Date prepared August 26, 2015
Plan number 0037510001
Questions? Call 888-333-4202
Visit us online Go to nationwide.com to learn about products, services and more.

NATHAN ZINSMEYER
WILLIAMSON COUNTY TX
710 S MAIN ST STE 301
GEORGETOWN, TX 78626-5701

Important Plan loan procedure changes

Email for faster service
For quicker processing, please send your signed procedures by email to loanfyi@nationwide.com

Dear Nathan Zinsmeyer,

Nationwide Retirement Solutions consistently strives to improve our service to you and your Plan loan participants, which is why we're enhancing our loan administration capabilities. Please see the details below.

Loan procedure details

The enclosed Plan Loan Procedures offer greater flexibility to adopt or change your Plan's loan program. Updates include:

- Easy selection of Plan provisions; we've included our current policy for each provision
- An updated Cure Period provision; the Cure Period is the amount of time a participant has to make a missed repayment before the loan defaults and becomes a deemed distribution
- Updates to online loan capabilities to expedite participant loan requests

What you need to do

- Please review your Plan's current loan program provisions outlined in the enclosed Plan Loan Procedures
- Sign and date the procedures and return them by September 4, 2015 by email to loanfyi@nationwide.com or by using the envelope provided

NOTE: To ensure the most effective operation of your Plan's loan program(s), newly executed Plan Loan Procedures and any applicable Amendments are required.

See reverse side for additional information

Additional information

We've enclosed Plan Loan Procedures which identify your Plan's current loan provisions.

Your Plan currently allows loan refinancing. Nationwide Retirement Solutions requires the enclosed Amendment to the Plan Loan Procedures for Refinancing to be executed. Please sign, date, and return the Amendment with your signed Plan Loan Procedures in the envelope provided.

At this time, the Plan has not selected online loan capability which is a valuable tool for participants offering them greater flexibility, access and expedited processing. If the Plan wishes to offer this functionality to Plan participants, please select the appropriate option in Internet Utilization Section 8, page 11 of Addendum A.

For help when you need it

If you have any questions or need additional information, please contact one of our loan specialists at 888-333-4202. Our specialists are available Monday through Friday, 8 a.m. to 6 p.m. Eastern time. Thank you for entrusting Nationwide to help your participants prepare for and live in retirement.

Sincerely,

Katie Moore

Katie Moore
Associate Vice President
Public Sector Client Services

Plan name: WILLIAMSON COUNTY TX

Nationwide Retirement Solutions, Inc. ("NRS") agrees as the Administrative Service Provider to administer loans in accordance with the terms of these Plan Loan Procedures and the attached **"Plan Election Worksheet"** (see Addendum A) as approved by the Plan Sponsor of the Plan. The Plan Sponsor directs the Plan Administrator of the Plan to administer loans in accordance with this document. The Plan Sponsor or the Plan Administrator may amend these Plan Loan Procedures within any constraints placed by NRS. Any such amendments shall bind the Plan Sponsor and the Plan Administrator. The Plan Sponsor is encouraged to consult with legal advisors in determining whether the procedures identified herein are appropriate for the Plan.

The Plan Sponsor and Plan Administrator (collectively the "Client") acknowledge that NRS may need to make changes from time-to-time to the administrative procedures set forth herein and may request amendments to the Plan documents to maintain the Plan's Loan Program. In such a case, NRS will provide the Client with timely notice of such changes as they become necessary.

The following Plan Loan Procedures shall govern Participant loans offered in the Plan Sponsor's 457(b) Plan ("Plan"):

1. **Loan Administration** - Client delegates to NRS certain administrative duties regarding the administration of loans from the Plan, which are set forth herein and which may be modified by NRS upon timely notice to and acceptance by the Plan Sponsor.

2. **Loan Eligibility** - Any Plan Participant, who falls into one of the employee statuses that the Client has elected, is eligible for a loan from the Plan. Each Participant is entitled to one loan outstanding loan from the Plan at any time. In addition, a Participant who has defaulted on a previous loan shall not be eligible for another loan from the Plan until all defaulted loans are repaid in full, including accrued interest.

