



National Service Foundation  
 4647 Forbes Boulevard, Lanham, Maryland 20706-4380  
 (301) 459-6181  
 (301) 459-5578 (FAX)

2520062760592



**Alternative Reporting And Disclosure Statement  
 For Nonqualified Deferred Compensation Plans**

To: Top Hat Plan Exemption  
 Employee Benefits Security Administration  
 Room N 1513  
 U.S. Department of Labor  
 200 Constitution Ave. N.W.  
 Washington, DC 20210

06 JUL 12 PM 2:51

In compliance with the requirements of the alternative method of reporting and disclosure under Part I of Title I of the Employee Retirement Income Security Act of 1974 for un-funded or insured pension plans for a select group of management or highly compensated employees, specified in Department of Labor Regulations, 29 CFR Sec. 2520.104-23, the following information is provided by the undersigned administrator:

1. The name of the Employer is: Amvets National
2. The mailing address of the Employer is: 4647 Forbes Blvd.  
Lanham, MD 20706
3. The Employer Identification Number is: 53-0176836
4. The above named Employer maintains a Plan (or Plans) primarily for the purpose of providing deferred compensation benefits for a select group of management or highly compensated employees.
5. Number of Plans and Eligible Employees in each Plan:  
One Plan covering 25 Eligible Employees.
6. The Employer will provide a copy of the agreement(s) to the office of Employee Benefits Security Administration upon request.

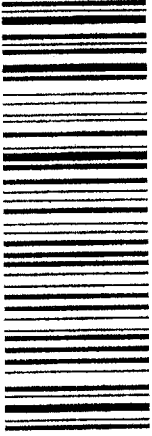
Amvets National  
 A Maryland Corporation

By:   
 Authorized Person

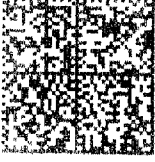
Dated: July 5, 2006

# AMVETS

AMVETS National Service Foundation  
4647 Forbes Boulevard, Lanham, Maryland 20706



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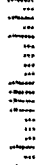
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Top Hat Plan Exemption  
Employee Benefits Security Admin.  
Room N 1513  
U.S. Department of Labor  
200 Constitution Ave. N.W.  
Washington, DC 20210

American Veterans of World War II, Korea and Vietnam



**RETURN RECEIPT  
REQUESTED**





National Service Foundation  
 4647 Forbes Boulevard, Lanham, Maryland 20706-4380  
 (301) 459-6181  
 (301) 459-5578 (FAX)



**Alternative Reporting And Disclosure Statement  
 For Nonqualified Deferred Compensation Plans**

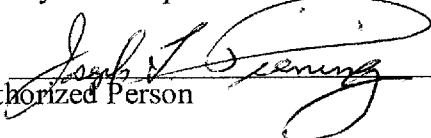
To: Top Hat Plan Exemption  
 Employee Benefits Security Administration  
 Room N 1513  
 U.S. Department of Labor  
 200 Constitution Ave. N.W.  
 Washington, DC 20210

06 JUL 18 PM 1:37

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4. The above named Employer maintains a Plan (or Plans) primarily for the purpose of providing deferred compensation benefits for a select group of management or highly compensated employees.
5. Number of Plans and Eligible Employees in each Plan:  
One Plan covering 25 Eligible Employees.
6. The Employer will provide a copy of the agreement(s) to the office of Employee Benefits Security Administration upon request.

Amvets National  
 A Maryland Corporation

By:   
 Authorized Person

Dated: July 5, 2006

**Resolution Adopted By The**  
**Board of Directors of**  
**Amvets National**  
**A Maryland Organization**

The undersigned Secretary of Amvets National (the "Organization") hereby certifies that the following resolutions were duly adopted by the Board of Directors of the Organization effective **July 1, 2006**, and that such resolutions have not been modified or rescinded as of the date hereof:

**WHEREAS**, the Organization, as an inducement and motivation to its key managerial and highly compensated employees, desires to create a Nonqualified 457(b) Retirement Plan (hereinafter sometimes referred to as "Plan");

**RESOLVED**, that the form of Nonqualified 457(b) Retirement Plan<sup>SM</sup> (the "Plan") presented to this meeting is hereby approved and adopted and that the proper officers of the Organization are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

**RESOLVED**, that the Administrator shall be instructed to take such actions as are deemed necessary and proper in order to implement the Plan, and to set up adequate accounting and administrative procedures to provide benefits under the plan.

**RESOLVED**, that the proper officers of the Organization shall act as soon as possible to notify the appropriate employees of the Organization of the adoption of the Plan by delivering to each said employee a copy of the Plan in the form of the Plan presented to this meeting, which form is hereby approved.

**BE IT FURTHER RESOLVED**, that the Organization hereby establish such Plan in accordance with the following:

**PURPOSE:**

The purpose of such Plan is to encourage selected key managerial employees to maintain their employment with the Organization by providing retirement benefits for them, and pre-retirement death benefits for their survivors.

**ELIGIBILITY:**

The Plan shall be for the benefit of key managerial employees of this Organization, as determined in the sole discretion of its Board of Directors.

**NOTIFICATION:**

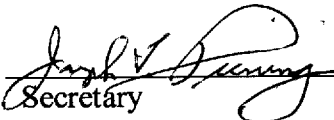
The Organization shall communicate the existence and terms of the Plan to each eligible employee.

**AMENDMENT AND TERMINATION:**

The Plan shall be subject to amendment or termination at any time in the sole discretion of the Board of Directors.

**IN WITNESS WHEREOF**, the undersigned hereto sets his hand and seal of the Organization in Maryland on July 10, 2006, 20 \_\_\_\_.

Amvets National  
A Maryland Organization

By:   
Its: Secretary



**Principal Life Insurance Company**  
Raleigh, NC 27612  
1-800-999-4031  
A member of the Principal Financial Group®

**THE EXECUTIVE  
457(b) RETIREMENT PLAN<sup>SM</sup>**

**Service Agreement – Advantage Nonqualified Mutual Fund Financing**

This agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Principal Life Insurance Company, an Iowa corporation, located at 711 High Street, Des Moines, IA 50392 and **Amvets National**, located at **4647 Forbes Blvd., Lanham, MD 20706** (“Company”).

**RECITALS:**

Whereas, the **Company** has established a Nonqualified Executive Benefit Program and will use mutual funds as the financing method; and

Whereas, **Principal Life Insurance Company**, a member company of the Principal Financial Group, Inc., is in the business of providing administrative services to companies offering Nonqualified Executive Benefit Programs to certain of their eligible employees (the “executives”); and

Whereas, the **Company** wishes to retain **Principal Life Insurance Company** to provide administrative services for The Executive 457(b) Retirement Plan<sup>SM</sup>, hereinafter referred to as the “Plan”; and

Whereas, **Principal Life Insurance Company** is willing to provide such services and undertake such actions on the terms and conditions set forth in this Agreement,

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the terms and conditions contained herein, the undersigned parties agree as follows:

**1.0 Appointment of Principal Life Insurance Company:**

- 1.1 The **Company** hereby appoints **Principal Life Insurance Company** as its administrative service provider for the purposes and according to the terms set forth herein.
- 1.2 **Principal Life Insurance Company** hereby accepts such appointment, upon the terms and conditions set forth herein.

**2.0 The Plan:**

- 2.1 The **Company** agrees to provide **Principal Life Insurance Company** a copy of all plan documents, forms and administrative procedures regarding the Plan, and such other information and documents needed by **Principal Life Insurance Company** to provide services to the Plan.
- 2.2 The **Company** agrees to promptly provide **Principal Life Insurance Company** with all amendments or modifications to the Plan documents and all such other information as **Principal Life Insurance Company** may reasonably request to perform its duties.
- 2.3 The **Company** represents, acknowledges and agrees that **Principal Life Insurance Company** may rely on all documents and information provided to it by the **Company** as being complete and accurate.
- 2.4 The **Company** shall appoint one or more employees to act as its representative (“**Company representative(s)**”) to coordinate Plan administrative service matters with **Principal Life Insurance Company**.

### **3.0 Plan Implementation:**

- 3.1 **Principal Life Insurance Company** agrees to assist the **Company** in implementing the Plan by providing the services described in Appendix A to this Agreement.
- 3.2 In consideration for its services under this Agreement, the **Company** shall pay or cause the Plan to pay **Principal Life Insurance Company** for services selected as set forth in Appendix B, “the Election of Services and Fees”.

### **4.0 Purchase and Redemption of Mutual Fund Shares:**

- 4.1 The **Company** directs **Principal Life Insurance Company** to coordinate the Purchases and Redemptions of mutual funds shares in accordance with instructions provided by the **Company**.
- 4.2 **Principal Life Insurance Company** utilizes Princor Financial Services Corporation (“**Princor**”), a licensed broker-dealer and member of the National Association of Securities Dealers (“**NASD**”), as its broker-dealer for executing purchases and redemptions of mutual fund shares. **Princor** is a member company of the Principal Financial Group, Inc.
- 4.3 **Principal Life Insurance Company** will transmit **Company’s** instructions to **Princor** for mutual fund purchases and redemptions.

### **5.0 General Provisions:**

- 5.1 Limitation of Administrative Duties.
  - 5.1.1 The parties acknowledge and agree that **Principal Life Insurance Company** is not a fiduciary, trustee or administrator of the Plan.
  - 5.1.2 The parties acknowledge and agree that **Principal Life Insurance Company** does not provide legal, accounting, tax or investment advisory services.
  - 5.1.3 The parties acknowledge and agree that **Principal Life Insurance Company** merely transmits **Company’s** directions to the purchase or redemption of mutual fund shares to **Princor**. The parties further agree that **Principal Life Insurance Company** neither can nor does guarantee the execution of orders to purchase or redeem mutual fund shares.
- 5.2 Limitation of Liability.
  - 5.2.1 **Principal Life Insurance Company** shall not be responsible for any losses or damages to the Plan or the **Company** other than those resulting directly from **Principal Life Insurance Company’s** gross negligence or willful disregard of its duties under this Agreement; provided, however, that in no event shall **Principal Life Insurance Company** be liable for any error or inaccuracy in the transmission of information because of a breakdown or failure of transmission or communication facilities.
  - 5.2.2 **Princor** shall not be responsible for any losses or damages to the Plan or the **Company** other than those resulting directly from **Princor’s** gross negligence or inability to act upon properly submitted instructions by **Principal Life Insurance Company**.
  - 5.2.3 **Principal Life Insurance Company** website is intended to provide summary information only and does not supersede reports, confirmations or other primary source documents.

