

EDC **Education
Development
Center, Inc.**

DEC 9 11:40

December 2, 1996

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Top Hat Plan Exemption
Pension & Welfare Benefits Administration
Room N5644
U. S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2520032540338

Dear Sir or Madam:

Pursuant to Department of Labor Regulations, 29 CFR § 2520.104-23, under Section 110 of Title 1 of the Employee Retirement Income Security Act of 1974, Education Development Center, Inc. (Employer) provides the following information in compliance with alternative method of reporting and disclosure for unfunded plans maintained for a select group of management or highly compensated employees;

1. Name and Address of Employer:

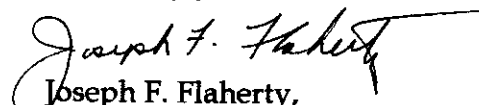
Education Development Center, Inc.
55 Chapel Street
Newton, MA 02160

2. Employer Identification Number:

04-2241718

3. The Employer maintains a plan primarily to provide deferred compensation benefits for a select group of management or highly compensated employees.
4. The Employer maintains one (1) such plan, and there is currently one (1) participant in said plan.

Very truly yours,


Joseph F. Flaherty,
Plan Administrator

TRUST AGREEMENT

under the

**EDUCATION DEVELOPMENT CENTER, INC.
EXECUTIVE DEFERRED COMPENSATION**

96 DEC -9 11:40

This Trust Agreement (this "Agreement") made and entered into this first (1st) day of October, by and between EDUCATION DEVELOPMENT CENTER, INC. ("Company") and Joseph F. Flaherty ("Trustee").

WHEREAS, effective as of October 1, 1996, the Company has adopted the Education Development Center, Inc. Executive Deferred Compensation Plan (the "Plan"); and

WHEREAS, Company has incurred or expects to incur liability under the terms of such Plan with respect to the individuals participating in such Plan;

WHEREAS, Company wishes to establish a trust fund (hereinafter called "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of Company's creditors in the event of Company's Insolvency, as herein defined, until paid to Plan participants and their beneficiaries in such manner and at such times as specified in the Plan;

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974; and

WHEREAS, it is the intention of Company to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plan.

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

**SECTION 1
Establishment Of Trust**

(a) Company hereby deposits with Trustee in trust the sum of \$10.00 (ten dollars), which shall become the principal of the Trust to be held, administered and disposed of by Trustee as provided in this Trust Agreement.

b) The Trust hereby established shall be irrevocable.

(c) The Trust is intended to be a grantor trust, of which Company is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.

(d) The principal of the Trust, and any earnings thereon shall be held separate and apart from other funds of Company and shall be used exclusively for the uses and purposes of Plan participants and general creditors as herein set forth. Plan participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plan and this Trust Agreement shall be mere unsecured contractual rights of Plan participants and their beneficiaries against Company. Any assets held by the Trust will be subject to the claims of Company's general creditors under federal and state law in the event of Insolvency, as defined in Section 3(a) herein.

(e) Company, in its sole discretion, may at any time, or from time to time, make additional deposits of cash or other property in trust with Trustee to augment the principal to be held, administered and disposed of by Trustee as provided in this Trust Agreement. Neither Trustee nor any Plan participant or beneficiary shall have any right to compel such additional deposits.

SECTION 2

Payments to Plan Participants and Their Beneficiaries

(a) Company shall deliver to Trustee a schedule (the "Payment Schedule") that indicates the amounts payable in respect of each Plan participant (and his or her beneficiaries), that provides a formula or other instructions acceptable to Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plan), and the time of commencement for payment of such amounts. Except as otherwise provided herein, Trustee shall make payments to the Plan participants and their beneficiaries in accordance with such Payment Schedule. The Trustee shall make provision for the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of the Plan and shall pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by Company.

(b) The entitlement of a Plan participant or his or her beneficiaries to benefits under the Plan shall be determined by Company or such party as it shall designate under the Plan, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plan.

(c) Company may make payment of benefits directly to Plan participants or their beneficiaries as they become due under the terms of the Plan. Company shall notify Trustee of its decision to make payment of benefits directly prior to the time amounts are payable to participants or their beneficiaries. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of the Plan, Company shall make the balance of each such payment as it falls due. Trustee shall notify Company where principal and earnings are not sufficient.

