

GROUP CONTRACT NO. GA 4-49993 MUTUAL AMENDMENT-PFA 2011

We, Us, Our means Principal Life Insurance Company

You, Your means the Contractholder

It is mutually agreed by the undersigned that this Group Contract, issued by us to the Contractholder, is amended as provided below:

Effective September 1, 2011,

by striking the following:

Any version of the GPR 48918 separate account rider currently effective on this contract.

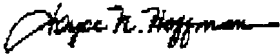
and by substituting the following:

Rider: GPR 48918-11

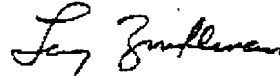
The provisions and conditions set forth on any page of this amendment are a part of this Group Contract as fully as if recited over the signatures on this page.

This amendment will not become effective unless we receive a copy signed by the Contractholder at our home office in Des Moines, Iowa, within 30 days following the date we sign it or within such longer period as we may allow.

Signed for us on June 15, 2011 by



Senior Vice President and
Corporate Secretary



Chairman, President and
Chief Executive Officer



Registrar



July 2011

PERSONAL & CONFIDENTIAL
BEN BARYLSKE
CITY OF JONESBORO, ARKANSAS
515 WEST WASHINGTON
P.O. BOX 1845
JONESBORO, AR 72401-2782

RE: Group Annuity Contract Number GA 4-49993

Dear Ben

Your investment adviser, Principal Financial Advisors, Inc., utilizes Separate Accounts, made available through the investment platform of Principal Life Insurance Company (Principal Life), to implement asset allocation strategies for clients. Principal Financial Advisors has informed us it would prefer all Principal Life Separate Accounts that are available through the group annuity contract be available when selecting the investment line-up for your retirement plan.

Attached is an amendment to your group annuity contract, which includes all of the Separate Accounts made available through the investment platform of Principal Life. This amendment must be signed before we can add the Separate Accounts to your group annuity contract and Principal Financial Advisors can utilize some of the available Separate Accounts to implement your asset allocation strategy.

As outlined in Article I, Section 2, of your contract, the following is an updated listing of the Adjusted Fund Value Factors for the Separate Investment Funds, which includes the Separate Accounts that will be made available to your contract upon the signing of this amendment.

Principal Money Market Separate Investment Fund	95% of the value of the Fund.
Principal Government & High Quality Bond Separate Investment Fund	95% of the value of the Fund.
Principal Ultra Long Bond Separate Investment Fund	95% of the value of the Fund.
Principal Bond and Mortgage Separate Investment Fund	95% of the value of the Fund.
Principal Inflation Protection Separate Investment Fund	95% of the value of the Fund.
Principal Core Plus Bond I Separate Investment Fund	95% of the value of the Fund.
Principal Income Separate Investment Fund	95% of the value of the Fund.
Principal Bond Market Index Separate Investment Fund	95% of the value of the Fund.
Principal Short-Term Income Separate Investment Fund	95% of the value of the Fund.
Principal Bond Emphasis Balanced Separate Investment Fund	90% of the value of the Fund.

