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695 SW Mill View Way
PO Box 1111
Bend, Oregon 97709
(541)382-4211 Phone (541)382-7468 Fax
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Exhibit "B" to Addendum #2

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

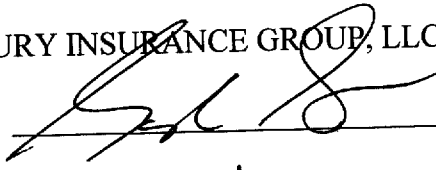
FROM: Employer: CENTURY INSURANCE GROUP. LLC
Employer Identification Number: 93-1193195
Employer's Address: P.O. Box 1111, Bend OR 97709

DATE: 8/1/06

This document constitutes the statement required by 29 C.F.R. section 2520.104-23(a)(1) to be filed with the Secretary of Labor in respect to non-qualified deferred compensation plans maintained by the above employer.

The employer maintains a non-qualified compensation plan for the following employee, who is a member of a select group of management who were highly compensated in prior years: Bob Gorham

CENTURY INSURANCE GROUP, LLC

By: 

Its: George Elson
Manager

ADDENDUM #2 TO EMPLOYMENT AGREEMENT

CENTURY INSURANCE / GORHAM

RECITALS

A. Bob Gorham ("Agent") has been continuously employed by CENTURY INSURANCE GROUP, LLC ("Employer") under an EMPLOYMENT AGREEMENT dated effective August 1, 2001.

B. This Addendum #2 To Employment Agreement ("Addendum") addresses Agent's subsequent bona fide advancement within Employer and the deferred compensation program provided to Agent in conjunction with his advancement with Employer in consideration for Agent's agreement to the Noncompete provisions below.

AGREEMENT

NOW THEREFORE, the parties hereby agree as follows:

1. CONSIDERATION

1.1 Agent shall be advanced from the position of Agent to Producer Executive and in conjunction with this advancement shall be entitled to the Deferred Compensation program described in Section 2 of this Addendum.

1.2 In consideration for the subsequent bona fide advancement to Producer Executive, Agent agrees to the terms of the Noncompete provisions in Section 3 of this Addendum.

2. DEFERRED COMPENSATION

2.1 New Deferred Comp. In addition to his existing compensation arrangement, and subject to limitations and restrictions set forth elsewhere herein, Agent shall be entitled to the deferred compensation program set forth in this Section 2 (referred to as his "Deferred Comp").

2.2 Definitions.

As used in this Addendum, the following terms shall, unless the context requires otherwise, have the meanings specified as follows:

2.2.1 "Account" means the bookkeeping account established by Employer to which it credits contributions, and to which earnings and losses thereon are credited.

2.2.2 “Beneficiary” means one or more persons or other entities designated by Agent to receive the benefits payable by reason of Agent’s death as provided under this Plan. The designation shall be in writing in a form approved by Employer, signed by Agent and delivered to Employer to be valid. If Agent makes no valid designation, or if the designated primary and secondary Beneficiaries fail to survive Agent or otherwise fail to elect to receive such benefits, Agent’s Beneficiary shall then be the first of the following persons who survives Agent: (i) Agent’s spouse (that is, the person to whom Agent is legally married at the time of Agent’s death), (ii) Agent’s surviving issue, per stirpes, or (iii) the personal representative(s) of Agent’s estate, to be administered and distributed as part of such estate. Agent may change his designated Beneficiary by delivering a new written designation of beneficiary form to Employer in a form approved by Employer.

2.2.3 “Plan” means Plan of Deferred Compensation as set forth in this article, and as may be amended from time to time.

2.2.4 “Plan Year” means the calendar year.