SECTION 3
Trustee Responsibility Regarding Payments to Trust Beneficiary
When Company Is Insolvent

(a) Trustee shall cease payment of benefits to Plan participants and their beneficiaries if the Company is Insolvent. Company shall be considered "Insolvent" for purposes of this Trust Agreement if (i) Company is unable to pay its debts as they become due, or (ii) Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

(b) At all times during the continuance of this Trust, as provided in Section 1(d) hereof, the principal and income of the Trust shall be subject to claims of general creditors of Company under federal and state law as set forth below.

(1) Company's Board of Trustees and Company's President shall have the duty to inform Trustee in writing of Company's Insolvency. If a person claiming to be a creditor of Company alleges in writing to Trustee that Company has become Insolvent, Trustee shall determine whether Company is Insolvent and, pending such determination, Trustee shall discontinue payment of benefits to Plan participants or their beneficiaries.

(2) Unless Trustee has actual knowledge of Company's Insolvency, or has received notice from Company or a person claiming to be a creditor alleging that Company is Insolvent, Trustee shall have no duty to inquire whether Company is Insolvent. Trustee may in all events rely on such evidence concerning Company's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Company's solvency.

(3) If at any time Trustee has determined that Company is Insolvent, Trustee shall discontinue payments to Plan participants or their beneficiaries and shall hold the assets of the Trust for the benefit of Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Plan participants or their beneficiaries to pursue their rights as general creditors of Company with respect to benefits due under the Plan or otherwise.

(4) Trustee shall resume the payment of benefits to Plan participants or their beneficiaries in accordance with Section 2 of this Trust Agreement only after Trustee has determined that Company is not Insolvent (or is no longer Insolvent).

(c) Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to Section 3(b) hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Plan participants or their beneficiaries under the terms of the Plan for the period of such discontinuance, less the aggregate amount of any payments made to Plan participants or their beneficiaries by Company in lieu of the payments provided for hereunder during any such period of discontinuance.

SECTION 4
Payments to Company

Company shall have no right or power to direct Trustee to return to Company or to divert to others any of the Trust assets before all payment of benefits have been made to Plan participants and their beneficiaries pursuant to the terms of the Plan.

SECTION 5
Investment Authority

(a) Except as provided herein, Trustee shall have exclusive authority to invest Trust assets.

(b) Trustee may invest in securities (including stock or rights to acquire stock) or obligations issued by Company. All rights associated with assets of the Trust shall be exercised by Trustee or the person designated by Trustee, and shall in no event be exercisable by or rest with Plan participants.

(c) Company shall have the right, at any time and from time to time in its sole discretion, to direct the investment of all or a portion of the assets held by the Trust or to substitute assets of equal fair market value for any asset held by the Trust. This right is exercisable by Company in a non-fiduciary capacity without the approval or consent of any person in a fiduciary capacity. Trustee shall be relieved of any and all liability that may directly result from such direction or substitution by the Company.

SECTION 6
Disposition of Income

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

SECTION 7
Accounting by Trustee

Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between Company and Trustee. Within 60 days following the close of each calendar year and within 60 days after the removal or resignation of Trustee, Trustee shall deliver to Company a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be.

SECTION 8
Responsibility of Trustee

(a) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however, that Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by Company which is contemplated by, and in conformity with, the terms of the Plan or this Trust and is given in writing by Company. In the event of a dispute between Company and a party, Trustee may apply to a court of competent jurisdiction to resolve the dispute.

(b) If Trustee undertakes or defends any litigation arising in connection with this Trust, Company agrees to indemnify Trustee against Trustee's costs, expenses and liabilities (including, without limitation, attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. If Company does not pay such costs, expenses and liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust.

(c) Trustee may consult with legal counsel (who may also be counsel for Company generally) with respect to any of its duties or obligations hereunder.

(d) Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder.

(e) Trustee shall have, without exclusion, all powers conferred on Trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.

(f) However, notwithstanding the provisions of Section 8(e) above, Trustee may loan to Company the proceeds of any borrowing against an insurance policy held as an asset of the Trust.

