

LOAN APPLICATION

Plan Name: **Woods Powr-Grip Co., Inc. 401(k) Profit Sharing Plan and Trust**

Plan Number: **28201**

Participant's Social Security Number _____ -- ____ -- _____

Form Completion Checklist (for Plan Sponsor)

Before submitting this form, please verify that you have included the following information:

- | | |
|--|--|
| <input type="checkbox"/> Participant's social security number | <input type="checkbox"/> Plan Administrator's signature |
| <input type="checkbox"/> Participant's signature | <input type="checkbox"/> Indication of interest rate and terms of the loan |
| <input type="checkbox"/> Specific dollar amount is specified for loan (or indication that maximum available should be processed) | |

Participant Information

Participant Name:

Last First Middle Initial

Participant Address:

Street

City State Zip

Loan Amount

I hereby apply for a loan from the vested portion of my Account in the amount of \$_____ (\$1,000 minimum) for a term of _____ years. The loan must be repaid at least quarterly over a period not to exceed five years, unless the loan is for the purchase of my principal residence, in which case the duration cannot exceed ten years from the date of the loan. The loan amount is to be deducted from the investments in my Account using the predetermined source/fund hierarchy.

Reason for Loan: _____

I understand that:

- Loan Application.** The Plan Administrator shall administer all Plan loans. I may only apply for **one** loan(s) each Plan Year. In addition, I may not apply for a loan from any Rollover Contribution I made to the Plan unless I satisfy the Plan's eligibility and entry date requirements to become an Active Participant in the Plan.
- Loan Approval or Denial.** The Plan Administrator is responsible for approving or denying a loan. If my loan is approved then I will receive and be asked to sign a Promissory Note and Security Agreement. I will incur a set-up fee for my loan unless my Employer pays it.
- Loan Amount and Security.** The minimum loan amount is \$1,000. The maximum amount is the lesser of one-half of my vested Account balance or \$50,000, reduced by the highest outstanding loan balance in my Account during the prior twelve-month period. Loans from all plans of my Employer and any Related Employers will be included for purposes of this limit. Up to one-half of my vested Account balance may be used as collateral for my loan.
- Number of Loans.** I may have only **one** loan outstanding at any given time. **If I have an existing loan, I may not apply for another loan until the loan referenced in the preceding sentence is paid in full.** I may not refinance an existing loan or obtain another loan for the purpose of paying off an existing loan. I may not apply for more than **one** loan(s) during each Plan year.

- e. Interest Rate. All loans shall bear a reasonable rate of interest as determined by the Plan Administrator based on prevailing interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances. The interest rate will remain fixed throughout the duration of the loan.
- f. Loan Repayments. Repayments will be made through after-tax payroll deductions. I agree to make loan repayments by check to my Employer in the event I am employed but do not receive compensation from my Employer, except for the period I am on an approved Leave of Absence (see Section h. Leave of Absence below), provided the full loan, with interest, is repaid within the originally scheduled repayment period. All loan repayments will be reinvested according to my current investment elections and will be made to the Trustee in equal installments.
- g. Maturity of Loan. All loans must be repaid in level payments on at least a quarterly basis over a five-year period unless the loan is for the purchase of my principal residence, which may be repaid over a ten-year period. The Plan Administrator may waive the level payments while I am on a leave of absence from my Employer or a Related Employer (see Section h. Leave of Absence below).
- h. Leave of Absence. If I take a Military or Non-Military Leave of Absence I have the right to suspend my loan repayments for a given amount of time depending on the type of approved leave. In the case of a Non-Military Leave of Absence, payments may be suspended for the length of the leave, not to exceed 12 months provided the leave is without pay or at a rate of pay less than the amount of the repayment required by the loan terms. Upon return from the leave, my loan may be re-amortized and the remaining payments may be spread over the existing term of the loan. The loan term may not be extended beyond the original maturity last payment date. In the case of a Military Leave of Absence, my loan repayments may be suspended for the entire length of the time out on military leave. Upon return from the leave, my loan may be re-amortized to extend the length of the loan by the length of the leave. Regardless of the type of leave, the loan will continue to accrue interest during the leave and when the loan is re-amortized, the new repayment amount must be greater than or equal to the original repayment amount.
- i. Default or Termination of Employment. The Plan Administrator shall treat a loan in default if any scheduled repayment remains unpaid at the end of the calendar quarter following the calendar quarter in which scheduled repayment was due (unless payment is not made due to a waiver of the amortization schedule for a participant who is on a Leave of Absence) or if there is an outstanding principal balance that exists on a loan after the last scheduled repayment date. A loan for a participant on a Non-Military Leave of Absence will not be considered delinquent if the leave of absence is for twelve months or less, the loan is re-amortized to include accrued interest, and payments resume, not extending beyond the original maturity date. A loan for a participant on a Military Leave of Absence will not be considered delinquent if the loan is re-amortized to include accrued interest, and payments resume when the leave has ended. Upon default, death, disability, or termination of employment, the entire outstanding principal and accrued interest shall be immediately due and payable. The Trustee may reduce my vested Account balance by the outstanding amount of principal and interest owed on my defaulted loan.

Please sign the application and return to the Plan Administrator.

Signatures

I hereby agree to all the terms and conditions on this application and certify that the above information is true, accurate and complete. I understand that the Plan Administrator will review my application in a nondiscriminatory manner. Additionally, the Plan Administrator will notify me of the acceptance or rejection of my loan. If my loan is approved, I authorize my Employer to withhold money on an after-tax basis from my paycheck to be used to repay my loan.

PARTICIPANT _____ **DATE** _____

As Plan Administrator I:

☐

Approve the loan

☐

Deny the loan (specify reason for denial)

PLAN ADMINISTRATOR _____ **DATE** _____

For Plan Administrator Use Only	Interest Rate _____%
LOAN ID# _____	Promissory Note and Security Agreement will be dated _____
	Repayment Commencement Date _____
Loan Repayment Frequency: <input type="checkbox"/> weekly, <input type="checkbox"/> bi-weekly, <input type="checkbox"/> semi-monthly, <input type="checkbox"/> monthly, or <input type="checkbox"/> quarterly installments	