2.2.5 “Disability” means, for purposes of this Addendum:

(a) Agent suffers from bodily infirmities or disorders, diseases, injuries (excluding self-inflicted injuries), addiction to substances hazardous to health (including addiction to narcotics and alcoholism), or mental illness; and

(b) if one of the following conditions is satisfied:

(1) Under the terms of a bona fide disability income insurance policy which insures Agent, the insurance company that underwrites such insurance policy determines that Agent is totally disabled for purposes of such insurance policy; or

(2) Under any waiver of premium clause of life insurance purchased by Employer on Agent’s life, Agent is deemed disabled; or

(3) A physician licensed to practice medicine in the State of Oregon, who has been selected by Agent (or the conservator of Agent’s estate) and Employer, certifies that Agent is partially or totally disabled so that Agent will be unable to be employed gainfully on a full-time basis by Employer for a six-month period in the position that Agent occupied prior to such disability. The costs and expenses of such physician shall be borne by Employer; or

(4) Agent and Employer agree in writing that Agent is partially or totally disabled so that Agent will be unable to be employed gainfully on a full-time basis by Employer for a six-month period in the position which Agent occupied prior to such disability.

2.3 Deferred Compensation Account Computation.

Agent's Deferred Comp:

2.3.1 Shall be calculated as fifty percent (50%) times the total fair market value (the "Account Value") of the insurance accounts carried under his producer code as of the end of his term of employment with Employer; and

2.3.2 For ease of computation, it is agreed that the total Account Value for purposes of this Addendum and his Deferred Comp computations at any time shall be one (1.0) times the total full-term (annual basis) renewal commissions on such accounts carried under his producer code as of the effective date of termination of his employment (based on the twelve full calendar months immediately prior to that date). This shall not include any contingent bonus, profit sharing, or other such incentives from carriers.

2.3.3 Agent does not hereby acquire any equity or ownership of any kind whatsoever in those accounts themselves or the right to renew the same; those are and shall remain the sole and exclusive property of Employer.

2.3.4 Employer shall credit the Account no later than 30 days following the end of the Plan Year. Employer shall maintain books and records of the Account, including earnings and losses thereon; however, the Account shall not be funded and the balance thereof shall constitute a general unsecured claim against Employer.

2.3.5 Title to and beneficial ownership of any assets credited to the Account, whether cash or investments, including any assets which Employer may earmark or segregate to pay the benefits to be provided hereunder, shall at all times remain in Employer. Agent and his Beneficiary shall not have any property interest whatsoever in any specific assets of Employer.

2.4 Vesting.

Agent's Deferred Comp shall be fully vested at the time of the execution of this Agreement..

2.5 Payments

Vested Deferred Comp shall be paid out to Agent or his estate as follows:

2.5.1 Monthly Installments. Agent's Deferred Comp payments:

(a) Are to be paid in fully-amortizing approximately equal monthly installments including interest on the declining balance thereof, over a period of sixty (60) months following the effective date of termination of his employment; if Agent becomes Disabled while employed by Employer, Employer shall pay to Agent or to his Beneficiary, as the case may be, the entire value of the Account in one lump sum as soon as practicable after the determination of Agent's Disability.

(b) Payment would be due on the 10th of each calendar month commencing the first full calendar month following the end of Agent's employment. The amount owing shall bear a rate of interest on the diminishing balance at the prime rate set forth in the Wall Street Journal, revised the first day of January of each year to be applicable during that year; and

(c) Employer shall withhold from all amounts otherwise payable to Agent in accordance with this Addendum all income, FICA, FUTA and other taxes and assessments which it is required by applicable law to withhold from remuneration paid in consideration of Agent's services to Company as an Agent. All such amounts shall be timely paid by Employer to the appropriate governmental agencies as required by applicable law.

2.5.2 Prepayment. Employer may at its option determine to prepay all or part of such Deferred Comp to Agent together with any accrued interest at any time without penalty or premium.

2.5.3 Hardship. Early distributions may be made upon request of Agent for "unforeseeable emergencies"; but these must have been beyond his control, and be of a nature that would cause a severe financial hardship. Determination of what is an "unforeseeable emergency" and the amount to be withdrawn would be within the sole discretion of Employer, and shall in any event be limited to the amount necessary to eliminate the emergency.

2.6 Forfeiture of Deferred Compensation.

Notwithstanding anything in this Addendum to the contrary, no payment of any then unpaid amount shall be made and all rights under this Addendum to receive such payments shall be forfeited if Agent violates the Non-Compete Section below.

2.7 Plan Administration.

2.7.1 Employer shall be responsible for the general operation and administration of the Plan and for carrying out the provisions thereof.

