

PALM BEACH CIVIC ASSOCIATION

Enhancing the Quality of Life in Palm Beach Since 1944

The Paramount Building • 139 North County Road, Suite 33 • Palm Beach, Florida 33480

(561) 655-0820 • Fax (561) 655-1070

www.palmbeachcivic.org

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William M. Guttman
Chief Executive Officer
Co-Chairman

Stanley M. Rumbough Jr.
Co-Chairman

Alec Flamm
Vice Chairman
Treasurer Secretary

Ned Barnes
President
Chief Operating Officer

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The Honorable Nancy G. Branker
U.S. Ambassador To Hungary

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The Honorable George G. Matthews
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The Honorable Harold B. Scott

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The Honorable Matthew Brown
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Herbert C. Lee
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LIAISON DIRECTORS

Beverly Davis
Gerald Frank

March 24, 2003

Top Hat Plan Exemption
Pension and Welfare Benefits
Administration, Room N-5644
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

2520040762387

Re: Palm Beach Civic Association Deferred Compensation Plan

Ladies and Gentlemen:

As required by Department of Labor Regulation Section 2520.104-23 and in satisfaction of the reporting and disclosure requirements of Part 1 of Title I of ERISA, we are filing the enclosed statement with the Secretary of Labor regarding the Palm Beach Civic Association Deferred Compensation Plan (the "Plan").

Statement

1. Name and Address of Employer: Palm Beach Civic Association, Inc.
139 North County Road, Suite 33
Palm Beach, Florida 33480
2. Employer Identification Number (EIN): 59 - 0542089
3. The Employer, Palm Beach Civic Association, Inc., declares that it maintains one (1) plan, the Palm Beach Civic Association Deferred Compensation Plan, primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.
4. Number of Employees in the Plan: 1

If you have any further questions, please contact me at (561) 863-6853.

Very truly yours,



William M. Guttman
CEO and Co-Chairman
Palm Beach Civic Association, Inc.

**PALM BEACH CIVIC ASSOCIATION
DEFERRED COMPENSATION PLAN**

1. NAME AND PURPOSE

The name of this plan is the Palm Beach Civic Association Deferred Compensation Plan (the "Plan"). The purpose of the Plan is to enable Palm Beach Civic Association, Inc. ("PBCA") to assist Participants, who must be among PBCA's select management or highly compensated employees, to earn retirement benefits in addition to those credited under the PBCA 403(b) Plan. PBCA intends that the Plan shall constitute an "ineligible deferred compensation plan" within the meaning of Section 457(f) of the Code.

2. EFFECTIVE DATE

The Plan shall be effective as of March 1, 2003.

3. PARTICIPANTS

The following management or highly compensated employees of PBCA (each of them being hereinafter referred to as a "Participant") shall be eligible to participate in the Plan: Ned Barnes. By resolutions adopted by the Executive Committee of the Board of Directors of PBCA (the "Executive Committee"), the Executive Committee may at any time and from time to time designate one or more additional management or highly compensated employees of PBCA as Participants in the Plan and on and after the date of such resolutions such employees shall be eligible to participate in the Plan.

4. RETIREMENT BENEFIT

(A) PBCA shall establish an account on PBCA's books titled "Ineligible Deferred Compensation Account" (hereinafter referred to as the "Account") with respect to each Participant in the Plan. Each Account shall be credited with the amounts contributed by PBCA from time to time pursuant to Section 5 of the Plan.

Funds credited to each Participant's Account shall be treated as though invested and reinvested by PBCA in such mutual funds within the family of funds of The Vanguard Group (or another comparable mutual fund family) as the Executive Committee shall from time to time designate; *provided, however*, that each such designation by the Executive Committee shall

be subject to the approval of the Participant in question, which approval shall not be withheld unreasonably. Each Participant's Account shall be credited quarterly with earnings or losses realized by each mutual fund designated pursuant to this paragraph (A) of Section 4 of the Plan. PBCA may choose, but is in no way obligated to purchase mutual fund shares to fulfill its obligations under the Plan. Any such mutual funds purchased by PBCA, which PBCA may redeem to fulfill its obligations under the Plan, shall at all times remain the sole property of PBCA, subject to the claims of its general creditors. Neither the Participant nor his legal representatives nor any Beneficiary designated by the Participant shall have any right, other than the right of an unsecured general creditor, against PBCA in respect of any portion of a Participant's Account.