Principal Stock Emphasis Balanced Separate Investment Fund	80% of the value of the Fund.
Principal Preferred Securities Separate Investment Fund	75% of the value of the Fund.
Principal High Yield I Separate Investment Fund	75% of the value of the Fund.
Principal LargeCap S&P 500 Index Separate Investment Fund	75% of the value of the Fund.
Principal LargeCap Value Separate Investment Fund	75% of the value of the Fund.
Principal LargeCap Value III Separate Investment Fund	75% of the value of the Fund.
Principal LargeCap Value I Separate Investment Fund	75% of the value of the Fund.
Principal Disciplined LargeCap Blend Separate Investment Fund	75% of the value of the Fund.
Principal LargeCap Blend II Separate Investment Fund	75% of the value of the Fund.
Principal LargeCap Growth Separate Investment Fund	75% of the value of the Fund.
Principal LargeCap Growth I Separate Investment Fund	75% of the value of the Fund.
Principal LargeCap Growth II Separate Investment Fund	75% of the value of the Fund.
Principal MidCap S&P 400 Index Separate Investment Fund	75% of the value of the Fund.
Principal MidCap Value III Separate Investment Fund	75% of the value of the Fund.
Principal MidCap Value I Separate Investment Fund	75% of the value of the Fund.
Principal MidCap Blend Separate Investment Fund	75% of the value of the Fund.
Principal MidCap Growth Separate Investment Fund	75% of the value of the Fund.
Principal MidCap Growth III Separate Investment Fund	75% of the value of the Fund.
Principal Total Market Stock Index Separate Investment Fund	75% of the value of the Fund.
Principal Capital Appreciation Separate Investment Fund	75% of the value of the Fund.
Principal Equity Income Separate Investment Fund	75% of the value of the Fund.
Principal Diversified Real Asset Separate Investment Fund	75% of the value of the Fund.

Principal SmallCap S&P 600 Index Separate Investment Fund	65% of the value of the Fund.
Principal SmallCap Value Separate Investment Fund	65% of the value of the Fund.
Principal SmallCap Value II Separate Investment Fund	65% of the value of the Fund.
Principal SmallCap Blend Separate Investment Fund	65% of the value of the Fund.
Principal SmallCap Growth Separate Investment Fund	65% of the value of the Fund.
Principal SmallCap Growth I Separate Investment Fund	65% of the value of the Fund.
Principal SmallCap Growth II Separate Investment Fund	65% of the value of the Fund.
Principal Real Estate Securities Separate Investment Fund	65% of the value of the Fund.
Principal U.S. Property Separate Investment Fund	65% of the value of the Fund.
Principal Diversified International Separate Investment Fund	60% of the value of the Fund.
Principal International Growth Separate Investment Fund	60% of the value of the Fund.
Principal International I Separate Investment Fund	60% of the value of the Fund.
Principal International Value I Separate Investment Fund	60% of the value of the Fund.
Principal International Equity Index Separate Investment Fund	60% of the value of the Fund.
Principal International SmallCap Separate Investment Fund	50% of the value of the Fund.
Principal International Emerging Markets Separate Investment Fund	50% of the value of the Fund.

The amendment must be signed by the contractholder of the group annuity contract. If the contract is issued to trustees of the plan, please forward a copy of the documents to a trustee for signature. Once the appropriate person has signed the amendment, please return it to your Client Service Associate, while retaining a copy of the signed amendment for your records. Please file your copy of the amendment, along with its corresponding documents, with your contract document.

Please contact your Client Service Associate if the contract is issued to Principal Trust CompanySM and you would like us to forward the amendment to Principal Trust Company for signature.

If you have any questions, please contact your Client Service Associate.

Principal Life Insurance Company

Enclosures

Principal Financial Advisors, Inc. is a registered investment adviser and member company of the Principal Financial Group®.

Insurance products, plan administrative services, and separate accounts which are available through a group annuity contract, are provided by Principal Life Insurance Company, a member of the Principal Financial Group® (The Principal®), Des Moines, IA 50392. Certain Separate Accounts may not be available in all states or U.S. Commonwealths.

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Principal Life Insurance Company

SEPARATE INVESTMENT RIDER--PREMIER

This rider is added to the Group Annuity Contract issued by us of which it is a part. All terms defined in the contract have the same meaning where used in this rider. The effective date of this rider is the latest of (i) the Contract Date, (ii) the date this rider has been approved for use in the state of issue, or (iii) the date stated in the amendment adding this rider to the contract.

