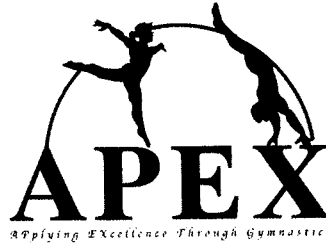


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EBSA/PUBLIC DISCLOSURE

2010 AUG 31 AM 8:32



VIA CERTIFIED MAIL;  
RETURN RECEIPT REQUESTED

U.S. Department of Labor  
Top Hat Plan Exemption  
Employee Benefits Security Administration  
Rooms N-5644 or N-1513  
200 Constitution Avenue  
Washington, DC 20210

Dear Sir/Madam:

In compliance with Department of Labor Regulation 2520.104-23, we are filing the following disclosure statement regarding the unfunded compensation plan maintained by Apex Gymnastics, Inc., a corporation organized under the laws of the Commonwealth of Virginia ("the Corporation"), for the benefit of certain key employees:

Employer Name: Apex Gymnastics, Inc.

Employer Address: 741 Miller Drive, SE, Suite 11, Leesburg, VA 20175

Employer Identification Number: 54-1845455

Under penalties of perjury, I declare that the Corporation named herein maintains one unfunded plan for the benefit of a select group of management or highly compensated employees currently totaling three employees (the "Plan"). The primary purpose of the Plan is to provide deferred compensation for a select group of management or highly compensated employees. A copy of the plan is available upon request.

Please acknowledge receipt of this notice by stamping or signing the enclosed copy of this notice and returning it to me in the enclosed envelope. You can call our legal counsel who drafted the Plan, Scott Dondershine, at (703) 264-2220, if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Melanie Cuozzo", written over a horizontal line.

Printed Name: Melanie Cuozzo

Title: Plan Administrator

**DEFERRED COMPENSATION UNIT PLAN  
OF  
APEX GYMNASTICS, INC.**

1. **Purpose.** This Plan (“the Plan”) is intended to enable Apex Gymnastics, Inc. (the “Company”) attract into and retain in its employ hard-working, diligent and responsible persons of outstanding competence by rewarding certain key employees or consultants for an increase in the value of the Company.

2. **Administration of Plan.**

(a) **Management by Directors.** All decisions regarding management of the Plan shall be made by a majority vote of the Board of Directors which is authorized to take such steps in connection with the Plan as it may in its sole discretion deem necessary or advisable.

(b) **Appointment of Committee.** The Board of Directors may appoint a committee of one or more persons to administer the Plan (collectively the “Administrators”) on behalf and under the supervision of the Board of Directors pursuant to the terms and conditions prescribed by the Board of Directors and this Plan. Any appointed Administrator shall serve until terminated by the Board of Directors. Unless otherwise specified by the Board of Directors, all decisions made by any appointed Administrators (if more than one) shall be authorized by a majority vote of the Administrators attending a meeting (in person or by telephone) in which a majority of Administrators are in attendance. Any reference in this Plan to the term Board of Directors or directors shall include any Administrators authorized hereunder by the Board of Directors except as otherwise provided for in this Plan or if the context refers to the Board of Directors standing alone independent of the Administrators. If no Administrators are appointed, then any use of the term Administrators shall refer to the Board of Directors.

(c) **Decisions Final and Conclusive.** All decisions made by the Board of Directors and Administrators shall be final, binding and conclusive on all parties, except that the Board of Directors can review any decision of the Administrators and as otherwise set forth in the claims procedure specified below in **Section 13**. No member of the Board of Directors or any Administrator shall be personally liable for any act done or determination made except if such act or determination involves willful misconduct or a knowing violation of the criminal law or of any federal or state securities law. No member of the Board of Directors or any Administrator shall have any right to vote or decide upon any matter relating solely to himself or herself or a member of his or her immediate family or solely to any of his or her rights or benefits (or rights or benefits of a member of his or her immediate family) under the Plan.

3. **Eligibility for Deferred Compensation Units.** The Board of Directors can in its sole and absolute discretion issue deferred compensation awards (hereinafter referred to as “DCUs”) to any consultant or employee who is considered a “key person” and, with respect to an employee, is a management or highly compensated employee as defined in Sections 201(2), 301(a)(3) and 401(a)(1) of the Employer Retirement Income Security Act, as amended from time to time (“ERISA”).