(g) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

SECTION 9
Compensation and Expenses of Trustee

Company shall pay all administrative and Trustee's fees and expenses. If not so paid, the fees and expenses shall be paid from the Trust.

SECTION 10
Resignation and Removal of Trustee

(a) Trustee may resign at any time by written notice to Company, which shall be effective thirty (30) days after receipt of such notice unless Company and Trustee agree otherwise.

(b) Trustee may be removed by Company on thirty (30) days notice or upon shorter notice accepted by Trustee.

(c) Upon resignation or removal of Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within sixty (60) days after receipt of notice of resignation, removal or transfer, unless Company extends the time limit.

(d) If Trustee resigns or is removed, a successor shall be appointed, in accordance with Section 11 hereof, by the effective date of resignation or removal under paragraphs (a) or (b) of this section. If no such appointment has been made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

SECTION 11
Appointment of Successor

(a) If Trustee resigns or is removed in accordance with Section 10(a) or (b) hereof, Company may appoint any individual or financial institution, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as a successor to replace Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee, who shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by Company or the successor Trustee to evidence the transfer.

(b) The successor Trustee need not examine the records and acts of any prior Trustee and may retain or dispose of existing Trust assets, subject to Sections 7 and 8 hereof. The successor Trustee shall not be responsible for and Company shall indemnify and defend the successor Trustee from any claim or liability resulting from any action or inaction of any prior Trustee or from any other past event, or any condition existing at the time it becomes successor Trustee.

SECTION 12
Amendment or Termination

(a) This Trust Agreement may be amended by a written instrument executed by Trustee and Company. Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plan or shall make the Trust revocable.

(b) The Trust shall not terminate until the date on which Plan participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plan. Upon termination of the Trust any assets remaining in the Trust shall be returned to Company.

(c) Upon written approval of participants or beneficiaries entitled to payment of benefits pursuant to the terms of the Plan, Company may terminate this Trust prior to the time all benefit payments under the Plan have been made. All assets in the Trust at termination shall be returned to Company.

SECTION 13 Miscellaneous

(a) Any provisions of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

(b) Benefits payable to Plan participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.

(c) This Trust Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

SECTION 14 Effective Date

The effective date of this Trust Agreement shall be October 1, 1996.

IN WITNESS WHEREOF, the parties have caused this Trust Agreement to be executed this 18th day of October, 1996.

EDUCATION DEVELOPMENT
CENTER, INC.

By: Joseph F. Flaherty
Title:

Joseph F. Flaherty, Trustee

**EDUCATION DEVELOPMENT CENTER, INC.
EXECUTIVE DEFERRED COMPENSATION PLAN**

Effective as of October 1, 1996

Pursuant to a resolution of its Board of Trustees, EDUCATION DEVELOPMENT CENTER, INC., a nonprofit corporation duly organized under the laws of the State of Delaware and having its principal place of business in Newton, Massachusetts (hereinafter referred to as the "Company"), has adopted this Executive Deferred Compensation Plan, as described in Section 457(f) of the Internal Revenue Code, for the purpose of attracting and retaining certain key executives as employees of the Company, whose services are vital to the success of the Company in achieving its objectives.

**Article I
NAME AND EFFECTIVE DATE**

Section 1.1 NAME OF PLAN

This Plan shall be known as the "Education Development Center, Inc. Executive Deferred Compensation Plan."

Section 1.2 EFFECTIVE DATE

The Plan became effective as of October 1, 1996.

**Article II
DEFINITIONS**

When used in this Plan, the following terms have the meanings set forth below unless a different meaning is plainly required by the context:

"Account" means the individual account established in the name of each Participant reflecting his portion of the Company's contributions and the net earnings or losses thereon.

"Administrator" means the person or persons appointed by the Board of Trustees of the Company to administer the Plan. If the Company does not designate an Administrator, the Company shall serve as Administrator.

"Beneficiary" means any individual, trust, estate, or other person designated by a Participant to receive benefits payable hereunder, either on a primary or contingent basis.

"Board of Trustees" means the board of trustees of the Company as shall be serving from time to time.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means Education Development Center, Inc.