The purpose of this rider is to allow the contract to participate in our Separate Accounts. We reserve the right to limit the number of Separate Accounts available under the contract. The following Separate Accounts may be available under this contract:

- Principal Bond and Mortgage Separate Account
- Principal Bond Market Index Separate Account
- Principal Capital Appreciation Separate Account
- Principal Core Plus Bond I Separate Account
- Principal Disciplined LargeCap Blend Separate Account
- Principal Diversified International Separate Account
- Principal Diversified Real Asset Account
- Principal Equity Income Separate Account
- Principal Government & High Quality Bond Separate Account
- Principal High Yield I Separate Account
- Principal Income Separate Account
- Principal Inflation Protection Separate Account
- Principal International Emerging Markets Separate Account
- Principal International Equity Index Separate Account
- Principal International Growth Separate Account
- Principal International I Separate Account
- Principal International SmallCap Separate Account
- Principal International Value I Separate Account
- Principal LargeCap Blend II Separate Account
- Principal LargeCap Growth Separate Account
- Principal LargeCap Growth I Separate Account
- Principal LargeCap Growth II Separate Account
- Principal LargeCap S&P 500 Index Separate Account
- Principal LargeCap Value Separate Account
- Principal LargeCap Value I Separate Account
- Principal LargeCap Value III Separate Account
- Principal MidCap Blend Separate Account
- Principal MidCap Growth Separate Account
- Principal MidCap Growth III Separate Account
- Principal MidCap S&P 400 Index Separate Account
- Principal MidCap Value I Separate Account

Principal MidCap Value III Separate Account
Principal Money Market Separate Account
Principal Preferred Securities Separate Account
Principal Real Estate Securities Separate Account
Principal Short-Term Income Separate Account
Principal SmallCap Blend Separate Account
Principal SmallCap Growth Separate Account
Principal SmallCap Growth I Separate Account
Principal SmallCap Growth II Separate Account
Principal SmallCap S&P 600 Index Separate Account
Principal SmallCap Value Separate Account
Principal SmallCap Value II Separate Account
Principal U.S. Property Separate Account
Principal Ultra Long Bond Separate Account

Although all Separate Accounts listed above may be available under this contract, you may send us Written Notification indicating you want the contract administered so that assets held under this contract will not participate in one or more of these Separate Accounts. You may revoke your Written Notification by sending us a new Written Notification.

- A. DESCRIPTIONS OF THE SEPARATE ACCOUNTS.** Each Separate Account is a pooled Separate Account for use by our retirement plan customers. The funds held in each Separate Account will be invested and reinvested by us in accordance with applicable law, without regard to any investment requirements of our general account assets or of any of our other Separate Accounts.

A Separate Account consists of funds we receive under group annuity contracts or policies which permit deposit in such Separate Account and under which amounts are directed to such Separate Account. All income gains and losses (whether or not realized), and expenses from the assets allocated to a Separate Account will be credited to or charged against that Separate Account without regard to any other income, gains or losses, or expenses we might have for our general account or any other Separate Account. The assets of a Separate Account will not be charged with any liabilities arising out of the investment experience of our general account or any other Separate Accounts outside that Separate Account. We may occasionally invest the assets of any Separate Account in short term money market instruments, cash or cash equivalents.

Principal Bond and Mortgage Separate Account. Principal Bond and Mortgage Separate Account is invested primarily in bond and mortgage-type investments similar to our general account, including bonds and mortgages from both United States and non-United States corporations.

Principal Bond Market Index Separate Account. Principal Bond Market Index Separate Account is invested primarily in bonds or fixed income securities of companies similar to those which are used to calculate the Barclays Capital U.S. Aggregate Bond Index (or a similar index if the Barclays Capital U.S. Aggregate Bond Index is no longer calculated). The investments may also include a reasonable amount of index futures, commercial paper, OTC (over the counter) derivative securities and other types of investments. In addition, some funds may be invested in index accounts operated by other investment managers, including funds operated by affiliates of ours. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described. The Separate Account uses an indexing strategy or passive investment approach designed to track the performance of the Barclays Capital U.S. Aggregate Bond Index by allocating the Separate Account's assets in approximately the same weightings as the Barclays U.S. Capital Aggregate Bond Index; however, it is unlikely that a perfect correlation of 1.00 will be achieved. The Separate Account maintains a dollar-weighted average maturity, duration and yield consistent with that of the Index.

