

Loan Limits The maximum amount currently available for a loan is the lesser of:

(1) \$50,000, reduced by the excess (if any) of -----

(i) the sum of the highest outstanding balance of each individual loan from the plan during the 12 month period ending on the day before the date on which such loan was made, over

(ii) the outstanding balance of loans from the plan on the date on which such loan was made, or

(2) the greater of -----

(i) one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan, or

(ii) \$10,000 (if permitted by the terms of the plan).

1. Do you participate in another plan sponsored by the same employer? YES NO

2. If yes, did you have a loan balance in any of the other plan(s) during the past year? YES NO (If no, skip to question 4.)

NOTE: If you answered yes to question 2, in no event may the combined balance of all loan(s) from a single employer to you exceed \$50,000, reduced by the amount of the highest outstanding loan balances during the 1-year period (ending on the day before the date on which such loan is made).

3. Is Prudential Retirement the record keeper for the employer-sponsored plan? YES NO (if no, please supply the highest outstanding loan balance during the 12 month period \$ _____ and the current outstanding loan balance \$ _____.)

4. Have you defaulted on a previous plan loan from your current employer? YES NO (Please see the Loan Disclosure Statement for the definition of a default.)

5. If yes, did this loan begin on or after January 1, 2002? YES NO

NOTE: If you answered yes to question 5, defaulted loans that were initiated on or after January 1, 2002 will limit the maximum loan amount available.

Important Information: If you failed to respond to the questions above, Prudential will interpret the lack of response as your confirmation of the prerequisites in order to qualify for the requested loan amount. Please reference the section entitled "Your Authorization" for potential consequences of answering any of the above questions incorrectly.

Loan Amount Depending upon the terms of your plan, the loan will either be prorated across all available contribution types and investments or taken in a specific sequence.

A. \$ _____, _____ . _____ (minimum \$1,000.00)

If you have answered 'yes' to question 2 in the previous section, please be sure to calculate the combined balance as instructed to confirm the amount you request here is allowable. If the amount available at processing time is less than the amount indicated above, the loan amount will be reduced to the maximum amount available.

I DO NOT wish my requested Loan amount to be reduced. **DO NOT** process this request if available amount is less than I indicated.

B. Maximum amount available.

Loan Duration The duration of the loan may not exceed 5 years except for the purchase of a primary residence.

A. I elect the term of this loan to extend over the following number of years:

OR 1 2 3 4 5

B. I am using this loan for the purchase of my primary residence. Therefore, I wish to extend the number of years for repayment to _____ (not to exceed 20) years. **I am purchasing a primary residence and I have enclosed a copy of the Sales Agreement signed by myself and the seller and dated within the last 90 days as documentation for proof of purchase.**

Loan Fees A \$75.00 loan application fee will be deducted from your account.

I wish to have my loan check sent via express mail. Therefore, please deduct a total of \$100.00 from my account. This is for the application fee (above) and express mail costs. **Express mail is not available for delivery to post office boxes.**

There is an annual maintenance fee of \$25.00. This fee will be deducted from your account on an annual basis in equal amounts for the life of the loan.

Reinvesting Your Loan

Your loan payments will be reinvested according to your **current** contribution investment direction. If you would like to change your loan payment investment direction and it is permitted by your plan, please call our toll-free number.

***For Married Participants**

Spousal Waiver

(We are unable to accept a fax copy notarized with a raised Seal)

I am the participant's spouse. I understand that I am entitled to a spousal death benefit under the Plan based on the participant's account balance at the time of his or her death. I understand that if this spousal benefit is in the form of a "qualified joint and survivor annuity" or QJSA, an explanation of the QJSA and other payment options was provided to the participant with this waiver form. I realize that the participant cannot waive this spousal benefit and obtain a distribution in the form requested or obtain a loan unless I consent. I acknowledge that the transaction requested by the participant may reduce or eliminate any benefit otherwise payable to me. I voluntarily consent to the participant's waiver or loan request and acknowledge that this will authorize the request.

