



INSTRUCTIONS TO REQUEST A PARTICIPANT LOAN

1. Review and complete the loan application form and “Disclosure of Reduction of Benefits”. If you are married, have your spouse read the documents and sign the “Spousal Consent” section of the application in the presence of a Notary Public.
2. Submit the completed form(s), along with your check for \$125, to your Employer for approval. It will take about 3 to 4 weeks to complete the loan process and for you to receive the loan check.

For more information regarding your Plan’s loan provisions, read your Plan’s Summary Plan Description or request a copy of the Summary of Participant Loan Provisions from your Employer.

**Application for Participant Loan
Secured by Vested Interest**

Print Name: _____ Soc.Sec.No.: _____

Street Address _____ City _____ State _____ Zip _____

Plan Name: _____

Requested Loan Amount: \$ _____ () Maximum Amount Available

Purpose of Loan: () Purchase of Principal Residence (subject to a maximum repayment period)
() Other (maximum 5-year repayment period)

Requested Repayment Period: _____ years

Marital Status: () I am not married. () I am married.

I hereby apply for a loan from the Plan. I understand and agree that:

1. If this loan is not repaid in full prior to the due date, the unpaid amount will be treated as a taxable distribution to me.
2. In the event of default on any portion of the loan, the Trustee may apply the portion of my vested account balance under the Plan as necessary to discharge my obligations hereunder. In the event I become entitled to distribution of any portion or all of my vested account balance under the Plan, the Trustee may apply such amount up to the whole of my vested account balance under the Plan as repayment of the loan.
3. In the event I terminate employment with my Employer prior to the repayment of the loan, the loan will be due within 60 days of my termination date. If I do not repay the loan within this 60-day period, I agree that the loan balance will become a distribution and will offset any benefit payable under the Plan.
4. I am aware that the interest on the loan is not tax deductible.
5. I am aware that if I am married and if the plan requires my spouse's approval to take a loan, my spouse must complete the Spousal Consent section of this form and their signature must be notarized.
6. If the plan requires loan repayments through payroll deduction, I hereby agree and authorize my Employer to deduct the required principal and interest payments from my paycheck each payroll period, commencing with the payroll period following the date of this authorization and continuing until the date my loan is paid in full.

Reduction of Benefit

In the event of a loan distribution, your benefits will be reduced. By securing this loan with your vested interest, you and your spouse have agreed to a possible reduction of your benefit under the Joint and Survivor Annuity and Pre-Retirement Spouse's Annuity. An example of a possible reduction is shown on the attached "Disclosure of Reduction of Benefits" form. Following is an explanation of the benefits that you and your spouse must waive.

Explanation of the Joint and Survivor Annuity

Under the terms of the Plan, if you are single, your vested benefit will be paid as a Single Life Annuity, unless you elect otherwise. This means that beginning on your Normal Retirement Date, you will receive a monthly pension for the rest of your life. After your death, all payments will cease. If you are married, your benefit will be paid as a Joint and Survivor Annuity Benefit, unless you and your spouse elect otherwise. Under a Joint and Survivor benefit, you will receive a reduced pension beginning on your Normal Retirement Date and continuing for your lifetime. If your spouse is alive after your death, he or she will continue to receive a pension during his or her lifetime. The pension will stop when both you and your spouse die. The Joint and Survivor Annuity will have the same actuarial value as the Single Life Annuity.

Explanation of Pre-Retirement Spouse's Annuity

If you should die prior to your retirement, your beneficiary may be entitled to a benefit from the Plan. If you are not married, you can designate whomever you wish to be the beneficiary of this death benefit.

If you are married (or later get married), the law requires that the death benefit be paid to your spouse in the form of an annuity beginning on the earliest date on which you could have retired if you did not die. Thereafter, benefit payments will be made each month for the remainder of your spouse's life. This is called a Pre-Retirement Spouse's Annuity.

Consent

I understand that in the event of a Plan distribution, my future benefits will be reduced by the amount of the outstanding loan.

Participant's Signature _____
Date

Spousal Consent

I hereby certify that I am the Participant's spouse and I consent to the loan that my spouse has applied for. I understand that my spouse's vested benefit shall be used as collateral and security for the loan. I further understand that in the event of default, my spouse's accrued benefits under the Plan will be reduced and that possible benefits payable to me as beneficiary in the future may be reduced because of this loan.

Date: _____ Spouse's Signature _____

STATE OF _____

COUNTY OF _____

On _____ before me,

_____, (insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ [This area for official notarial seal.]

Plan Administrator's Determination Payroll Frequency: () Weekly () Bi-weekly () Semi-monthly

Date of Next Payroll: _____

Hours Worked During the Current Plan Year:

() Less than 501 () 501 – 999 () 1,000 or more

() Approved () Disapproved - (reason) _____

Authorized Plan Representative _____
Date

Distribution: Personnel, Kravitz, Inc., Participant

DISCLOSURE OF REDUCTION OF BENEFITS

- 1) Name of Borrower: Jane Doe
- 2) Loan: a) amount: \$10,000.00
b) date made: January 1, 2010
c) maturity date: January 1, 2015
- 3) Normal Retirement Date: December 31, 2040

If you repay your loan according to the loan schedule attached to the Promissory Note, your loan balance at the maturity date will be “zero”. However, if you terminate employment before the maturity date, your loan balance will be due within 60 days of your termination date (including accrued interest). If you do not repay your loan within the 60 day period, you and your spouse have agreed that the loan balance will become a distribution and will be offset against any benefit payable under the Plan.

For example, if you repay your loan on schedule, but terminate employment on February 15, 2010, your loan balance at the end of the 60 day period would be \$9,940.43. If you allow this balance to become a distribution, the monthly benefit that you would otherwise be eligible for at your Normal Retirement Date will be reduced.

In addition, if the Plan is terminated before the maturity date of the loan, your loan balance will be due within 60 days of the Plan’s termination date (including accrued interest). The above rules and example regarding a termination of employment similarly apply to a termination of the Plan.

Borrower and Borrower’s spouse (if married) acknowledge the effect of a possible reduction of benefits due to a possible distribution of the loan balance upon termination of the Borrower’s employment or termination of the Plan.

_____	_____
Date	Borrower
_____	_____
Date	Borrower’s Spouse