Principal Capital Appreciation Separate Account. Principal Capital Appreciation Separate Account invests in a mutual fund that invests primarily in the common stocks of small, medium and large-capitalization companies. The mutual fund may also invest in REIT securities and below-investment-grade fixed-income securities. The Separate Account may also invest directly in the investments previously described or in some other type of investments that maintains the investments previously described.

Principal Core Plus Bond I Separate Account. Principal Core Plus Bond I Separate Account invests in a mutual fund that invests primarily in fixed income-type investments including fixed income instruments from both United States and non-United States entities. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal Disciplined LargeCap Blend Separate Account. Principal Disciplined LargeCap Blend Separate Account invests primarily in common stocks of large capitalization companies selected with value and/or growth characteristics. A portfolio is constructed using an investment process designed to systematically identify stocks with desirable characteristics and combine these stocks in a risk-managed portfolio to maximize return potential by controlling risk. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal Diversified International Separate Account. Principal Diversified International Separate Account is invested primarily in a broad base of stocks or other securities of corporations located outside the United States, but especially in Europe, South America, and the Pacific rim. These investments will be made in foreign currency or equivalencies but investments in U.S. dollars are also allowed. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal Diversified Real Asset Separate Account. Principal Diversified Real Asset Separate Account invests in a mutual fund invested among five general investment categories, with inflation-indexed bonds, all issued by both U.S. and non-U.S. governments, agencies or instrumentalities, and corporations, holding the predominant portion. Other investment categories include a combination of commodity index-linked notes and fixed-income securities; real estate investment trusts (REITs), securities of natural resource companies, and master limited partnerships (MLPs), respectively. The intent is a long-term total return in excess of inflation. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal Equity Income Separate Account. Principal Equity Income Separate Account invests in a mutual fund that invests primarily in dividend-paying common stocks and preferred stocks. The mutual fund may also invest in fixed-income securities, including below-investment-grade fixed-income securities. The Separate Account may also invest directly in the investments previously described or in some other type of investments that maintains the investments previously described.

Principal Government & High Quality Bond Separate Account. Principal Government & High Quality Bond Separate Account is invested primarily in obligations issued or guaranteed by United States governmental agencies and instrumentalities, including, but not limited to, the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Association and the Student Loan Marketing Association. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal High Yield I Separate Account. Principal High Yield I Separate Account invests primarily in high yield, lower or unrated fixed-income securities selected by identifying three specific attributes: 1) value identification, 2) downside protection, and 3) risk diversification. These securities are selected for value identification, downside protection, and risk diversification. In addition, some funds may be invested in OTC (over the counter) derivative instruments such as options and futures.

This Separate Account may invest in the investment outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal Income Separate Account. Principal Income Separate Account invests in a mutual fund that invests primarily in fixed income-type investments including fixed income instruments from both United States and non-United States entities. Investments might include corporate securities, government securities, and mortgage-backed securities, including below investment-grade fixed-income securities (sometimes called “junk bonds”). The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal Inflation Protection Separate Account. Principal Inflation Protection Separate Account invests primarily in inflation protected debt securities in order to provide current income and a real (after-inflation) total return. The investments include inflation protected debt securities issued by the U.S. Treasury and U.S. Government sponsored entities, inflation protected debt securities issued by corporations, and inflation protected debt securities issued by foreign governments and corporations that are linked to a non-U.S. inflation rate. In addition, some funds may be invested in OTC (over the counter) derivative instruments such as options and futures. This Separate Account may invest in the investment outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal International Emerging Markets Separate Account. Principal International Emerging Markets Separate Account is invested primarily in common stocks of corporations located in countries outside the United States where structural changes are causing rapid economic growth and improved standards of living. These investments may be made in either United States or foreign currency or equivalencies. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal International Equity Index Separate Account. Principal International Equity Index Separate Account is invested primarily in stocks and securities of companies similar to those stocks which are used to calculate the Morgan Stanley Capital International (MSCI) EAFE (Europe, Australasia, and Far East) Index (or a similar index if the MSCI EAFE Index is no longer calculated). The investments may also include a reasonable amount of stock index futures, commercial paper, OTC (over the counter) derivative securities and other types of investments. In addition, some funds may be invested in stock index accounts operated by other investment managers, including funds operated by affiliates of ours. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