5.3 Term.

5.3.1 This Agreement shall commence as of the date of this Agreement and continue until terminated by any party upon ninety-days (90) prior written notice.

5.3.2 **Principal Life Insurance Company** reserves the right to terminate this agreement for non-payment of any fees due by **Company** to **Principal Life Insurance Company**. Fees are due upon receipt and there is a ninety-day (90) grace period.

5.3.3 In the event that any party to this Agreement files a petition for bankruptcy, or loses any licenses required in order to perform the services contained herein, this Agreement shall be deemed to immediately terminate.

5.4 Termination. Termination of this Agreement shall not affect any other agreements between or among the parties.

5.5 Principal Life Insurance Company's Authority. The **Company** hereby authorizes **Principal Life Insurance Company** to have access to all information contained in the Plan's custodial accounts so as to permit **Principal Life Insurance Company** to provide the administrative services set forth in this Agreement.

5.6 Construction of this Agreement.

5.6.1 No provision of this Agreement shall be construed so as to violate the Plan, or any law, rule, regulation or order of any federal or state governmental or regulatory authority, including, without limitation, the Internal Revenue Code, ERISA, the Securities and Exchange Commission, NASD.

5.6.2 The parties agree that this Agreement shall be construed as though jointly drafted by the parties and according to the fair intent of the language as a whole and not for or against any party.

5.7 Amendments or Modifications. This Agreement may be amended or modified only in writing signed by both of the parties.

5.8 Authorization. Each of the parties represents that it has duly authorized the execution, delivery, and performance of this Agreement and that this Agreement is a valid and binding obligation.

5.9 Entire Agreement. This Agreement sets forth the entire understanding of the parties with regard to the matters set out herein.

5.10 Governing Law. This Agreement shall be governed by the laws of the State of North Carolina without regard to conflict of law principles.

5.11 Assignment. This Agreement may not be assigned by any party without the written consent of the other party. Any attempted assignment without such consent shall be void and of no effect.

5.12 Performance of Functions. **Principal Life Insurance Company**, to the extent it deems necessary or appropriate, may engage an affiliate or outside agent to perform any functions described in this Agreement as appropriate or required by law. Compensation to such affiliate or outside agent, if any, shall be paid by **Principal Life Insurance Company** and will not change the fee structure described in this Agreement.

5.13 **Confidentiality.** The parties acknowledge that during the course of this Agreement they may receive or learn confidential, business, proprietary or other like information concerning each other (the "**Confidential Information**"). The parties agree to keep all Confidential Information strictly confidential and not to disclose to any third party any Confidential Information without the prior written consent of the other. Further, each party covenants and agrees that it will not appropriate any Confidential Information to its own use or to the use of any third party. The parties agree to take at least such precautions to protect the Confidential Information as it takes to protect its own confidential and proprietary information.

5.13.1 Upon learning of any unauthorized disclosure or use of Confidential Information, a party shall notify the other party promptly and cooperate fully to protect such Confidential Information.

5.13.2 If a party believes it is required by law, subpoena or court order to disclose any Confidential Information, then such party shall promptly notify the other party and provide a copy of the subpoena, court order or other demand and make reasonable efforts to allow the other party an opportunity to seek a protective order or other judicial relief.

5.14 **Notice.** For purposes of this Agreement, Notice shall be considered to have been given if it is provided by one Party to the other by U.S. mail or nationally recognized overnight courier to the following mailing addresses:


**Principal Life Insurance Company**  
4140 ParkLake Avenue  
Suite 500  
Raleigh, NC 27612

**Amvets National**  
Attn: Maria Isaja  
4647 Forbes Blvd.  
Lanham, MD 20706

**IN WITNESS WHEREOF**, this Agreement is executed as of the date above written.

**Amvets National**

**Principal Life Insurance Company**

By:   
Its: Executive Director

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## APPENDIX A

# **PRINCIPAL LIFE INSURANCE COMPANY PLAN LEVEL SERVICES**

- 1.0 INITIAL PLAN REVIEW:** **Principal Life Insurance Company** will review Plan documents to make sure they coordinate with **Principal Life Insurance Company's** administrative capabilities.
- 2.0 PLAN IMPLEMENTATION:** **Principal Life Insurance Company** will provide the following services to assist the **Company** in implementing and administering the Plan:
  - 2.1 Prepare prototype Plan documents for legal review.
  - 2.2 Prepare enrollment material, review Plan communications with eligible employees/Plan members (“**executives**”), and help organize enrollment meetings and presentations.
  - 2.3 Set up Plan liability administration system to track executives’ account balances.
- 3.0 PLAN FINANCING:**
  - 3.1 Based upon the mutual funds selected by the **Company** (maximum of 25), **Principal Life Insurance Company** will transmit to **Princor** the necessary information so that **Princor** can create the proper accounts with each of the fund families selected.
  - 3.2 Instruct **Company** representatives on electronic wire transfer procedures generally.
- 4.0 PLAN ADMINISTRATIVE SERVICES:**
  - 4.1 Plan-level administrative services:
    - 4.1.1 **Principal Life Insurance Company** shall provide internet access to **Company** to view Plan values and allocation designations made by each participating executive.
    - 4.1.2 **Principal Life Insurance Company** shall provide a Plan liability report to **Company** showing accounting for Plan expenses.
    - 4.1.3 **Principal Life Insurance Company** shall provide a Plan asset report reflecting values of the mutual fund accounts at a frequency as selected by **Company** in Appendix B.
    - 4.1.4 **Principal Life Insurance Company** shall provide such general payroll and accounting record keeping assistance, as **Company** shall request.
  - 4.2 Executive-Level Administrative Services:
    - 4.2.1 **Principal Life Insurance Company** shall provide internet access to each executive to view his or her account values and allocation selections, plus detailed fund information and performance history supplied to **Principal Life Insurance Company** by an investment information provider.
    - 4.2.2 **Principal Life Insurance Company** shall provide executive statements, as selected by **Company** in Appendix B, identifying each executive’s account values, allocation selections, and supplemental supporting information.
    - 4.2.3 **Principal Life Insurance Company** shall provide toll-free telephone numbers for executives to make account inquiries during business hours. (U.S. residents only)

- 5.0 ASSET ADMINISTRATION:** The **Company** will hold mutual funds in its name (or a Trust) with each fund company. The **Company** will receive fund statements and related tax documents directly from the individual fund houses or **Princor** via **Principal Life Insurance Company**.
- 5.1 The **Company** will administer supporting assets. That is, the **Company** will monitor the relationship between the Plan liability portfolio and the supporting asset mutual fund portfolio. **Principal Life Insurance Company** will provide **Company** with access to an allocation comparison report on **Principal Life Insurance Company** website. **Company** will contact **Principal Life Insurance Company** and direct fund transfers as it deems appropriate.
- 5.2 The **Company** may elect to deliver standing directions to **Principal Life Insurance Company** to monitor and attempt to maintain a balance designated by the **Company** between the overall asset and liability portfolios of the Plan. The **Company** directs **Principal Life Insurance Company** to communicate trade instructions to **Princor** so as to maintain the portfolio balance designated by the **Company**.
- 5.2.1 The **Company** acknowledges and agrees that an “attempt to maintain a balance” does not mean that the Plan’s asset portfolio will exactly mirror its liability portfolio.
- 5.2.2 **Principal Life Insurance Company** agrees to monitor the relationship between the asset and liability portfolio on each day that the New York Stock Exchange is open for business.
- 5.2.3 On each such day that it monitors the portfolio, **Principal Life Insurance Company** will adjust the assets as needed to maintain the balance designated by the **Company**; except, however, that no such action will be taken unless a fund is off balance by more than the percentage designated by the **Company** in Appendix B.
- 5.2.4 The **Company** will receive confirmation statements from the mutual fund companies on any day that mutual funds are traded in the Plan account.

APPENDIX B

**ELECTION OF SERVICES AND RELATED FEES**

**1.0 Plan Set Up Fees: (Plan set up fees are nonrefundable.)**

**One Time Plan Set Up Fee:** *Waived*  
**Per Enrollment Kit Fee:**           \$    5.00 *Waived if enrollment kits are emailed.*

**2.0 Annual Record Keeping Fees: (billed quarterly)**

**Plan Fee:**                               \$1,500.00 covers up to 10 participants  
**Participant Fee:**                     \$    50.00/additional participants over 10

**3.0 Miscellaneous Service Fees:**

Amendment of the executed  
Adoption Agreement:                 \$100.00/amendment  
Custom requests:                       To be quoted

**4.0 Participant Statements: (Check desired services)**

- Executive(s) statements mailed in bulk to company contact
- Executive(s) statements mailed to their personal residences  
(\$2.00 each statement mailed)

**5.0 Asset Administrative Services: (Please check one option)**

- Company will administer supporting assets as described in section 5.1 of Appendix A.
- Company elects to deliver standing instructions to **Principal Life Insurance Company** for monitoring supporting assets as described in section 5.2 of Appendix A.

❖ If standing instructions to **Principal Life Insurance Company** is selected, please indicate maximum percentage tolerance per fund:   1  %. (Minimum of 1%).



**THE EXECUTIVE 457(B) RETIREMENT PLAN<sup>SM</sup>  
PLAN DOCUMENT**

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## THE 457(B) RETIREMENT EXCESS PLAN<sup>SM</sup>

### **Section 1. Purpose:**

By execution of the Adoption Agreement, the Employer has adopted the Plan set forth herein to provide a means by which certain management Employees or Independent Contractors of the Employer may elect to defer receipt of current Compensation from the Employer in order to provide retirement and other benefits on behalf of such Employees or Independent Contractors of the Employer, as selected in the Adoption Agreement. The Plan is intended to be a nonqualified deferred compensation plan that complies with the provisions of Section 457(b) of the Internal Revenue Code (the "Code"). The Plan is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation benefits for a select group of management or highly compensated employees under Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974 and independent contractors.

