement.
- (e) You may prepay all or any portion of the amounts you owe at any time without penalty. Any payment you make in excess of the Minimum Payment due for a billing cycle will not affect your obligation to pay the Minimum Payments due in subsequent monthly billing cycles, calculated in accordance with this Agreement, while any balances are outstanding. The principal portion of your payment will be returned to your Loan Account and be invested in the Loan Account Fund. The Interest Rate portion of your payment, along with any earnings on the unused portion of your loan line invested in the Loan Account Fund, will be returned to your Plan investments periodically.
- (f) You agree that Contractors Plan may accept partial payments of amounts due or late payments without waiving any of the rights of Contractors Plan under this Agreement or Applicable Law. You also agree that any check, money order or other payment instrument: (i) marked "payment in full" or "accord and satisfaction" or otherwise purporting to be in full satisfaction of your outstanding indebtedness, (ii) with restrictive endorsements, front or back, of any kind, or (iii) sent to Contractors Plan accompanied by, or pursuant to, correspondence or other form of notification that attempts to qualify, alter, or restrict the conditions of negotiability of the payment instrument, or that attempts to alter the terms or conditions of this Agreement or restrict or alter the Plan's or Contractors Plan's rights or remedies under this Agreement or Applicable Law, may be accepted or rejected by Contractors Plan without resulting in the acceptance of any such condition or the waiver of any of the Plan's or Contractors Plan's rights under this Agreement or Applicable Law.
- (g) Payments on your Loan Account will be applied first to any amount in excess of your Available Loan Line and Loan Line, next to Other Charges/Fees incurred during the billing cycle (in chronological order based on the date of assessment), next to Finance Charges (first to those on the earliest loan, and then to those on subsequent loans in chronological order), and finally to the outstanding balance of principal on each Loan (first to the earliest Loan, and then to subsequent Loans in chronological order). Subject to Applicable Law and the terms of your Plan, Contractors Plan reserves the right to change the order in which Contractors Plan apply payments at any time with sixty (60) days' prior written notice to you to provide an opportunity to close your Loan Account prior to the implementation of any such change.
- (h) Contractors Plan reserves the right to place a hold on your Available Loan Line in an amount equal to the amount of **Other Charges/Fees** (as described below) that you incur during a monthly billing cycle. The amount of the Other Charges/Fees that you incur during a monthly billing cycle will be listed on your monthly billing statement and will be included in the Minimum Payment for the monthly billing cycle. The hold will remain in effect until you have paid the Other Charges/Fees incurred during the monthly billing cycle. The hold will not reduce your Loan Line, but you will not be permitted to access the portion of your Available Loan Line subject to the hold until you have paid such Other Charges/Fees.
- (i) If permitted by your Plan, your loan repayments may be suspended for up to one year during which you are on a bona fide leave of absence, either without pay from your employer or at a rate of pay that, after applicable employment tax withholdings, is less than the amount of the monthly payment amount required with regard to your outstanding Loan(s). During the period of your leave of absence, the applicable Interest will continue to accrue for your outstanding Loan(s). Your Loan(s), including Interest and any fees or expenses that accrue during your leave of absence, must be repaid by the end of the original Term of the Loan(s), which may result in an increase in the monthly payment amount applicable to the Loan(s) when your loan repayments resume.
- (j) If permitted by your Plan, your Loan repayments may be suspended for any part of a period during which you are performing service in the uniformed armed services (in accordance with Applicable Law). You will not be permitted to access your Available Loan Line during the period in which your repayments are suspended. During the period of any such military service, the lesser of (1) the applicable Interest or (2) the rate of six percent (6%) compounded annually (as required by Applicable Law), will continue to accrue for your outstanding Loan(s). You will not incur a Service Charge during any such military service.

Your Loan repayments must resume upon the completion of such period of military service. The Term of your Loan(s) will be extended by the period of such a suspension in repayments, and your Loan(s), including Interest that accrues during such suspension, must be repaid by the end of the new Term of the Loan(s), which may result in an increase in the monthly payment amount applicable to the Loan(s) when your loan repayments resume.

7. Finance Charge

Participants will incur a Finance Charge for each Loan. Periodic **Finance Charges** on each Loan are determined by applying the Rate described below to the outstanding principal balance of the Loan. The periodic Finance Charges on the Loan begin to accrue on the date each Transaction constituting the Loan is posted to your Loan Account (the **Posting Date**) and continue to accrue until the principal balance of the Loan is paid in full.