The Separate Account uses an indexing strategy or a passive investment approach designed to track the performance of the MSCI EAFE Index. The correlation between Separate Account and MSCI EAFE Index performance may be affected by expenses, changes in securities markets, changes in the composition of the MSCI EAFE Index and the timing of purchases and sales of Separate Account units.

Principal International Growth Separate Account. Principal International Growth Separate Account invests primarily in a broad base of stocks or other securities of corporations located outside the United States, whose shares primary trading market is outside the United States, or who derive most of their revenues outside the United States. These investments will be made in foreign currency or equivalencies but investments in U.S. dollars are also allowed. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal International I Separate Account. Principal International I Separate Account invests in a mutual fund that invests primarily in common stocks of companies located outside the United States. These stocks are selected for growth-oriented characteristics and an attractive valuation. These investments may be made in either United States or foreign currency or equivalencies. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal International SmallCap Separate Account. Principal International SmallCap Separate Account is invested primarily in stocks or other securities of small corporations located outside the United States. These investments may be made in either United States or foreign currency or equivalencies. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal International Value I Separate Account. Principal International Value I Separate Account invests in a mutual fund that invests primarily in common stocks of companies located outside the United States. These stocks are selected for attractive valuations. These investments may be made in either United States or foreign currency or equivalencies. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal LargeCap Blend II Separate Account. Principal LargeCap Blend II Separate Account invests primarily in equity securities of companies that offer superior growth prospects or of companies whose stock is undervalued and, to a limited extent, foreign companies. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities or other convertible securities that may be converted to common stocks.