### **Section 2. Definitions:**

As used in the Plan, including this Section 2, references to one gender shall include the other and, unless otherwise indicated by the context:

**2.1 "Active Participant"** means, with respect to any day or date, a Participant who is in Service on such day or date; provided, that a Participant shall cease to be an Active Participant immediately upon a determination by the Committee that the Participant has ceased to be an Employee or Independent Contractor, or that the Participant no longer meets the eligibility requirements of the Plan.

**2.2 "Adoption Agreement"** means the written agreement pursuant to which the Employer adopts the Plan. The Adoption Agreement is a part of the Plan as applied to the Employer.

**2.3 “Applicable Dollar Amount”** shall mean the amount determined in accordance with the following table:

Year 2004	\$13,000
Year 2005	\$14,000
Year 2006	\$15,000

In the case of taxable years beginning after December 31, 2006, the Applicable Dollar Amount shall be adjusted for cost-of-living increases in the same time and in the same manner as under Section 415(d) of the Code, except that the base amount shall be the calendar quarter beginning July 1, 2005, and any increase which is not a multiple of \$500 shall be rounded to the next lowest multiple of \$500.

**2.4 “Beneficiary”** means the person, persons, entity or entities designated or determined pursuant to the provisions of Section 13 of the Plan.

**2.5 “Board”** means the Board of Directors of the Employer, if the Employer is a corporation. If the Employer is not a corporation, “Board” shall mean the Employer.

**2.6 “Committee”** means the person designated in the Adoption Agreement. If the Committee designated in the Adoption Agreement is unable to serve, the Employer shall satisfy the duties of the Committee provided for in Section 9.

**2.7 “Compensation”** shall have the meaning designated in the Adoption Agreement.

**2.8 “Crediting Date”** means the date designated in the Adoption Agreement for crediting the amount of any Participant Deferral Credits to the Deferred Compensation Account of a Participant. Employer Credits may be credited to the Deferred Compensation Account of a Participant on any day that securities are traded on a national securities exchange.

**2.9 “Deferred Compensation Account”** means the account maintained with respect to each Participant under the Plan. The Deferred Compensation Account shall be

credited with Participant Deferral Credits and Employer Credits, credited or debited for deemed investment gains or losses, and adjusted for payments in accordance with the rules and elections in effect under Section 8.

**2.10 “Disabled”** means a Participant who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering Employees of the Employer.

**2.11 “Effective Date”** shall be the date designated in the Adoption Agreement as of which the Plan first becomes effective.

**2.12 “Eligible Employer”** means a tax-exempt entity that establishes a Plan. The term eligible employer does not include a church as defined in Section 3121, a qualified church controlled organization, or any State or Federal government or any agency or instrumentality thereof.

**2.13 “Employee”** means an individual in the Service of the Employer if the relationship between the individual and the Employer is the legal relationship of employer and employee and if the individual is a highly compensated or management employee of the Employer. An individual shall cease to be an Employee upon the Employee’s termination of Service.

**2.14 “Employer”** means the Employer identified in the Adoption Agreement, and any Participating Employer which adopts this Plan.

**2.15 “Employer Credits”** means the amounts credited to the Participant’s Deferred Compensation Account by the Employer pursuant to the provisions of Section 4.2.

**2.16 “Includible Compensation”** means Compensation for services performed for the Employer which is currently includible in the Participant’s gross income for the taxable year for federal income tax purposes. Such term does not include any amount excludible from gross income under this Plan or any other plan described in Section 457(b) of the Code, any amount excludible from gross income under Section 403(b) of the Code, or any other amount excludible from gross income for federal income tax purposes. Includible Compensation shall be determined without regard to any community property laws.

**2.17 “Independent Contractor”** means an individual in the Service of the Employer if the relationship between the individual and the Employer is not the legal relationship of employer and employee. An individual shall cease to be an Independent Contractor upon the termination of the Independent Contractor’s Service. An Independent Contractor shall include a director of the Employer who is not an Employee.

**2.18 “Normal Retirement Age”** of a Participant means the age designated in the Adoption Agreement.

**2.19 “Participant”** means with respect to any Plan Year an Employee or Independent Contractor who has been designated by the Committee as a Participant and who has entered the Plan or who has a Deferred Compensation Account under the Plan.

**2.20 “Participant Deferral Agreement”** means a written agreement entered into between a Participant and the Employer pursuant to the provisions of Section 4.1

**2.21 “Participant Deferral Credits”** means the amounts credited to the Participant’s Deferred Compensation Account by the Employer pursuant to the provisions of Section 4.1.

**2.22 “Participating Employer”** means any trade or business (whether or not incorporated) which adopts this Plan with the consent of the Employer identified in the Adoption Agreement.

**2.23 “Plan”** means The Executive 457(b) Retirement Plan, as herein set out or as duly amended. The name of the Plan as applied to the Employer shall be designated in the Adoption Agreement.

**2.24 “Plan Administrator”** means the person designated in the Adoption Agreement. If the Plan Administrator designated in the Adoption Agreement is unable to serve, the Employer shall be the Plan Administrator.

**2.25 “Plan-Approved Domestic Relations Order”** shall mean a court order that is lawfully directed to this Plan and that is served upon the Plan Administrator before the Participant receives a distribution of his benefit that pursuant to a state domestic relations law creates or recognizes the existence of the right of an alternate payee to receive all or a portion of a Participant’s benefit and that meets all of the following requirements. An order shall not be a Plan-Approved Domestic Relations Order unless the Plan Administrator determines that the court order on its face and without reference to any other document states all of the following:

(a) The court order expressly states that it relates to the provision of child support, alimony, or marital property rights to a spouse, former spouse, or child of a Participant and is made pursuant to State domestic relations law.

(b) The court order clearly and unambiguously specifies that it refers to this Plan.

(c) The court order clearly and unambiguously specifies the name of the Participant’s Employer.

(d) The court order clearly specifies: the name, mailing address, and social security number of the Participant; and the name, mailing address, and social security number of each alternate payee.

(e) The court order clearly specifies the amount or percentage, or the manner in which the amount or percentage is to be determined, of the Participant's benefit to be paid to or segregated for the separate account of the alternate payee.

(f) The court order expressly states that the alternate payee's segregated account shall bear all fees and expenses as though the alternate payee were a Participant.

(g) The court order clearly specifies that any distribution to the alternate payee becomes payable only after a Qualifying Distribution Event of the Participant and only upon the alternate payee's written claim made to the Administrator.

(h) The court order clearly specifies that any distribution to any alternate payee shall be payable only as a lump sum.

(i) The court order expressly states that it does not require this Plan to provide any type or form of benefit or any option not otherwise provided under this Plan.

(j) The court order expressly states that the order does not require this Plan to provide increased benefits.

(k) The court order expressly states that any provision of it that would have the effect of requiring any distribution to an alternate payee of deferred compensation that is required to be paid to another person under any court order is void.

(l) The court order expressly states that nothing in the order shall have any effect concerning any party's tax treatment, and that nothing in the order shall direct any person's tax reporting or withholding.

An order shall not be a Plan-approved Domestic Relations Order if it includes any provision that does not relate to this Plan. Without limiting the comprehensive effect of the preceding sentence, an order shall not be a Plan-Approved Domestic Relations Order if the order includes any provision relating to any pension plan, retirement plan, deferred compensation plan, health plan, welfare benefit plan, or employee benefit plan other than this Plan. An order shall not be a Plan-Approved Domestic Relations Order unless the order provides for only one alternate payee. An order shall not be a Plan-Approved Domestic Relations Order if the order includes any provision that would permit the alternate payee to designate any beneficiary for any

purpose. However, an order does not fail to qualify as a Plan-approved Domestic Relations Order because it provides that any rights not paid before the alternate payee's death shall be payable to the duly appointed and then-currently serving personal representative of the alternate payee's estate. The Plan Administrator may assume that the alternate payee named by the court order is a proper payee and need not inquire into whether the person named is a spouse or former spouse or child of the Participant.

**2.26 "Plan Year"** means the twelve-month period ending on the last day of the month designated in the Adoption Agreement; provided, that the initial Plan Year may have fewer than twelve months.

**2.27 "Qualifying Distribution Event"** means (i) the separation from Service of the Participant, (ii) the date the Participant becomes Disabled and separates from Service, (iii) the death of the Participant, (iv) an elective distribution by the Participant, or (v) an Unforeseeable Emergency, each to the extent provided in Section 5.

**2.28 "Service"** means employment by the Employer as an Employee. For purposes of the Plan, the employment relationship is treated as continuing intact while the Employee is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Employee's right to reemployment is provided either by statute or contract. If the Participant is an Independent Contractor, "Service" shall mean the period during which the contractual relationship exists between the Employer and the Participant. The contractual relationship is not terminated if the Participant anticipates a renewal of the contract or becomes an Employee.

**2.29 "Spouse" or "Surviving Spouse"** means, except as otherwise provided in the Plan, a person who is the legally married spouse or surviving spouse of a Participant.

2.30 “Trust” means the trust fund established pursuant to Section 10.2, if designated by the Employer in the Adoption Agreement.

2.31 “Trustee” means the trustee, if any, named in the agreement establishing the Trust and such successor or additional trustee as may be named pursuant to the terms of the agreement establishing the Trust.

2.32 “Unforeseeable Emergency” means a severe financial hardship to the Participant resulting from a sudden or unexpected illness or accident of the Participant, the Participant’s Spouse or dependent (as defined in Section 152(a) of the Code), loss of the Participant’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

**Section 3. Participation:**

The Committee in its discretion shall designate each Employee or Independent Contractor who is eligible to participate in the Plan. An Employee or Independent Contractor designated by the Committee as a Participant who has not otherwise entered the Plan shall enter the Plan and become a Participant as of the date determined by the Committee. A Participant who separates from Service with the Employer and who later returns to Service will not be an Active Participant under the Plan except upon satisfaction of such terms and conditions as the Committee shall establish upon the Participant’s return to Service, whether or not the Participant shall have a balance remaining in the Deferred Compensation Account under the Plan on the date of the return to Service.

