



**Flexible Pension Investment Service and
Expense Agreement**

Contract # 4-49993

This Agreement is made by and between the undersigned Plan Representative and the undersigned member company of the Principal Financial Group ("Provider"). For convenience, the undersigned Plan Representative and the Provider are referred to as the "Parties" and either of them may be referred to separately as a "Party".

Article I -Definitions

Capitalized terms used in this Agreement shall have the following meanings, unless a different meaning is plainly required by the context.

- 1.1 "Agreement" means this Service and Expense Agreement, including Exhibits.
- 1.2 "Default Option" means the investment selected as such in Exhibit A.
- 1.3 "Deposits" mean amounts forwarded by or with regard to the Plan to the Plan Funding Agent as described in this Agreement.
- 1.4 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.
- 1.5 "Exhibit" means any one of the Exhibits attached to this Agreement, which are made a part of this Agreement for all purposes. Defined terms used in the Exhibits shall have the same meaning as defined terms used in this Agreement.
- 1.6 "Fee" means any fee, expense, amount, charge, or compensation due and payable to us under this Agreement, any supplemental agreement described in §8.1 of this Agreement, any annuity or insurance contract issued by us, or any other funding arrangement provided by us or an affiliate.
- 1.7 "IRC" means the Internal Revenue Code of 1986, as amended.
- 1.8 "Investment" means (i) cash or anything that is allowed as an investment under the Plan Documents and applicable law, including any security; interest in a unit investment, group, or common trust; interest in guaranteed benefit policies; interest in any annuity or insurance contract issued by us; any other funding arrangement provided by us or an affiliate; or anything else in which the Plan may lawfully invest and (ii) with respect to which we agree to provide Services.
- 1.9 "Major Business Change" means a change in the structure or operations of the Plans or to the business operations or organization of the entity that sponsors that Plan that we determine would have a material impact on the structure, nature, or operations of the Plan, including changes to cash flow or investment operations or options of the Plan. A Major Business Change shall also include our discovery of meaningful differences between either:

(i) data related to the Plan that was provided to us prior to, or during, the transition period and data that we receive following the close of the transition period or (ii) the amount of Plan assets we expected to be transferred into Investments during the transition period and the amount of Plan assets actually transferred into investments following the close of the transition period. For the purposes of this Agreement, the transition period shall end on the later of (x) our receipt of all Plan and Participant data that we need to begin to perform our duties under this Agreement without need for additional data relating to events that occurred prior to or during the transition period or (y) you inform us that there are no more Plan assets to be transferred into Investments. Major business changes may include, but are not limited to; change of Plan type, Plan or Contract termination, spin-offs or mergers, a greater than 25% change in the value of the funds or number of Participants, any change in Acknowledgment of Compensation and Contract Information, and adding or removing investment options.

1.10 "Notice" means a written communication between the Parties that meets the requirements of this definition. At the Parties' mutual written agreement, various methods or addresses may be used, including facsimile transmission, telephone, or electronic transmission to any e-mail address or fax or telephone number that the Parties may deem acceptable for the giving of Notice. The Parties may also provide for the use of identifying numbers or procedures that must be followed with regard to the giving of Notice. The Parties agree to treat any and all such identifying numbers and procedures strictly confidential and to make them known only to such of their employees as need to know. We shall not, and are forbidden to, take any action based on any form of communication other than a Notice or a form of legal compulsion, including a subpoena. If, with regard to any total or partial compulsory distribution from the Plan, we do not receive Notice regarding what Investments to liquidate, we shall be under no obligation to act until we receive complete Notice.

1.11 "Participant" means a person who is entitled to benefits under the Plan.

1.12 "Plan" means the employee retirement benefit plan identified in Exhibit A.

1.13 "Plan Document" means that document or documents under which the Plan is established and maintained.

1.14 "Plan Funding Agent" means the trustee or other entity that can receive and hold plan assets, which has been retained to do so with regard to the Plan, through which the Plan is funded. The Plan Funding Agent either holds, or has made arrangements with others to hold, Investments on behalf of the Plan. The Plan Funding Agent may be either Delaware Charter Guarantee & Trust Company, a Delaware corporation conducting business under the trade name of Principal Trust Company, or to a Trustee of the assets of the Plan selected by the City of Jonesboro.

1.15 "Successor" means any trustee, custodian, or insurance company (other than us or an affiliated company) to whom a Transfer is to be made in accordance with this Agreement and who may lawfully receive such Transfer. This does not include any entity retained by the Plan Funding Agent in furtherance of the services provided by the Plan Funding Agent to the Plan, including a broker-dealer, sub-trustee, or custodian for any Investment.

1.16 "Services" means the services set out in Exhibit B.

1.17 "Transfer" means a transfer of cash described in Article III of this Agreement.

- 1.18 The terms “we”, “us”, and “our” shall mean the Provider.
- 1.19 The terms “you” and “your” shall mean the undersigned Plan Representative.

Article II – Engagement and Deposits

- 2.1 Engagement of Provider. You engage us to provide Services to the Plan and we accept that engagement. You agree that this engagement does not render us a party to, or administrator of, the Plan.
- 2.2 Participation. You will arrange for Deposits to be sent to the Plan Funding Agent or its designee (as communicated to you by us in a Notice) once this Agreement has been fully executed. If Deposits are not sent in this manner, we will be under no obligation to perform Services with regard to those Deposits or any media in which they are invested.
- 2.3 Allocation of Deposits. We shall forward to the Plan Funding Agent (or to whoever the Plan Funding Agent may designate) in an appropriate manner all such directions regarding allocation and investment of Deposits that we receive in a Notice. If we receive incomplete Notice with regard to the allocation or investment of all or any part of the Plan’s interest in a Deposit, we will direct the Plan Funding Agent to use the portion of the Deposit for which we have no allocation directions to purchase an interest in the Default Option. We are under no obligation to give you or anyone else specific Notice of any such actions taken due to incomplete Notice.