4. **Issuance of DCUs.**

(a) **Issuance.** The Board of Directors is authorized in its sole and absolute discretion to issue DCUs to any eligible consultant or employee as defined above in **Section 3** (the "Participant"). Any DCUs issued under this Plan shall be evidenced by a written Deferred Compensation Unit Agreement, and no DCU shall be valid unless the Participant executes and returns the agreement to the Company.

(b) **Limitation on Number of DCUs that Can be Issued.** The aggregate number of DCUs that can be issued and outstanding under this Plan, including any DCUs in which a Participant is not fully vested, at any one time shall not exceed 10 (10%) percent of the outstanding shares of common stock of Company. In determining the total number of outstanding share of common stock, all shares issued under a grant of restricted stock shall be included and all shares covered by any outstanding but unexercised options, warrants or the like, shall be excluded. Any DCUs that are issued but then expire, are forfeited or are redeemed, may again be issued hereunder.

5. **Recordation of DCUs.** The Administrators shall establish and maintain accounts on behalf of each Participant ("Participant Accounts"). Each Participant Account shall include the name of the Participant, the number of DCUs awarded to said Participant, the grant date of each DCU awarded to the Participant, and the initial unit value ("Initial Unit Value") of each DCU as determined under the provisions of **Section 6** of this Plan.

6. **Definition of Initial and Payout Unit Value.**

(a) **Initial Unit Value.** Each DCU shall be assigned an Initial Unit Value that shall be equal to (1) one hundred percent (100%) of the gross revenue of Company measured on a cash basis for the twelve-month period ending as of the last day of the most recently completed calendar month prior to the date of grant and (2) then divided by the total number of outstanding shares of common stock.

(b) **Payout Unit Value.** Upon the occurrence of an event triggering a payout of DCU benefits under this Plan as specified below in **Section 8(a)**, each DCU standing to the credit of

the applicable Participant in his or her Participant Account that is being paid out shall be redeemed and assigned a Payout Unit Value computed as follows:

(1) If the triggering event is any event other than a change in control (defined below in **Section 7(b)** and hereinafter referred to as a “Change in Control”) then the Payout Unit Value shall be determined pursuant to the procedures set forth above in **Section 6(a)** but using the gross revenues for the twelve-month period ending on the last day of the most recently completed calendar month prior to the date for determining the Payout Unit Value under this **Section 6(b)(1)**.

(2) If the triggering event is a Change in Control then the Payout Unit Value shall be the value determined pursuant to the Change in Control transaction in lieu of the amount that otherwise would have been determined under **Section 6(b)(1)** above. Said Payout Unit Value shall be determined as follows: If the Change in Control is as a result of the sale of stock, the Payout Unit Value shall be based upon the price per share established in the transaction. If the Change in Control is based upon a sale of assets or other non-stock sale transaction, then the Payout Unit Value shall be (a) the aggregate amount that would be distributed to the stockholders of Company if Company received the full amount due to it or the stockholders pursuant to the transaction and then liquidated immediately after the Change in Control and then divided by (b) the then number of issued and outstanding Stock.

(c) **Determination.** The determination of Initial Unit Value and Payout Unit Value shall be made by the Administrators in their sole and absolute discretion. In determining the total number of outstanding shares of common stock, all shares issued under a grant of restricted stock shall be included and all shares covered by any outstanding but unexercised options, warrants or the like, shall be excluded.

## 7. **Vesting of Benefits.**

(a) **Vesting Timetable.** Subject to the acceleration of vesting of DCUs as provided for in **Section 7(b)** below or the forfeiture of DCUs as provided for in **Section 7(c)** below, a Participant shall have a vested right in the amount of DCU benefits showing in said Participant’s Participant Account multiplied by the vesting percentage determined pursuant to the Participant’s Deferred Compensation Unit Agreement. In the event that a Participant has multiple grants of DCUs, then the vested right of Participant in the applicable DCU benefits shall be determined separately for each grant based upon the vesting percentage set forth in each applicable Deferred Compensation Unit Agreement.