**Section 4. Credits to Deferred Compensation Account:**

4.1 **Participant Deferral Credits.** To the extent provided in the Adoption Agreement, each Active Participant may elect, by entering into a Participant Deferral Agreement with the Employer, to defer the receipt of Compensation from the Employer by a dollar amount

or percentage specified in the Participant Deferral Agreement. The amount of the Participant Deferral Credit shall be credited by the Employer to the Deferred Compensation Account maintained for the Participant pursuant to Section 8. The following special provisions shall apply with respect to the Participant Deferral Credits of a Participant:

(a) The Employer shall credit to the Participant's Deferred Compensation Account on each Crediting Date an amount equal to the total Participant Deferral Credit for the period ending on such Crediting Date.

(b) An election pursuant to this Section 4.1 shall be made by the Participant by executing and delivering a Participant Deferral Agreement to the Committee. Except as otherwise provided in this Section 4.1, the Participant Deferral Agreement shall become effective with respect to such Participant as of the first day of the month following the date such Participant Deferral Agreement is received by the Committee. A Participant's election may be changed at any time prior to the last permissible date for making the election as permitted in this Section 4.1, and shall thereafter be irrevocable. The election of a Participant shall continue in effect until modified by the Participant as permitted in this Section 4.1, or until the earlier of the date the Participant separates from Service or ceases to be an Active Participant under the Plan.

(c) A Participant may unilaterally modify a Participant Deferral Agreement (either to increase or decrease the portion of his future Compensation which is subject to deferral, including a modification to terminate the Salary Deferral Agreement) by providing a written modification of the Participant Deferral Agreement to the Committee. The modification shall become effective as of the first day of the calendar month which occurs after the date such written modification is received by the Committee, or as soon as practicable thereafter.

(d) In the case of a new employee, the employee may defer compensation payable in the calendar month during which the Participant first becomes an employee if an agreement providing for the deferral is entered into on or before the first day on which the Participant performs services for the Employer.

**4.2 Employer Credits.** If designated by the Employer in the Adoption Agreement, the Employer shall cause the Committee to credit to the Deferred Compensation Account of each Active Participant an Employer Credit as determined in accordance with the Adoption Agreement.

**4.3 Deferred Compensation Account.** All Participant Deferral Credits and Employer Credits shall be credited to the Deferred Compensation Account of the Participant.

**4.4 Maximum Limitation.** The maximum amount that may be credited to the Deferred Compensation Account of a Participant under this Plan for a taxable year shall be either the Normal Limitation or Catch-Up Limitation, whichever is applicable:

(a) **Normal Limitation:** The credit shall not exceed the lesser of the Applicable Dollar Amount or 100% of the Includible Compensation of the Participant.

(b) **Catch-Up Limitation:** For each one of the last three (3) taxable years of a Participant ending before the Participant's attainment of Normal Retirement Age, the maximum amount deferred for each such year shall be the lesser of (i) twice the Applicable Dollar Amount or (ii) the sum of the Normal Limitation, plus that portion of the Normal Limitation not used in each of the prior taxable years of the Participant in which (1) the Participant was eligible to participate in this Plan, and (2) compensation deferred under this Plan was subject to the deferral limits set forth in this Section 4.4.

**4.5 Correction of Excess Deferrals.** If the amount credited to the Deferred Compensation Account of the Participant under this Plan exceeds the Maximum Limitation described in Section 4.4 for the taxable year of the Participant, the Plan Administrator shall direct the Employer to distribute such excess amount (and any income allocable to such excess amount) to the Participant not later than the first April 15th following the close of the Participant's taxable year. If the amount credited to the Deferred Compensation Account of the Participant under this Plan, together with amounts credited to the Participant under all other eligible plans under Code Section 457(b), exceeds the Maximum Limitation described in Section 4.4 for the taxable year of the Participant, the Participant may, not later than March 1 following the close of the Participant's taxable year, notify the Plan Administrator in writing of such excess and request that the Deferred Compensation Account of the Participant under this Plan be reduced by an amount specified by the Participant. In such event, the Plan Administrator may

direct the Employer to distribute such excess amount (and any income allocable to such excess amount) to the Participant not later than the first April 15th following the close of the Participant's taxable year. The amount distributed under this Section 4.5 shall not exceed the amount credited to the Deferred Compensation Account of the Participant under the Plan for the taxable year (and any income allocable to such excess amount).

**Section 5. Qualifying Distribution Events:**

**5.1 Separation from Service.** If the Participant separates from Service with the Employer, the vested balance in the Deferred Compensation Account shall be paid to the Participant by the Employer as provided in Section 6.

**5.2 Disability.** If the Participant becomes Disabled and separates from Service with the Employer, the vested balance in the Deferred Compensation Account shall be paid to the Participant by the Employer as provided in Section 6.

**5.3 Death.** If the Participant dies while in Service, the Employer shall pay a benefit to the Participant's Beneficiary in the amount designated in the Adoption Agreement. Payment of such benefit shall be made by the Employer as provided in Section 6. If a Participant dies following his separation from Service for any reason, and before all payments under the Plan have been made, the balance in the Deferred Compensation Account shall be paid by the Employer to the Participant's Beneficiary in a single lump sum.

**5.4 Elective Distributions.** If the Employer designates in the Adoption Agreement that elective distributions are permitted under the Plan, a Participant may elect to receive a distribution from his Deferred Compensation Account subject to the following conditions:

- (a) **Limit on amount:** The amount of the distribution may not exceed \$5,000 or other such dollar limit in effect under Section 411(a)(11)(A) of the code.

(b) No contributions in preceding two years: There have been no credits to the Deferred Compensation Account of the Participant during the two year period ending on the date of the distribution.

(c) There have been no prior distributions by the Participant pursuant to this Section 5.4.

**5.5 Unforeseeable Emergency.** A distribution from the Deferred Compensation Account may be made to a Participant in the event of an Unforeseeable Emergency, subject to the following provisions:

(a) A Participant may, at any time prior to his separation from Service for any reason, make application to the Committee to receive a distribution in a lump sum of all or a portion of the vested balance in the Deferred Compensation Account (determined as of the date the distribution, if any, is made under this Section 5.5) because of an Unforeseeable Emergency. A distribution because of an Unforeseeable Emergency shall not exceed the amount required to satisfy the Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of such distribution, after taking into account the extent to which the Unforeseeable Emergency may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

(b) The Participant's request for a distribution on account of Unforeseeable Emergency must be made in writing to the Committee. The request must specify the nature of the financial hardship, the total amount requested to be distributed from the Deferred Compensation Account, and the total amount of the actual expense incurred or to be incurred on account of the Unforeseeable Emergency.

(c) If a distribution under this Section 5.5 is approved by the Committee, such distribution will be made as soon as practicable following the date it is approved. The processing of the request shall be completed as soon as practicable from the date on which the Committee receives the properly completed written request for a distribution on account of an Unforeseeable Emergency. A distribution due to Unforeseeable Emergency shall not affect any deferral election previously made by the Participant. If a Participant's separation from Service occurs after a request is approved in accordance with this Section 5.5.3, but prior to distribution of the full amount approved, the approval of the request shall be automatically null and void and the benefits which the Participant is entitled to receive under the Plan shall be distributed in accordance with the applicable distribution provisions of the Plan.

**Section 6. Qualifying Distribution Events Payment Options:**

**6.1 Payment Options.** The Employer shall designate in the Adoption Agreement the payment options which may be elected by the Participant. The Participant shall elect in the Participant Deferral Agreement the method under which the balance in the Deferred Compensation Account will be distributed from among the designated payment options. Payment shall be made in the manner elected by the Participant and shall commence upon the date of the Qualifying Distribution Event. The Participant may elect a different method of payment for each Qualifying Distribution Event as specified in the Adoption Agreement. If the Participant elects the installment payment option, the payment of each annual installment shall be made on the anniversary of the date of the first installment payment, and the amount of the annual installment shall be adjusted on such anniversary for credits or debits to the Participant's account pursuant to Section 8 of the Plan. Such adjustment shall be made by dividing the balance in the Deferred Compensation Account on such date by the number of annual installments remaining to be paid hereunder; provided that the last annual installment due under the Plan shall be the entire amount credited to the Participant's account on the date of payment. In the event the Participant fails to make a valid election of the payment method, the distribution will be made in a single lump sum payment upon the Qualifying Distribution Event.

**6.2 De Minimis Amounts.** Notwithstanding any payment election made by the Participant, the vested balance in the Deferred Compensation Account of the Participant will be distributed in a single lump sum payment if the payment accompanies the termination of the Participant's entire interest in the Plan and the amount of such payment does not exceed the amount designated by the Employer in the Adoption Agreement. Such payment shall be made on or before the later of (i) December 31 of the calendar year in which the Participant separates

from Service from the Employer, or (ii) the date that is 2-1/2 months after the Participant separates from Service from the Employer.

**6.3 Subsequent Elections.** Notwithstanding the initial election of the Participant, the Participant may defer (but not accelerate) the payments from Plan by filing a written election with the Committee prior to the initial commencement date of the payments; provided, that a Participant may only change the method of payment one time following his entry into the Plan.

**6.4 Minimum Distribution Requirements.** Notwithstanding any provision in the Plan to the contrary, the distribution of a Participant's benefit shall be made in accordance with the following requirements and shall otherwise comply with Section 401(a)(9) of the Code and the Regulations thereunder (including Regulation 1.401(a)(9)-2), the provisions of which are incorporated herein by reference:

(a) **Required Beginning Date:** A Participant's benefits shall be distributed or must begin to be distributed to him not later than April 1st of the calendar year following the later of (i) the calendar year in which the Participant attains age 70 ½ or (ii) the calendar year in which the Participant retires.

(b) **Incidental Death Benefits:** Distributions to a Participant and his Beneficiaries shall only be made in accordance with the incidental death benefit requirements of Code Section 401(a)(9)(G) and the Regulations thereunder.

**Section 7. Vesting:**

A Participant shall be fully vested at all times in his Deferred Compensation Account attributable to Participant Deferral Credits and Employer Credits and all income, gains and losses attributable thereto.

**Section 8. Accounts; Deemed Investment; Adjustments to Account:**

**8.1 Accounts.** The Committee shall establish a book reserve account, entitled the "Deferred Compensation Account," on behalf of each Participant. The amount credited to the Deferred Compensation Account shall be adjusted pursuant to the provisions of Section 8.3.