2.7.2 Employer shall interpret the Plan and shall determine all questions arising in the administration, interpretation and application of the Plan. Employer shall have any and all power and authority (including discretion with respect to the exercise of that power and authority) which shall be necessary, properly advisable, desirable or convenient to enable it to carry out its duties under the Plan. Any determination by Employer shall presumptively be conclusive and binding on all persons. No officer, director or Agent of Employer shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Addendum unless attributable to such person's own willful misconduct or lack of good faith. Employer shall be entitled to rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by any actuary, accountant, controller, counsel or other person employed or engaged by Employer with respect to the Plan.

2.8 Amendment or Termination.

2.8.1 Employer shall have the unilateral right to terminate this Addendum, regardless of whether Agent's employment is terminated, upon the closing of any transaction or series of related transactions involving or having the effect of (i) a sale or exchange of all or substantially all the assets of Employer, (ii) a sale or exchange of more than fifty percent (50%) of the outstanding stock of Employer, (iii) a merger of Employer with another entity in which Employer is not the surviving entity, (iv) a liquidation or dissolution of Employer, or (v) a merger in which Employer is the surviving entity, but only if the merger has the effect of a sale or exchange of all or substantially all the shares of the common stock of Employer.

2.8.2 No amendment or termination of the Plan shall directly or indirectly reduce the balance of the Account held hereunder as of the effective date of such amendment or termination. Upon termination of the Plan, distribution of the amounts credited to Agent's Account shall be made to Agent or his Beneficiaries in the manner and at the time described in the Plan.

2.9 General Provisions.

2.9.1 The Plan at all time shall be entirely unfunded and no provision shall at any time be made with respect to segregating any assets of Employer for payment of any distributions hereunder. The right of Agent or his Beneficiaries to receive a distribution hereunder shall be an unsecured claim against the general assets of Employer, and neither Agent nor a Beneficiary shall have any

rights in or against any specific assets of Employer. All amounts credited to the Account shall constitute general assets of Employer and may be disposed of by Employer at such time and for such purposes as it may deem appropriate.

2.9.2 Nothing contained in the Plan shall constitute a guarantee by Employer or any other person or entity that the assets of Employer will be sufficient to pay any benefit hereunder.

2.9.3 Agent shall not have any right to receive a distribution of contributions made under the Plan except in accordance with the terms of the Plan. Establishment of the Plan shall not be construed to give Agent the right to be retained in the service of the Employer.

2.9.4 No interest of any person or entity in, or right to receive a distribution under, the Plan shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind; nor may such interest or right to receive a distribution be taken, either voluntarily or involuntarily for the satisfaction of the debts of, or other obligations or claims against, such person or entity, including claims for alimony, support, separate maintenance and claims in bankruptcy proceedings.

2.9.5 If any person entitled to a distribution under the Plan is deemed to be incapable of personally receiving and giving a valid receipt for such payment, then, unless and until claim therefore shall have been made by a duly appointed guardian or other legal representative of such person, Employer may provide for such payment or any part thereof to be made to any other person or institution then contributing toward or providing for the care and maintenance of such person. Any such payment shall be a payment of the account of such person and a complete discharge of any liability of Employer and the Plan therefor.

2.9.6 Agent shall keep Employer informed of his current address and the current address of his Beneficiary. Employer shall not be obligated to search for the whereabouts of any person. If the location of an Agent is not made known to Employer within three (3) years after the date on which payment of Agent's Account may first be made, payment may be made as though Agent had died at the end of the three-year period. If, within one additional year after such three-year period has elapsed, or, within three years after the actual death of a Agent, Employer is unable to locate any Beneficiary of Agent, then Employer shall have no further obligation to pay any benefit hereunder to such Agent or Beneficiary and such benefit shall be irrevocable forfeited.

2.9.7 Notwithstanding any of the preceding provisions of the Plan, neither Employer nor any individual acting as Agent or agent of Employer shall be liable to Agent or other person for any claim, loss, liability or expense incurred in connection with the Plan.

2.9.8 Nothing contained in this Addendum and no action taken pursuant to the provisions of this Addendum shall create or be construed to create a trust of any kind, or a fiduciary relationship between Employer and Agent or any other person. Any funds or assets earmarked or segregated which may be invested by Employer in anticipation of its obligation of this Addendum shall continue for all purposes to be a part of the general funds of Employer and no person other than Employer shall by virtue of the provisions of this Addendum have any interest in such funds. To the extent that any person acquires a right to receive payments from Employer under this Addendum, such right shall be no greater than the right of any unsecured general creditor of Employer.