3. **Loan Initiation and Loan Application** - In order to receive a loan from the Plan, an eligible Participant must complete all required documents provided in the Loan Application and return them to NRS. Before a loan is issued, the Participant must enter into a legally enforceable Loan Agreement as provided by NRS in the Loan Application, on behalf of the Plan. A loan initiation fee will be deducted from the Participant's account(s) after the loan has been funded by the Participant's account(s).

4. **Loan Security** - By accepting a loan, the Participant is giving the Plan a security interest in his or her vested Plan balance equal to the total loan amount, but not to exceed 50% of the Participant's vested Plan balance.

5. **Loan Money Source** - A loan shall be modeled taking into account the Participant's entire Plan account balance. Loans shall be funded only from a Participant's available Plan account pre-tax money sources. To the extent that a Participant has a self-directed brokerage account, no funding from such self-directed brokerage account shall be permitted.

6. **Minimum and Maximum Loan Term** - The minimum and maximum loan term over which a loan may be repaid is the term elected by the Client. Except as otherwise provided herein, the maximum loan term shall not exceed 5 years.

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7. **Minimum/Maximum Loan Amount** - The minimum loan amount permitted shall be the amount elected by the Client. The maximum amount of any loan permitted under the Plan shall comply with Section 72(p) of the Internal Revenue Code and (when added to the outstanding balance of all other loans from all plans sponsored by the same employer) is the lesser of (i) $50,000, reduced by the excess (if any) of (A) the highest outstanding balance of loans from all plans sponsored by the same employer, during the one-year period ending on the day before the date on which the loan was made over (B) the outstanding balance of loans from all plans sponsored by the same employer, on the date on which the loan is made, or (ii) one half of the present value of the Participant's vested account balance.

8. **Loan Amortization** - Each loan shall be amortized with interest accruing immediately, with repayments beginning approximately 30 days from the date the loan is processed, in substantially equal repayments consisting of principal and interest during the term of the loan. Repayments of principal and interest shall be made in a manner and pursuant to the terms set forth in the Loan Agreement. The amount of the final payment may be higher or lower depending upon the Participant's repayment history.

9. **Loan Repayment** - Repayment of any loan made to a Participant shall be made in a manner and pursuant to the terms set forth in the Loan Agreement. Loans must be repaid according to the repayment method elected by the Client. The Participant receiving a loan shall be required to furnish the information and authorization necessary to effectuate the foregoing repayments prior to the commencement of a loan. In the event that a Participant elects to receive a distribution from the Plan that is less than 100% of his outstanding account balance at a time when such person has a loan outstanding, the Participant shall continue to make repayments on the loan.

10. **Loan Prepayment** - The entire amount of a loan, including outstanding principal and any accrued interest, may be paid without penalty prior to the end of the term of the loan in the manner prescribed by NRS.

11. **Loan Overpayment** - In the event that NRS receives a loan overpayment, any amount over the repayment amount due will be applied or refunded according to the administrative policies of NRS.

12. **Cure Period** - If a Participant fails to make a loan repayment when due, the missed repayment must be made within the cure period elected by the Client.

13. **Default** - If any repayment is not received by NRS by the end of the cure period, the entire amount of the loan will be defaulted and treated as a deemed distribution, effective as of the end of the cure period elected by the Client. A deemed distribution is treated as a distribution from the Plan for federal (and possibly state or local) income tax purposes; therefore amounts treated as a deemed distribution will be subject to federal, state and/or local income taxes, and certain excise taxes and penalties may apply. NRS will issue a Form 1099-R to the Participant reflecting the deemed distribution. Any payment made on a defaulted loan will be applied to the outstanding balance of the loan including accrued interest. Such repayment(s), following the date of default, will be treated as after tax amounts and the Participant will receive tax basis in his or her Plan account for such amounts.

The entire loan, including any accrued interest, will also be due and payable immediately in the event of the death of the Participant. The outstanding balance of the loan will be treated as a deemed distribution following the date of notification of such death provided such notification is in good order as determined by NRS.

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14. **Loans Offered from Other Administrative Service Providers** - In the event the employer offers the Plan through multiple service providers, the Client and/or Participant and not NRS shall at all times remain responsible for ensuring that any loan received under the Plan is in accordance with the limits in Section 7. NRS shall apply the maximum loan amount limit and any other limits imposed under the Internal Revenue Code without regard to any other loans received by the Participant from any other administrative service provider(s) under this Plan or any other plan maintained by the Plan Sponsor.