Article III – Transfers

- 3.1 Transfers to Successor. We shall, on receiving Notice directing that a Plan’s interests in any Investment be liquidated and the proceeds be Transferred to a Successor, forward such information and direction to the Plan Funding Agent (or to whoever the Plan Funding Agent may designate). If on any day we receive more than one direction to liquidate an Investment and Transfer the proceeds with regard to a Participant, we will only forward that last such direction that we receive. All prior directions that we have received on that day will be considered as superseded and canceled, even if they relate to different Investments.
- 3.2 Transfers Between Investments. We shall, on receiving Notice directing that the Plan’s interests in any Investment be liquidated and Transferred to another Investment, forward such information and direction to the Plan Funding Agent (or to whoever the Plan Funding Agent may designate). If on any day we receive more than one direction to liquidate an Investment and Transfer the proceeds with regard to a Participant, we will only forward that last such direction that we receive. All prior directions that we have received on that day will be considered as superseded and canceled, even if they relate to different Investments.
- 3.3 Effect of Transfer. We shall not be responsible for providing any Services with regard to amounts Transferred to a Successor, other than a final accounting, showing the Transfer.

Article IV – Services

4.1 Services. While this Agreement is in force, we will provide the Services subject to this Agreement and as set out in more particularity in Exhibit B, subject to your fulfilling the role required of you with respect to each of those services and subject to our receiving timely payment of applicable fees and expenses. Except as set out in §4.4, below, we provide only the Services expressly set out in Exhibit B and no others are implied (nor any be inferred).

4.2 Records and Reports. We will keep accurate and detailed records, and make reports to the Plan or you as spelled out in this Agreement. Upon the expiration of 90 days after furnishing such reports, we will be released and discharged from all liability with respect to our acts, actions, duties, obligations, or responsibilities as shown in or reflected by the reports, except with respect to any such acts or transactions as to which written objections have been filed with us within the 90-day period. The Parties further agree to provide to each other, on a timely basis, such reports and records as the other may reasonably require in the performance of their respective obligations under this Agreement.

4.3 Timing of Services. We will provide Services in a timely manner. No timing or deadline proposed by you for the performance of a Service can be considered by us unless you give us 60 days' prior Notice of that proposed timing or deadline, and any timing or deadline proposed by you for the performance of a Service will be in effect only if accepted by us in writing.

4.4 Special Services. From time to time, we may agree to provide services other than those described in this Agreement. We are under no obligation to provide such services and no obligation is implied in this Agreement, nor may such be inferred. In addition, our providing special services for any other plan or employer shall not constitute any obligation to provide any such services to you or the Plan. These special services may require a supplemental service agreement and additional Fees. Any such Fees, or expenses relevant to such special services shall be paid either as set out in the supplemental service agreement or as Fees described in this Agreement.

Article V -Rights and Duties

5.1 Limitation on Our Duties. We will not be under any duty to take any action with regard to the Plan or any trust or other arrangement funding the Plan, other than those actions specified in this Agreement, unless we specifically agree in writing to do so. No duty to agree to any such additional action is stated or implied in this Agreement, nor may such be inferred. Performing extra services for or with regard to other plans, participants in such plans, or any trust or other arrangement funding another plan shall not obligate us to agree to perform such services for the Plan or any trust or other arrangement funding the Plan. We will not be under any duty of inquiry into any matter regarding the Plan, any Participant, or any trust or other arrangement funding the Plan, and shall not be responsible for enforcing any provision of the Plan or any trust or other arrangement funding the Plan. We will be subject to a duty of ordinary care only. We will not have any duty or obligation to demand or require that any Deposits be made. Our actions under this Agreement are ministerial duties only and do not give us knowledge of any underlying fault or problem. Unless we specifically agree to the contrary, we shall not be under any duty to anticipate or initiate any compulsory (total or partial) distribution from the Plan.

5.2 Limitation on Our Liability. In providing these Services, or otherwise acting under this Agreement, we will not be or become named fiduciary or the administrator of the Plan, nor shall these Services make us a fiduciary of any other sort with regard to the Plan. The Parties

agree that the Services are ministerial in nature. Furthermore, it is understood that our performance under this Agreement is heavily dependent on information provided to us by you or your delegee. We will not be responsible for any improper performance of, or failure to perform, any Service set out in this Agreement that is due, in whole or in part, to receipt of no, or incorrect, data necessary to the performance of that Service by us. This section shall survive the termination of this Agreement.

5.3 Right to Rely. We may rely conclusively upon, and it is your express intention that we rely upon, any Notice we receive and we shall be under no duty to inquire about the validity or status of any communication or Notice nor about the status or performance of the Plan, any Participant, any trust or other arrangement funding the Plan, or any Successor to whom a Transfer is made. We shall not have any liability for any losses that may arise from the acts, omissions, delays, or inaction of any other person. We shall not have any responsibility to the Plan, any Participant, or any trust or other arrangement funding the Plan for the tax treatment of the Plan, Adopting Trust, any Participant, or any Transfer. Neither this paragraph nor any other provision of this Agreement may be interpreted to allow any form of instruction to be used where this Agreement requires a Notice.

Article VI – Compensation

6.1 Obligation to Pay Fees. By entering into this Agreement, you agree to be obligated to pay all of the Fees owed to us that are incurred pursuant to this Agreement. If for any reason such Fees cannot be collected timely from you, the amount due will be billed to you. Fees billed to you are due within 30 days of billing, and will be deducted in accordance with the relevant governing documents if not paid as due, if that is allowable under the Plan Documents. In lieu of being obligated to pay, we will collect from the Investments in accordance with the relevant governing documents. You may also elect to have the Fees billed to the sponsor of the Plan or some other appropriate person. Amounts billed and not timely paid shall be treated as if you had given us Notice of your election to have them deducted from the Investments, as described above on this section. This section shall survive the termination of this Agreement.