Spouse's signature **X** _____ Date _____
(Spouse's signature must be witnessed by a notary public. Spouse and Notary must sign and date the form at the same time and on the same date. The dates must match.)

Subscribed and sworn before me this _____ day of _____, the year _____

State of _____ County of _____

My commission expires _____ (Seal/Stamp)

Notary's signature **X** _____

Your Authorization

I understand the information I have provided will be relied upon in processing my request. I further understand that I will be responsible for its accuracy, including the maximum loan amount available to me, in the event any dispute arises with respect to the transaction. I have carefully read this Loan Application form and the Loan Disclosure Statement and agree to make payments of my principal loan amount plus interest due for the term of the loan. I understand that if loan repayments are not received in accordance with my Plan's loan policy, the loan will be considered in default. I also understand that if default occurs, the unpaid balance of this loan plus outstanding interest will be treated as a taxable distribution, and that Prudential will report this distribution to the IRS, and I will be responsible for paying any resulting tax and penalties. Additionally, I understand that if this loan is in excess of the maximum loan amount available to me, and Prudential becomes aware of this, any such excess caused by this loan will be immediately taxable to me, subject to ordinary income, and Prudential will report this to the IRS.

Current federal tax rules require your plan sponsor to notify you, in writing, of certain requirements you must meet to receive a cash distribution from your retirement plan. By signing the approval section below, you waive the required 30-day notice and you will receive a distribution from your retirement plan without delay, but no sooner than 8 days from your receipt of this form, under the terms of your retirement plan. Also, by signing below, you affirm that you will have received a general description and explanation of the optional forms of benefits, if any, available to you and a written notice describing the general tax rules applicable to this distribution.

I have read the explanation of the Qualified Joint and Survivor Annuity (QJSA) and other payment options that was provided and I know that I have the right to receive my benefits as a joint and survivor annuity if I am married or a life annuity if I am not married. I also know I can waive the right to annuity payments, with the consent of my spouse if I am married. I understand that if I waive those rights I can change my mind and revoke the waiver at any time before my payments begin. I have at least 30 days to decide whether or not to waive the annuity payments. By consenting to this distribution, I understand I am waiving my right to a life annuity.

Participant's signature **X** _____ Date _____

LOAN AMOUNT

Loans are available as provided for in your Employer's Retirement Plan.

The minimum loan amount is \$1,000.00. The maximum loan amount currently available is limited to the lesser of:

- (1) \$50,000, reduced by the excess (if any) of ----
 - (i) the sum of the highest outstanding balance of each individual loan from the plan during the 12 month period ending on the day before the date on which such loan was made, over
 - (ii) the outstanding balance of loans from the plan on the date on which such loan was made, or
- (2) the greater of ----
 - (i) one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan, or
 - (ii) \$10,000 (if permitted by the terms of the plan).

Prudential cannot process any loans which do not meet these requirements. For federal tax purposes, the \$50,000/50% limit applies as if all qualified retirement plans of the same employer in which you participate were a single plan and all related employer's plans were the same plan. Since Prudential cannot monitor your loan activity relating to any of your employer's other plans or programs, it is your responsibility to do so. Failure to adhere to these limits may result in undesirable tax consequences.

INTEREST RATE

The interest rate will be based upon the bank prime loan rate (as stated on www.federalreserve.gov) on the last business day of each quarter. However, your plan may specify a different interest rate. This rate will not change during your loan repayment period. For your plan's current interest rate, you may call our toll-free number.

Prudential will declare the loan interest rate quarterly; however, Prudential reserves the right to change the loan interest rate more frequently. Prudential also reserves the right prospectively to change the basis for determining the interest rate with 30 days notice to contract holders. These rights will only apply to a loan issued after the change(s) takes effect, not to an existing loan.

Interest on your loan is not deductible for federal income tax purposes.