2.9.9 Any payment under this Addendum shall not be deemed salary or other compensation to Agent for the purpose of computing benefits to which Agent may be entitled under any pension plan or other arrangement of Employer for the benefit of its Agents. The benefits payable under this Addendum shall be independent of, and in addition to, any other agreement relating to Agent's employment that may exist from time to time, or any other compensation payable by Employer to Agent, whether salary, bonus or otherwise.

2.10 **Claims Procedures.**

2.10.1 If Agent is denied all or a portion of an expected benefit under this Addendum for any reason, Employer shall notify Agent within 60 days of allowance or denial of the claim. The notice must contain the following information:

2.10.2 The specific reasons for the denial;

2.10.3 Specific reference to pertinent provisions of this Addendum on which the denial is based; and

2.10.4 If applicable, a description of any additional information or material necessary to perfect the claim, an explanation of why such information or material is necessary and an explanation of the claims review procedure.

2.10.5 Agent is entitled to request a review of any denial of his claim by Employer. The request for review shall be submitted in writing within 60 days of Agent's receipt of the notice of the denial. Absent a request for review within the 60-day period, the claim shall be deemed to be conclusively denied. Agent or his representative shall be entitled to review all pertinent documents, and to submit issues and comments in writing.

Within 60 days of receipt of Agent's request for review, Employer shall allow or deny the claim. The decision shall be made in writing to Agent. The decision shall recite the facts and reasons for denial, with specific reference to the pertinent provisions of this Addendum.

2.11 MISCELLANEOUS.

2.11.1 This Addendum is not assignable or transferable by Agent;

2.11.2 This Addendum shall be considered fully-earned as of termination of his employment with Employer for any reason, *subject to* any provisions to the contrary contained in this Addendum such as forfeiture of his Deferred Comp in the event of his violation of non-compete restrictions, etc.;

2.11.3 Notwithstanding anything to the contrary in this Addendum or any other document, this entire deferred compensation obligation shall be and remain an unsecured general creditor obligation of Employer.

2.11.4 Employer shall notify the appropriate governmental agencies of this plan in accordance with the notice set forth on Exhibit "B" attached hereto, and Agent shall execute the DESIGNATION OF BENEFICIARY attached hereto as Exhibit "A".

2.11.5 Agent agrees to treat the Addendum and the terms thereof as confidential information and to not disclose its existence, its terms, or provide a copy of it to any person, other than Agent's legal counsel, and other than as required to comply with any subpoena or other order issued by a court of competent jurisdiction or government agency.

3. NONCOMPETE

3.1 Non-Disclosure. Agent understands that during the course of his association with Employer he has had and will continue to have access to certain trade secrets and confidential information not generally known to the public, relating to the products, sales or business of Employer as an insurance agency and brokerage. Such information may include without limitation computer database programs, customer or contact lists, prospects or projections, processes, policy contracts and expiration dates, terms and conditions, information regarding accounts or renewals thereof, work in process, account proposals, trade secrets which Agent has conceived or henceforth conceives or develops either alone or with others at any time during his employment with Employer, as well as information customers may furnish to Employer concerning their business affairs, property and risk characteristics, methods of operation or other data, and other proprietary and confidential matter (all of which is referred to collectively herein as the "Confidential Information"). Agent understands and agrees to the following:

3.1.1 This Confidential Information has been developed by Employer at great expense and constitutes a proprietary, valuable, special and unique asset of Employer, access to and knowledge of which are essential to Agent's position;

3.1.2 This Confidential Information is and shall remain Employer's sole and exclusive property; and

3.1.3 Because the business of Employer depends upon Employer and its employees preserving the confidentiality of their customers' information, Agent shall treat such information as Confidential Information of Employer for all purposes under this Addendum.

