

LOAN POLICY

The Plan Administrator of the DCCCA, Inc. 403(b) Plan ("Plan") adopts the following loan policy pursuant to the terms of the Plan. As a participant or beneficiary under the Plan, you may receive a loan only as permitted by this loan policy.

1. **LOAN APPLICATION.** A participant must apply for each loan in writing with an application which specifies the amount of the loan desired, the requested duration for the loan and the source of security for the loan. Any Plan participant may apply for a loan from the Plan. For purposes of this loan policy, the term "participant" means:

- (a) Any participant, beneficiary or alternate payee with respect to the Plan.
- (b) Any participant, beneficiary or alternate payee who is a "party in interest" as defined in ERISA §3(14). Every current employee is a "party in interest."

2. **LIMITATION ON LOAN AMOUNT.** Except as indicated below, the Plan Administrator will not approve any loan to a participant in an amount which, when added to all other outstanding loans of the participant, exceeds 50% of his or her vested accrued benefit (account balances), as reflected by the books and records of the Plan. 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. The following loan amount limitations apply:

- (a) A participant may not request a loan for less than \$ 1,000.
- (b) A participant may not request a loan for less than \$ _____.

3. **LIMITATION ON NUMBER OF LOANS.** The maximum number of Plan loans a participant may have outstanding at one time, including any refinancing of an existing loan is:

- (a) One.
- (b) Two.
- (c) (Specify) _____.
- (d) In addition, a participant who has an outstanding Plan loan that is in default may not receive another loan.
- (e) If a participant has the maximum number of Plan loans outstanding at one time as indicated above, such participant may not refinance an existing loan(s).

4. **PURPOSE OF LOAN.** A Participant may request a Plan loan for:

- (a) Any reasonable purpose.
- (b) One or any combination of the following purposes: (1) the purchase, construction or improvement of a residence or other real estate; (2) the purchase of a vehicle (including an automobile, van, truck or recreational vehicle); (3) tuition and other educational expenses; (4) medical and dental expenses; or (5) funeral expenses of a family member.
- (c) (Specify) _____

5. EVIDENCE AND TERMS OF LOAN. The Plan Administrator will document every Plan loan with a promissory note, pledge of the participant's account balance or other acceptable collateral and such other documentation as the Plan Administrator may require the participant to execute or provide. The promissory note will specify the amount of the loan, together with a commercially reasonable rate of interest. A participant's promissory note, pledge and assignment of account balances and any other Plan loan documentation required by the Plan Administrator will be in the form prescribed by the Plan Administrator.

- (a) A Plan loan will provide a fixed rate of interest of:
 - (1) two percent (2%) above the prime interest rate as published from time to time in the Money Section of USA Today.
 - (2) _____ percent (_____ %) above the prime interest rate as published from time to time in the Money Section of USA Today.
 - (3) (*Specify*) _____
- (b) The Plan Administrator will determine whether the interest rate is commercially reasonable at the time it approves the loan.

The loan must provide at least quarterly payments under a level amortization schedule. If the participant is currently employed by the Employer, the Plan Administrator will require the participant receiving a loan from the Plan to enter into a payroll deduction agreement to repay the loan. If the participant is not currently employed by the Employer, the Plan Administrator may require additional collateral for 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.

The Plan Administrator may fix the term for repayment of a home loan for a period not to exceed:

- (a) 15 years
- (b) _____ years

A "home loan" is a loan used to acquire a dwelling unit which, within a reasonable time, the participant will use as a principal residence. Participants 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. If a participant extends a non-home loan having a five year or less repayment term beyond five years, the balance of the loan at the time of the extension is a taxable distribution to the participant.

6. ACCELERATION OF THE LOAN. Notwithstanding any contrary provision in a participant's Plan loan documents, all Plan loans are subject to the following provisions:

- (a) Unless the participant is a "party in interest" on the day after his/her termination of employment with the Employer, a loan, if not otherwise due and payable, is due and payable on the date the participant terminates employment with the Employer. If payment is not made in full by the earlier of the date of distribution of the participant's account balance or 30 days from the participant's termination date, then such loan shall be distributed to the participant.
- (b) The plan does not accelerate the loan upon a participant's termination of employment

with the Employer.

7. **SECURITY FOR LOAN.** A participant must secure each loan with an irrevocable pledge and assignment of 50% of the nonforfeitable amount of the borrowing participant's account balances under the Plan. The plan also may require additional collateral.

8. **LEAVE OF ABSENCE/SUSPENSION OF PAYMENT.** The Plan Administrator:

(a) will

(b) will not

suspend loan repayments for a period not exceeding one year which occurs during an approved leave of absence. The Plan Administrator will provide the participant with a written explanation of the effect of the leave of absence upon his/her Plan loan.

9. **MILITARY SERVICE/SUSPENSION OF PAYMENT.** If a participant separates from service (or takes a leave of absence) from the Employer because of service in the military and does not receive a distribution of his/her account balances, the Plan:

(a) will

(b) will not

suspend loan repayments until the participant's completion of military service or until the participant's fifth anniversary of commencement of military service, if earlier. The Plan Administrator will provide the participant with a written explanation of the effect of the participant's military service upon his/her Plan loan.

10. **DEFAULT/RISK OF LOSS.** The Plan Administrator will treat a participant's loan in default if:

(a) 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;
or

(b) there is the making or furnishing of any representation or statement to the Plan by or on behalf of the participant which proves to have been false in any material respect when made or furnished.

(c) (Specify) _____

Prior to the date of default described above, the participant may bring the loan current by paying the missed payment(s) plus accrued interest. Upon a loan default, the participant will incur a taxable deemed distribution, but the Plan will not offset (reduce) the participant's account to discharge the loan unless the participant also has incurred a distributable event under the Plan. The Plan treats a loan default as a distributable *event* except where, based on the type of account used as collateral for the loan, a separate distribution event such as separation from service would be required to offset the loan at the time of default. The Plan Administrator will report the participant's deemed distribution to the IRS. The Plan Administrator, upon the participant's incurring a distributable event, will offset the participant's vested account balance by the outstanding balance of the loan. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, the participant remains obligated for any unpaid principal and accrued interest.

The Plan Administrator intends this loan program not to place other participants at risk with respect to their interests in the Plan. In this regard, the Plan Administrator will administer any participant loan as a participant directed investment of that portion of the participant's vested account balance equal to the outstanding principal balance of the loan. The Plan will credit that portion of the participant's account balances with the interest earned on the note and with principal payments received from the participant. The Plan also will charge that portion of the participant's account balance with expenses directly related to the origination, maintenance and collection of the note.

11. AMENDMENT AND INTERPRETATION OF POLICY. The Plan Administrator is charged under the Plan with establishing and administering this loan policy. The Plan Administrator may modify this policy from time to time or may terminate the Plan loan program. The Plan Administrator has discretion to interpret the provisions of this loan policy. The Plan Administrator's decisions regarding the application or interpretation of this loan policy are final and binding on participants.

Dated this 26th day of January, 20 09.

Cindy Murray
"PLAN ADMINISTRATOR"

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