"Compensation" means the base wage or base salary of a Participant, exclusive of all amounts earned as special compensation, such as bonuses, overtime payments, termination payments and any other nonrecurring payments. The term "Compensation" as used herein is intended to have the same meaning as used in the Education Development Center, Inc. Retirement Plan, except for incorporation of the limitation set forth in Section 401(a)(17) of the Code. For any short Plan Year, compensation as used herein shall be determined based upon the entire calendar year ending with or within the Plan Year.

"Eligible Compensation" means Compensation in excess of the dollar limitation set forth in Section 401(a)(17) of the Code in effect as of the first day of the Plan Year.

"Effective Date" means October 1, 1996.

"Employee" means an individual employed by the Company as a common-law employee.

"ERISA" means the Employee Retirement Income Security Act of 1974, as now in effect and as hereafter amended, and any regulations issued thereunder.

"Inactive Participant" means a former Participant who has died or otherwise terminated his employment with the Company and who has a balance remaining in his Account.

"Normal Retirement Age" means age 67 or the tenth anniversary of the date on which the Employee first becomes a Participant in this Plan, whichever first occurs.

"Normal Retirement Date" means the date that a Participant attains his Normal Retirement Age.

"Participant" means an Employee who is eligible under the terms of Article III of this Plan, but unless otherwise indicated, shall not include an Inactive Participant or a Participant who has become ineligible for any reason.

"Plan" means this EDUCATION DEVELOPMENT CENTER, INC. EXECUTIVE DEFERRED COMPENSATION PLAN as of its original effective date, together with any subsequent amendments thereto.

"Plan Year" means, initially, the 3-month period ending December 31, 1996, and thereafter the 12-month period ending on December 31st of each year.

"Regulation" means any rule or regulation promulgated under Section 7805 of the Code by the Secretary of the Treasury, or his delegate.

"Retired Participant" means an individual who has been a Participant but who has commenced receiving retirement benefits following his Normal Retirement Date.

"Trust Agreement" means any trust agreement entered into in accordance with Article XII by the Company in which Plan contributions are held by the Trustee. Such Trust Agreement is not required, but is permitted, provided that the conditions of Article XII are satisfied.

"Trust Fund" means all of the assets held under a Trust Agreement.

"Trustee" means the trustee or trustees by whom the Company's contributions to the Plan may be held pursuant to a Trust Agreement.

Article III ELIGIBILITY AND PARTICIPATION

Section 3.1 EMPLOYEES ELIGIBLE TO PARTICIPATE

(a) Participants in this Plan shall be those key management executives and highly compensated Employees who are designated as Participants herein from time to time by the Board of Trustees and whose Compensation for the Plan Year exceeds the annual limit as in effect at the beginning of the Plan Year under section 401(a)(17) of the Code. Participants shall continue their eligibility for participation in the Plan at the pleasure of the Board of Trustees.

(b) Provided that the Participant's participation in the Plan is not terminated earlier by the Board of Trustees, the Participant's active participation shall terminate, and contributions under this Plan shall cease on such Participant's behalf, when the Participant's employment with the Company ceases for any reason.

Section 3.2 REINSTATEMENT OF PARTICIPATION

If a Participant terminates employment and is rehired, he shall participate again in the Plan only upon designation as a Participant by the Board of Trustees.

Article IV CONTRIBUTIONS

Section 4.1 CONTRIBUTIONS

For each Plan Year the Company shall contribute on behalf of each Participant an amount equal to ten percent (10%) of his Eligible Compensation for the Plan Year. Such contribution shall be allocated to the Account of the Participant.

**Article V
ACCOUNTS**

Section 5.1 ESTABLISHMENT OF ACCOUNTS

Contributions on behalf of each Participant shall be held in an Account for his benefit until paid to him or to his designated Beneficiary in accordance with Article VI or VII. Such Account shall constitute merely a portion of the general assets of the Company and shall be represented only by a bookkeeping entry.

Section 5.2 INVESTMENT OF ACCOUNTS

The Account of each Participant shall be invested in the manner determined by the Company in its sole discretion. The Company may, in its sole discretion, consult with any Participant prior to investing such Participant's Account.