**8.2 Deemed Investments.** The Deferred Compensation Account of a Participant shall be credited with an investment return determined as if the account were invested in one or more investment funds made available by the Committee. The Participant shall elect the investment funds in which his Deferred Compensation Account shall be deemed to be invested. Such election shall be made in the manner prescribed by the Committee and shall take effect upon the entry of the Participant into the Plan. The investment election of the Participant shall remain in effect until a new election is made by the Participant. In the event the Participant fails for any reason to make an effective election of the investment return to be credited to his account, the investment return shall be determined by the Committee.

**8.3 Adjustments to Deferred Compensation Account.** With respect to each Participant who has a Deferred Compensation Account under the Plan, the amount credited to such account shall be adjusted by the following debits and credits, at the times and in the order stated:

(a) The Deferred Compensation Account shall be debited each business day with the total amount of any payments made from such account since the last preceding business day to him or for his benefit.

(b) The Deferred Compensation Account shall be credited on each Crediting Date with the total amount of any Participant Deferral Credits and Employer Credits to such account since the last preceding Crediting Date.

(c) The Deferred Compensation Account shall be credited or debited on each day securities are traded on a national stock exchange with the amount of deemed investment gain or loss resulting from the performance of the investment funds elected by the Participant in accordance with Section 8.2. The amount of

such deemed investment gain or loss shall be determined by the Committee and such determination shall be final and conclusive upon all concerned.

**Section 9. Administration by Committee:**

**9.1 Membership of Committee.** If elected in the Adoption Agreement, the Committee shall consist of at least three individuals who shall be appointed by the Board to serve at the pleasure of the Board. Any member of the Committee may resign, and his successor, if any, shall be appointed by the Board. The Committee shall be responsible for the general administration and interpretation of the Plan and for carrying out its provisions, except to the extent all or any of such obligations are specifically imposed on the Board.

**9.2 Committee Officers; Subcommittee.** The members of the Committee may elect Chairman and may elect an acting Chairman. They may also elect a Secretary and may elect an acting Secretary, either of whom may be but need not be a member of the Committee. The Committee may appoint from its membership such subcommittees with such powers as the Committee shall determine, and may authorize one or more of its members or any agent to execute or deliver any instruments or to make any payment on behalf of the Committee.

**9.3 Committee Meetings.** The Committee shall hold such meetings upon such notice, at such places and at such intervals as it may from time to time determine. Notice of meetings shall not be required if notice is waived in writing by all the members of the Committee at the time in office, or if all such members are present at the meeting.

**9.4 Transaction of Business.** A majority of the members of the Committee at the time in office shall constitute a quorum for the transaction of business. All resolutions or other actions taken by the Committee at any meeting shall be by vote of a majority of those present at any such meeting and entitled to vote. Resolutions may be adopted or other action

taken without a meeting upon written consent thereto signed by all of the members of the Committee.

**9.5 Committee Records.** The Committee shall maintain full and complete records of its deliberations and decisions. The minutes of its proceedings shall be conclusive proof of the facts of the operation of the Plan.

**9.6 Establishment of Rules.** Subject to the limitations of the Plan, the Committee may from time to time establish rules or by-laws for the administration of the Plan and the transaction of its business.

**9.7 Conflicts of Interest.** No individual member of the Committee shall have any right to vote or decide upon any matter relating solely to himself or to any of his rights or benefits under the Plan (except that such member may sign unanimous written consent to resolutions adopted or other action taken without a meeting), except relating to the terms of his Participant Deferral Agreement.

**9.8 Correction of Errors.** The Committee may correct errors and, so far as practicable, may adjust any benefit or credit or payment accordingly. The Committee may in its discretion waive any notice requirements in the Plan; provided, that a waiver of notice in one or more cases shall not be deemed to constitute a waiver of notice in any other case. With respect to any power or authority which the Committee has discretion to exercise under the Plan, such discretion shall be exercised in a nondiscriminatory manner.

**9.9 Authority to Interpret Plan.** Subject to the claims procedure set forth in Section 16 the Plan Administrator and the Committee shall have the duty and discretionary authority to interpret and construe the provisions of the Plan and to decide any dispute which may arise regarding the rights of Participants hereunder, including the discretionary authority to construe the Plan and to make determinations as to eligibility and benefits under the Plan.

Determinations by the Plan Administrator and the Committee shall apply uniformly to all persons similarly situated and shall be binding and conclusive upon all interested persons.

**9.10 Third Party Advisors.** The Committee may engage an attorney, accountant, actuary or any other technical advisor on matters regarding the operation of the Plan and to perform such other duties as shall be required in connection therewith, and may employ such clerical and related personnel as the Committee shall deem requisite or desirable in carrying out the provisions of the Plan. The Committee shall from time to time, but no less frequently than annually, review the financial condition of the Plan and determine the financial and liquidity needs of the Plan. The Committee shall communicate such needs to the Employer so that its policies may be appropriately coordinated to meet such needs.

**9.11 Compensation of Members.** No fee or compensation shall be paid to any member of the Committee for his Service as such.

**9.12 Expense Reimbursement.** The Committee shall be entitled to reimbursement by the Employer for its reasonable expenses properly and actually incurred in the performance of its duties in the administration of the Plan.

**9.13 Indemnification.** No member of the Committee shall be personally liable by reason of any contract or other instrument executed by him or on his behalf as a member of the Committee nor for any mistake of judgment made in good faith, and the Employer shall indemnify and hold harmless, directly from its own assets (including the proceeds of any insurance policy the premiums for which are paid from the Employer's own assets), each member of the Committee and each other officer, employee, or director of the Employer to whom any duty or power relating to the administration or interpretation of the Plan may be delegated or allocated, against any unreimbursed or uninsured cost or expense (including any sum paid in settlement of a claim with the prior written approval of the Board) arising out of any

act or omission to act in connection with the Plan unless arising out of such person's own fraud, bad faith, willful misconduct or gross negligence.

**Section 10. Contractual Liability; Trust:**

**10.1 Contractual Liability.** The obligation of the Employer to make payments hereunder shall constitute a contractual liability of the Employer to the Participant. Such payments shall be made from the general funds of the Employer, and the Employer shall not be required to establish or maintain any special or separate fund, or otherwise to segregate assets to assure that such payments shall be made, and the Participant shall not have any interest in any particular assets of the Employer by reason of its obligations hereunder. To the extent that any person acquires a right to receive payment from the Employer, such right shall be no greater than the right of an unsecured creditor of the Employer.

**10.2 Trust.** If so designated in the Adoption Agreement, the Employer may establish a Trust with the Trustee, pursuant to such terms and conditions as are set forth in the Trust Agreement. The Trust, if and when established, is intended to be treated as a grantor trust for purposes of the Code and all assets of the Trust shall be held in the United States. The establishment of the Trust is not intended to cause Participants to realize current income on amounts contributed thereto, and the Trust shall be so interpreted and administered.

**Section 11. Allocation of Responsibilities:**

The persons responsible for the Plan and the duties and responsibilities allocated to each are as follows:

**11.1 Board.**

- (a) To amend the Plan;
- (b) To appoint and remove members of the Committee; and
- (c) To terminate the Plan as permitted in Section 14.

## **11.2 Committee.**

- (a) To designate Participants;
- (b) To interpret the provisions of the Plan and to determine the rights of the Participants under the Plan, except to the extent otherwise provided in Section 16 relating to claims procedure;
- (c) To administer the Plan in accordance with its terms, except to the extent powers to administer the Plan are specifically delegated to another person or persons as provided in the Plan;
- (d) To account for the amount credited to the Deferred Compensation Account of a Participant; and
- (e) To direct the Employer in the payment of benefits.

## **11.3 Plan Administrator.**

- (a) To file such reports as may be required with the United States Department of Labor, the Internal Revenue Service and any other government agency to which reports may be required to be submitted from time to time; and
- (b) To administer the claims procedure to the extent provided in Section 16.

## **Section 12. Benefits Not Assignable; Facility of Payments:**

**12.1 Benefits Not Assignable.** No portion of any benefit credited or paid under the Plan with respect to any Participant shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void, nor shall any portion of such benefit be in any manner payable to any assignee, receiver or any one trustee, or be liable for his debts, contracts, liabilities, engagements or torts.

**12.2 Plan-Approved Domestic Relations Orders.** The Plan Administrator shall establish written procedures for determining whether an order directed to the Plan is a Plan-Approved Domestic Relations Order.

- (a) **Review by Plan Administrator:** The Plan Administrator shall make a determination on each final court order directed to the Plan as to whether the

order is a Plan-Approved Domestic Relations Order. The Plan Administrator may delay the commencement of its consideration of any order until the later of the date that is 30 days after the date of the order or the date that the Plan Administrator is satisfied that all rehearing and appeal rights with respect to the order have expired.

(b) **Payment to Alternate Payee:** If the Plan Administrator determines that an order is a Plan-approved Domestic Relations Order, the Plan Administrator shall cause the payment of amounts pursuant to or segregate a separate account as provided by (and to prevent any payment or act which might be inconsistent with) the Plan-Approved Domestic Relations Order.

(c) **Expenses:** The Employer and the Plan Administrator shall not be obligated to incur any cost to defend against or set aside any judgment, decree, or order relating to the division, attachment, garnishment, or execution of or levy upon the Participant's account or any distribution, including (but not limited to) any domestic relations proceeding. Notwithstanding the foregoing, if any such person is joined in any proceeding, the party may take such action as it considers necessary or appropriate to protect any and all of its legal rights, and the Participant (or Beneficiary) shall reimburse all actual fees of lawyers and legal assistants and expenses reasonably incurred by such party.

**12.3 Payments to Minors and Others.** If any individual entitled to receive a payment under the Plan shall be physically, mentally or legally incapable of receiving or acknowledging receipt of such payment, the Committee, upon the receipt of satisfactory evidence of his incapacity and satisfactory evidence that another person or institution is maintaining him and that no guardian or committee has been appointed for him, may cause any payment otherwise payable to him to be made to such person or institution so maintaining him. Payment to such person or institution shall be in full satisfaction of all claims by or through the Participant to the extent of the amount thereof.