3.1.4 Agent agrees that, without prior written permission of Employer's Management Committee, he shall not at any time during his employment with Employer or after the effective date of termination thereof for any reason, make any use of, copy, remove from the premises of Employer, nor disclose to any person for any purpose (other than in the course of his employment with and for the benefit of Employer) any Confidential Information, nor permit any person to use, examine, and/or make copies of any documents, files, data, or other information sources which contain or are derived from Confidential Information, whether prepared by Agent or otherwise coming into his possession or control.

3.1.5 Agent agrees that upon (a) request by Employer, or (b) termination of his employment with Employer, Agent shall promptly turn over to Employer all Confidential Information including without limitation computer data, documents, notes, papers, data, files, office supplies or other material or work product in Agent's possession or under his control, together with all copies thereof (i) which were created pursuant to, are connected with or derived from Agent's involvement with Employer, or (ii) which are related in any manner to Employer's business activities, whether or not such materials are at the date hereof in Agent's possession.

3.2 **Non-Competition.** Agent recognizes and acknowledges that:

3.2.1 Because of the confidential and sensitive nature of the Confidential Information, use or even the appearance of use thereof by Agent in certain circumstances could cause irreparable damage to Employer and its reputation, and Employer would not enter into this Addendum unless assured that such misuse would not occur; and

3.2.2 Because Employer's business is a valuable asset, solicitation or servicing of Employer's customers by Agent after Agent has ceased to be an employee of Employer could cause irreparable harm to Employer; therefore, Employer would not enter into this Addendum nor divulge additional Confidential Information to Agent unless it were assured that such solicitation or servicing would not occur.

3.2.3 Agent therefore agrees and covenants that from the date hereof until thirty-six (36) months after the effective date of termination of his employment with Employer for any reason, Agent shall not directly or indirectly in any

capacity whatsoever (either as an employee, officer, Director, stockholder, proprietor, partner, joint venturer, member of a limited liability company, consultant or otherwise) solicit, accept, service or otherwise divert insurance agency, brokerage or employee benefits business from any customer or active prospect of Employer on Employer's books as of that date who either reside or have business premises or property insured by Employer within Deschutes, Crook or Jefferson Counties, State of Oregon.

3.2.4 Agent further agrees and covenants that from the date hereof until thirty-six (36) months after the effective date of the termination of his employment with Employer for any reason, Agent shall not directly or indirectly: (1) advise, invest in, own, manage, operate, or control; or (2) be employed by, provide services to, lend money to, guarantee any obligation of, lend Agent's name to, or otherwise assist any person engaged in or planning to be engaged in any business whose products, services, or activities compete or will compete in whole or in part with the Employer's products, services, or activities in Jefferson County, Deschutes County, or Crook County, Oregon provided that Agent may own up to 1% of any class of securities of any issuer if the securities are listed on the national or regional securities exchange or have been registered under Section 12 (g) of the Securities Exchange Act of 1934.

3.3 **Enforcement / Damages.** Agent acknowledges that disclosure of any Confidential Information, or a breach or threatened breach of any of the restrictive covenants or other agreements contained herein could give rise to irreparable injury to Employer or clients thereof, which injury would be inadequately compensable in money damages. Accordingly, Employer, or where appropriate a client of Employer, may seek and obtain injunctive relief from the breach or threatened breach of any provision, requirement, or covenant of this Addendum.

3.3.1 Agent further acknowledges, agrees, and stipulates that nothing contained in this Addendum nor the enforcement by Employer of any covenant herein alters or shall alter Agent's ability to obtain a livelihood for Agent and/or his family.

3.3.2 The provisions of this Addendum shall be enforceable notwithstanding the existence of any claim or cause of action by Agent against Employer or its employees or Members of its limited liability company, whether predicated on this Addendum or the Agreement or otherwise.

3.4 **Saving Provision.** Employer and Agent agree and stipulate that the agreements and covenants contained in the preceding paragraphs, including the scope and duration thereof, are fair and reasonably necessary for the protection of Employer's Confidential Information, business, and other protectable interests, in light of all of the facts and circumstances of the relationship between Agent and Employer. In the event any provision or part thereof of this Addendum or the Agreement were to be held invalid, illegal or

unenforceable, in whole or in part, then neither the validity of the remaining part of such item, nor the validity of any other term of this Addendum, shall be in any way affected thereby, and this Addendum and the Agreement shall be enforced to the maximum extent provided for in their present form or as may be modified by an arbitrator or a court of competent jurisdiction. Agent further agrees that if a court of competent jurisdiction finds that this Non-Competition Provision is not enforceable in its entirety, then the non-piracy provision of the Employment Agreement dated March 1, 1997 shall remain in full effect.