Section 5.3 UNSECURED CREDITOR STATUS

The rights of the Participant under this Plan and of his Beneficiary shall be solely those of an unsecured creditor of the Company. Except as provided in Article XII, no asset acquired or held by the Company in connection with the liabilities assumed by it hereunder shall be deemed to be held under any trust for the benefit of the Participant or the Participant's Beneficiary or to be security for the performance of the obligations of the Company, but shall remain a general unrestricted asset of the Company.

Section 5.4 ADJUSTMENT OF ACCOUNTS

At least annually the Administrator shall adjust the Account of each Participant to reflect any additional contributions thereto and to reflect earnings or losses thereon.

Section 5.5 ANNUAL STATEMENTS

The Administrator shall furnish on an annual basis, or at more frequent intervals as determined by the Administrator in its discretion, a statement to each Participant of the net earnings or losses credited to or charged against his Account and the amount of the Company's contribution for the year.

**Article VI
RETIREMENT AND DISABILITY BENEFITS**

Section 6.1 VESTING OF BENEFITS

(a) Upon a Participant's attaining his Normal Retirement Age, the Participant shall become fully vested in the total value of his Account, i.e., his interest in his Account shall

become non-forfeitable, provided he is still an Employee as of such date. The Participant shall become fully vested in the total value of his Account prior to his attaining Normal Retirement Age upon his death or total and permanent disability while in active employment (or on authorized leave from active employment). Total and permanent disability for purposes of this Plan shall be determined by a physician chosen by the Plan Administrator.

Section 6.2 TIME WHEN BENEFIT PAYMENTS BECOME DUE

A Participant may continue participation in this Plan after his Normal Retirement Date if he continues in employment after such date and if, in the discretion of the Board of Trustees, he shall continue to be designated as a Participant. In such event, the Participant shall be entitled to receive an amount equal to 50% of the value of his Account, determined as of his Normal Retirement Date. Each year thereafter during which his participation continues, the Participant shall be entitled to receive 50% of the Employer's contribution made on his behalf for such year, and the balance of such contribution shall be added to his Account. A Participant's entire Account, or the remaining balance thereof (if he has begun to receive benefit payments hereunder), shall be payable to him when he actually retires or otherwise ceases employment (including on account of death or disability) or at such time as the Board of Trustees determines that he shall no longer be eligible for participation in the Plan.

Section 6.3 FORM OF BENEFIT PAYMENTS

Any amount to which a Participant is entitled shall be paid in the form of a lump sum payment as soon as practicable following the time such payment becomes due.

Section 6.4 PAYMENT OF BENEFITS TO BENEFICIARIES

If a Participant dies before receiving the full value of his Account but after the payment of benefits hereunder has commenced, the Participant's beneficiaries shall be entitled to receive the remaining value of his Account, payable in accordance with the provisions of Article VII hereof, so far as applicable.

Article VII DEATH BENEFITS

Section 7.1 DEATH BENEFITS

If a Participant dies before payment of his benefits commences, the Participant's Beneficiary shall be entitled to receive 100% of the value of his Account. The value of the death benefit shall be determined as of the commencement of benefits.

Section 7.2 FORM OF DEATH BENEFIT PAYMENTS

(a) Death benefits payable under this Article VII shall be paid in a lump sum payment.

(b) The amount to which the Beneficiary is entitled shall be available for distribution to the Beneficiary as soon as practicable following the Participant's death.

Section 7.3 BENEFICIARY DESIGNATION

Each Participant shall have the unrestricted right to designate the Beneficiary to receive the death benefits which are payable hereunder and to change any such designations on a form furnished by and filed with the Administrator. If the Participant fails to designate a Beneficiary, the Participant's Beneficiary shall be his estate.

Section 7.4 DEATH OF A BENEFICIARY

(a) If the designated Beneficiary fails to survive the Participant, any remaining unpaid payments shall be made to the Participant's contingent Beneficiary, or in the absence of a surviving contingent Beneficiary, to the Participant's estate.