**Section 13. Beneficiary:**

The Participant's beneficiary shall be the person or persons designated by the Participant on the beneficiary designation form provided by and filed with the Committee or its designee. If the Participant does not designate a beneficiary, the beneficiary shall be his Surviving Spouse. If the Participant does not designate a beneficiary and has no Surviving

Spouse, the beneficiary shall be the Participant's estate. The designation of a beneficiary may be changed or revoked only by filing a new beneficiary designation form with the Committee or its designee. If a beneficiary (the "primary beneficiary") is receiving or is entitled to receive payments under the Plan and dies before receiving all of the payments due him, the balance to which he is entitled shall be paid to the contingent beneficiary, if any, named in the Participant's current beneficiary designation form. If there is no contingent beneficiary, the balance shall be paid to the estate of the primary beneficiary. Any beneficiary may disclaim all or any part of any benefit to which such beneficiary shall be entitled hereunder by filing a written disclaimer with the Committee before payment of such benefit is to be made. Such a disclaimer shall be made in a form satisfactory to the Committee and shall be irrevocable when filed. Any benefit disclaimed shall be payable from the Plan in the same manner as if the beneficiary who filed the disclaimer had predeceased the Participant.

**Section 14. Amendment and Termination of Plan:**

The Board may amend any provision of the Plan or terminate the Plan at any time; provided, that in no event shall such amendment or termination reduce the balance in any Participant's Deferred Compensation Account as of the date of such amendment or termination, nor shall any such amendment affect the terms of the Plan relating to the payment of such Deferred Compensation Account. In order for the Plan to be considered terminated, the balances in the Deferred Compensation Accounts must be distributed to all Plan Participants and Beneficiaries as soon as administratively practicable after termination of the Plan.

Notwithstanding the foregoing, the Plan shall be terminated upon the occurrence of one or more of the events designated in the Adoption Agreement. Upon the occurrence of a termination event, the Deferred Compensation Account of each Participant shall be payable to the Participant as soon as administratively practicable after termination of the Plan.

**Section 15. Communication to Participants:**

The Employer shall make a copy of the Plan available for inspection by Participants and their beneficiaries during reasonable hours at the principal office of the Employer.

**Section 16. Claims Procedure:**

The following claims procedure shall apply with respect to the Plan:

**16.1 Filing of a Claim for Benefits.** If a Participant or beneficiary (the “claimant”) believes that he is entitled to benefits under the Plan which are not being paid to him or which are not being accrued for his benefit, he shall file a written claim therefore with the Plan Administrator. In the event the Plan Administrator shall be the claimant, all actions which are required to be taken by the Plan Administrator pursuant to this Section 16 shall be taken instead by another member of the Committee designated by the Committee.

**16.2 Notification to Claimant of Decision.** Within 90 days after receipt of a claim by the Plan Administrator (or within 180 days if special circumstances require an extension of time), the Plan Administrator shall notify the claimant of the decision with regard to the claim. In the event of such special circumstances requiring an extension of time, there shall be furnished to the claimant prior to expiration of the initial 90-day period written notice of the extension, which notice shall set forth the special circumstances and the date by which the decision shall be furnished. If such claim shall be wholly or partially denied, notice thereof shall be in writing and worded in a manner calculated to be understood by the claimant, and shall set forth: (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent provisions of the Plan on which the denial is based; (iii) 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 (iv) an explanation of the procedure for review of the

denial and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under ERISA following an adverse benefit determination on review. Notwithstanding the forgoing, if the claim relates to a Participant who is Disabled, the Plan Administrator shall notify the claimant of the decision within 45 days (which may be extended for an additional 30 days if required by special circumstances).

**16.3 Procedure for Review.** Within 60 days following receipt by the claimant of notice denying his claim, in whole or in part, or, if such notice shall not be given, within 60 days following the latest date on which such notice could have been timely given, the claimant shall appeal denial of the claim by filing a written application for review with the Committee. Following such request for review, the Committee shall fully and fairly review the decision denying the claim. Prior to the decision of the Committee, the claimant shall be given an opportunity to review pertinent documents and to submit issues and comments in writing.

**16.4 Decision on Review.** The decision on review of a claim denied in whole or in part by the Plan Administrator shall be made in the following manner:

(a) Within 60 days following receipt by the Committee of the request for review (or within 120 days if special circumstances require an extension of time), the Committee shall notify the claimant in writing of its decision with regard to the claim. In the event of such special circumstances requiring an extension of time, written notice of the extension shall be furnished to the claimant prior to the commencement of the extension. Notwithstanding the forgoing, if the claim relates to a Participant who is Disabled, the Committee shall notify the claimant of the decision within 45 days (which may be extended for an additional 45 days if required by special circumstances).

(b) With respect to a claim that is denied in whole or in part, the decision on review shall set forth specific reasons for the decision, shall be written in a manner calculated to be understood by the claimant, and shall cite specific references to the pertinent Plan provisions on which the decision is based.

(c) The decision of the Committee shall be final and conclusive.

**16.5 Action by Authorized Representative of Claimant.** All actions set forth in this Section 16 to be taken by the claimant may likewise be taken by a representative of the claimant duly authorized by him to act in his behalf on such matters. The Plan Administrator and the Committee may require such evidence as either may reasonably deem necessary or advisable of the authority to act of any such representative.

**Section 17. Miscellaneous Provisions:**

**17.1 Set off.** Notwithstanding any other provision of this Plan, the Employer may reduce the amount of any payment otherwise payable to or on behalf of a Participant hereunder (net of any required withholdings) by the amount of any loan, cash advance, extension of credit or other obligation of the Participant to the Employer that is then due and payable, and the Participant shall be deemed to have consented to such reduction.

**17.2 Notices.** Each Participant who is not in Service and each Beneficiary shall be responsible for furnishing the Committee or its designee with his current address for the mailing of notices and benefit payments. Any notice required or permitted to be given to such Participant or Beneficiary shall be deemed given if directed to such address and mailed by regular United States mail, first class, postage prepaid. If any check mailed to such address is returned as undeliverable to the addressee, mailing of checks will be suspended until the Participant or beneficiary furnishes the proper address. This provision shall not be construed as requiring the mailing of any notice or notification otherwise permitted to be given by posting or by other publication.

**17.3 Lost Distributees.** A benefit shall be deemed forfeited if the Plan Administrator is unable to locate the Participant or Beneficiary to whom payment is due on or before the fifth anniversary of the date payment is to be made or commence; provided, that the deemed investment rate of return pursuant to Section 8.2 shall cease to be applied to the

Participant's account following the first anniversary of such date; provided further, however, that such benefit shall be reinstated if a valid claim is made by or on behalf of the Participant or Beneficiary for all or part of the forfeited benefit.

**17.4 Reliance on Data.** The Employer, the Committee and the Plan Administrator shall have the right to rely on any data provided by the Participant or by any Beneficiary. Representations of such data shall be binding upon any party seeking to claim a benefit through a Participant, and the Employer, the Committee and the Plan Administrator shall have no obligation to inquire into the accuracy of any representation made at any time by a Participant or beneficiary.

**17.5 Receipt and Release for Payments.** Subject to the provisions of Section 17.1, any payment made from the Plan to or with respect to any Participant or Beneficiary, or pursuant to a disclaimer by a Beneficiary, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Plan and the Employer with respect to the Plan. The recipient of any payment from the Plan may be required by the Committee, as a condition precedent to such payment, to execute a receipt and release with respect thereto in such form as shall be acceptable to the Committee.

**17.6 Headings.** The headings and subheadings of the Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

**17.7 Continuation of Employment.** The establishment of the Plan shall not be construed as conferring any legal or other rights upon any Employee or any persons for continuation of employment, nor shall it interfere with the right of the Employer to discharge any Employee or to deal with him without regard to the effect thereof under the Plan.

**17.8 Merger or Consolidation; Assumption of Plan.** No Employer shall consolidate or merge into or with another corporation or entity, or transfer all or substantially all

of its assets to another corporation, partnership, trust or other entity (a “Successor Entity”) unless such Successor Entity shall assume the rights, obligations and liabilities of the Employer under the Plan and upon such assumption, the Successor Entity shall become obligated to perform the terms and conditions of the Plan. Nothing herein shall prohibit the assumption of the obligations and liabilities of the Employer under the Plan by any Successor Entity.

**17.9 Construction.** The Employer shall designate in the Adoption Agreement the state according to whose laws the provisions of the Plan shall be construed and enforced, except to the extent that such laws are superseded by ERISA and the applicable requirements of the Code.

**17.10 Transfers Between Eligible Plans:**

(a) **Transfers From an Eligible Plan:** If permitted by the Employer in the Adoption Agreement, a Participant may elect to transfer to his Deferred Compensation Account under this Plan any amounts deferred by the Participant under another eligible Code Section 457(b) plan maintained by another Eligible Employer. Transferred amounts shall be credited to the Deferred Compensation Account of the Participant and distributable in accordance with the terms of this Plan as if the transferred amounts had been deferred under this Plan.

(b) **Transfers To an Eligible Plan:** If permitted by the Employer in the Adoption Agreement, a Participant who has a severance from Service with the Employer may elect to transfer his Deferred Compensation Account under this Plan to another eligible Code Section 457(b) plan maintained by another Eligible Employer for which the Participant is performing services.



**Principal Life Insurance Company**  
Raleigh, NC 27612  
1-800-999-4031  
*A member of the Principal Financial Group®*

**THE EXECUTIVE  
457(B) RETIREMENT PLAN<sup>SM</sup>**

**ADOPTION AGREEMENT**

THIS AGREEMENT is the adoption by **Amvets National** (the "Employer") of the Executive 457(b) Retirement Plan ("Plan").