Fees include sales compensation that is payable to a duly licensed individual, as designated by you in the Acknowledgement of Compensation and Contract Information, the Principal Financial Group Disclosure Statement or similar disclosure, with regard to the sale of any Investment. We are authorized and directed to pay that compensation. In the event of some change in circumstances under which payments can no longer be made to the licensed individual you agree to duly appoint another. We will assist you in this process.

6.2 Additional Fees. Additional Fees may be charged by us, in our sole discretion, if any part of a Service must be redone because, wholly or in part, of any incomplete or incorrect information provided to us by you. Additional Fees may be charged by us for special or supplemental services you arrange with us to provide. Each of these Fees shall be treated as due under §6.1, above. Fees for any supplemental services will be agreed upon between you and us prior to services being rendered.

6.3 Changes to Fees. We may change the amount of Fees due, including changes due to a change in the share class of any mutual fund offered, with regard to this Agreement as set out in §8.4.

6.4 Other Fees and Compensation. We will pay from the Investments, in the manner you direct in a Notice, other fees or expenses of the Plan. We and/or Principal Trust Company may earn

compensation in the form of short term interest ("float") on uncashed distribution checks (from the date issued until the date cashed), on contributions, loan payments, etc., awaiting investment and on investment transfers or distributions involving certain non-proprietary funds prior to processing. The "float" earns money market rates. "Float" is not directly credited to the plans for which we provide recordkeeping and other services. Contributions and investment transfers are normally allocated and invested the same day or as soon as possible thereafter. (However, there are certain situations where the allocation of these funds will take a longer period of time.) Distribution checks are normally mailed the day they are issued. The timing of when checks are cashed is beyond our control.

Article VII -Duration and Termination of Agreement

7.1 Duration of Agreement. This Agreement will remain in effect indefinitely and shall remain, until terminated by one of the Parties on 30 days prior written Notice to the other, fully binding on the Parties and their respective successors. If the Plan Funding Agent is an affiliate of ours, termination of the Plan's relationship with the Plan Funding Agent shall also constitute Notice to us of termination of this Agreement.

7.2 Effect of Termination. Absent a written agreement to the contrary between you and us, we will accept no Notice regarding Transfers or Deposits within 30 days prior to the date this Agreement terminates, with the exception of any Notice that directs Transfers in furtherance of the termination of this Agreement. We will provide to you a final report with regard to all Investments as of the date of termination of this Agreement. We will not be obligated to make any further reports regarding the Plan. The Parties agree to cooperate in all actions regarding the termination of this Agreement and to see that the actions required to terminate this Agreement are completed as soon as possible after Notice of termination of this Agreement.

7.3 Final Termination. Except for provisions that specifically survive termination, this Agreement, and the rights, duties, and obligations hereunder, will terminate after the 30 day period described in §7.1 or such other time that the Parties may agree to.

Article VIII -Miscellaneous

8.1 Entire Agreement. This Agreement sets forth the entire understanding of the Parties on the matters covered in this Agreement and may also include any supplemental agreements identified by us as being made in connection with this Agreement. This Agreement supersedes and cancels any and all prior agreements, understandings, or representations between the Parties, whether written or oral, relating to matters covered by this Agreement; provided however nothing in this Agreement is intended to, and shall not be interpreted as, affecting any document, contract, or agreement concerning any Investment, nor may anything in this Agreement be taken as excluding, waiving, or eliminating any terms and conditions of any Investment, including those providing for the payment of any fees or expenses. Notwithstanding the above, the Parties agree that this Agreement shall serve as the basis for the relationship memorialized in this Agreement, but also that such relationship shall include the course of dealing between the Parties and that the practices and procedures represented in such course of dealing will be considered a part of this Agreement and enforceable as if set forth herein. Statements, representations, or understandings related to matters addressed in this Agreement that are contrary to the provisions of this Agreement are void and of no effect, and we shall not be liable with regard to such.

8.2 Assignment of Investments. To the fullest extent allowed by law, none of the Investments shall be subject, in any manner, to anticipation, alienation, sale, transfer, assignment, pledge, charge, or encumbrance. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, charge, or encumber any Investments shall be null and void. This paragraph shall not be interpreted as impairing our ability to pay fees from the Investments under Article VI of this Agreement.

8.3 Assignment of Rights. Neither this Agreement, nor any right, title, interest, nor performance arising from or regard to this Agreement may be alienated, assigned, anticipated, in any manner, without the express written agreement of the Parties and the Parties waive any and all rights to alienate, assign, anticipate any such right, title, interest, or performance. Any attempted alienation, assignment, or anticipation without such agreement shall be void and of no effect. Notwithstanding the above, we may assign our rights, duties, and obligations under this Agreement to an affiliate without such express written agreement. We will give you Notice of any such assignment. The effect of such assignment shall be that this Agreement shall be deemed to be amended to replace all references to us with references to the affiliate to which we make the assignment.

8.4 Amendment and Modification. No variations, modifications, changes, or amendments of this Agreement, or any term or condition hereof, shall be binding on any Party hereto, unless made by written agreement executed by both Parties, effective as agreed upon.

8.5 Waiver. It is understood and agreed that no failure or delay to exercise, nor any single or partial exercise of, any right, power, or privilege given or arising under this Agreement shall operate as a waiver of future rights to exercise any such right, power, or privilege.

