

## PLAN PARTICIPANT LOAN PROGRAM

The following description of the Participant loan program is effective as of January 1, 2013.

Any loan issued from the Plan is subject to the terms of the applicable annuity contract or custodial account agreement. In the event of a discrepancy between this Loan Program and the provisions of the applicable annuity contract or custodial account agreement, the provisions of the annuity contract or custodial account agreement will control.

*Plan:* Union College Retirement Plan

*Eligibility:* Loans are available to Plan Participants.

*Authorized Position/  
Person to administer  
loan program:* Plan Administrator

*Application  
Procedure:* The Participant completes a loan application. If the application is approved, the Participant must sign a promissory note and obtain his/her spouse's written consent if applicable. The Participant must agree to bear the administrative expense of processing the loan.

*Loan Approval  
Basis:* All loan applications that meet all the following requirements shall be approved. Only three outstanding loans are permitted at any one time. However, the administrator shall refuse to grant loans to Participants who indicate intent to not repay the obligation in accordance with its proposed terms and/or to Participants who have other loans from the Plan which are in default, unless the administrator determines that renegotiation of defaulted loans is the best method for securing repayment.

*Types of Loans  
Available:* Loans for a maximum term of 5 years. The interest rate shall be a commercially reasonable rate determined by the Plan Administrator or under the terms of the applicable annuity contract or custodial account. The interest rate may be adjusted from time to time if so provided under the terms of the applicable funding vehicle. The term of a loan to be used to acquire a Participant's principal residence may extend to 10 years or such other reasonable period as provided under the terms of the funding vehicle. The collateral will be 50% of the Participant's vested interest in the Plan.

*Maximum/Minimum  
Amount of Loan:* The minimum loan is \$1,000. A Participant's loan shall not exceed the lesser of: (1) \$50,000, which amount shall be reduced by the highest outstanding balance of loans, if any, during the preceding 12-month period over the current outstanding balance of loans; or (2) 50% of the Participant's vested interest. Loans from all plans of the sponsoring Employer are combined to determine the maximum available loan. Loan amounts will be taken from Roth contributions, if any, after all other types of money in your account under the Plan.

***Loan Repayment:***

At least quarterly payments of principal and interest with level periodic payments. Loans will be repaid by check or by such other method as the Plan's investment company may permit or require. Full and partial pre-payments are allowed to the extent permitted by the applicable funding vehicle.

Repayments may be suspended in the case of a Participant who is on an unpaid leave of absence due to military service. The suspension shall not exceed the lesser of five years or the Participant's period of military service. Except in the case of a loan used to acquire the Participant's principal residence, the loan must be repaid in full within a period (starting on the date the loan is first made) that is not to exceed (1) five years, plus (2) the lesser of the period of military service or five years.

Repayments may be suspended in the case of a Participant who is on an authorized, unpaid leave of absence for other reasons. The suspension shall not exceed the lesser of twelve months or the period of the Participant's authorized leave. Except in the case of a loan used to acquire the Participant's principal residence, the loan must be repaid in full within a period (starting on the date the loan is first made) that is not to exceed five years.

***Loan Default Procedure:***

A loan to a Participant shall be considered in default at such time as the required payments are delinquent. A loan payment shall be deemed delinquent, and the loan will be in default, if the loan payment is not made by the end of the calendar quarter following the calendar quarter in which the payment was due (or upon such earlier date as may be specified under the terms of the applicable funding vehicle). Upon default, the loan will be treated as a taxable distribution to the Participant and a Form 1099-R will be distributed reflecting the entire amount of the outstanding loan as a taxable distribution. A Participant who has terminated employment and whose loan is in default, or who elects a distribution of his vested account prior to repaying the loan, shall have his/her Plan interest reduced by the amount of the outstanding loan.

11/13/12  
Date

Don Blake  
Plan Administrator