15. **Suspension of Loan Repayments.**

a. **Military Leave of Absence** - A Participant's obligation to repay any loan under the Plan may be suspended as may be required by law, during the period in which the Participant is performing service in the United States military. The Participant must resume repayment of the loan upon his or her completion of military service and the outstanding loan balance, including any accrued interest and fees, must be repaid and may be re-amortized over a period that does not exceed the latest permissible term for a loan under the regulations plus the period of the military service. While the Participant is on active duty in the United States military, the interest rate on the loan shall not exceed 6%, compounded annually unless the Participant elects in writing during or after his or her military leave of absence to have the loan's higher existing interest rate, if applicable, apply to the loan. The Plan Sponsor assumes responsibility to notify NRS when a Participant begins and returns from a military leave of absence.

b. **Non-Military Leave of Absence** - In addition, a Participant's obligation to repay any loan under the Plan may be suspended during the period (not to exceed one year) while the Participant is on an approved non-military leave of absence and the Participant provides requested documentation regarding the non-military leave of absence from his or her employer. The Participant must resume repayment of the loan upon the earlier of his or her return from non-military leave of absence, or one year of suspension. At such point the outstanding loan balance, including any accrued interest and fees, must be repaid or may be re-amortized over a period that does not exceed the latest permissible term for a loan under the regulations. The Plan Sponsor assumes responsibility to notify NRS when a Participant begins and returns from a non military leave of absence.

16. **Loan Interest Rate** - The interest rates for a loan shall be commensurate with interest rates being charged by entities in the business of lending money under similar circumstances. The loan interest rate will be the Prime Rate plus an additional amount expressed as a percentage elected by the Client, plus any other administrative and/or asset fees, as applicable. The Prime Rate shall be the prime rate published by the Wall Street Journal two weeks prior to the end of the most current calendar-year quarter and the new rate will be effective on the first day of the new calendar quarter. The loan interest rate may be adjusted for Participants performing service in the United States military as may be required by law (See Provision 15a.)

17. **Fees** - Fees described in these loan procedures will appear as administrative charges on Participant statements. These fees are subject to change by NRS upon reasonable notice to the Plan Sponsor.

a. **Loan Initiation Fee** - A loan initiation fee of $50 will be deducted from the Participant's account at the time the loan is funded.

b. **Annual Loan Maintenance Fee** - An annual loan maintenance fee of $50 will be deducted from the participant's account on the anniversary date of the original loan initiation, until the loan is repaid in full or the loan has defaulted. In the event that the loan defaults, the annual loan maintenance fee will no longer be assessed and the annual loan default fee described below (See Provision 17f) will be applied.

c. **Asset Fees** - The amount of the outstanding loan balance will be subject to the maximum asset fee, administrative charge or such other fees NRS is entitled to receive under its separate agreement with the Plan Sponsor.

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d. **Insufficient Funds Fee** - If NRS is unable to process an ACH debit repayment or personal check on the date due, through no fault of NRS, a fee of $25 will be deducted from the Participant’s account.
e. **Loan Default Fee** - At the time a loan is treated as a deemed distribution, a $50 fee will be deducted from the Participant’s account.
f. **Annual Loan Default Fee** - An annual loan default fee of $50 will be will be deducted from the Participant’s account on the anniversary date of the original loan default until the loan is repaid in full or offset.

18. **Loans for the Purchase of a Principal Residence -** All loans issued by the Plan will be general purpose loans to be repaid in no more than five years unless the Client elects to offer loans for the purchase of the Participant’s principal residence. If the Client elects to allow loans for the purchase of a principal residence, all of the provisions of this document will apply unless otherwise specified.

19. **Loan Correction** - In the event a loan correction becomes necessary, at the Plan Sponsor’s direction, NRS may undertake methods prescribed by the IRS or through any IRS correction program.