8.6 Authority of Individuals. Each individual signing this Agreement on our behalf represents and warrants that she or he has, individually or in concert with the other persons signing this Agreement on our behalf, the authority to sign this Agreement and thereby bind us to the terms and conditions of this Agreement. You, or any individuals signing this Agreement on your behalf, represent and warrant that the person so signing has, individually or in concert with you or the other persons signing this Agreement on your behalf, the authority to sign this Agreement and thereby bind the Plan to the terms and conditions of this Agreement.

8.7 Binding Agreement. This Agreement shall extend to and shall be binding upon the Parties, and their respective successors and assigns.

8.8 Construction. This Agreement shall be construed in accordance with the laws of the State in which this Agreement is signed by the Plan Representative. This Agreement shall be construed as though jointly drafted by the Parties and according to the fair intent of the language as a whole and not for or against any Party. The term "including" shall be construed providing examples only and as being without limitation. References to the liquidation of Investments include any sale, redemption, or other liquidation of an Investment. Nothing in this Agreement

shall be taken as amending, modifying, or waiving any terms and conditions of any Investment, including those addressing the liquidation of the Plan's interest in that Investment or the payment of any fees or expenses thereunder.

8.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument.

8.10 Enforceability and Severability. The determination that any provision of this Agreement is not enforceable in accordance with its terms in a particular jurisdiction shall not affect the validity or enforceability of the remaining provisions of this Agreement generally or in any other jurisdiction or as to any other entities not involved in that judgment, but rather such unenforceable provisions shall be stricken or deemed modified in accordance with such determination and this Agreement, as so modified, shall continue to be in force and effect.

8.11 No Continuing Obligation. In the event of the termination of this Agreement, our duties, except those, which specifically survive the termination of this Agreement, shall cease upon such termination, and we will not be required to contract for, cooperate with, or take responsibility of any sort for the performance, acts, or omissions of any successor to our duties under this Agreement.

8.12 Taxes. Any income taxes or other taxes of any kind whatsoever that may be directly or indirectly levied or assessed upon, or with regard to, any Investment, the Plan, or any trust or other arrangement funding the Plan, are to be satisfied from the Investments and shall not be an obligation of ours. Any such taxes shall be treated as Fees and either be deducted or billed in accordance with Article VI of this Agreement. We shall not be responsible for any taxes levied against a Participant, the Plan, or any trust or other arrangement funding the Plan.

8.13 Force Majeure. We shall incur no liability to a Participant, the Plan, or any trust or other arrangement funding the Plan and shall not be responsible for delivery or non-delivery or error in transmission of reports or Notices that is caused by third parties. We shall also not be responsible for any delay in performance, or non-performance, of any obligation hereunder and for any loss to the extent that such delay in performance, or non-performance or such loss is due to forces beyond our reasonable control including delays, errors, or interruptions caused by third parties, any industrial, juridical, governmental, civil or military action, acts of terrorism, insurrection, or revolution, nuclear fusion, fission or radiation, failure or fluctuation in electrical power, heat, light, air conditioning, or telecommunications equipment, or acts of God.

Article IX – Fiduciary

9.1 Fiduciary Statement. We, as an investment manager, are a fiduciary with regard to the selection, monitoring and retention of the portfolio managers for our Separate Accounts. ERISA imposes on the plan administrator ongoing accountability for the selection and monitoring of those to whom specific fiduciary responsibilities have been delegated or on whom the plan administrator is depending for help in meeting its own fiduciary obligations.

We will hold harmless and indemnify the named fiduciary of the Plan from claims by a Participant sustained through judgment by a court of competent jurisdiction on grounds of our

negligence in the selection, monitoring and retention of the portfolio managers for our Separate Accounts.

9.2 **Implementation.** The fiduciary obligation described in the immediately preceding paragraph arises independently of this Agreement. It does not affect or relate to this Agreement. It does not affect or relate to any duties, performance of the obligations of ours under this Agreement, in any way. The indemnity is effective only if we receive timely Notice of a claim with regard to which indemnity is sought and your cooperation in responding to such claim. For the purposes of this and the preceding paragraph, "plan administrator" means the entity charged with the administration of a plan, as defined in ERISA §3(16).

Article X – Arbitration

10.1 **General.** In the event that there is any dispute between the Parties regarding this Agreement; any rights, duties, or obligations granted or arising under this Agreement; any transaction made under this Agreement; or any construction or application of this Agreement, the Parties shall try in good faith to first resolve all such disputes as described below.

The Parties agree that all discussions and communications during the dispute resolution process shall remain confidential, to the extent allowed by applicable law. The Parties agree to treat all such discussions and communications as compromise and settlement negotiations for the purposes of any rules of evidence.

10.2 **Negotiation.** In the event of a dispute which the Parties have not successfully resolved in the ordinary course of business, the Party claiming a grievance against the other shall inform the other of that grievance in writing, stating the nature of the grievance and the relevant facts, including documentation, and referring to this Article. The other Party shall then have 15 days to make a complete, written response. The Parties will meet to discuss the dispute. If practicable and mutually desirable, the Parties shall meet in person. If the dispute remains unresolved for any reason after 60 calendar days following the mailing of the response, the Parties will then proceed to mediation.

10.3 **Mediation.** The Parties will, as soon as commercially reasonable after the 60 day period referred to under Negotiation, above, initiate the mediation process and endeavor in good faith to settle their dispute by mediation. Unless the Parties agree to the contrary, the mediation shall conform to the then current Mediation Rules for Commercial Financial Disputes of the American Arbitration Association or such similar organization as the Parties may agree. If the Parties cannot agree on a neutral mediator, one will be appointed by the American Arbitration Association in accordance with its mediation rules. Mediation will occur within 60 days of the initiation of the mediation process. The Parties will share equally in the fees and expenses of the mediator and the cost of the facilities used for the mediation, but will otherwise bear their respective costs incurred in connection with the mediation. The mediation shall be nonbinding. If the dispute remains unresolved for any reason after the completion of the mediation process, the Parties will then proceed to arbitration.

