PLAN NUMBER 95265-02

MONEY PURCHASE PLAN FOR PEACE OFFICERS
LOAN POLICY

ARTICLE I. Eligibility.

Section 1.01 - Participant: Only active employees who participate in the Money Purchase Plan for Peace Officers (the Plan) and who are actively contributing to the Plan may request a loan. The participant must have a minimum vested account balance of $2,000.

ARTICLE II. Minimum and Maximum Loan Amounts.

Section 2.01 - The minimum loan amount that a participant may request is $1,000.

Section 2.02 - The maximum loan amount that a participant may request is $50,000 or 50% of the vested account balance – whichever is less. The $50,000 maximum loan amount is reduced by the highest loan balance during the past 12 months minus the loan balance on the date a new loan is made.

Section 2.03 - If a participant has an outstanding loan through another qualified plan, 403(b) plan, or a 457 plan maintained by the same employer, the maximum loan amount available must be reduced by the highest outstanding loan balance during the past 12 months. The participant is responsible for ensuring that the aggregated loan amount on all plans sponsored by the same employer is the lesser of $50,000 or 50% of the vested account balance.

ARTICLE III. Number of Loans Permitted.

Section 3.01 - The number of loans a participant may have outstanding at one time is (2) two.

ARTICLE IV. Cost.

Section 4.01 - A loan origination fee in the amount of $75.00 shall be deducted from the loan amount approved.

Section 4.02 - If a participant requests his/her loan check to be sent express delivery, an additional $25.00 charge will be deducted from the loan check amount.

ARTICLE V. Loan Initiation.

Section 5.01 - Great-West Financial uses a two-step loan process. The first step of the loan process begins by the participant applying for a loan via the Web site (if applicable), KeyTalk® or via paper application. The second step combines the Promissory Note and Loan Check into one document, eliminating the step of returning the signed Promissory Note prior to issuing the Loan Check. By endorsing the check, the participant agrees to the terms of the Note and the repayment obligation.

Section 5.02 - Plans will be required to sign the Loan Administration Policy document prior to loans being made available. The plan must sign each loan application submitted by its participants if Great-West is not performing Vesting Administration and vested sources are to be allowed for loans.

ARTICLE VI. Distribution of Loan Amount.

Section 6.01 – Loan distribution amounts will be debited in the following hierarchy:

1) Employee Pre-Tax Rollover
2) Mandatory Pre-Tax Contribution Account
3) City Contribution Account
4) Employee After-Tax Account
5) Employer Contribution – 100% Vested
6) DB Transfer
7) Employee Pre-Tax Transfer Account
8) Employer Pre-Tax Transfer
9) Employee After-Tax Rollover
10) Employee After-Tax Transfer

ARTICLE VII. Types of Loans Available.

Section 7.01 – A loan has a term of twelve to sixty (12-60) months. No reason or documentation (other than a signed promissory note) is required when a participant requests a loan. The interest rate for this type of loan is fixed for the life of the loan. The interest rate is 1% over the Prime Rate published in the Wall Street Journal on the first business day of the month before the loan is originated.

ARTICLE VIII. Interest.

Section 8.01 - Interest paid on loans is not income tax deductible.

ARTICLE IX. Payment Requirements.

Section 9.01 - Scheduled payments must be made by an Automated Clearing House deduction from the individual participant's bank account. Loan repayments will be allocated to the participant's account according to current allocation percentages on the Great-West Financial Recordkeeping System.

Section 9.02 - Loan repayments must begin on time or the loan payments will be in arrears. If loan payments are not caught up in time, the loan may default. Loan default results in adverse tax consequences to the participant.

Section 9.03 – Basic Rules regarding Loans to Ensure They Do Not Default:

1) Any amount paid out of a plan will be treated as a taxable distribution unless the plan loan rules under Code section 72(p) and the applicable Treasury regulations are followed.
2) Payments must be made on a bi-weekly basis in accordance with the City and County of Broomfield's payroll schedule.
3) Missed payments must be received prior to the end of the calendar quarter following the quarter in which the payment was missed.