**WITNESSETH:**

WHEREAS, the Employer desires to adopt the Plan as an unfunded, nonqualified deferred compensation plan; and

WHEREAS, the Employer is a Eligible Employer as defined in the Plan and desires to adopt the Plan as an eligible deferred compensation plan under the provisions of Section 457(b) of the Code and the regulations thereunder; and

WHEREAS, the Employer has been advised by Principal Life Insurance Company to obtain legal and tax advice from its professional advisors before adopting the Plan, and Principal Life Insurance Company disclaims all liability for the legal and tax consequences which result from the elections made by the Employer in this Adoption Agreement;

NOW, THEREFORE, the Employer hereby adopts the Plan in accordance with the terms and conditions set forth in this Adoption Agreement:

**ARTICLE I**

Terms used in this Adoption Agreement shall have the same meaning as in the Plan, unless some other meaning is expressly herein set forth. The Employer hereby represents and warrants that the Plan has been adopted by the Employer upon proper authorization and the Employer hereby elects to adopt the Plan for the benefit of its Participants as referred to in the Plan. By the execution of this Adoption Agreement, the Employer hereby agrees to be bound by the terms of the Plan.

ARTICLE II

The Employer hereby makes the following designations or elections for the purpose of the Plan:

**2.6 Committee:** The duties of the Committee set forth in the Plan shall be satisfied by:

- (a) The administrative committee of at least three individuals appointed by the Board to serve at the pleasure of the Board.
- (b) Employer.
- (c) Other (specify): \_\_\_\_\_.

**2.7 Compensation:** The "Compensation" of a Participant shall mean all of a Participant's:

- (a) Base salary
- (b) Bonus compensation
- (c) Accumulated sick pay, vacation pay and back pay
- (d) Compensation received as an Independent Contractor reportable on Form 1099
- (e) Other: \_\_\_\_\_

**2.8 Crediting Date:** The Deferred Compensation Account of a Participant shall be credited with the amount of any Participant Deferral to such account at the time designated below:

- (a) The last business day of each Plan Year.
- (b) The last business day of each calendar quarter during the Plan Year.
- (c) The last business day of each month during the Plan Year.
- (d) The last business day of each payroll period during the Plan Year.
- (e) Each pay day as reported by the Employer.
- (f) Any business day on which the Participant Deferral is received by the Provider.
- (g) Other: \_\_\_\_\_.

**2.11 Effective Date:**

**XX** (a) This is a newly-established Plan, and the Effective Date of the Plan is **July 1, 2006.**

\_\_\_ (b) This is an amendment and restatement of a plan named \_\_\_\_\_ with an effective date of \_\_\_\_\_.  
The Effective Date of this amended and restated Plan is \_\_\_\_\_.  
This is amendment number \_\_\_\_\_.

**2.18 Normal Retirement Age:** The Normal Retirement Age of a Participant shall be:

**XX** (a) Age 59 1/2.

\_\_\_ (b) The later of age \_\_\_ or the \_\_\_\_\_ anniversary of the participation commencement date. The participation commencement date is the first day of the first Plan Year in which the Participant commenced participation in the Plan.

\_\_\_ (c) Other: \_\_\_\_\_.

**2.22 Participating Employer(s):** As of the Effective Date, the following Participating Employer(s) are parties to the Plan:

<u>Name of Employer</u>	<u>Address</u>	<u>Telephone No.</u>	<u>EIN</u>
<u>Amvets National</u>	<u>4647 Forbes Blvd.</u> <u>Lanham, MD</u>	<u>(301) 683-4051</u>	<u>53-0176836</u>
<u>Amvets National Service Foundation</u>	<u>4647 Forbes Blvd.</u> <u>Lanham, MD</u>	<u>(301) 683-4051</u>	_____
<u>Amvets National Headquarters</u>	<u>4647 Forbes Blvd.</u> <u>Lanham, MD</u>	<u>(301) 683-4051</u>	_____
<u>Amvets Ladies Auxillary</u>	<u>4647 Forbes Blvd.</u> <u>Lanham, MD</u>	<u>(301) 683-4051</u>	_____
<u>Amvets Services, Inc.</u>	<u>4647 Forbes Blvd.</u> <u>Lanham, MD</u>	<u>(301) 683-4051</u>	_____
<u>Amvets Dept. of Ohio</u>	<u>4647 Forbes Blvd.</u> <u>Lanham, MD</u>	<u>(301) 683-4051</u>	_____

\_\_\_\_\_

Amvets Dept. of Michigan      4647 Forbes Blvd.      (301) 683-4051      \_\_\_\_\_

Lanham, MD

**2.23 Plan:** The name of the Plan as applied to the Employer is  
**The Executive 457(b) Retirement Plan of Amvets National.**

**2.24 Plan Administrator:** The Plan Administrator shall be:

- \_\_\_ (a) Committee.
- XX** (b) Employer.
- \_\_\_ (c) Other: \_\_\_\_\_.

**2.26 Plan Year:** The Plan Year shall end each year on the last day of the month of **December.**

**2.30 Trust:**

- \_\_\_ (a) The Employer **does desire** to establish a “rabbi” trust for the purpose of setting aside assets of the Employer contributed thereto for the payment of benefits under the Plan.
- XX** (b) The Employer **does not desire** to establish a “rabbi” trust for the purpose of setting aside assets of the Employer contributed thereto for the payment of benefits under the Plan.

**4.1 Participant Deferral Credits:** Subject to the limitations in Section 4.1 of the Plan, a Participant may elect to have his Compensation (as selected in Section 2.7 of this Adoption Agreement) deferred within the annual limits below by the following percentage or amount as designated in writing to the Committee:

(a) Base salary:  
maximum deferral: \$ \_\_\_\_\_ or \_\_\_\_\_ %

(b) Bonus compensation:  
maximum deferral: \$ \_\_\_\_\_ or \_\_\_\_\_ %

(c) Other: \_\_\_\_\_  
maximum deferral: \$ \_\_\_\_\_ or \_\_\_\_\_ %

(d) Participant deferrals not allowed.

**4.2 Employer Credits:** The Employer will make Employer Credits in the following manner:

(a) **Employer Discretionary Credits:** The Employer may make discretionary credits to the Deferred Compensation Account of each Participant in an amount determined as follows:

(i) An amount determined each Plan Year by the Employer.

(ii) Other: \_\_\_\_\_.

(b) **Other:** \_\_\_\_\_.

(c) Employer Credits not allowed.

**5.3 Death of a Participant:** If the Participant dies while in Service, the Employer shall pay a benefit to the Beneficiary in an amount equal to the vested balance in the Deferred Compensation Account of the Participant determined as of the date payments to the Beneficiary commence, plus:

(a) An amount to be determined by the Committee.

(b) Other: \_\_\_\_\_.

(c) No additional benefits.

**5.4 Elective Distributions:** Elective Distributions may be permitted under the Plan:

(a) Yes, the employer **does** permit Elective Distributions

(b) No Elective Distributions permitted.

**5.5 Unforeseeable Emergency:** Participant may elect to receive distributions under the Plan upon an Unforeseeable Emergency:

- (a) Yes, Participants may elect to have accounts distributed upon the occurrence of an Unforeseeable Emergency.
- (b) Participants may not elect to have accounts distributed upon the occurrence of an Unforeseeable Emergency.

**6.1 Payment Options:** Any benefit payable under the Plan upon a Qualifying Distribution Event may be made to the Participant or his Beneficiary (as applicable) in any of the following payment forms, as selected by the Participant in the Participant Deferral Agreement:

1. Separation from Service other than Retirement

- (a) A lump sum in cash as soon as practicable following the date of the Qualifying Distribution Event.
- (b) Approximately equal annual installments over a term certain as elected by the Participant upon his entry into the Plan not to exceed \_\_\_\_\_ years.
- (c) Other: \_\_\_\_\_.

2. Separation from Service due to Retirement

- (a) A lump sum in cash as soon as practicable following the date of the Qualifying Distribution Event.
- (b) Approximately equal annual installments over a term certain as elected by the Participant upon his entry into the Plan not to exceed 10 years.
- (c) Other: \_\_\_\_\_.

3. Death

- (a) A lump sum in cash as soon as practicable following the date of the Qualifying Distribution Event.

\_\_\_ (b) Approximately equal annual installments over a term certain as elected by the Participant upon his entry into the Plan not to exceed \_\_\_ years.

\_\_\_ (c) Other: \_\_\_\_\_.

4. Disability

XX (a) A lump sum in cash as soon as practicable following the date of the Qualifying Distribution Event.

\_\_\_ (b) Approximately equal annual installments over a term certain as elected by the Participant upon his entry into the Plan not to exceed \_\_\_ years.

\_\_\_ (c) Other: \_\_\_\_\_.

**6.2 De Minimis Amounts.** Notwithstanding any payment election made by the Participant, the vested balance in the Deferred Compensation Account of the Participant will be distributed in a single lump sum payment if the payment accompanies the termination of the Participant's entire interest in the Plan and the amount of such payment does not exceed **\$10,000**.

**14. Amendment and Termination of Plan:**

(a) Amendments.

\_\_\_ Notwithstanding any provision in this Adoption Agreement or the Plan to the contrary, Section \_\_\_ of the Plan shall be amended to read as provided in attached Exhibit \_\_\_.

XX There are no amendments to the Plan.

(b) Termination of Plan. The Plan may be terminated at the Employer's discretion at any time.

\_\_\_ Notwithstanding the above, the Plan will be automatically terminated upon the following change in the Employer's financial condition

\_\_\_\_\_  
\_\_\_\_\_

**17.9 Construction:** The provisions of the Plan and Trust (if any) shall be construed and enforced according to the laws of the State of **Maryland**, except to the extent that such laws are superseded by ERISA and the applicable provisions of the Code.

**17.10 Transfers Between Eligible Plans:**

- XX (a) The Employer elects to permit transfers FROM another eligible Code Section 457(b) Plan maintained by a tax-exempt employer.
- XX (b) The Employer elects to permit transfers TO another eligible Code Section 457(b) Plan maintained by a tax-exempt employer.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year stated below.