Notwithstanding the foregoing, if permitted by your Plan and unless waived by you, any loan that is outstanding on the date that you begin active duty military service will accrue interest at annual percentage rate (APR) of no more than 6% during the period of uniformed service in accordance with the provisions of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942, 50 USC App. § 526. This limitation applies even if loan payments are suspended during the period of uniformed service as permitted.

PAYMENTS

For purposes of withdrawals, transfer, death benefits to your beneficiary, and annuity amounts, you are agreeing that a portion of your account balance, in an amount equal to the outstanding loan balance, will not be available.

Loan repayments will include both interest and a portion of the outstanding principal. Loan repayments will be invested according to your investment account allocation on the date of the loan repayment unless you elect otherwise. Loans may be paid off in full for both outstanding principal and accrued interest at any time.

The entire payment amount must be submitted to Prudential for each payment due date. If a "short" (less than expected) payment is received, the remaining payment amount must be submitted to Prudential within the allotted grace period (see DEFAULT section). A subsequent payment will satisfy the short amount and the remaining amount will be applied to principal. The next scheduled payment is still expected.

Payment amounts received in excess of the scheduled payment amount will be applied toward the current payment due (principal and interest) and the excess will be applied toward principal. The loan will then be reamortized according to the reduced principal balance, resulting in lesser interest due on the loan.

PAYMENTS (continued)

Principal only payments can be remitted under separate cover to the address listed below. You must indicate that you are remitting a principal pre-payment, otherwise the next scheduled payment (principal and interest) will be satisfied before the excess amount is applied toward the principal balance.

Prudential Retirement
Loan Payment Processing Center
P.O. Box 641513
Pittsburgh, PA 15264-1513

The entire outstanding balance of the loan plus accrued interest may be repaid, without penalty, at any time. Please call our toll-free number, 1-877-778-2100, to determine the amount necessary to pay off your loan. This quote is valid for 10 (ten) business days.

If you are currently employed by the employer sponsoring the plan, loan repayment will be made by payroll deductions starting as soon as possible following the date the loan proceeds have been forwarded to you in accordance with the pre-arranged schedule made with your employer.

If permitted by your Plan, Loan payments shall be suspended during a leave of absence of up to one year, if the participant's pay from the employer is insufficient to service the loan. Interest shall accrue during the suspension period. However, the loan must nonetheless be repaid within five years as provided by Internal Revenue Code section 72(p)(2)(B).

If the Plan permits a leave of absence on account of the participant performing service in the uniformed services (as defined in Chapter 43 of Title 38, United State Code), whether or not qualified military service, a suspension of loan payments may be permitted. Such suspension shall not be taken into account for purposes of meeting the requirements of sections 72(p), 401(a) or 4975(d)(1) of the Internal Revenue Code. For example, if the loan was payable over five years, the five-year repayment period would be calculated by extending the repayment period by the length of the leave of absence.

DEFAULTS

Loans default upon a determination by the Plan Administrator (or its agent) for the following reasons:

- Your failure to pay on time (including within any grace period allowed under the loan procedures used for the Plan);
- Your death;
- Your failure to pay on time any other or future debts to the Plan;
- Any statement or representation by you in connection with the loan which is false or incomplete in any material respect;
- Your failure to comply with any of the terms of the Promissory Note and other Loan Documentation;
- If you become insolvent or bankrupt;
- Any other action the Plan Administrator reasonably determines to adversely affect your ability or likelihood to repay the loan; or
- Your employment with the employer sponsoring the Plan terminates and you do not pay off your loan in full within the grace period allowed under the plan. However, to the extent allowed under the Plan you may continue repayment after termination from employment provided you make regular payments no less frequently than quarterly on a revised schedule of amount and payment dates calculated by the Plan Administrator or its agent to repay the loan with interest in full in substantially equal payments over the remaining original period of the loan.

If you default, Prudential or your Plan may, at its option, without demand or notice, accelerate the loan so that the entire amount of unpaid principal and accrued interest will be considered in default and tax reported as income to you. Failure to take action when one of these events occurs does not constitute a waiver on the part of Prudential or your Plan.