- (a) **Rate:** The Rate is a percentage rate that includes two components: (i) the interest rate that is applicable to the Loan (**Interest Rate**), and (ii) the service charge rate that is applicable to the Loan (**Service Charge Rate**). The portion of the periodic Finance Charges that result from the application of the Interest Rate to the outstanding principal balance of the Loan is the Interest you will pay on a Loan (**Interest**). The portion of the periodic Finance Charges that result from the application of the Service Charge Rate to the outstanding principal balance of the Loan is the Service Charge you will pay on a Loan (**Finance Charge**) to administer the Loan Account.
 - (i) **Interest** - The Interest portion of each monthly payment will be deposited to your Loan Account and invested in the Loan Account Fund, and will be transferred from your Loan Account to your other Plan investments.
 - (ii) **Service Charge** - The Service Charge portion of each monthly payment will be paid for services provided in connection with the ongoing administration of your Loan Account. The Service Charge will not be deposited to your Loan Account, will not be invested in the Loan Account Fund and will not be transferred to your Plan investments.
- (b) **Interest Rate:** The Interest Rate applicable to a Loan will be the highest prime rate published in the "Money Rates" section of the *Wall Street Journal* on the last business day of the calendar month prior to the commencement of the billing cycle in which the Loan was initiated. If the *Wall Street Journal* is not published on the last business day of a given month, Contractors Plan will use the highest prime rate published in the "Money Rates" section of the *Wall Street Journal* on the next prior publication day. All Loans incurred in the same billing cycle will be subject to the same Interest Rate. Because the prime rate may change from month to month, the Interest Rate applicable to a Loan initiated in one billing cycle may be greater or less than the Interest Rate applicable to another Loan initiated in a different billing cycle. Changes to the Interest Rate after a Loan has been initiated will apply only to new Loans. The Interest Rate in effect for the billing cycle in which a Loan was initiated is a fixed rate and will remain in effect for the entire Term of that specific Loan.
- (c) **Service Charge Rate:** The Service Charge Rate is a fixed rate is 2.9% to administer the Loan Account. The Service Charge Rate in effect for the billing cycle in which a Loan was initiated is a fixed rate and will remain in effect for the entire Term of that specific Loan. Any increase or decrease in the Service Charge Rate will only apply to new Loans initiated after any change in the Service Charge Rate is effective.
- (d) **Determination of the Rate:** The Rate applicable to a Loan is determined by adding the applicable Interest Rate to the applicable Service Charge Rate. The Rate applicable to a Loan is a fixed rate and will remain in effect for the entire Term of the Loan. The Rate is disclosed to you at the time you apply for your Loan Account.
- (e) **Outstanding Principal Balance of Loan:** The outstanding principal balance of the Loan is calculated in the following manner. On each day that Transaction(s) that you have made using a check or other form of payment issued by Plan are posted to your Loan Account, the amount of Transaction(s) for that day will be added together and will constitute the outstanding principal balance for the separate Loan. The periodic Finance Charges are then calculated for each such Loan separately, in accordance with the method described below.
- (f) **Determination of Finance Charges:** The periodic Finance Charges are calculated separately for each Loan by applying the Rate to the outstanding principal balance of that Loan over the applicable Term of that Loan. The amortization schedule for a Loan will identify the portion of each monthly payment that consists of Interest, Service Charge, and principal repayment. To obtain the amortization schedule applicable to a Loan, please visit www.contractorsplan.com.
- (g) **Statements:** The initial Loan balance for each Loan initiated in a billing cycle will appear on your monthly billing statement for that billing cycle as the outstanding principal balance of the Loan. Your monthly billing statement will identify the outstanding principal balance of each Loan (including for Loans initiated in previous billing cycles) as well as the corresponding Rate.

8. Other Charges/Fees; Tax Results

- (a) **Other Charges and Fees:** There are other charges and fees that may apply explained in the "Loan Fees and Other Disclosures" document. You should review the document carefully.
- (b) **Tax Liability:** You acknowledge that no representations have been made to you as to any tax liability from your decision to participate in the Contractors Plan Loan Program. You acknowledge that any amount of principal and/or interest that is not paid as agreed, may be treated as a deemed distribution subject to income taxes and penalties, if applicable. You agree to be solely responsible for any such tax liability and tax penalties assessed.

9. Default

- (a) The following may constitute events of default on your Loan Account: (i) you fail to pay any monthly Minimum Payment due or any other obligation on or before the Payment Due Date, (ii) you exceed your Available Loan Line or Loan Line, (iii) you die, (iv) you provide Contractors Plan or your Plan with false information or signatures at any time, (v) you fail to keep any promise or perform any duty in this Agreement or any other loan agreement with your Plan,