10.4 **Arbitration.** If a dispute is to be resolved by arbitration, the arbitration proceeding take place in the capital city of the State, unless the Parties agree to the contrary. The arbitration will be governed by the Federal Arbitration Act. There will be three arbitrators, each of which will be selected, and the arbitration conducted, in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), except that the provisions of this

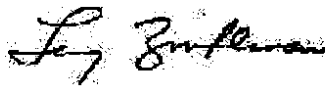
Agreement will control over the AAA rules where the Agreement and the Rules differ or the Rules are silent. The arbitrators must be attorneys (current members of the bar of the State or retired from active practice within the past 5 years) who are familiar with, and have practiced in, the areas of law relevant to the arbitration. The Parties will share equally in the fees and expenses of the arbitrators and the cost of the facilities used for the arbitration hearing, but will otherwise bear their respective costs incurred in connection with the arbitration. Depositions will not be allowed, but information may be exchanged by other means. The Parties agree to use their best efforts to ensure that the arbitrators are selected promptly and that the arbitration hearing is conducted no later than 3 months after the arbitrators are selected. The arbitrators must decide the dispute in accordance with the substantive law which would govern the dispute had it been litigated in court. This requirement does not, however, mean that the award is reviewable by a court for errors of law or fact. Following the arbitration hearing, the arbitrators will issue an award and a separate written decision that summarizes the reasoning behind the award and the legal basis for the award. The arbitrators may not award punitive damages and may not require one party to pay another party's costs, fees, attorneys' fees, or expenses. The award of the arbitrators will be binding on each party. Judgment upon the award may be entered in any federal district court.

10.5 Preliminary Injunctive Relief. The dispute resolution procedures set forth above will be the sole and exclusive procedures for the resolution by the parties of any disputes which arise out of or are related to this Agreement, except that a Party may seek preliminary or temporary injunctive relief from a court if, in the Party's sole judgment, such action is necessary to avoid irreparable harm or to preserve the status quo. If a Party seeks judicial injunctive relief as described in this paragraph, the Parties will continue to participate in good faith in the dispute resolution procedures described above. The Parties agree that no court which a Party petitions to grant the type of preliminary injunctive relief described in this paragraph may award damages or resolve the dispute. Venue for any judicial proceeding for preliminary or temporary injunctive relief will be in capital city of the State, unless the Parties agree to the contrary. Any objections or defenses based on lack of personal jurisdiction or venue are hereby expressly waived for the purposes of the injunctive relief described in this paragraph.

In consideration of the above, and for other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, the Parties have caused this Agreement to be executed in their respective names by their duly authorized officers and with the intent to be fully bound by this Agreement.

(Legal Name of Plan Representative)

Principal Life Insurance Company
(Member Company of the
Principal Financial Group)



By: _____

By: _____

Title: _____

Title: President & Chief Executive Officer

Date Signed: _____

State in which signed by Plan
Representative ("State") _____

Contract #:4-49993

Exhibit A

The name of the Plan is: Retirement Plan for Employees of City of Jonesboro, Arkansas

(Name of employee retirement benefit plan)

Effective date of this
Agreement: 8/18/2010

Default Option

Plan-Level Default

If we do not receive Notice regarding how to allocate funds to or among Investments, the amount with respect to which we have received no Notice shall be allocated to the Default Option or such other option as you direct by Notice.

The Default Option is Money Market Separate Account.

Exhibit B
Services

The services you select for the Plan may fall into the following general categories. Nothing in these service categories refers to anything with regard to our obligations with regard to Investments:

- Plan Administrative Services
- Optional Services

As further stated in §4.1 and §5.2 of the Agreement, we rely on you to provide certain information with regard to these Services. Your cooperation is needed for the timely and accurate provision of these Services. Please note that not all services will be available to all plans. We shall not be obligated to perform any Services with respect to which we are not provided timely and accurate information and we shall not be liable with regard for any performance or partial performance of Services when we are acting based on late, incomplete, or inaccurate information.

We have standard procedures for processing investment instructions received by us in connection with the Plan.

From time to time, inadvertent administrative errors may occur in processing transactions so that our standard procedures are not followed. If we are responsible for the error, we are committed to providing the price that would have applied if the error had not occurred, and we will reimburse the Plan for any loss caused by our errors. In exchange for our commitment to correct losses resulting from errors, and other Services to the Plan, we will retain amounts left after errors are corrected ("gains") as part of our compensation for Services.

Our goal is to provide you with outstanding service. We're so sure we can provide it promptly and accurately, we guarantee it. If you're unhappy with a specific Service we provided, just tell us. We promise to fix the problem to your satisfaction. If we're unable to do so, we'll waive the Fee for that service.

The services provided in the Semi-bundled Agreement are Plan Administrative Services not including Recordkeeping Services. In addition, you can choose any or all of the following services:

- Recordkeeping Service
- Actuarial Services
- Actuarial Cost Estimate Service
- Miscellaneous Actuarial Services
- FAS Report/GASB Report Services (depending on your Plan)
- Document Services
- Benefit Payment for Retired Participants
- Benefit Payment Service for Non-Retired Participants
- Directed Trust Services
- Miscellaneous Services

If Principal Life does not provide the Recordkeeping Services for your Plan, this Agreement is considered Non-Recordkeeping. The service provided in a Non-Recordkeeping Agreement is Standard Administrative Services not including Recordkeeping Services.

Governmental and non-governmental plans require different types of reporting. The services available are dependent on whether your Plan is governmental or non-governmental.

