



## NON-NEGOTIABLE PROMISSORY NOTE

In consideration of the above loan from the IBEW & Electrical Industry Local 697 Money Purchase Plan and Trust (the Plan) receipt of which is hereby acknowledged, the undersigned applicant (the "Borrower"), hereby promises to pay the Plan the principal amount requested for loan (or such lesser amount in accordance with paragraph 1 below) plus interest on the unpaid principal balance computed at the assigned interest rate per annum in 20 successive quarterly installments, beginning on the first available pay period following issuance of loan proceeds from the Plan. Each installment payment shall be in the agreed upon amount (or such lesser amount in accordance with paragraph 1 below).

The Borrower hereby agrees to the following terms and conditions:

- 1. AMOUNT OF LOAN.** The principal amount of the loan shall not exceed the maximum amount available for a loan under the Plan. If the principal amount requested exceeds the amount of the actual loan proceeds (before deduction of any administrative fees) due to market fluctuation or otherwise, the amount of the loan proceeds (including any administrative fees deducted therefrom) shall constitute the principal amount to be repaid under this note.
- 2. APPLICATION OF PAYMENTS.** Each installment payment shall be applied to reduce the unpaid principal balance as well as the accrued interest of the loan.
- 3. PREPAYMENT.** The Borrower shall have the right at any time to prepay the unpaid principal balance of the loan, as permitted under the Plan, without penalty or premium.
- 4. MISSED PAYMENT; DEFAULT; ACCELERATION OF LOAN.** Except as otherwise provided in paragraph 6, in the event the Borrower fails to make any installment payment required hereunder by the date in which it is due, the Borrower shall be considered to be in default on the loan. In the event of default, the outstanding balance of the loan shall be immediately due and payable. The default may be cured if the Plan permits a cure period and the missed payment is made by the end of the cure period. If the default is not cured, the outstanding principal balance of the loan plus any accrued, unpaid interest thereon shall be reported to the Internal Revenue Service as a distribution, subject to applicable income taxes and penalties. Thereafter, until the loan is foreclosed upon in accordance with paragraph 7, the loan shall remain outstanding as a deemed distribution, and interest shall continue to accrue to the extent required under federal tax regulations.
- 5. LEAVE OF ABSENCE.** If the Borrower is permitted by the Plan to suspend installment payments on the loan during a leave of absence, the loan shall not be considered to be in default on account of such missed payments; however, interest shall continue to accrue on the unpaid principal balance of the loan during the period of suspension. Missed payments and additional accrued interest shall be paid by the end of the loan term.
- 6. BORROWER'S PLAN ACCOUNT PLEDGED.** All of the Borrower's right, title, and interest in the Plan is hereby pledged as security for the loan. In the event of a default by the Borrower, the Plan Administrator shall be authorized, in accordance with the terms and conditions of the Plan, to deduct any amount that is due hereunder from the Borrower's separate accounts under the Plan and to take any and all other actions necessary and appropriate to enforce collection of the unpaid amount (provided that no amount shall be deducted from the Participant's separate accounts under the Plan unless the participant is entitled to a distribution from the Plan.)
- 7. NOTE DUE UPON TERMINATION OF EMPLOYMENT.** Unless otherwise permitted by the Plan, in the event the Borrower's employment with the Employer is terminated for any reason, the outstanding balance on the loan shall be immediately due and payable. To the extent the Borrower fails to pay all remaining amounts due hereunder within the time frame permitted under the Plan, the Borrower hereby specifically consents to the immediate deduction of the unpaid amounts from his or her separate accounts under the Plan. The unpaid loan balance shall be reported to the Internal Revenue Service as a distribution, subject to applicable income taxes and penalties.

**8. BINDING EFFECT; WAIVERS; NOTE NOT NEGOTIABLE.** This Note shall be binding upon the executors, administrators, successors, heirs, and beneficiaries of the Borrower. Presentment, notice of dishonor, and protest are hereby waived by the Borrower. This Note shall not be negotiable or assignable by the Plan, except to a successor or other transferee retirement plan.