(b) **Acceleration of Vesting of Benefits.** Any provision in this Plan to the contrary notwithstanding but subject to the forfeiture of benefits as provided below in **Section 7(c)** in the event of a Change in Control, the Participant shall be immediately vested in one-hundred (100%)

percent of the DCU benefits showing in said Participant's Participant Account at such date, regardless of whether or not previously vested. Change in Control is defined as: (1) the accumulation by merger, stock purchase or any other acquisition in one or a series of related transactions by any individual, firm, corporation or other entity (other than the accumulation of stock in Company by any persons who were shareholders of the Company as of the date this Plan was adopted, or accumulation of Company stock by the Company, any subsidiary, any profit-sharing employee benefit plan of the Company or any subsidiary, or any trustee of or fiduciary with respect to any such plan when acting in such capacity), separately or in combination with any affiliates or associates, of a beneficial ownership of more than fifty percent (50%) of the combined voting power of stock entitled to vote generally in the election of directors of the reorganized, merged, sold or consolidated entity; or (2) the sale of the Company's assets other than in the regular course of business as defined in Section 13.1-724 of the Annotated Code of Virginia, as amended from time to time.

(c) **Forfeiture of Benefits.** Any provision in this Plan, including the foregoing vesting schedule, to the contrary notwithstanding, a Participant shall forfeit any and all otherwise vested rights in the amount of DCU benefits standing in his or her Participant Account if the Board of Directors determines in its sole and absolute discretion that the Participant has been terminated for cause, has violated any of the provisions set forth in **Section 8(e)** below or resigns knowing or with reason to know that he or she is about to be terminated for cause. Termination for cause shall be based upon one of the following grounds as determined in the sole and absolute discretion of a majority of the Board of Directors voting at a duly authorized meeting of Directors: (i) fraud, misappropriation of assets, embezzlement or other acts of similar dishonesty, (ii) conviction of a felony involving moral turpitude, (iii) illegal use of drugs or excessive use of alcohol in the workplace, (iv) misconduct that may subject Company to criminal or civil liability, (v) breach of Participant's duty of loyalty, including the diversion or usurpation of corporate opportunities properly belonging to Company, (vi) failure to follow Company policies, procedures or protocols, (vii) breach of this Agreement or any employment or other agreement with Company, (viii) insubordination or deliberate refusal to follow the instructions of the Board of Directors or other supervisory personnel, (ix) neglect of Participant's duties requested of him or her, (x) disparagement against Company or its agents which disparagement is injurious to Company or its agents other than in a *de minimis* manner, (xi) engaging in conduct which is materially injurious to Company or its agents or (xii) acting in a manner that damages or could reasonably be expected to damage Company's business or reputation other than in a *de minimis* manner.

## 8. **Payout of DCU Benefits.**

(a) **Payout of DCU Benefits.** Company shall begin paying out any then vested DCU benefits of a Participant upon the first to occur of (1) Participant's termination from Company as an employee or consultant for any reason other than as described above in **Section 7(c)** or (2) the occurrence of a Change in Control.

(b) **Computation of DCU Benefits Payable.** In the event that DCU benefits are payable hereunder, there shall be paid to the applicable Participant, or in the event of his or her death, to the person or persons designated under **Section 8(d)** below, an amount equal to:

(1) the excess (if any) of the Payout Unit Value of each DCU then standing to the Participant's credit in his or her Participant Account and then payable over the Initial Unit Value of each of such DCUs, multiplied by;

(2) the percentage that Participant is then vested in the DCUs as specified in the vesting percentage determined pursuant to **Section 7(a)** above or as accelerated as set forth in **Section 7(b)** above. The amounts determined pursuant to this **Section 8(b)** shall be paid in accordance with the terms set forth in **Section 8(c)** below, less withholding for any applicable federal, state or local payroll or income taxes.

(c) **Payments of DCU Benefits.**

(1) **Payment if Trigger Event is Termination.** In the event of the payment of DCU benefits as a result of termination as an employee or consultant, the amount due pursuant to **Section 8(b)** above shall be paid in cash in even quarterly installment payments over a four year period without interest. Each quarterly payment is due on the last day of each calendar quarter occurring after termination (or at least thirty days after termination if later). Company may, in its sole and absolute discretion, immediately pay any portion of the DCU benefits hereunder in the event of the death or disability of Participant or to the extent needed to satisfy any applicable unforeseeable emergency need of Participant. The term unforeseeable emergency ("Unforeseeable Emergency") is as defined in Reg. 1.409A-3(i)(3) and any payment due hereunder as a result of an Unforeseeable Emergency shall be limited to the amount needed to satisfy the emergency need as determined pursuant to said regulations. The term disability is as defined in Reg. 1.409A-3(i)(4).