- Financial Accounting Standards Board Statement No. 35 and No. 36 are provided with Actuarial Services for non-governmental plans.
- Governmental Accounting Standards Board Statement No. 27 is provided with Actuarial Services for governmental plans.
- The FAS Report Service is optional for non-governmental plans.
- The GASB Report Service is optional for governmental plans.

Additional Services may be available with a Supplemental Service Agreement.

PLAN ADMINISTRATIVE SERVICES

*These Plan Administrative Services may require a supplemental service agreement, as described in §8.1, and additional Fees may apply. Fees for Plan Administrative Services are subject to Exhibit C stated herein.

Service We Offer	Your Role and Election
If you have retirement funds record kept by Principal Life, we will perform the following services:	
Personal Contacts help set up and maintain your Plan.	Work with our local and corporate center service experts.
Quarterly reports of retirement fund values as well as interest or other returns, deposits, and withdrawals.	
Access to online retirement fund values	
Access to <i>Directions, a Guide to Retirement Plan Operations</i> assists in the daily operation of your Plan.	Utilize the administrative manual and forms to help with the day-to-day activities of your Plan.
Schedule A to attach to your annual Form 5500.	Review, attach to Form 5500, and file with the IRS.
Access to information for your financial professional(s) via the eFinancial Professional website located on www.principal.com . Standard Service assumes: Access to plan-level information.	<p>Allow your financial professional(s) access to timely information regarding your plan.</p> <p>Optional Election:</p> <p><input type="checkbox"/> Do not grant financial professional(s) access to plan-level information.</p> <p>Future access for your financial professional(s) can be modified via the Manage Security tab on The Principal Sponsor Service Center SM.</p>
Plan Sponsor Communications help you make informed decisions.	Use to stay informed on the latest investment and retirement plan issues.
Recordkeeping Service	
Display of Benefits Report provides you an annual listing of benefits for each Participant.	
Monitor Plan Requirements such as minimum distributions, beneficiary designations, and vesting records.	Complete data collection package in a timely manner.
Annual Participant Retirement Plan Statements that provide a benefit summary.	Report applicable salary, hours, participant contribution information, as well as new enrollments and benefit event information, to us accurately and timely.
<p>Standard Service assumes:</p> <ul style="list-style-type: none"> • Participant statements are provided annually. • Participant statements are mailed to you in bulk. 	<p>Optional Election:</p> <p><input type="checkbox"/> Send reports to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Participants' homes* <input type="checkbox"/> You in individual envelopes*
Record of Participant beneficiary designations (if necessary).	Submit Participants' beneficiary designations in a timely manner.
Help when changes in legislation affect your Plan.	

PLAN ADMINISTRATIVE SERVICES (cont.)

*These Plan Administrative Services may require a supplemental service agreement, as described in §8.1, and additional Fees may apply. Fees for Plan Administrative Services are subject to Exhibit C stated herein.

Service We Offer	Your Role and Election
Recordkeeping Service (continued)	
<p>Calculation of benefits at retirement, termination, death, or disability.</p>	<p>Submit benefit event Notification in a timely manner.</p>
<p>Payment of Benefits to Participant or as directed by Trustee.</p>	<p>Submit benefit event Notification in a timely manner.</p>
<p>Controlled Group Consultations are available to assist you and your legal counsel in determining controlled group status.</p>	<p>Provide us information about the structure of your company's ownership and any possible related companies.</p>
<p>Furnishing available Participant data for federal reporting and disclosure requirements.</p>	<p>Provide necessary reports and information under §4.2.</p>
<p>Individual records of Participants' contributions.</p> <p>Additional Fees may apply.</p>	<p>Timely submit Participant contributions.</p> <p>Optional Election: <input type="checkbox"/> Recordkeep Participants' contributions</p>
<p>Annual Government Report Form 5500 draft and attachments will be prepared and mailed to you. Services begin for the plan year during which the effective date of this Agreement occurs.</p>	<p>Complete and return a Form 5500 questionnaire each year by the date requested. File completed Form 5500 and attachments with the IRS.</p> <p>Optional Election: <input type="checkbox"/> Do not provide Form 5500.</p>
<p>PBGC Form 1 will be prepared and mailed to you.</p>	<p>File completed PBGC Form 1 with the PBGC.</p> <p>Optional Election: <input type="checkbox"/> Principal Life is authorized to pay the Plan's PBGC premiums from the Investment. <input type="checkbox"/> Do not provide PBGC Form 1.</p>
<p>Location Recordkeeping services for more than one employee group or location (if applicable).</p> <p>Standard service is all communication handled through one location.</p>	<p>Optional Election*: <input type="checkbox"/> Provide Participant location information and changes. <input type="checkbox"/> Provide location recordkeeping where communication is handled through multiple locations.</p>

PLAN ADMINISTRATIVE SERVICES (cont.)

*These Plan Administrative Services may require a supplemental service agreement, as described in §8.1, and additional Fees may apply. Fees for Plan Administrative Services are subject to Exhibit C stated herein.

