

LOAN PROCEDURES

FISCHER HOMES 401(K) PROFIT PLUS PLAN AND TRUST

This document contains important information about the procedures for obtaining a loan from the Plan. The following rules shall apply to the loan program:

Procedure for Applying for a Loan If you are an active Participant in the Fischer Homes 401(k) Profit Plus Plan and Trust, you may apply for a loan from the Plan. You must complete an Online Application and supporting materials provided by the Plan Administrator. All loan applications will be reviewed on a uniform and nondiscriminatory basis and your loan will be approved if the Plan Administrator determines you have the ability to repay the loan, the loan is adequately secured and the loan meets the other requirements set out below.

Administration of the Plan Loan Program The Plan loan program is administered by the Plan Administrator.

Promissory Note If your loan is approved, you will be required to sign a promissory note.

Type and Amount of Loan If you are a Participant who is an Employee you may apply for a loan from the Plan for the purpose of enabling you to meet an immediate and heavy financial hardship or an unusual or special situation in your financial affairs. The need to pay the funeral expenses of a family member would constitute an immediate and heavy financial need while a loan made to an employee for the purchase of a boat or television would not constitute a loan made on account of an immediate and heavy financial need. Loans will only be made to persons who the Plan Administrator determines have the ability to repay the loan.

Accounts and/or Investments Loans may only be made from the following Accounts and/or Investments: Elective Deferral Account, Roth Deferral Account and Rollover Contribution Account.

Maximum Amount of Loan When added to the outstanding balance of all other loans from all plans of the Employer, a loan may not exceed the lesser of:

- (A) \$50,000 minus the difference between the highest outstanding balance of loans in the past 12 months and the outstanding balance of loans from the Plan on the date the loan is made, or
- (B) 50% of the vested account balance under the Plan.

Roth Contribution Account The Plan Administrator will determine whether you may receive a loan from your Roth Contribution Account. If the Plan Administrator allows loans from your Roth Contribution Account, the Plan Administrator may specify an ordering rule for loans. The ordering rule will determine whether loans will be made first or last from your Roth Contribution Account or in any combination of your Roth Contribution Account and any other Account.

Repayment Loans must be repaid over a period not extending beyond five years from the date of the loan, unless such loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as your principal residence. The maximum loan term for a principal residence loan is any reasonable period up to a maximum of 30 years as determined by the Employer at the time loan granted.

If you go on a leave of absence you may be able to suspend loan repayments. Please contact the Plan Administrator to determine whether your leave of absence qualifies. You must repay a loan in accordance with the repayment schedule. Loan repayments shall be made each pay period. Prepayments are not permitted. You may not refinance your loan. The loan will become payable in full on your termination of employment.

Maximum Number of Loans The maximum number of loans outstanding at any one time is one (1).

Minimum Loan Amount The minimum loan amount is \$1,000.

Interest Rate According to U.S. Department of Labor Regulations, the interest rate for a participant loan from a retirement plan must be comparable to the current interest rates charged by financial institutions for similar loans. The interest that will apply on your loan will be Prime rate plus 1% per year. However, you may qualify for a lower interest rate if you are on active duty in the military. If you are on active duty, please contact the Plan Administrator to determine whether you qualify for the lower interest rate.

Collateral Your vested account balance under the Plan will serve as collateral for the loan. However, a maximum of 50% of your vested account balance may be used as collateral.

Payroll Deduction Payments will be made through payroll deduction every pay period.

Default Your loan will be in default if a scheduled payment is not made by the end of the "cure period." The "cure period" is the repayment period allowed by the Plan Administrator which will not extend beyond the last day of the calendar quarter following the calendar quarter during which the last scheduled installment payment was due and not paid. To fully understand the potential tax consequences in the event of a loan default, you are encouraged to seek professional tax advice before requesting a loan.

Coordination with Qualified Domestic Relations Orders ("QDROs") No loan will be approved if the Plan Administrator is reviewing a domestic relations order that may affect your benefit under the Plan.

Special Rules for Military Leave If you are called into or volunteer for military service, special provisions may apply. You may request a loan suspension during your leave and choose from the following repayment methods upon your return to employment: (a) re-amortize the remaining loan balance; (b) repay all suspended loan payments at the end of your leave; or (c) continue payments under the prior rate and make a balloon payment at the end of the term. If you refinance the loan, you may extend the repayment period to the date that includes the latest date the loan repayment period could have been scheduled for (if the original term was less than five years) plus the period during which the loan was suspended. (See the note above regarding interest rates.)

Special Rules Related to Coronavirus The following provisions only apply to qualified individuals who satisfy one of the following criteria: (1) they were diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (referred to collectively as COVID-19) by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act); (2) their spouse or their dependent was diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act); or (3) they have experienced adverse financial consequences because: (i) they, their spouse, or a member of their household was quarantined, furloughed or laid off, or had work hours reduced due to COVID-19; (ii) they, their spouse, or a member of their household was unable to work due to lack of childcare due to COVID-19; (iii) a business owned or operated by them, their spouse, or a member of their household closed or reduced hours due to COVID-19; or (iv) they, their spouse, or a member of their household had a reduction in pay (or self-employment income) due to COVID-19 or had a job offer rescinded or start date for a job delayed due to COVID-19.

- Coronavirus-related loans are available for qualified individuals from 03/27/2020 through 09/22/2020. A coronavirus-related loan may be up to the lesser of: (i) 100% of the vested account balance under the Plan; or (ii) \$100,000 minus the difference between the highest outstanding balance of loans in the past 12 months and the outstanding balance of loans from the Plan on the date the loan is made.
- Qualified individuals may use 100% of their vested account balance as collateral for coronavirus-related loans.
- Qualified individuals impacted by the coronavirus may suspend any loan payment due by 12/31/2020 for up to one year. Interest on the loan will continue to accrue during this suspension. The loan end date and maximum term will be adjusted accordingly.
- Qualified individuals impacted by the coronavirus will not be in default for missing a scheduled payment from 03/27/2020 through 12/31/2020. Interest on the loan will continue to accrue and the loan end date and maximum term will be adjusted accordingly.

As Plan Administrator, I hereby approve these loan procedures.



Plan Administrator's Signature

Dated: 2/1/2024



Print Name & Title