3.5 Assignable by Employer. The protections afforded Employer by this Non-Compete section are a valuable asset of Employer; and in the event Employer assigns or transfers its protections hereunder either through a sale of assets or sale of equity of Employer, Agent shall remain bound thereby without requiring his consent and without any additional consideration to Agent therefore.

3.6 Economic Espionage Act of 1996. In addition to the Uniform Trade Secrets Act or related statutory provisions of the State(s) in which Employer is located or does business, the parties acknowledge and agree that their relationship and this Addendum are subject to the federal Economic Espionage Act of 1996.

3.7 Disclosure to Next Employer. In the event of termination of this employment relationship, if Agent intends to take another position in the insurance agency or brokerage business during his 36-month non-competition period set forth above, in any state in which Employer then does business, he shall give a copy of this Addendum and the underlying Agreement to his next employer(s) prior to accepting any such position. In addition, this Employer shall be entitled to furnish a copy hereof to any such prospective or actual employer at any time.

4. GENERAL PROVISIONS

4.1 Necessary Acts. Each party agrees to perform further acts and execute and deliver documents reasonably necessary to carry out the provisions of this Addendum and the Agreement.

4.2 Amendments. The provisions of this Addendum may be waived, altered, amended or repealed, in whole or in part, only with written consent of all parties hereto.

4.3 Successors and Assigns. This Addendum shall be binding on and inure to the benefit of the parties to it and their respective heirs, legal representatives, successors, and assigns.

4.4 Severability. It is intended that each provision of this Addendum and the Agreement be viewed as separate and divisible, and if any provision is held to be invalid, the remaining provisions thereof shall continue in full force and effect.

4.5 Notice. All notices, requests, demands, and other communications under this Addendum shall be in writing, either hand-delivered with a third-party witness, or first class mail, certified, postage prepaid, and properly addressed to the party at that party's address set forth on the signature page hereto, or any other address a party designates by notice to the other in that same manner. Notice shall be deemed effective three (3) days following mailing, or immediately when hand delivered, in the prescribed manner.

4.6 Governing Law / Venue. This Addendum shall be construed in accordance with, and governed by, the laws of the State of Oregon, and venue of any legal action with respect to this Addendum or the Agreement shall be in the Circuit Court for the county in which the office of Employer as set forth on the signature page below is located. Agent's obligations under this Addendum supplement, and do not supersede, the obligations imposed on Agent by the laws of the State of Oregon and the United States of America, including without limitation by the Oregon Uniform Trade Secrets Act.

4.7 Counterparts. This Addendum may be executed in one or more counterparts, each of which together with the Agreement shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.8 Good Faith. The parties agree to cooperate with each other in good faith to facilitate the performance of the terms and provisions of this Addendum and the Agreement. No party shall make disparaging commentary, or engage in any act or omission, the effect of which would hamper, damage or otherwise detrimentally affect the business prospects, reputation and client relations of any party contrary to the intended purposes of this Addendum.

4.9 Entire Agreement / Conflicts. This Addendum and the existing Agreement constitute the entire agreement of the parties with respect to the subject matter thereof, and supersede or cancel all other prior agreements and understandings, whether written or oral, of the parties in connection with their relationship. In the event of conflict between this Addendum and the existing Agreement, this Addendum shall control.

4.10 Nonwaiver of Breach. The Employer's failure to insist upon strict adherence to any one or more of the covenants and restrictions in this Addendum or the Agreement on one or more occasions, shall not be construed as a waiver or deprive Employer of the right to require strict compliance thereafter with the same or any other provision hereof.

4.11 No Presumption. Should any provision of this Addendum or the Agreement or the Exhibits thereto require arbitrator or judicial interpretation, the arbitrator or court interpreting or construing same shall not apply a presumption that the terms hereof shall be more strictly construed against one party, by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agents prepared same, it being acknowledged that all parties have participated in the preparation hereof.