(B) Each Participant's Account shall vest as of his or her "Vesting Date" (as defined in Section 8(F) of the Plan), but prior to such date such Participant's Account shall be forfeitable as provided in the next succeeding sentence. Upon termination of a Participant's employment with PBCA prior to his or her Vesting Date, such Participant shall forfeit all of his or her right, title and interest (if any) in and to his or her Account and any other right or benefit under the Plan.

5. CONTRIBUTIONS TO ACCOUNT

Prior to April 30, 2003 PBCA shall contribute \$5,000 to the Plan on behalf of Ned Barnes: the sole initial Participant. Thereafter, PBCA shall not be obligated to make any contributions, whether an initial or additional contribution, on behalf of any Participant in respect of any Plan Year, but the Executive Committee, in its sole and absolute discretion, may from time to time elect to make an initial contribution on behalf of a new Participant and/or additional contributions on behalf of existing Participants in any amount, which contributions may discriminate between Participants and need not be in the same amount as that contributed on behalf of any other Participant. Any such initial or additional contribution credited to a Participant's Account shall be treated as though invested and reinvested in the form and manner prescribed in Section 4(A) of the Plan.

6. FORM AND TIMING OF DISTRIBUTIONS

Within sixty (60) days following each Participant's Vesting Date, his or her Account shall be paid to him or her in a single lump sum. To the extent PBCA has purchased mutual fund shares representing the obligation under a Participant's Account, PBCA shall redeem all the shares held in each mutual

Section 8(C); and (ii) in the case of any other Participant in the Plan, ten (10) years following the first day of May of the Plan Year in which PBCA shall make an initial contribution on his or her behalf pursuant to Section 5 of the Plan. So long as each Participant is employed by PBCA, prior to the November 1 preceding his or her Deferral Date, such Participant may elect in writing to defer his or her Deferral Date to the second anniversary of the existing Deferral Date, and during such extended deferral period, his or her entire Account shall remain forfeitable until the new Deferral Date. The election, once made, is revocable at any time prior to November 1 preceding the existing Deferral Date. The election, once made, is irrevocable commencing as of November 1 preceding the existing Deferral Date, and the new Deferral Date shall replace the old Deferral Date. Thereafter, all references under this Plan to the Deferral Date shall be construed to mean the new Deferral Date. The election of a later Deferral Date shall be effective once filed with the Administrator (as defined in Section 11 of the Plan).

(D) “Involuntary Termination” means the termination of each Participant’s employment with PBCA on account of his or her death or disability (as defined in Section 22(e)(3) of the Code) or by PBCA without “cause.” For purposes of the Plan, each Participant shall be deemed to be terminated by PBCA without “cause” upon the occurrence of either of the following events: (i) a material reduction in such Participant’s decision-making, operating, staff and other responsibilities, taken as a whole, or a change in the title or responsibility of the person or persons to whom such Participant reports as of the date PBCA makes any initial contribution on his or her behalf pursuant to Section 5 of the Plan; and (ii) a reduction in the aggregate cash compensation (consisting of salary and bonus) paid or to be paid to such Participant by PBCA in respect of any fiscal year of PBCA to an amount which is more than 10% below the highest aggregate cash compensation paid to such Participant by PBCA with respect to any preceding fiscal year of PBCA.

(E) “Normal Retirement Age” means the attainment of age 65.

(F) “Vesting Date” means the earliest of (i) a Participant’s Deferral Date, or (ii) the date of such Participant’s Involuntary Termination.

(G) “Year” means the fiscal year commencing on May 1 and ending on the following April 30; *provided, however*, that the first Plan Year shall be deemed to commence on the Effective Date.

9. PARTICIPANT'S RIGHTS

(A) Participation in the Plan shall not give rise to any actual or implied contract of employment. Nothing contained in the Plan or in the establishment of any Account under the Plan shall confer on any Participant any right to continue in the employ of PBCA or interfere in any way with the right of PBCA to terminate the employment of any Participant at any time for any reason, with or without cause.

(B) The Plan is an unfunded plan of deferred compensation and the obligation of PBCA hereunder is purely contractual. All amounts earned under the Plan, all property and rights (if any) held for the purpose of paying each Participant's benefits under the Plan, and all income attributable to such amounts shall remain the sole property of PBCA, subject to the claims of its general creditors and available for its use for whatever purposes are desired. With respect to such amounts, each Participant is a general creditor of PBCA.