(2) **Payment if Trigger Event is a Change in Control.** In the event of the payment of DCU benefits as a result of a Change in Control, the amount due pursuant to **Section 8(b)** above shall be paid in cash or in kind pursuant to the same schedule and under the same terms and conditions as payments to stockholders generally pursuant to the Change in Control event provided that any and all such amounts must be paid within three years after the Change in Control event. This Plan shall then terminate.

(d) **Designation of Beneficiary.** Each person upon becoming a Participant shall specify in the applicable Deferred Compensation Unit Agreement one or more beneficiaries ("Designated Beneficiaries") to whom payments otherwise due to Participant shall be made in the event of Participant's death. The Participant shall have the right to change any Designated

Beneficiary from time to time, provided, however, that any change shall not become effective until received in writing by the Board of Directors.

(e) **Required Compliance with Restrictions.** Notwithstanding any provision of this Plan to the contrary, as a specific condition precedent to the receipt of benefits and in consideration for the receipt of benefits hereunder, each Participant agrees that he or she will comply with the provisions set forth in any nondisclosure, employment, confidentiality or other agreement entered into between Participant and Company. If the Board of Directors determines in its sole and absolute discretion that the Participant has violated any provisions of any nondisclosure, employment, confidentiality or other agreement between the Company and the Participant, the Board of Directors may, by written notice to the Participant, immediately and permanently cancel his or her benefits under this Plan regardless of vesting, and thereupon any and all rights of such Participant under this Plan shall terminate and be forfeited, and any benefits previously paid to such Participant shall become immediately due and payable to the Company. This **Section 8(e)** does not replace, supersede or limit any remedies provided for under any employment agreement or nondisclosure/confidentiality agreement entered into with the Participant.

9. **Adjustment in the Number of DCUs.** In the event of any stock split (including reverse stock split) or stock dividend and the like on the common stock of Company, appropriate adjustment shall be made by the Administrators in the aggregate number and Initial Unit Value of DCUs standing to the credit in each Participant Account provided, however, that the Administrators shall not be required to establish any fractional units.

10. **Amendment, Modification and Termination of DCUs or this Plan.** The Board of Directors may, in its sole and absolute discretion, terminate, cancel or amend the Plan, or the rights of holders of any DCU previously issued, at any time, including the method pursuant to which the Initial and Payout Unit Value is computed as provided for above in **Section 6**. No such amendment, modification or termination will, however, adversely affect the right of a Participant to receive the payment of any DCU benefits in which the Participant is vested at the time of such amendment, modification or termination.

11. **Other Terms.**

(a) **No Rights Granted.** The owner of a DCU is not entitled by virtue of said person's interest in any DCU granted pursuant to this Plan to vote on any activity of the Company and is not entitled to any liquidation, preference, distribution or other rights held by owners of stock in the Company.

(b) **No Employment Restrictions.** Nothing in this Plan shall be deemed to limit in any way the right of the Company to terminate an employee's employment with the Company at

any time, or be evidence of any agreement or understanding, express or implied, that the Company will employ an employee in any particular position, or at any particular rate of remuneration, or for any particular period of time. Except as may otherwise be limited by a written agreement between the Company and the Participant, or by applicable law, the right of the Company to terminate at will the Participant's employment with the Company at any time (whether by dismissal, discharge, termination, retirement or otherwise) is specifically reserved by the Company and acknowledged by the Participant.

(c) **Plan is not Grant of DCUs.** Nothing contained in this Plan or in any resolution adopted by the Board of Directors approving this Plan shall constitute the granting of any DCU hereunder. The granting of a DCU pursuant to this Plan shall take place only when a written Deferred Compensation Unit Agreement shall have been duly executed and delivered by or on behalf of the Company and by the individual (or his or her duly authorized attorney-in-fact) to whom such DCU is to be granted.