4) If a participant fails to make a loan repayment on time, and the missed loan repayment(s) is/are not made by the end of the following calendar quarter (or within the plan's more restrictive cure period), the loan is in default and ceases to comply with section 72(p).
5) The entire outstanding loan balance plus accrued interest at the time of the default is taxable to the participant as a deemed distribution.
6) The plan loan rules under Code section 72(p) do not provide a mechanism to ignore missed payments or to reverse a loan that has already defaulted.

Section 9.04 - Loans are in arrears and delinquent when any payment is missed. A late loan payment notice will be issued after the end of the calendar quarter in which the payment is delinquent. If all missed payments are not made by the end of the calendar quarter after the calendar quarter in which a payment is first missed such that the loan is totally paid up to date, the loan will be in default. In that event, the entire outstanding loan balance, consisting of the missed payments, all accrued but unpaid interest and the remaining principal, will be reported to the IRS as taxable income on a Form 1099-R for the year in which the loan default occurs.

Section 9.05 - In addition, if a loan has not been fully repaid by the end of its term, the outstanding balance will be taxable and will be reported to the IRS on Form 1099-R as taxable income. There is no opportunity to cure a late payment once the term has expired. The payroll department will be notified of the final loan payment amount prior to the final payment due date.

Section 9.06 – Participants who leave service prior to the end of the loan term will be required to pay off the loan at severance of employment as provided by the plan. A former participant may avoid treatment of an unpaid loan as a "deemed distribution" and reporting of income to the IRS by paying the loan balance by the end of the grace period via a cashier's check or money order. Non-payment will force a "deemed distribution" and reporting of taxable income in the year the "deemed distribution" occurs.

Section 9.07 - When a participant takes a leave of absence of not longer than 1 year, either without pay from the employer or at a rate of pay that is less than the amount of the installment payments required under the terms of the loan, the plan should provide leave of absence information for a leave start and stop dates. The loan may be reamortized when the participant returns from leave to pay the loan in full by the maturity date of the loan . The entire outstanding loan balance, including all accrued but unpaid interest, will be reamortized.

Section 9.08 - If the participant takes a military leave of absence, the interest rate on the loan will be reduced to 6%, during the period of military service provided the interest rate on the loan is greater than 6%. Loan payments must resume upon the participant's return from military leave. The term of the loan may be extended by the term of the military leave. The entire outstanding loan balance, including all accrued but unpaid interest, will be reamortized.

Section 9.09 - The participant's outstanding loan balance will be offset upon receiving any type of distribution after severance of employment. As required by federal tax regulations, a participant's defaulted loan will remain on the books until a qualifying event occurs, even though income has been reported to the IRS.

Section 9.10 - Partial lump sum loan repayments, via a cashier's check or money order, are permitted in order to catch up on a past-due amount or to reduce the principal amount of the loan. If a participant remits a partial payment, the loan payment amount will not change but the loan would be paid off earlier.

ARTICLE X. Early Loan Payoff.

Section 10.01 A loan can be paid in full at any time, in the form of a cashier's check or bank money order. The participant may obtain a loan payoff quote via KeyTalk®. The loan payoff quote is valid for 15 days from the date it is obtained.

ARTICLE XI. Outstanding Loan at Death.

Section 11.01 All outstanding loan principal and accrued interest shall be treated as a distribution from the plan when Great- West Retirement Services is notified of a participant's death. A deceased participant's loan may not be transferred or assumed by the participant's beneficiary(s). If a participant's loan has not been repaid as of the date of the participant's death, any distributions made from the deceased participant's plan account will be made net of any outstanding loan obligations. The amount of the outstanding loan as of the participant's date of death will be tax reported as a distribution to the participant or to the participant's estate as applicable.

ARTICLE XII. Future Additions.

Section 12.01 Future tax laws regarding plan loans will be incorporated into this loan policy and the Promissory Note.

ARTICLE XIII. Enforcement.

Section 13.01 Great-West Retirement Services is required to enforce these rules. The loan policy and loan administration procedures have been developed to comply with the requirements of Internal Revenue Code section 72(p) and the federal Treasury regulations thereunder, as amended from time to time.

The City and County of Broomfield hereby authorizes Service Provider to implement participant initiated loans based on the Loan Policy outlined above.

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Authorized Plan Administrator/Employer Signature Date