20. **Adoption of Plan Loan Procedures -** The undersigned Plan Sponsor or Plan Administrator, as applicable, hereby adopt these Plan Loan Procedures effective for loans issued on or after the Effective Date set forth below, and instructs NRS to administer loans made to Plan Participants in accordance with these terms and the Client elections made on the attached “Plan Election Worksheet” (See Addendum A). Prior to implementing a loan program, the Plan Sponsor acknowledges or acknowledged the following: (i) that the Plan Sponsor has decided to offer loans under the Plan and the Plan Administrator is instructing NRS to administer loans under the Plan; (ii) that the Plan Sponsor understands that, as a result of offering loans under the Plan, the Plan Participants could be subject to adverse tax consequences upon default of the loan; (iii) that the Plan Sponsor has independently weighed these risks, and despite the risks has determined that offering loans under the Plan is in the best interest of Plan Participants; (iv) that any previous loan procedures or loan reference documents other than the Plan Document itself, are hereby superseded by these Plan Loan Procedures; and (v) NRS shall not be liable for any adverse tax consequences described in (ii), except as specifically stated under paragraph 14 herein, resulting from the Plan Sponsor’s decision to offer loans under the Plan.

Plan Sponsor Name (“Sponsor”):
Street Address:
City, State, Zip Code:
Signer’s Email Address:
Plan Name (“Plan”): WILLIAMSON COUNTY TX
Plan Number: 0037510001
Plan Sponsor or Plan Administrator Signature:
Title:
Date of Adoption*: * Unless otherwise indicated below, the Date of Adoption shall be the Effective Date.
Effective Date:

An executed copy of these Procedures (including the attached Addendum A - Plan Election Worksheet) should be returned to Nationwide Retirement Solutions.

Addendum A - Plan Election Worksheet

The following provisions identify Plan elections which are incorporated and made a part of the attached "Plan Loan Procedures." In the event that an election is not made within any section, Nationwide Retirement Solutions ("NRS") will administer the loan program according to current NRS policies as listed under each provision below. The current NRS policies may be changed by NRS at any time. Unless otherwise specified, only one election is allowed per provision. The elections contained herein apply solely to the Plan. Any provisions, including limitations, do not extend to any other plans offered by the Sponsor.

1. **Loan Eligibility:**
Plan elects to allow the following Participants the ability to initiate a loan under the Plan. The Plan Sponsor is solely responsible for informing NRS of any future changes in the Participant's employment status (check all that apply).
[X] Employed
[X] Approved Non-military Leave of Absence (only available for ACH)
[X] Military Leave of Absence (only available for ACH)
[ ] Disabled (only available for ACH)
[ ] Retired (only available for ACH)
[ ] Terminated (only available for ACH)
Current NRS Policy: All listed Participant employment statuses are eligible to initiate a loan if ACH is the elected repayment method (See Provision 4). If the repayment method elected is Payroll Deduction (See Provision 4), the only eligible Participant employment status is Employed.

2. **General Purpose Loan Terms:**
2(a). Minimum Loan Term
Plan elects the following minimum loan term:
[ ] One year
[X] Other – Specify minimum loan term: **6 months** (not to be less than six months)
Current NRS Policy: The minimum loan term is one year.

2(b). Maximum Loan Term
Plan elects the following maximum loan term:
[X] Five years
[ ] Other - Specify maximum loan term: ______________ (not to exceed a term of five years)
Current NRS Policy: The maximum loan term is five years.

3. **Minimum Loan Amount:**
Plan elects to have a minimum loan amount of:
[X] $1,000
[ ] Other – Specify minimum loan amount: $___________ (not to be less than $500)
Current NRS Policy: The minimum loan amount is $1,000.

4. **Repayment Method:**
Plan elects to provide Participants with one of the following loan repayment methods:
[X] Monthly Automated Clearing House ("ACH')
[ ] Payroll Deduction (Plan Sponsor will be required to provide a payroll calendar.
(This repayment method is limited to Employed status – see Provision 1)
Current NRS Policy: Monthly ACH is the repayment method.

Addendum A - Plan Election Worksheet

5. **Cure Period:**
If a Participant misses a scheduled loan repayment, the missed repayment must be received by the end of the specified cure period. Plan elects to apply a cure period with the following length:
[X] 31 Days
[ ] 60 Days
[ ] 90 Days
[ ] The quarter following the quarter in which the scheduled repayment was missed
Current NRS Policy: The cure period is 31 days when ACH is the elected repayment method (See Provision 4). The cure period is 60 days when the repayment method elected is Payroll Deduction (See Provision 4).