- (b) Subject to Applicable Law, if any event of default occurs, (i) the entire unpaid balance of your Loan Account may be declared due and payable in full, (ii) the entire unpaid balance of your Loan Account may be declared a deemed distribution under your Plan's Guidelines, (iii) your Available Loan Line and/or Loan Line may be decreased, , or (iv) your Loan Account may be cancelled immediately without prior notice to or demand upon you. You may receive delinquency letters from Contractors Plan notifying you of any missed payments and the possibility of default if such amounts are not paid. Once your Loan Account is deemed to be in default, you may not receive a notice from your Plan Administrator demanding payment of the default amount. You hereby waive any right of prior notice and demand in the event of default under this Agreement. If your Loan Account is cancelled, any obligation to extend further Loan Account access to you shall cease. Your obligation to pay any unpaid balance on your Loan Account and corresponding finance charges and other charges or fees, as determined under this Agreement, shall continue if your Loan Account is cancelled.
- (c) Any Loan made to you shall be a valid and binding obligation of yours or your estate's, even if the Loan is posted after your death or incapacity.
- (d) You agree to pay all actual costs of collection, including reasonable court costs and attorneys' fees, to the extent permitted by Applicable Law.
- (e) You agree and understand that a default on your Loan Account will result in the outstanding balance being declared a retirement plan distribution by the IRS and therefore may be subject to income taxes and penalties. In addition, default will also reduce your benefits at retirement. Contractors Plan reserves the right, subject to the terms of your Plan, your Plan's Guidelines, and Applicable Law, to deduct outstanding Finance Charges or other charges and fees from any remaining Available Loan Line prior to a loan in default being declared a retirement plan distribution.

10. Closing or Modifying Account; Termination of Account or Services

- (a) You may close your Loan Account at any time without any penalty or fee by writing to Contractors Plan at the address or calling Contractors Plan at the telephone number shown on your monthly billing statement or through the Contractors Plan website. If you close your Loan Account, you will be required to continue to make your regularly scheduled monthly payments until the entire unpaid balance of your Loan Account is repaid. You may pay all of the amounts you owe at any time without penalty. During this repayment period, you are still subject to the events of default as specified in this Agreement. As repayments are made, the principal and interest rate portion will be returned to your other Plan investments according to your Plan's Guidelines.
- (b) You may reduce the amount of your Available Loan Line at any time without any penalty or fee by writing to Contractors Plan at the address or calling Contractors Plan at the telephone number shown on your monthly billing statement.
- (c) You may increase the amount of your Loan Line by applying for an increase and being approved under the terms of the Plan's Guidelines. If approved for increase, the Plan will transfer the amount of the approved increase from your Plan Account to your Loan Account. Any increase in your Loan Line will increase your Available Loan Line by the same amount. The amount of your Loan Line is subject to the restrictions imposed by Applicable Law.
- (d) Contractors Plan may terminate your Loan Account or stop offering any services or features to you at any time by giving you written notice of termination. If your Loan Account is terminated, you are still obligated to pay the outstanding balance plus any applicable Finance Charges or other charges or fees in accordance with this Agreement.
- (e) Pursuant to your Plan's Guidelines, the Plan Administrator has the sole and absolute discretion to determine whether you are eligible to participate in the Contractors Plan Loan Program, whether a loan is delinquent or in default, and any other matter with respect to the Contractors Plan Loan Program. Subject to the terms of this Agreement and your Plan's Guidelines, Contractors Plan has the authority at any time to modify or end the Contractors Plan Loan Program, and to charge other fees and to change fees listed in the Fees and Other Disclosures document. Any such fee changes would apply only to new loans or to loan line increases and will not impact existing loans. The Plan Administrator's judgment in connection with the Contractors Plan Loan Program is to be final and binding on all parties.

11. Waiver; Severability

The Plan may waive or delay enforcement of any of its rights under this Agreement or Applicable Law without waiving any other rights or remedies or affecting any of your obligations under this Agreement or Applicable Law. Any provision of this Agreement that is held to be invalid, illegal or unenforceable in any respect shall be void, but shall not otherwise affect the validity of the remainder of the Agreement.

12. Assignment

Contractors Plan may assign any or all of Contractors Plan's rights under this Agreement at any time without your consent. Any person to which Contractors Plan assigns this Agreement shall be entitled to all of Contractors Plan's rights under this Agreement. None of your rights or responsibilities shall be affected by such assignment unless this Agreement is amended in writing at such time or thereafter.

13. Amendment

Contractors Plan may amend this Agreement in any manner at any time. Contractors Plan will send notice of any change to you at the most recent address listed on your Loan Account, and if required by Applicable Law, will send the notice to you prior to the effective date of the change. Any change in the terms of this Agreement may apply to new Advances and as well as to the outstanding balance on your Account.

14. Governing Law

This Agreement, which governs access to your Loan Account through use of payments from The Contractors Plan, is entered into in the State of Texas. The legality, enforceability and interpretation of this Agreement, as well as any claim, dispute or controversy arising from or relating to your Loan Account or this Agreement, regardless of the basis of the claim or the place of your residence, is governed by, and construed in accordance with, the laws of the State of Texas, and applicable federal laws and regulations.