10. NON-ALIENABILITY AND NON-TRANSFERABILITY

To the fullest extent permitted by law, no right or benefit under the Plan or any interest in any Account shall be subject in any manner to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance, charge, garnishment, execution or levy of any kind, whether voluntary or involuntary, including but not limited to any liability for alimony or other payments for the support of a spouse, former spouse, or any other relative of a Participant, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber, charge, garnish, execute or levy the same shall be void and of no effect, and, in the absolute discretion of the Executive Committee, such right, benefit or interest may be extinguished and terminated by resolution of the Executive Committee. Except as otherwise provided by law, no right or benefit under the Plan or any interest in any Account shall be in any manner liable for or subject to the debts, contracts, liabilities or torts of any Participant. No Participant may borrow against his or her benefit under the Plan or any interest in his or her Account.

11. ADMINISTRATION

The Administrator of the Plan shall be the Executive Committee (the "Administrator"). Subject to the express provisions of the Plan, the Administrator shall have plenary authority, in its discretion, to make contributions

under the Plan and to determine the terms and conditions of all such contributions, including without limitation (a) the designation of additional Participants in the Plan and the time or times at which contributions under the Plan shall be made, and (b) the amount of contributions (which need not be identical) to be credited to Participants' Accounts. The Administrator may rely conclusively upon all statements, valuations, certificates, opinions, reports and other documents furnished by any financial institution, mutual fund family, accountant, counsel, or other person who is employed, engaged, retained, or appointed for any purpose in connection with the administration of the Plan.

Subject to the express provisions of the Plan, the Administrator also shall have plenary power to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan. The determination of the Administrator on matters referred to in this Section 11 shall be conclusive. In addition, the Administrator shall have plenary authority to modify or amend the Plan as and when necessary to keep the Plan qualified as an "ineligible deferred compensation plan" within the meaning of Section 457(f) of the Code. The Administrator shall maintain such records as it deems necessary or appropriate, and may delegate to any employee of PBCA the authority to perform any ministerial or routine act in connection with the administration of the Plan.

12. AMENDMENT

The Executive Committee may at any time and from time to time modify or amend the Plan in such respects as it shall deem advisable; *provided, however*, that any such modification or amendment shall comply with all applicable laws and applicable requirements necessary to keep the Plan qualified as an "ineligible deferred compensation plan" within the meaning of Section 457(f) of the Code. Except as provided in Section 11 relating to amendments required to satisfy objectives under the Code, no amendment or modification of the Plan may adversely affect any right or benefit awarded to any Participant under the Plan, whether vested or otherwise, without such Participant's written consent.

13. TERMINATION

The Plan may be terminated by PBCA at any time. In such event, all active Participants will be entitled to receive distributions from the Plan in the same manner as if they separated from service and were fully vested, and

they shall have all rights consistent with such treatment. Except as provided in the foregoing sentence, no further benefits will be provided after the Plan termination date. PBCA also reserves the right to accelerate the distribution of any Participant's benefit under the Plan as of any date prior to such Participant's Normal Retirement Age or other separation from service, if on that date the Plan would not satisfy the definition of a "top hat plan" under Sections 201(a)(2), 301(a)(3), and 401(a)(1) of ERISA because of such Participant's inclusion in the Plan. The benefits to be distributed in such a case are to be determined in the same manner as if the Plan had terminated as to that Participant.

14. CLAIMS PROCEDURE

Each Participant's Account must be paid in accordance with the specific provisions of the Plan. If a claim for such benefits is wholly or partially denied, the Administrator shall provide written notice to the claimant setting forth:

- (A) The specific reason or reasons for the denial;
- (B) Specific references to the pertinent provisions of the Plan upon which the denial is based;
- (C) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (D) An explanation of the Plan's review procedures and the time limits applicable to such procedures, as required by Section 502(a) of ERISA.

15. GENERAL PROVISIONS

(A) Controlling Law. Except to the extent superseded by federal law, the laws of the State of Florida (except the choice of law rules thereof), shall be controlling in all matters relating to the Plan, including construction and performance thereof.

(B) Captions. The captions of Sections and paragraphs of the Plan are for convenience of reference only and shall not control or affect the meaning or construction of any of its provisions.