If your loan is in default, to meet IRS requirements, the outstanding balance is treated as a taxable distribution to you and will result in taxation in the year of default and a possible tax penalty. Prudential will send the appropriate tax information form to you and the IRS. You will be responsible for paying any tax consequences and penalties.

Loan defaults may effect your eligibility for future loans. Pursuant to IRS regulations, the defaulted loan (including interest) remains outstanding for purposes of determining your maximum loan. You may be required to pay off your defaulted loan (including interest) in order to be eligible to initiate another loan.

FEES

A loan application fee will be deducted from your account at the time the loan is initiated. The calculated loan amount will be determined against the participant's vested accrued account balance after the fee has been deducted.

FEES

There is an annual maintenance fee of \$25.00. This fee will be deducted from your account on an annual basis in equal amounts for the life of the loan.

CONVERSION

If permitted by the plan and if you take an unpaid Leave of Absence or your employment terminates, you have the right to continue your loan even though you are no longer an active employee by paying a conversion fee if applicable (see your Benefits Representative for specific information regarding the conversion). This fee will be deducted from your account at the time you inform Prudential to convert your loan to the monthly billing process. If you fail to take action to repay your loan, it will be considered in default.

MISCELLANEOUS

You are allowed 01 outstanding loan(s) at a time.

Right of refusal: In the event you elect to refuse this loan, you have ten (10) business days from the issue date to return the original loan check to Prudential. The full proceeds of the loan will then be reinstated into your account upon receipt of the returned check. The returned proceeds will then be invested as dictated by your current investment election, at current market prices as of the settlement date of such transaction. Please note: By not endorsing this check and refusing this loan, the amount of this check will still be considered a loan for purposes of determining the maximum loan allowed by law for future loans.

Important Notice to Participants

Prudential Retirement would like to take this opportunity to advise you of General Consent, Qualified Pre-retirement Survivor Annuity (QPSA), and Qualified Joint and Survivor Annuity (QJSA) rules.

General Consent Rules

Generally, you must consent to distributions from your Plan unless the Plan permits involuntary distributions when your account balance is less than \$5,000. General information on optional forms of benefit under your Plan is available on this statement or by calling the account information number on this statement. If your Plan does not allow for annuities, the information on QJSA and QPSA does not apply to you.

QPSA Rules

Explanation of QPSA for married participants: In the case of your death before retirement, the Plan will use no less than 50% of your vested account balance to purchase a qualified pre-retirement survivor annuity (QPSA) from an insurance company for your spouse. If you desire a different form of payment or wish to designate a beneficiary other than your spouse, you must file a waiver of the QPSA with the Plan Administrator during the election period. This waiver must be approved by your spouse in writing and be witnessed by a Notary Public or by an authorized Plan representative. Please contact the Plan Administrator concerning the available alternative forms of payment.

Election Period: The election period begins on the first day of the Plan Year during which you attain age 35, and ends on the earlier of your death or the date on which your account balance commences to be paid under the Plan. Your Plan may provide that an election is permitted prior to age 35; however, if this is the case, any such election must be reaffirmed with appropriate spousal consent during the Plan Year in which you attain age 35. You may, at any time during the election period, revoke a previous election or make a new election. If you make a new election, your spouse must consent to it as provided above.

QJSA Rules

If QJSA is the primary form of benefit under your Plan at retirement, you should read the information in this Notice or read the information in your Plan Summary Plan Description or the Plan Document to obtain general information on QJSA and other optional forms of benefit available to you. You may elect a benefit other than QJSA if spousal consent requirements are satisfied.

Explanation of Qualified Joint & Survivor Annuity

How will my benefits be paid to me when I retire?