(b) If the Participant's duly designated Beneficiary survives the Participant, but dies before receiving the payments due under this Plan, any remaining amounts may be paid to the duly designated beneficiary of such Beneficiary, who has been so designated in writing in accordance with procedures of the Plan Administrator.

**Article VIII
TERMINATION BENEFITS**

Section 8.1 FORFEITABILITY OF BENEFITS

An Inactive Participant whose employment is terminated prior to his Normal Retirement Date other than on account of death shall receive no benefits hereunder. A Participant shall have no vested interest in his Account prior to his Normal Retirement Date.

**Article IX
APPLICATION FOR BENEFITS**

Section 9.1 APPLYING FOR RETIREMENT BENEFITS NOT REQUIRED

No formal application for benefits need be filed with the Administrator for retirement benefits hereunder. Such benefits will be paid as provided herein in the event of a Participant's attainment of Normal Retirement Date.

Section 9.2 DEATH BENEFITS

An application for benefits is required for the payment of death benefits hereunder. It shall be filed by the Beneficiary of a deceased Participant or the legal representative of his

estate on such forms as the Administrator may prescribe and must be accompanied by a death certificate, together with such other evidence as the Administrator may reasonably require.

Section 9.3 DENIAL OF BENEFITS

(a) If any person claiming benefits under the Plan is denied benefits by the Administrator, no later than 90 days after the receipt of his claim by the Administrator (or within 180 days if special circumstances require an extension of time for processing the claim and if written notice of such extension and circumstances is given to such person within the initial 90-day period), he shall be furnished with written notification from the Administrator stating: (i) the specific reason(s) for the denial; (ii) specific references to pertinent Plan provisions on which the denial is based; (iii) a description of any additional material or information necessary for the claimant to perfect his claim and the reason why such material or information is necessary; and (iv) the procedure for submitting his claim for review.

(b) After denial of his claim, a claimant shall be entitled to review pertinent documents and to submit to the Administrator in writing any issues or comments he may have regarding his claim for benefits under the Plan. If the claimant cannot settle his dispute with the Administrator, he may request a review of his claim by the Board of Trustees or their delegate (herein referred to as the "Appeal Officer"). Such request must be made by the claimant in writing within 30 days after receipt of notice that his claim has been rejected by the Administrator. Within 30 days after filing such request, the claimant, at the discretion of the Appeal Officer, may be granted a hearing. The Appeal Officer shall advise the claimant in writing of the disposition of his appeal within 60 days (or within 120 days if special circumstances require an extension of time for processing the request, such as an election by the Appeal Officer to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial 60-day period after the request for a review of the claim is first received by the Appeal Officer), and shall give specific reasons for its decision and specific references to the pertinent Plan provisions on which the decision is based.

Section 9.4 MISSING PARTICIPANTS AND BENEFICIARIES

(a) An individual to whom benefits have not been fully distributed shall keep the Administrator notified of his current mailing address. The Administrator, the Company and any Trustee shall be discharged from any liability resulting from the failure to pay benefits as they become due if reasonable effort has been made to contact the individual at his last known address according to the Company's records.

(b) If benefits are to be paid under this Plan to an individual who cannot be located, the individual's Account shall be forfeited and the amount thereof shall revert to the Company. If the individual is located after the forfeiture, the vested portion of the Account will be reinstated and distributed in accordance with the terms of the Plan.

Section 9.5 PAYMENTS TO INCOMPETENTS OR MINORS

If the Administrator receives satisfactory evidence that any person entitled to receive a benefit is, at any time when such benefit becomes payable, either a minor or physically or mentally incompetent to receive such a benefit, and that any other person or institution is then maintaining or has custody of said person, and that no guardian, committee or other representative of the estate of such person shall have been duly appointed, the Administrator may authorize the payment of the benefit, otherwise payable to such person, to such other person or institution, and the release of such other person or institution shall constitute a valid and complete discharge for the payment of such benefits.

**Article X
RIGHTS OF PARTICIPANTS**

Section 10.1 PARTICIPANT'S STATUS

(a) The adoption and maintenance of this Plan shall not be construed as creating any contract of employment between the Company and any Employee. This Plan shall not affect the right of the Company to deal with its Employees in all respects, including their hiring, discharge, compensation and conditions of employment.