(C) Facility of Payment. Any amounts payable hereunder to any person who is under legal disability or who, in the judgment of the Executive

Committee, is unable to properly manage his or her financial affairs may be paid to the legal representative of such person or may be applied for the benefit of such person in any manner that the Executive Committee may select, and any such payment shall be deemed to be payment for such person's account and shall be a complete discharge of all liability of PBCA with respect to the amount so paid.

(D) Withholding Payroll Taxes. PBCA shall withhold any federal, state and local income or employment tax (including F.I.C.A. obligations for both Social Security and Medicare) which by any present or future law it is, or may be, required to withhold with respect to any deferral of compensation pursuant to the Plan and any income deemed earned thereon, or any lump sum cash distribution under the Plan due any Participant in respect of his or her Account under the Plan.

(E) Administrative Expenses. All expenses of administering the Plan shall be borne by PBCA, and no part thereof shall be charged against the Participant's Account or any amounts distributable under the Plan.

(F) Prohibition of Law. Any provision of the Plan prohibited by the law of any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof. If any of the terms or provisions of the Plan conflict with the requirements of applicable law or applicable rules and regulations under such laws, then such terms and provisions shall be deemed inoperative to the extent necessary to avoid the conflict with such applicable law or applicable rules and regulations.

(G) No Personal Liability. To the fullest extent permitted by applicable law, no member of the Executive Committee and no director, officer, employee, or agent of PBCA (including the heirs, executors, administrators and other personal representatives of such persons), shall have any liability to any person, firm, or corporation based on or arising out of the Plan except in the case of gross negligence or fraud. To the fullest extent permitted by applicable law and to the extent not insured against by any insurance company pursuant to the provisions of any applicable insurance policy, PBCA shall indemnify and save harmless each member of the Executive Committee and each director, officer, employee, or agent of PBCA (including the heirs, executors, administrators and other personal representatives of such persons) against any and all expenses (including legal fees, court costs and fees of experts), judgments, fines and amounts paid in settlement, incurred by such person in connection with any threatened, pending or actual claims, demands, suits or proceedings (whether civil, criminal, administrative or inves-

tigative in nature or otherwise) involving the Plan and/or any Account established thereunder; *provided, however*, that such indemnification shall not apply with respect to acts or omissions constituting gross negligence or fraud. The Executive Committee, at PBCA's expense, may settle any such claim or demand asserted or suit or proceeding brought against any of the foregoing persons when such settlement appears to be in the best interests of PBCA.

(H) Accounting. The records of the Plan shall be kept on the basis of the Plan Year.

(I) Statements. At least once a year, the Administrator shall send, or deliver by hand, to each Participant a written portfolio summary of his or her Account. Each summary shall show the market value of such Participant's Account at the close of the statement period.


(J) Parties Bound. This Plan shall, to the extent herein provided, be binding upon the heirs, executors, administrators, successors, and assigns of PBCA and each Participant, present and future.

16. UNFUNDED STATUS OF THE PLAN

Any and all payments made to each Participant pursuant to the Plan shall be made only from the general assets of PBCA. Any Accounts under the Plan shall be for bookkeeping purposes only and shall not represent a claim against specific assets of PBCA. Nothing contained in the Plan shall be deemed to create a trust of any kind or create any fiduciary relationship.

IN WITNESS WHEREOF, PBCA has caused this Plan to be executed by its Chief Executive Officer on [Month, Day], 2003, but the Plan shall be effective as of March 1, 2003.

**PALM BEACH CIVIC ASSOCIATION,
INC.**

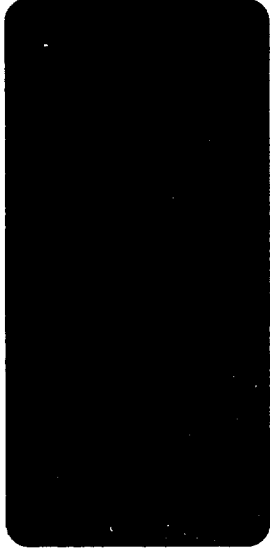
By: 
Name: William M. Guttman
Title: Chief Executive Officer

1 Civic Association
County Road
1, FL. 33480

PLACE STICKER AT TOP OF ENVELOPE
TO THE RIGHT OF RETURN ADDRESS.
FOLD AT DOTTED LINE
CERTIFIED MAIL



7000 0520 0016 6479 5064



Top Hat Plan Exemption
Pension and Welfare Benefits
Administration, Room N-5644
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210