5. ADVICE OF COUNSEL

Agent hereby acknowledges that he has carefully read all of the terms hereof, and agrees that they are necessary for the reasonable and proper protection of Employer's business; that Employer has been induced to enter into this Addendum upon the representation of Agent that he will abide by and be bound by each of the aforesaid provisions including specifically but without limitation the Non-Compete Section.

ONLY THE EMPLOYER HAS BEEN REPRESENTED BY VANDER WEL, JACOBSON & BISHOP, PLLC WITH RESPECT TO GENERAL LEGAL CONCEPTS SURROUNDING THIS AGREEMENT AND THE RELATIONSHIP OF THE PARTIES HERETO, AND BY SCHWABE, WILLIAMSON & WYATT AS EMPLOYER'S OREGON COUNSEL REGARDING ALL SPECIFIC ISSUES AND SELECTION AND FINALIZATION OF THIS ADDENDUM.

EMPLOYEE HAS BEEN ADVISED TO SEEK INDEPENDENT LEGAL COUNSEL OF HIS OWN; HE HAS EITHER DONE SO TO HIS SATISFACTION, OR BY SIGNING BELOW CONFIRMS THAT HE HAS INTENTIONALLY WAIVED HIS OPPORTUNITY TO DO SO. THERE IS NO JOINT REPRESENTATION.

6. MISCELLANEOUS.

6.1.1 With respect to any dispute relating to this Addendum, or in the event that a suit, action or other proceeding of any nature whatsoever, including, without limitation, any proceeding under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law, any action seeking a declaration of rights or an action for rescission, is instituted to interpret or enforce this Addendum or any provision of this Addendum, the prevailing party shall be entitled to recover from the losing party its reasonable attorneys', paralegals', accountants', and other experts' and professional fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the judge at trial or other proceeding, or on any appeal or review, in addition to all other amounts provided by law.

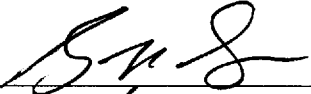
6.1.2 Words in the masculine gender shall include the feminine and the singular shall include the plural, and vice versa, unless qualified by the context. Any headings used herein are included for ease of reference only, and are not to be construed so as to alter the terms hereof.

DATED effective the 1 day of August, 2006.

EMPLOYER:

AGENT:

CENTURY INSURANCE GROUP, LLC

By: 
George Elsom

Its: Manager

Address:
695 SW Mill View Way
P.O. Box 1111
Bend, OR 97709


Bob Gorham

Address:
63516 Pharaoh
Bend, OR 97701

**EXHIBIT "A" TO ADDENDUM #2
CENTURY INSURANCE'S DEFERRED COMPENSATION PLAN
DESIGNATION OF BENEFICIARY FORM**

1. PERSONAL DATA. (Please print)

Name Robert Gorham

Soc. Sec. # _____

Permanent Mailing Address:

63516 Pharaoh Ct
Bend OR 97701

Birth Date _____

Date of Employment 8/1/2001

Account Number

2. BENEFICIARY DESIGNATION.

Subject to the conditions set forth below, I hereby designate the individual(s) listed below as the beneficiaries of all of my Account under Deferred Compensation plan:

Primary Beneficiary:

Secondary Beneficiary (if any):

Page P Gorham

SS#

63516 Pharaoh Ct

Bend OR 97701

Spouse

NOTE: Give full name, address, Social Security number and relationship of beneficiary or beneficiaries. Attach additional designations, if necessary.

List additional beneficiaries on reverse side if necessary.

I understand that this Designation, unless expressly revoked by my filing with the Employer shall apply to my account. In the event of my death, payment of the balance of my Account shall be made to my Primary Beneficiaries, named above, who survive me. Unless I have indicated otherwise, payment to my Primary Beneficiaries shall be made in equal shares. If no Primary Beneficiary survives me, then payment of the balance of my Accounts shall be made to my Contingent Beneficiaries, named above, who survive me. Unless I have indicated otherwise, payment to my Contingent Beneficiaries shall be made in equal shares.

Dated this 1 day of August, 2006.

A handwritten signature in black ink, appearing to be 'R. C.', written above a horizontal line.

Signature of Agent