(b) The sole rights of a Participant, or Inactive Participant, under this Plan shall be to have this Plan administered according to its provisions, to receive whatever benefits he may be entitled to hereunder, and, subject to any spousal death benefit requirements, to name the Beneficiary to receive any death benefits to which such person may be entitled.

Section 10.2 ASSIGNMENT AND ALIENATION

The Plan is established for the purpose of providing additional income to Participants upon their retirement, to supplement the benefits provided under the Education Development Center, Inc. Retirement Plan. No right or interest of any individual in any benefit hereunder shall be transferable or assignable or be subject to alienation, anticipation, or encumbrance, and no such right or interest shall be subject to garnishment, attachment, execution, levy or other legal process of any kind.

**Article XI
ADMINISTRATION OF THE PLAN**

Section 11.1 ADMINISTRATOR

The Administrator shall supervise and administer the operation of this Plan and shall have all powers necessary to accomplish that purpose, including the power to make rules and regulations pertaining to the administration of this Plan. The Administrator shall be appointed from time to time by, and shall serve at the pleasure of, the Board of Trustees. The Administrator may resign by delivering written notice to the Board of Trustees. Until such time

as the Board of Trustees shall have appointed the Administrator, or in the event that the Administrator resigns and a successor has not yet been appointed, the Company shall serve as the Administrator.

Section 11.2 ORGANIZATION AND PROCEDURES

(a) The Administrator may delegate all or any part of its duties which do not involve the management of Plan assets to others. The Administrator shall not be liable for any acts or omissions of the persons to whom such duties have been delegated, provided that the Administrator acted prudently and in the interests of the Participants and Beneficiaries in selecting and retaining such persons.

(b) The Administrator shall not take part in any action relating solely to himself or his rights or benefits under the Plan.

(c) The same person may act as Administrator and as Trustee hereunder.

Section 11.3 DUTIES AND POWERS

The Administrator shall have complete control of administering the Plan, with all powers necessary to enable it to carry out its duties in that respect. In exercising its discretion, the Administrator shall do so in a uniform and nondiscriminatory manner, treating all persons in similar circumstances alike. Not in limitation, but in amplification of the foregoing:

(a) The Administrator shall have complete authority to determine any question regarding an Employee's participation and benefits, to interpret and construe in its sole discretion the provisions of the Plan, and to make decisions in all disputes involving the rights of any person interested in the Plan.

(b) The Administrator shall file such reports and Plan descriptions with the Department of Labor and the Department of the Treasury as may be required by law.

(c) The Administrator shall furnish statements of benefits to each Participant, Inactive Participant or current Beneficiary in the form and within the time limits provided herein.

Section 11.4 CONSULTATION BY THE ADMINISTRATOR

In carrying out its responsibilities under the Plan, the Administrator may employ counsel and agents and obtain such clerical, accounting, and other assistance as it may deem advisable. If a Trust Fund is established pursuant to Article XII, all administrative expenses of the Plan, as well as expenses incurred by the Administrator in the performance of its duties hereunder, shall be paid from the Trust Fund unless otherwise paid by the Company. Until otherwise paid, the Trustee shall at all times be liable for the payment of all administrative expenses, and the election of the Company to pay any such expense shall not be construed as creating any such liability on the part of the Company.

Section 11.5 FINALITY OF ACTION

To the extent permitted by law, all acts and determinations of the Administrator shall be binding and conclusive upon Participants, Inactive Participants, Beneficiaries, Employees, and, if appointed, the Trustee. The Company may deem its records conclusively to be correct as to the matters reflected therein with respect to information furnished by an Employee.

Section 11.6 INDEMNIFICATION

The Company agrees to indemnify and defend to the fullest extent permitted by law all persons who are, were, or may be employees of the Company against any liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claim approved by the Company) occasioned by their occupying or having occupied an administrative position in connection with the Plan (including any Trustee designated pursuant to Section 12.1 below) except when occasioned by such person's willful misconduct or gross negligence.