They will be paid in the form of a Qualified Joint and Survivor Annuity (QJSA):

- If you are **married** at the time of your retirement, you will receive an annuity for your lifetime. After your death, your surviving spouse will receive an annuity for his or her lifetime in the amount of at least 50% of the annuity payments you received during your lifetime. You may be allowed to elect higher amounts for your surviving spouse, such as 75% or up to 100% of your monthly benefit.
- The annuity will be provided to you by purchasing an annuity contract from an insurance company with all or part of your account balance under the plan.
- If you are **unmarried** at the time of your retirement, you will receive an annuity for your lifetime.

May I select a different form of benefit payment other than the QJSA?

Yes, provided you request a different form of benefit payment in a manner specified for your Plan. If you are married, you must complete and return the Qualified Joint and Survivor Annuity (QJSA) Waiver Form with your spouse's written consent within the 0 day period prior to the date benefit payments will begin. If you are unmarried, you must complete and return the QJSA Waiver Form with your consent and waiver.

What are the optional forms of benefit payment under the Plan?

If you are married at the time of your retirement, the QJSA provides for annuity payments for your lifetime and after your death for the lifetime of your spouse, in the amount of at least 50% of the payment amount you received during your lifetime. You can choose a form of benefit payment other than the QJSA provided it is available under the Plan and you obtain your spouse's written consent (if applicable). If you are unmarried, the QJSA provides an annuity for your lifetime. Please refer to your Plan Summary Plan Description or the Plan document for the available options under your Plan..

May I select a different beneficiary?

Yes, provided you request, complete and return a QJSA Waiver Form with your spouse's written consent (if married) prior to the date you elect your benefit.

If I select a benefit payment option other than the QJSA or choose a different beneficiary, may I change the form of benefit payment or beneficiary again?

Yes. You can cancel any prior change and restore the QJSA at any time during the period prior to the date your benefit payments will begin. Additionally, you can select another form of benefit payment or choose another beneficiary if you:

- Make the change before your benefit payments begin.
- Obtain your spouse's consent (if married) unless, at the time of your initial change in form of benefit payment or beneficiary, your spouse, if permitted by the Plan, gave general consent permitting you to make later changes to the form of benefit payment or beneficiary without having to obtain further consent.

What happens if I want to take a loan from the Plan?

Because your benefit must be paid in the form of a QJSA, if you take a loan from the Plan it will also be subject to QJSA. This means that if you elect to take a loan from your Plan, and you are married, you must complete and return the QJSA Waiver Form with your spouse's written consent. If you are unmarried, you must complete and return the QJSA Waiver Form with your consent and waiver. The rules that apply when the benefit is payable when you retire will also apply to the benefit payable as a loan.

What happens if my benefit exceeds \$5,000 on the date my benefit becomes payable (or at the time of any prior payment)?

If your benefit exceeds \$5,000 (\$3,500 for plans not adopting the increase allowed in 1996 or exceeded \$3,500 at any time of any prior payment), it cannot be paid to you until you reach normal retirement age under the Plan, or, if later, age 62, unless you consent in writing.

Otherwise, consistent with the law and your Plan document, your benefit may be paid to you immediately regardless of any election you may have made to receive it later or in a different form.

How much time do I have to select either a different form of benefit payment other than QJSA, or, if permitted by the Plan, to elect to have my benefit paid to me before the later of normal retirement age or age 62?

You have at least 30 days after receiving this QJSA explanation to make your decision.

Do I have to wait 30 days to select a different form of benefit payment other than QJSA, or, if permitted by the Plan, to elect to have my benefit paid to me before the later of normal retirement age or age 62?

- No. You may request a disbursement prior to the expiration of the 30-day period, however:
- Payment of your benefit cannot begin until at least the 8th day after you receive the QJSA Explanation.

You can cancel your distribution election at any time within 30 days of receipt of the QJSA Explanation. If you cancel your election, Prudential will return the annuity purchase price to your Plan.

What happens to my spouse's QJSA benefit if he or she consents to my selection of a different form of benefit payment option other than QJSA or if I select a different beneficiary?

If your spouse consents to your selection of a different form of benefit payment, to the extent your spouse is still your beneficiary, he or she will receive a benefit based on the alternative form of benefit payment you choose. For instance, if you elect a single life annuity or a lump sum payment of your full account balance, your spouse will receive no further payment from the Plan.