Amvets National

Name of Employer

By: Joseph V. Deering  
Authorized Person  
Date: July 10, 2006

Amvets National

Name of Employer

By: James B. King  
Authorized Person  
Date: July 10, 2006

Amvets National

Name of Employer

By: Mariam M. Usajev  
Authorized Person  
Date: July 10, 2006

**NOTE: Execution of this Adoption Agreement creates a legal liability of the Employer with significant tax consequences to the Employer and Participants. The Employer should obtain legal and tax advice from its professional advisors before adopting the Plan. Principal Life Insurance Company disclaims all liability for the legal and tax consequences which result from the elections made by the Employer in this Adoption Agreement.**



# Amvets Nonqualified Plan – Proposed Mapping

## Mapping Strategy to Principal Advantage<sup>SM</sup> – Nonqualified

Current Qualified Plan Investment Options	Investment Category	Mapped to New Investment Option	Investment Advisor	Ticker
Stable Value	Stable	Principal Inv Money Market AdvPfd Fund	Principal Investors Fund	PMRXX
Principal Bond and Mortgage Sep Acct	Intermediate Term Bond	Principal Inv Bond & Mortgage Sec AdvPfd Fund	Principal Investors Fund	PBMMX
Principal LifeTime 2010 Sep Acct	Target-Date 2000-2014	Principal Inv LifeTime 2010 AdvPfd Fund	Principal Investors Fund	PTAMX
Principal LifeTime 2020 Sep Acct	Target-Date 2000-2014	Principal Inv LifeTime 2020 AdvPfd Fund	Principal Investors Fund	PTBMX
Principal LifeTime 2030 Sep Acct	Target date 2015-2029	Principal Inv LifeTime 2030 AdvPfd Fund	Principal Investors Fund	PTCMX
Principal LifeTime 2040 Sep Acct	Target date 2030+	Principal Inv LifeTime 2040 AdvPfd Fund	Principal Investors Fund	PTDMX
Principal LifeTime 2050 Sep Acct	Target date 2030+	Principal Inv LifeTime 2050 AdvPfd Fund	Principal Investors Fund	PTERX
Principal LifeTime Strategic Inc Sep Acct	Target date 2030+	Principal Inv LifeTime Strat Inc AdvPfd Fund	Principal Investors Fund	PLSMX
Principal Partners LargeCap Value Sep Acct	Large Value	Principal Inv Ptr LgCap Value AdvPfd Fund	Alliance Bernstein	PFSFX
Principal Partners Large-Cap Value I Sep Acct	Large Value	Principal Inv Ptr LgCap Value I AdvPfd Fund	UBS Global Asset Mgmt.	DM358
Principal Large Cap Stock Index Sep Acct	Large Blend	Principal Inv LgCap S&P 500 Index AdvPfd Fund	Principal Investors Fund	PLFMX
Principal Disciplined Large Vap Blend Sep Acct	Large Blend	Principal Inv Disc LgCap Blend AdvPfd Fund	Principal Investors Fund	DM205
Principal Large Company Growth Sep Acct	Large Growth	Principal Inv LargeCap Growth AdvPfd Fund	Columbus Circle Investors	DM071
Principal Partners Mid-Cap Value I Sep Acct	Mid-Cap Value	Principal Inv Ptr MidCap Value I AdvPfd Fund	Goldman Sachs Asset Mgt	DM367
Principal Mid Cap Stock Index Sep Acct	Mid-Cap Blend	Principal Inv MidCap S&P 400 Idx AdvPfd Fund	Principal Investors Fund	PMFMX
Principal Partners Mid-Cap Growth II Sep Acct	Mid-Cap Growth	Principal Inv Ptr MidCap Grwth II AdvPfd Fund	Fidelity Mgmt. & Research	DM461
Principal Small Company Value Sep Acct	Small Value	Principal Inv SmallCap Value AdvPfd Fund	Principal Investors Fund	PSVMX
Principal Small Cap Stock Index Sep Acct	Small Blend	Principal Inv SmCp S&P 600 Idx AdvPfd Fund	Principal Investors Fund	PSSMX
Principal Partners Small-Cap Gr III Sep Acct	Small-Cap Growth	Principal Inv Ptr SmallCap Gr III AdvPfd Fund	Mazama Capital Mgmt.	DM371
Principal Diversified International Sep Acct	Foreign Large Blend	Principal Inv Diversified Int'l AdvPfd Fund	Principal Investors Fund	PINRX
Principal International Growth Sep Acct	Foreign Large Growth	Principal Inv Int'l Growth AdvPfd Fund	Principal Investors Fund	PITMX
Principal U.S. Property Sep Acct	Real Estate	Principal Inv Real Estate Secs AdvPfd Fund	Principal Investors Fund	PRERX

## Current Investment Options Summary Disclosures

**Money Market investment Options** - These investment options are not guaranteed by the Federal Deposit Insurance Corporation (FDIC), or any other government agency. Although the investment options seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the investment options.

**Index investment Options** - Each index-based investment option is invested in the stocks of the index it tracks. Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. There is no assurance an index based investment option will match the performance of the index tracked.

**Small-Cap investment Options** - These investment options are subject to more fluctuation in value than other investment options with stocks of larger, more stable companies.

**International Stock investment Options** - These investment options are subject to additional risk due to fluctuating exchange rates, foreign accounting and financial policies, and other economic and political environments.

**High-Yield Bond investment Options** - These investment options are subject to greater credit risk associated with high yield bonds.

**Government Bond investment Options** - While the underlying securities of these investment options may be guaranteed by the U.S. government as to timely payment of principal and interest, these investment options are not guaranteed.

**Real Estate Investment Trust investment Options** - These investment options are subject to some risks inherent in real estate and Real Estate Investment Trusts, such as risks associated with general and local economic conditions.

**Specialty investment Options** - Due to the sector focus of these investment options, they may experience greater volatility than funds with a broader investment strategy. These investment options are not intended to serve as a complete investment program by itself.

# Principal Investment Options Summary Disclosures

Insurance issued and plan administrative services provided by Principal Life Insurance Company. Securities offered through Princor Financial Services Corporation, 800/ 247- 4123, member SIPC. Principal Life and Princor are members of the Principal Financial Group®, Des Moines, IA 50392.

**Before investing in mutual funds, investors should carefully consider the investment objectives, risks, charges and expenses of the funds. This and other important information is contained in the free prospectus, which can be obtained from your local representative. Please read the prospectus carefully before investing.**

Some of the investment options in this comparison may be separate accounts of Group Variable annuity Contracts and some may be mutual funds. Different expenses and fees may apply. These differences were not considered in this comparison.

A separate account is a pooled fund created by an insurance company which is segregated from the general funds maintained by the company for the purpose of paying claims. Separate accounts invest in a variety of securities and funds often contain retirement funds.

A mutual fund is an open-ended fund operated by an investment company which raises money from shareholders and invests in a group of assets in accordance with a stated set of objectives. Benefits include diversification and professional money management. Shares are issued and redeemed on demand, based on the fund's net asset value which is determined at the end of each trading session.

An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in this fund. An investment in this fund is not insured by the FDIC. They may lose value and there is no bank guarantee.

An investment in an international mutual fund is subject to additional risk associated with foreign investments due to fluctuating exchange rates, foreign financial policies, and economic and political environments.

In a Government Securities Fund while the underlying securities are guaranteed by the U.S. Government as to the timely payment of principal and interest, fund shares are not.

An investment in a Real Estate Fund is subject to some risks inherent in real estate and real estate investment trusts, such as risks associated with general and local economic conditions.

An investment in a Utilities Fund is subject to market conditions and risks directly related to the utilities industry.

An investment in a High Yield Bond Fund is subject to greater credit risks associated with high-yield bonds.

Due to the sector focus of a sector fund, it may experience greater volatility than funds with a broader investment strategy. It is not intended to serve as a complete investment program by itself.

An investment in a Small-Cap Fund is subject to a higher degree of market risk than funds that invest in large-cap or more established companies' securities. The illiquidity of the small-cap market may adversely affect the volume of an investment so that shares, when redeemed, may be worth more or less than their original cost.

Each index based investment option is invested in the stocks of the index it tracks. Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. There is no assurance an index based investment option will match the performance of the index tracked.

"S&P 500®", "S&P SmallCap 600" and "S&P MidCap 400" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Principal Life Insurance Company and Principal Management Corporation. The Products are not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the Products.

**Please Select One of the Following Options**

This serves as the plan sponsor's written instruction authorizing and directing Principal Life Insurance Company, a member of the Principal Financial Group®, and its relevant affiliates ("Principal") to use the column titled "Mapped to New Investment Option" as the lineup our nonqualified plan will offer to the plan participants as well as utilize in the corporate asset. This selection indicates that we as the plan sponsor desire to have the same investment options available to our plan participants as we have in our corporate asset being used to informally finance the nonqualified plan.

This serves as the plan sponsor's written instruction authorizing and directing Principal Life Insurance Company, a member of the Principal Financial Group®, and its relevant affiliates ("Principal") to use the column titled "Current Qualified Plan Investment Options" as the lineup our nonqualified plan will offer to the plan participants. The lineup titled "Mapped to New Investment Option" will be used as the mapped lineup for the investments options inside our corporate owned asset. This selection indicates that we as the plan sponsor understand that the investment options for our plan participants are not the same as what's available to us in our corporate asset and understand The Principal rebalancing procedures as outlined in the Nonqualified Service Agreement that we have executed.

**FOR TAKEOVER PLANS ONLY** - This serves as the plan sponsor's written instruction authorizing and directing Principal Life Insurance Company, a member of the Principal Financial Group®, and its relevant affiliates ("Principal") to use the mapping strategy described above for all nonqualified plan participant balances transferred to Principal. We direct that, on behalf of the plan sponsor, transfer of plan participant balances shall follow the above mapping plan. We understand that the plan participants will be responsible for rebalancing their benefit accounts and/or redirecting their future contributions through the Principal nonqualified plan service center website after the plan transfer is complete. If plan balances transfer for an investment option not listed in this mapping strategy, I authorize The Principal to place those balances in the mapping default.

For mapping purposes only, the current mapping default is the \_\_\_\_\_ [Enter Investment Option Name].

As the plan sponsor, we agree to provide our plan participants with at least 30 days notice (30 days prior to the black out beginning date) of the plan transfer and related mapping plan. This notice will provide participants with information concerning any black-out period (period of time where investment transactions will not be available because of plan transfer) and the mapping plan, including investment options and information as well as the opportunity for plan participants to rebalance their current benefit account and redirect future contributions prior to the plan transfer. I understand that while Principal will assist us in this process, Principal does not have any discretionary authority regarding the plan transfer or related mapping process.

Agreed to:

  
Plan Sponsor

Executive Director  
Title

July 10, 2006  
Date