**9. GOVERNING LAW.** This Note shall be governed by the laws of the state of Indiana except to the extent such laws are preempted by federal law.

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SIGNATURE OF BORROWER

DATE

**I.B.E.W. & ELECTRICAL INDUSTRY LOCAL 697  
MONEY PURCHASE PLAN AND TRUST**

**Voluntary Wage Assignment**

Comes now \_\_\_\_\_ (hereinafter referred to as Borrower) and states as follows:

1. That on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, Borrower secured a loan from the I.B.E.W. & Electrical Industry Local 697 Money Purchase Plan and Trust.

2. That at the time said loan was secured, certain documentation including Notice to Borrower of Intent to Invoke Wage Assignment in the Event of Non-Payment was signed which contained language to the effect that if said loan was not repaid in accordance with the Amortized Repayment Schedule, this Voluntary Wage Assignment could be invoked by the Plan and honored by Borrower's employer without notice to Borrower.

3. It is the intent of Borrower that his/her employer honor this Voluntary Wage Assignment as a means of repaying the aforesaid loan.

4. That the outstanding balance on said loan is in the amount of \$ \_\_\_\_\_ together with interest at the rate of \_\_\_\_\_ percent per annum.

5. That Borrower's withholding shall not exceed the amount permitted by 15 U.S.C. 1673 (b).

6. Borrower stipulates that employer shall deduct one-half of any amount which employer is entitled to collect as a fee as compensation for making said deduction which said amount shall be the greater of \$12.00 or 3 percent of the total amount

required to be deducted. One-half of said employer's fee may be deducted from said remittances and the remaining one-half may be deducted directly from the employee's disposable earnings. The deduction shall be made from each and every pay coming into the hands of the Borrower.

7. That monies deducted by the employer shall be sent to the Administration Office of I.B.E.W. & Electrical Industry Local 697 Money Purchase Plan and Trust at 7200 Mississippi Street, Suite 300, Merrillville, IN 46410.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Borrower

**I.B.E.W. & ELECTRICAL INDUSTRY LOCAL 697  
MONEY PURCHASE PLAN AND TRUST**

**NOTICE TO BORROWER OF INTENT TO INVOKE WAGE ASSIGNMENT IN EVENT  
OF LOAN NON-PAYMENT**

1. That \_\_\_\_\_ (hereinafter referred to as Borrower) hereby acknowledges that they secured a loan from I.B.E.W. & Electrical Industry Local 697 Money Purchase Plan and Trust (hereinafter referred to as Plan).
2. That repayment of said loan, pursuant to the promissory note executed by Borrower (a true and accurate copy of which is attached hereto, made a part hereof and marked as Exhibit A), and the Amortized Repayment Schedule (a true and accurate copy of which is attached hereto, made a part hereof and marked as Exhibit B) is the responsibility of said Borrower.
3. That it is in the best interest of Borrower, the Plan and its participants that the Borrower re-pay said loan in accord with Exhibits A and B respectively.
4. That it is the intent of the Borrower to repay said loan in accord with Exhibits A and B respectively.
5. That the Borrower hereby acknowledges his/her signature on a document entitled A Voluntary Wage Assignment, (a true and accurate copy of which is attached hereto, made a part hereof and marked as Exhibit C).
6. That the Borrower further acknowledges that said Exhibit C is to be instituted and used by the Plan only in the event that said loan is not repaid in accord with the Promissory Note and Amortized Repayment Schedule (Exhibits A and B).
7. That the Borrower hereby grants authority to the Plan to submit said wage assignment to his employer at the discretion of the Plan at any time after any delinquency by the Borrower.

8. That Borrower waives any notice regarding the implementation of said Voluntary Wage Assignment (Exhibit C).

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Borrower