(d) **Indemnification of Board of Directors and Administrators.** In addition to such other rights or indemnifications as they may have as directors or otherwise, and to the maximum extent allowed by applicable law, the members of the Board of Directors or any Administrator appointed to administer this Plan shall be indemnified by the Company against the reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, action, suit or proceeding, or in connection with any appeal thereof, to which they or any of them may be a party by reason of any action taken, or failure to act, under or in connection with the Plan or any grant granted thereunder, and against all amounts paid by them in settlement thereof or paid by them in satisfaction of a judgment in any such claim, action, suit or proceeding, except in any case in relation to matters as to which it shall be adjudged in such claim, action, suit or proceeding that such director or Administrator is liable for willful misconduct or a knowing violation of a criminal law in the performance of his or her duties; provided, however, that within sixty (60) days after institution of any such action, suit or proceeding the director or Administrator involved shall offer the Company, in writing, the opportunity, at its own expense, to handle and defend the same.

(e) **Other Terms.** Any DCU granted hereunder shall contain such other and additional terms, not inconsistent with the terms of this Plan, which are deemed necessary or desirable in the complete discretion of the Board of Directors, or by legal counsel to the Company.

12. **Nontransferability.** No right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge the same shall be null and void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to such benefits. If any Participant or beneficiary hereunder

should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge any right or benefit hereunder, then such right or benefit shall, in the discretion of the Board of Directors, cease.

13. **ERISA.**

(a) **Unfunded Plan.** The Plan is intended to be an unfunded arrangement maintained by Company primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees. The Plan is intended to be exempt from Parts 2, 3 and 4 of Title I of ERISA, and is not intended to meet the qualification requirements of Section 401 of the Internal Revenue Code of 1986, as amended. The Plan constitutes a mere promise by Company to make payments to Participants, and their Designated Beneficiaries, in the future under the terms described herein. All benefits under the Plan shall be payable solely from the general assets of Company, and each Participant and Designated Beneficiary hereunder shall be a general unsecured creditor with respect to benefits payable under the Plan. No persons other than Company shall, by virtue of the provisions of this Plan, have any interest in such funds. A Participant has no right, title or interest in any investment Company may make in aid of meeting its obligations under the Plan.

(b) **Claims Procedure.** The Plan contains the following claims procedure. Except as otherwise specified herein, claims for benefits under the Plan shall be filed with the Administrators on forms supplied by the Administrators. If the Administrators determine that a claim of a Participant or a Designated Beneficiary shall be denied, then the following procedures shall govern:

(1) Written notice of the disposition of a claim shall be furnished to the claimant within ninety (90) days after the application is filed. If special circumstances require an extension of time for processing the initial claim, a written notice of the extension and the reason therefore shall be furnished to the claimant before the end of the initial ninety-day period. In no event shall such extension extend beyond ninety (90) days. The notice shall set forth (A) the specific reason or reasons for the adverse determination, (B) reference to the specific Plan provisions on which the determination is based, (C) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary, and (D) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

(2) If a claim for benefits is denied or if the claimant has had no response to such claim within ninety (90) days of its submission (in which case the claim for benefits shall be deemed to have been denied), the claimant or his or her duly authorized representative shall have the right to (A) request a review of the denial of benefits by written notice delivered to the Board of Directors within sixty (60) days of the receipt of written notice of denial or sixty (60) days from the

date the claim is deemed to be denied, (B) review pertinent documents, and (C) submit issues and comments in writing.

(3) The Board of Directors shall, upon receipt of a request for review submitted by the claimant in accordance with **Section 13(b)(2)**, conduct the review by taking into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The Board of Directors shall provide the claimant with written notice of the decision reached by the Board of Directors setting forth the specific reasons for the decision, references to the provisions of the Plan upon which the decision is based and any other information required by ERISA. Such notice shall be delivered to the claimant not later than sixty (60) days following the receipt of the claimant's request unless the Board of Directors determines that a hearing is needed. If an extension of time is required to conduct a hearing, written notice of the extension shall be furnished to the claimant before the end of the original sixty (60) day period. If the decision on review is not furnished within the time specified above, the claim shall be deemed denied on review.

14. **Term of Plan.** The Plan shall become effective on the date of its adoption by the Board of Directors, August 27, 2010.

ATTEST:

Apex Gymnastics, Inc.

\_\_\_\_\_  
Melanie Cuzzo, Secretary

BY: Melanie A Cuzzo  
Melanie CUOZZO  
President

The undersigned duly elected Secretary of Apex Gymnastics, Inc. does hereby certify that the foregoing Deferred Compensation Unit Plan was duly adopted by the Board of Directors of the Company at a meeting duly called and held on August 26, 2010.

Melanie Cuzzo  
Melanie Cuzzo, Secretary