

## LARIMER COUNTY DEFERRED COMPENSATION PLAN

### PARTICIPANT LOAN POLICY

To the extent permitted by the Investment Options in which the Plan assets are invested, Larimer County Deferred Compensation Plan permits loans to be made to Participants pursuant to a written loan policy. The individual agreements governing the investment options that you selected for your Plan contributions may contain additional limits on when you can take a loan. Please review both the following information in this Loan Policy and your annuity contracts or custodial agreements before requesting a loan. Contact your Employer or the investment vendor if you have questions regarding your loan options.

The Plan Administrator is authorized to administer the Participant loan policy. All applications for loans will be made by a Participant to the Plan Administrator (or the Plan Administrator's delegate) on forms which the Plan Administrator will make available for such purpose.

#### 1. LOAN APPLICATION/BORROWER QUALIFICATION.

- Loans are available to Participants on a reasonably equivalent basis. However, if you terminate employment, you will generally not be entitled to obtain a loan. A Participant must apply for each loan with an application which specifies the amount of the loan desired and the requested duration for the loan. The Plan Administrator may request additional information before approving a loan.
- All loan applications will be considered by the Plan Administrator within a reasonable time after the Participant applies for the loan.
- The loan will be treated as a directed investment of the borrower's Account.

#### 2. LOAN LIMITATIONS. With regard to any loan made pursuant to this loan policy, the following rule(s) and limitation(s) will apply, in addition to such other requirements set forth in the Plan:

- Loans to a Participant will not be approved in an amount which exceeds 50% of his or her account balance. The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed \$50,000, reduced by the excess of the Participant's highest outstanding Participant loan balance during the 12-month period ending on the date of the loan over the Participant's current outstanding Participant loan balance on the date of the loan.
- No loan in an amount less than \$1,000 will be granted to any Participant for any single loan.
- A Participant can have 1 loan(s) currently outstanding from the Plan.
- Loan refinancing is not permitted.

#### 3. ACCOUNT RESTRICTIONS. With regard to loans made pursuant to this loan policy (subject to the investment options), the following rules apply:

- Loans may only be made from accounts attributable to:
  - Pre-tax Elective Deferrals
  - Matching contributions
  - Nonelective contributions
  - Rollovers from other plans
  - Amounts transferred in from other eligible governmental deferred compensation plans

#### 4. EVIDENCE AND TERMS OF LOAN. The Plan Administrator will document every loan in the form of a promissory note signed by the Participant for the face amount of the loan, according to the following:

- Any loan granted or renewed under this policy will bear a reasonable rate of interest.

The interest rate will be fixed for the duration of the loan. However, with respect to amounts invested with TIAA, the interest rate for your loan will be determined as described below:

- Retirement Plan Loans from mutual funds or annuity contract (RPL) - The interest rate will be fixed for the term of the loan and will be equal to the Federal Reserve Board Bank prime loan rate plus 1 percent at the time of the loan origination.
- The loan must provide at least quarterly payments under a level amortization schedule. The Plan Administrator will require you to enter into either a payroll deduction or an ACH agreement or other repayment method agreed to by the investment options to repay the loan.

- The Plan Administrator will fix the term for repayment of any loan, however, in no instance may the term of repayment be greater than five years, unless the loan qualifies as a home loan. A "home loan" is a loan used to acquire a dwelling unit which, within a reasonable time, you will use as a principal residence. The term for a home loan will be no more than 10 years.
- There might be a charge to your Account for expenses, if any, directly related to the loan set up, annual maintenance, administrative charges, and collection of the note.

A loan, if not otherwise due and payable, might be due and payable on your date of termination of employment with the employer, as stated in the promissory note unless directly rolled over (if otherwise permitted) to another employer's plan.

A loan, if not otherwise due and payable, is due and payable on termination of the Plan, notwithstanding any contrary provision in the promissory note. Nothing in this loan policy restricts the Employer's right to terminate the Plan at any time.

You should note the law treats the amount of any loan (other than a "home loan") not repaid five years after the date of the loan as a taxable distribution on the last day of the five year period or, if sooner, at the time the loan is in default.

5. SECURITY FOR LOAN. The Plan will require that you provide security before a loan is granted. For this purpose, the Plan will consider your interest under the Plan (account balances) to be adequate security. However, in no event will more than 50% of a Participant's vested interest in the Plan (determined immediately after origination of the loan) be used as security for the loan. Generally, it will be the policy of the Plan not to make loans which require security other than your vested interest in the Plan. However, if additional security is necessary to adequately secure the loan, then the Plan Administrator will require that such security be provided before the loan will be granted.
6. FORM OF PLEDGE. The pledge and assignment of your account balances will be in the form prescribed by the Plan Administrator.
7. LEAVE OF ABSENCE/SUSPENSION OF PAYMENT. The Plan Administrator will suspend loan repayments for the period of a military leave of absence.
8. PAYMENTS AFTER LEAVE OF ABSENCE. When payments resume following a payment suspension in connection with a leave of absence authorized above, if applicable, you must select one of the following methods to repay the loan, to the extent permitted by the investment provider, plus accumulated interest:
  - You will increase the amount of the required installments to an amount sufficient to amortize the remaining balance of the loan, plus accrued interest, over the remaining term of the loan.
  - You will pay a balloon payment of the remaining unpaid principal and interest, at the conclusion of the term of the loan as determined in the promissory note.
  - You may extend the maturity of the loan and re-amortize the payments over the remaining term of the loan. In no event will the amount of the adjusted installment payment be less than the amount of the installment payment provided under the promissory note. The revised term of the loan will not exceed the maximum term permitted above, augmented by the time you were in United States military service.
9. DEFAULT. The Plan Administrator will treat a loan as in default if:
  - any scheduled payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the Participant missed the scheduled payment.

Upon default, you will have the opportunity to repay the loan, resume current status of the loan by paying any missed payment plus interest or, if distribution is available under the Plan and the investment options, request distribution of the note. If the loan remains in default, the Plan Administrator will offset your vested account balances by the outstanding balance of the loan to the extent permitted by law. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, you remain obligated for any unpaid principal and accrued interest.