6. **Loan Interest Rate:**
Plan elects the following interest rate for Participant loans:
[X] Prime Rate plus 1% plus applicable fees
[ ] Prime Rate plus 2% plus applicable fees
[ ] Prime Rate plus ___________% (not to be lower than 0%) plus applicable fees
Current NRS Policy: Prime Rate plus 2% plus applicable fees.

7. **Loans for the Purchase of a Principal Residence:**
7(a). Plan elects to permit loans for the purchase of the Participant's principal residence:
[X] Yes
[ ] No
In the event Plan elects to allow Principal Residence loans, only one Principal Residence loan outstanding at a time is permitted. The Principal Residence loan is included in the maximum number of outstanding loans (See Provision 2 of the Plan Loan Procedures). Additionally, the Participant will be required to sign a Principal Residence Certificate and provide NRS with sufficient additional documents to support the purchase of a principal residence. Internet initiation is not available for Principal Residence loans.
Current NRS Policy: Principal Residence loans are not allowed.

7(b). Minimum Loan Term: Plan elects to have a minimum loan term for Principal Residence loans of:
[ ] Five years
[X] Other – Specify minimum loan term: 1 year (not to be less than one year)
Current NRS Policy: Principal Residence loans have a minimum term of five years.

7(c). Maximum Loan Term: Plan elects to have a maximum loan term for Principal Residence loans of:
[X] 15 Years
[ ] Other - Specify maximum loan term: ______ (not to exceed a term of 30 years)
Current NRS Policy: Principal Residence loans have a maximum term of 15 years.

8. **Internet Utilization:**
Plan elects to allow Participants to use the internet for:
[ ] Only the modeling of loans
[ ] Both modeling and initiation of loans
[ ] Plan declines the use of the internet for either the modeling or initiation of loans
Current NRS Policy: Participants can use the internet for modeling and initiation of loans.
Loan initiation on the internet is limited to General Purpose loans. Principal Residence loans will not be initiated electronically. Additional limitations exist for particular repayment methods and employment statuses.

WHEREAS, the Plan Sponsor previously adopted the Plan Loan Procedures whereby Nationwide Retirement Solutions, Inc. has agreed to administer loans in accordance with the terms of said Plan Loan Procedures.

WHEREAS, the Plan Sponsor or Plan Administrator desires to amend the Plan Loan Procedures to allow a Participant to refinance their loan.

NOW THEREFORE, it is agreed and hereby understood that the Plan Loan Procedures are amended by adding the following Section 20 after Section 19 and the current Section 20 shall be renumbered Section 21 that reads as follows:

20. **Loan Refinancing**
An existing general purpose loan may be refinanced and replaced with a new loan up to a maximum term of 5 years from the existing loan's original date of initiation. For a Participant to refinance a loan, (i) the Participant's existing loan must have no outstanding missed loan repayments, (ii) the minimum refinance loan amount, including any outstanding balance from the existing loan, shall be equal to or greater than the Minimum Loan Amount as elected by the plan and (iii) the loan term of the refinanced and replaced loan shall be equal to or greater than the Minimum Loan Term as elected by the Plan. A loan refinance request will require a new Loan Application, which includes a new loan repayment schedule, to be signed by the Participant. At the time the loan is refinanced, a $50 loan refinance fee will be deducted from the Participant's account. Principal residence loans may not be refinanced. All other terms of the Plan Loan Procedures shall remain as specified in the Plan's previously adopted Plan Loan Procedures.

This Amendment to the Plan Loan Procedures is effective on the__day of_________________, 201__. Plan

Sponsor Name ("Sponsor"): ____

Street Address: ____

City, State, Zip Code: ____

Signer's Email Address: ____

Plan Name ("Plan"): WILLIAMSON COUNTY TX

Plan Number: 0037510001

Plan Sponsor or Plan Administrator Signature: ______________________________

Title: ____

Date of Adoption*:____

* Unless otherwise indicated below, the Date of Adoption shall be the Effective Date.

Effective Date: ____

An executed copy of this Amendment should be returned to Nationwide Retirement Solutions.