Service We Offer	Your Role and Election
Recordkeeping Service (continued)	
<p>Electronic Services use technology to facilitate the fastest, most accurate and cost effective means of communication and access to information.</p> <p>This includes:</p> <ul style="list-style-type: none"> • Our website (www.principal.com) <ul style="list-style-type: none"> ▶ Access to online estimated benefits calculator. (may not be available for all plans) ▶ Access to online Participant data • Electronic data reporting 	<p>Use electronic services provided to report and obtain Plan information.</p>
<p>Automatic Payment of small lump sum amounts based on Plan provisions. Standard Service assumes small amounts benefits are paid without your further consent.</p>	<p>Timely inform us of Participant employment, termination, or retirement.</p> <p>Optional Election:</p> <p><input type="checkbox"/> Your signature is required to pay any benefit</p>
<p>Top Heavy Determination test is prepared annually and the minimum top-heavy benefit is calculated, if necessary.</p>	<p>Provide information regarding key employees. Review top-heavy test and notify us if changes are necessary.</p> <p>Optional Election:</p> <p><input type="checkbox"/> Do not provide Top Heavy testing for your Plan.</p>
<p>Minimum Coverage Determination calculation is performed by an annual ratio percentage test. Results will be included on your Annual Form 5500.</p>	<p>Complete and return census questionnaire by the date requested.</p>
<p>§415 Limit Determination test is prepared. If a Participant exceeds the limit, we will work with you to determine the appropriate correction method.</p>	<p>Complete and return the compensation collection list by the date requested.</p>
<p>Qualified Domestic Relations Order (QDRO) provides assistance with respect to QDRO determination by providing tools such as:</p> <ul style="list-style-type: none"> • Checklist for determining the status of a Domestic Relations Order (DRO) • Standard letters that can be used to communicate with Participants and alternative payees. 	<p>Timely inform us of the receipt of a DRO. Notify affected Participants and potential alternate payee(s) that the DRO was received and advise them of the procedures for determining the qualified status of DRO. Make determination concerning the qualified status of DRO. Notify Participant and potential alternate payee(s) of the determination. Enhanced QDRO Services are available under Optional Services.</p>
Actuarial Liability Modeling	
<p>A customized, in-depth plan review to gain forecasting ability to use the link and impact between plan assets and liabilities.</p> <p>An additional fee will apply for each report.</p>	<p>Notify your plan actuary.</p>

PLAN ADMINISTRATIVE SERVICES (cont.)

*These Plan Administrative Services may require a supplemental service agreement, as described in §8.1, and additional Fees may apply. Fees for Plan Administrative Services are subject to Exhibit C stated herein.

Service We Offer	Your Role and Election
Actuarial Services (Services begin for the plan year during which the effective date of this Agreement occurs.)	
For all Governmental Plans and police and fire plans, additional Fees apply.	
Preparation of annual actuarial valuation (funding) report	If we provide Recordkeeping Services, complete data collection package in a timely manner.
Form 5500 Schedule B report	File the Form 5500 Schedule B report with the IRS.
For non-governmental plans, Financial Accounting Standards Board Statement No. 35 and No. 36.	
For governmental plans, Governmental Accounting Standards Board Statement No. 27.	
Pension Benefit Guaranty Corporation (PBGC) Schedule A.	Review and submit to the PBGC with Form 1.
Actuarial Cost Estimate Service	
An actuarial report which illustrates the valuation cost (funding) impact of a contemplated change. An additional Fee will apply for each additional estimate.	Notify us of contemplated change(s).
Miscellaneous Actuarial Services	
Miscellaneous actuarial work including, but not limited to, the following services: <ul style="list-style-type: none"> • Calculations for Plan termination work. • On-site meetings. • Merger or spin-off calculations • Withdrawal liability calculations for multi-employer plans. 	Notify us of contemplated change(s).
FAS Report Service	
An annual report containing information required by the Financial Accounting Standards Board Statement No. 87, No. 88, and No. 132.	Complete the FAS questionnaire.
An additional Fee will be billed for each additional report.	
GASB Report Service (For Governmental Plans)	
An annual report containing information required by the Governmental Accounting Standards Board Statement No. 25.	
An additional Fee will be billed for each additional report.	

OPTIONAL SERVICES

*These Optional Services may require a supplemental service agreement, as described in §8.1, and additional Fees may apply. Fees for Optional Services are subject to Exhibit C stated herein.

Service We Offer	Your Role and Election
Document Services	
<p>Service assumes we:</p> <ul style="list-style-type: none"> • Provide a draft of plan document text for review by you and your legal advisor • Draft pre-formatted Summary Plan Description (SPD) so you can determine the wording to be used • Print pre-formatted SPDs <p>Pre-formatted SPDs use standard covers, paper stock, ink and language.</p> <p>Subsequent requests for document services may result in additional Fees.</p> <p>We provide pre-formatted SPDs for 1 1/4 times the number of active Participants with a maximum of 250 for custom/outside Plans. Subsequent requests for document services may result in additional Fees.</p>	<p>Communicate the plan provisions to us.</p> <p>Optional Election:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Prepare the Plan document. This will be provided electronically. <input type="checkbox"/> Prepare the Summary Plan Description <ul style="list-style-type: none"> ▶ Format <ul style="list-style-type: none"> <input type="checkbox"/> Paper Only <input type="checkbox"/> Paper and Electronic ▶ Draft and Print <ul style="list-style-type: none"> <input type="checkbox"/> Draft and print pre-formatted SPDs <input type="checkbox"/> Draft and print customized SPDs* <input type="checkbox"/> Print SPDs from a draft provided by you.* We will not be held liable for content provided.
<p>Forms prepared for you (or your counsel) to use when requesting approval as a qualified plan (if applicable).</p>	<p>Review the forms and submit to the IRS to request approval as a qualified plan.</p>
<p>Review Transfer Plan Documents for compliance with current legislation and regulations and make recommendations for any amendments.</p>	<p>Provide copies of complete prior plan documents for review.</p>

OPTIONAL SERVICES (cont)

*These Optional Services may require a supplemental service agreement, as described in §8.1, and additional Fees may apply. Fees for Optional Services are subject to Exhibit C stated herein.