If you select a different beneficiary, your spouse will receive no benefit under the Plan.

May I receive additional information regarding the QJSA or the specific benefit payable to me or my spouse?

Yes. You can obtain additional information such as other optional forms of distribution that may be available under your Plan by reading the information in your Plan Summary Plan Description.

You may also write to Prudential at Prudential Retirement, 30 Scranton Office Park, Scranton, PA 18507-1789. If your request is made in writing, you will receive additional QJSA information within 30 days from the date of your request.

Qualified Joint and Survivor Annuity (QJSA) and Optional Forms of Benefit

The following is a list of common optional forms of benefit and the relative financial effect of electing each as compared to the QJSA. The basic meaning of some of the terms used to describe the options is as follows:

“Life Annuity” or “Life” is an annuity payable for the participant’s lifetime.

“X% Joint & Survivor” is an annuity payable for the participant’s lifetime plus X% of the participant’s benefit paid to the beneficiary for the beneficiary’s lifetime.

“X Year Certain” is an annuity for the lifetime or lifetimes mentioned, but with the assurance that the payments will be made to either the participant or a beneficiary for X number of years even if the person receiving the annuity dies prematurely.

“Installment Refund” is an immediate annuity in which monthly payments will continue to a beneficiary in the event the annuitant dies before Prudential has made total monthly payments at least equal to the maximum death benefit amount. Upon the death of the annuitant, the difference between the maximum death benefit amount and the total of monthly payments made previously will be paid to the beneficiary in monthly installments in the same amount that was being paid to the annuitant before the annuitant’s death, except that the last payment to the beneficiary will be a lesser amount.

The information provided below is an estimate of the amount payable under an annuity purchased from Prudential Insurance Company of America. A more precise calculation of your monthly benefit upon purchase of an annuity is available upon request. The estimates provided below are based on a benefit with a present value of \$10,000 using an interest rate of 3.54% for annuities with a life contingency. Both the participant and the spouse are assumed to be the same age for the examples provided. Differences in your age, the age of your spouse, interest rates, and other assumptions used in this chart can have a significant effect on the amount paid under the option chosen. The interest rate and other contract assumptions in effect when you purchase the annuity will determine the amount of a monthly benefit.

<u>Optional Form of Benefit</u>	<u>Age 65</u>	<u>Age 60</u>	<u>Age 55</u>
Life Annuity	52.60	46.03	41.20
Life and 5 Year Certain Annuity	52.12	45.83	41.11
Life and 10 Year Certain Annuity	50.71	45.16	40.82
Life and 15 Year Certain Annuity	48.53	44.04	40.27
Life and 20 Year Certain Annuity	45.68	42.51	39.46
5 Year Certain Annuity	**	**	**
10 Year Certain Annuity	87.19	87.19	87.19
15 Year Certain Annuity	63.01	63.01	63.01
20 Year Certain Annuity	51.10	51.10	51.10
100% Joint & Survivor Annuity	43.89	39.54	36.36
100% Joint & Survivor Annuity with 5 Years Certain	43.88	39.53	36.36
100% Joint & Survivor Annuity with 10 Year Certain	43.78	39.50	36.35
100% Joint & Survivor Annuity with 15 Year Certain	43.45	39.39	36.32
100% Joint & Survivor Annuity with 20 Year Certain	42.65	39.12	36.23
50% Joint & Survivor Annuity	45.79	40.98	37.46
50% Joint & Survivor Annuity with 5 Year Certain	45.32	40.78	37.37
50% Joint & Survivor Annuity with 10 Year Certain	46.46	41.49	37.84
50% Joint & Survivor Annuity with 15 Year Certain	46.32	41.43	37.81
50% Joint & Survivor Annuity with 20 Year Certain	45.87	41.22	37.73
Installment Refund	45.02	40.83	37.55

** Total payout for this form of annuity will be less than the purchase price.