Article XII THE TRUST FUND

Section 12.1 THE TRUSTEE

The Company, by action of its Board of Trustees, may in its sole discretion select a Trustee to hold and distribute any assets of the Plan which are held in the Trust Fund in accordance with the terms of a Trust Agreement which shall be executed on behalf of the Company and by the Trustee and which shall contain such terms and conditions as are not inconsistent with the provisions of this Plan. The fiduciary responsibilities of the Trustee shall be as set forth in the Trust Agreement. The Company from time to time may change the Trustee and the Trust Agreement. Notwithstanding the foregoing, it is intended that any Trust Fund created under any Trust Agreement authorized hereunder be of such form as to preserve the unfunded status of the Plan under both ERISA and the Code, and may, without limitation, be of a form commonly known as a "rabbi trust," with such terms as shall be regarded as preserving the unfunded status of the Plan according to pronouncements issued by the Internal Revenue Service at the time of the Trust Fund's establishment.

Article XIII AMENDMENT, TERMINATION AND MERGER

Section 13.1 PLAN AMENDMENT

The Company shall have the right to amend this Plan at any time and from time to time by vote of its Board of Trustees. Any such amendment may be made retroactively effective to the extent permitted by applicable law.

Section 13.2 PLAN TERMINATION

(a) The Company may, by action of its Board of Trustees, terminate the Plan for any reason and at any time. The liability of any Company to contribute to the Plan shall automatically terminate upon its being legally dissolved, upon the filing of a petition in bankruptcy (either voluntarily or involuntarily) or upon its making any general assignment for the benefit of creditors.

(b) Upon the termination of the Plan or the termination of participation by the Company, the vested interest of the Accounts of all Participants shall be distributed to such Participants or Beneficiaries in a single lump sum and the obligations of the Company shall be fully discharged. The non-vested portion shall be forfeited and shall revert to the Company.

(c) Should a Trust Fund be established in accordance with Article XII, the Trustee's fees and expenses of administering the Trust Fund and other expenses incident to the termination and distribution of the Trust Fund incurred after the termination of this Plan and the Trust Agreement shall be paid from the Trust Fund unless otherwise paid by the Company. Until otherwise paid, the Trustee shall at all times remain solely liable for the payment from the Trust Fund of all fees and expenses incident to the termination.

Article XIV MISCELLANEOUS PROVISIONS

Section 14.1 INTERPRETATION

(a) The Administrator shall have complete and exclusive discretionary authority to determine any question regarding an Employee's participation and benefits, to interpret and construe in its sole discretion the provisions of the Plan, and to make decisions in all disputes involving the rights of any person interested in the Plan. To the extent permitted by law, all acts and determinations of the Administrator shall be binding and conclusive upon Participants, Inactive Participants, Beneficiaries and Employees.

(b) In case any provisions of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of this Plan, and this Plan shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein.

(c) Unless the context otherwise requires, words denoting the singular number may, and where necessary shall, be construed as denoting the plural number, and pronouns in the masculine gender include the feminine gender and pronouns in the neuter gender include the masculine and feminine gender.

Section 14.2 LIABILITY FOR EMPLOYEE REPRESENTATIONS

The Company, the Administrator, and any appointed Trustee shall be discharged from any liability in acting upon any representations by any individual of any fact affecting his status

under this Plan or upon any notice, request, consent, letter, telegram, or other document believed by them, or any of them, to be genuine, and to have been signed or sent by the proper person.

Section 14.3 DESCRIPTIVE HEADINGS

The headings of the Plan are inserted for convenience of reference only and shall have no effect upon the meaning of the provisions hereof.

Section 14.4 CONSTRUCTION

The Plan shall be construed, regulated and administered under the laws of the Commonwealth of Massachusetts, except that if any such laws are superseded by any applicable Federal law or statute, such Federal law or statute shall apply.

Section 14.5 MULTIPLE ORIGINALS

This Plan is executed in several counterparts, each of which shall be deemed an original and shall constitute but one and the same instrument and this Plan may be evidenced by any one counterpart.

IN WITNESS WHEREOF, the Company has caused this to be executed by its duly authorized officer this 18th day of October, 1996.

EDUCATION DEVELOPMENT
CENTER, INC.

By: Joseph F. Flaherty
Title: Administrator