Services We Offer			Your Role and Election
Benefit Payment Service for Retired Participants			
Alter-native	Description	Term	<p>You may choose a different alternative at any time for Participants who aren't receiving benefits. Some restrictions may apply when changing alternatives for retired Participants, subject to the terms of the contract.</p> <p>You choose from three alternatives for paying monthly retirement benefits.</p> <p> <input type="checkbox"/> Benefit Index <input type="checkbox"/> Purchase Non-Participating Annuities <input checked="" type="checkbox"/> Direct Payments If Direct Payments, make payments to: <input checked="" type="checkbox"/> Participant <input type="checkbox"/> Trustee (trusteed plans only) </p> <p align="center">**Please select one of these options.**</p>
1	Benefit Index	<p>Monthly benefits are paid to the Participant directly from retirement funds with our guarantee of payment. If the value of the group annuity contract, as defined for these purposes therein, equals the Benefit Index, annuities will be purchased under Alternative 2 in such contract. This option may impact future funding or funding status which could affect distributions to Highly Compensated Employees. Please discuss this option with your actuary before electing.</p>	
2	Purchase Non-Participating Annuities	<p>There is a one-time Fee for the cost of the a Participant's annuity. The purchase price anticipates no future dividends or investment returns will be payable to the Plan. We guarantee benefits under this option, once the annuity is purchased.</p>	
3	Direct Payments	<p>Monthly benefits are paid directly from retirement funds without our guarantee of payment.</p>	

<p>If payments are made directly to a Participant, we shall provide:</p> <ul style="list-style-type: none">• A certificate for each Participant receiving a benefit under either Alternative 1 or Alternative 2.• Recordkeeping of Participant benefits and beneficiaries.• Preparation and mailing of monthly pension payments.• Tax reporting on benefit payments for Participants receiving benefits.• Tax or other withholding (upon request). <p>NOTE: These services aren't provided if monthly payments are made to the trustee (trusteed plans only).</p>	
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OPTIONAL SERVICES (cont) *These Optional Services may require a supplemental service agreement, as described in §8.1, and additional Fees may apply. Fees for Optional Services are subject to Exhibit C stated herein.

Services We Offer	Your Role and Election
<input type="checkbox"/> Benefit Payment Service for Non-Retired Participants	
<p>If we do not provide recordkeeping services, and, due to a benefit event (cash retirement, termination, death, disability), you request us to make a lump sum check payable to the Participant and do the necessary tax reporting, a \$25 Fee per event will apply.</p>	<p>Report information necessary for us to pay benefits and complete required tax reporting.</p>
<input type="checkbox"/> Directed Trust Services	
<p>Directed Trust Services. If your plan utilizes a directed trust provided by Delaware Charter Guarantee & Trust Company (d.b.a. Principal Trust Company) then, by signing this Agreement, you authorize and direct us to pay the Fees for such directed trust services.</p> <p>Principal Trust Company may agree to perform supplemental services with regard to the Plan in addition to the directed trust services. Principal Trust Company shall be under no duty or obligation to perform supplemental services and no such duty is implied in this Agreement or the directed trust agreement, nor may such be inferred. Performing supplemental services for or with regard to other plans, participants in a plan, or any trust or other arrangement funding another plan shall not obligate Principal Trust Company to agree to perform such services for the Plan, a Participant, or any trust or other arrangement funding the Plan. These supplemental services will be set out in a written supplemental service agreement between you and Principal Trust Company and fees for such services will be described therein. Such fees, if allowed by a written supplemental service agreement, may be paid as if they were Fees for directed trust services set out in Exhibit C of this Agreement.</p> <p>General. Any service(s) provided by Principal Trust Company, and the fees for such services, may be modified or withdrawn at any time in accordance with either this Agreement or as set out under the directed trust, custodial, or supplementary service agreement(s), as applicable.</p>	

OPTIONAL SERVICES (cont.) *These Optional Services may require a supplemental service agreement, as described in §8.1, and additional Fees may apply. Fees for Optional Services are subject to Exhibit C stated herein.

Miscellaneous Services (Must provide Recordkeeping Service)	
Plan Design Consultation is offered providing proposals and recommendations to assist you in meeting your retirement plan goals.	Communicate the retirement goals and objectives of your and your plan Participants.
Special Compliance Testing for Internal Revenue Codes §§401(a)(4), 410(b) and 414(s). Your plan design will dictate the need for this testing.	
<p>Enhanced QDRO Service provides consultative support following agreed upon guidelines for processing DROs. This service includes:</p> <ul style="list-style-type: none"> • Supported development of procedures, guidelines, and a Plan-specific checklist in order to facilitate processing and approval on behalf of the plan administrator. • Model QDRO language provided. • Notification letters sent to affected Participant and potential alternate payee(s) upon receipt of DRO. • Comprehensive review and evaluation of DRO pursuant to approved procedures and guidelines. • Consultative services for Participants, and alternate payees, or their advisors, including communication to plan administrator regarding evaluation of DRO and recommended action. • Required notifications to Participants and alternate payees sent by us. <p>A supplemental service agreement may be required and additional Fees may apply.</p>	<p>Optional Election*:</p> <p><input type="checkbox"/> Provide the Enhanced QDRO Service.</p>

**Exhibit C Fee Payment
Summary**

his Agreement incorporates the terms of expense proposal no. 47781-1 which is incorporated into, and made a part of, this Exhibit for all purposes.

This Exhibit provides for the payment of Fees. Payment of fees or expenses set out in other agreements is not affected by this and such payments are in addition to the amounts set out in this Exhibit.

Collection of Fees

The FAS Report Fee and the Document Fee are not considered Plan expenses. If you've selected these services, they must be paid by you as billed, anything else in this Agreement to the contrary notwithstanding. All other selected services may either be either 1) paid as billed, or 2) deducted.

**Billed – you pay directly each quarter
Deducted – fees are deducted monthly from retirement funds**

The following collection method will apply for the payment of Fees for Transfer Fee (if applicable), Plan Administrative Services Fee, and Optional Services Fee:

Deducted