The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal LargeCap Growth Separate Account. Principal LargeCap Growth Separate Account is invested primarily in common stocks from large, established companies whose earnings are expected to grow at above-average rates. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal LargeCap Growth I Separate Account. Principal LargeCap Growth I Separate Account seeks to maximize long-term capital appreciation by investing primarily in equity securities of U.S. and, to a limited extent, foreign companies that exhibit strong or accelerating earnings growth. This Separate Account uses an active and aggressive style of management to invest primarily in common stocks of larger, established companies. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal LargeCap Growth II Separate Account. Principal LargeCap Growth II Separate Account invests primarily in common stocks of large capitalization companies that are expected to experience accelerating growth. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal LargeCap S&P 500 Index Separate Account. Principal LargeCap S&P 500 Index Separate Account is invested primarily in stocks and securities of companies similar to those stocks which are used to calculate the Standard and Poor's 500 Stock Index (or a similar stock index if the Standard and Poor's 500 Stock Index is no longer calculated). The investments may also include a reasonable amount of stock index futures, commercial paper, OTC (over the counter) derivative securities and other types of investments. In addition, some funds may be invested in stock index accounts operated by other investment managers, including funds operated by affiliates of ours. Principal LargeCap S&P 500 Index Separate Account attempts to earn a return similar to that of the Standard & Poor's 500 Stock Index. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal LargeCap Value Separate Account. Principal LargeCap Value Separate Account is invested primarily in common stocks from large, established companies with below-average price/earnings ratios and above-average dividend yields which we view as undervalued by the market. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities or other convertible securities that may be converted to common stocks. If the market as a whole is overvalued, we may hold assets of this Separate Account in fixed income securities instead of stocks. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal LargeCap Value I Separate Account. Principal LargeCap Value I Separate Account invests in a mutual fund that invests primarily in undervalued common stocks and other equity securities of companies among the 750 largest by market capitalization believed to offer above-average potential for growth in future earnings. The mutual fund uses a value-oriented investment approach. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities or other convertible securities that may be converted to common stocks. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal LargeCap Value III Separate Account. Principal LargeCap Value III Separate Account invests primarily in undervalued equity securities of companies among the 750 largest by market capitalization believed to offer above-average potential for growth in future earnings. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities or other convertible securities that may be converted to common stocks. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal MidCap Blend Separate Account. Principal MidCap Blend Separate Account is invested primarily in common stocks from medium-sized, established companies whose stock exhibits a combination of substantial value and good earnings growth potential. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal MidCap Growth Separate Account. Principal MidCap Growth Separate Account is invested primarily in common stocks from medium-sized, developing companies whose earnings are expected to grow at above-average rates. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal MidCap Growth III Separate Account. Principal MidCap Growth III Separate Account uses an active and aggressive style of management to invest primarily in common stocks of medium sized companies. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal MidCap S&P 400 Index Separate Account. Principal MidCap S&P 400 Index Separate Account is invested primarily in stocks and securities of companies similar to those stocks which are used to calculate the Standard and Poor's 400 MidCap Stock Index (or a similar stock index if the Standard and Poor's 400 MidCap Stock Index is no longer calculated). The investments may also include a reasonable amount of stock index futures, commercial paper, OTC (over the counter) derivative securities and other types of investments. In addition, some funds may be invested in stock index accounts operated by other investment managers, including funds operated by affiliates of ours. Principal MidCap S&P 400 Index Separate Account attempts to earn a return similar to that of the Standard & Poor's 400 MidCap Stock Index. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal MidCap Value I Separate Account. Principal MidCap Value I Separate Account invests in a mutual fund that invests primarily in common stocks of medium capitalization companies. The mutual fund uses a value-oriented investment approach. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal MidCap Value III Separate Account. Principal MidCap Value III Separate Account is invested primarily in common stocks from medium-sized, financially stable companies with below-average price/earnings ratios and above-average dividend yields which we view as undervalued by the market.

The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities or other convertible securities that may be converted to common stocks. If the market as a whole is overvalued, we may hold assets of this Separate Account in fixed income securities instead of stocks. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal Money Market Separate Account. Principal Money Market Separate Account is invested primarily in money market instruments such as the obligations of the United States government and its agencies, commercial paper, bank certificates of deposit and similar instruments. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal Preferred Securities Separate Account. Principal Preferred Securities Separate Account is invested primarily in preferred stocks of U.S. companies. The Separate Account may also invest in common stocks, debt securities, and securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal Real Estate Securities Separate Account. Principal Real Estate Securities Separate Account invests primarily in equity securities of companies principally engaged in the real estate industry. Investments may include real estate investment trusts and companies with substantial real estate holdings such as paper, lumber, hotel, and entertainment companies. The portfolio may invest up to 25% of its assets in securities of foreign real estate companies. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal Short-Term Income Separate Account. Principal Short-Term Income Separate Account invests in a mutual fund that invests in high quality short-term bonds and other fixed-income securities that, as of the time of purchase, are rated BBB- or higher by Standard & Poor's Rating Service or Baa3 or higher by Moody's Investors Service, Inc., or, if unrated, of comparable quality in the opinion of the portfolio manager(s). The mutual fund maintains an effective maturity of five years or less and a dollar-weighted average duration of three years or less. The intent is the provision of as high a level of current income as prudent investment management and stability of principal will allow. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal SmallCap Blend Separate Account. Principal SmallCap Blend Separate Account is invested primarily in common stocks from smaller, established companies whose stock exhibits a combination of substantial value and good earnings growth potential. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal SmallCap Growth Separate Account. Principal SmallCap Growth Separate Account is invested primarily in common stocks from smaller, developing companies whose earnings are expected to grow at above-average rates. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal SmallCap Growth I Separate Account. Principal SmallCap Growth I Separate Account invests mainly in common stocks of smaller companies believed to be poised for growth because of new products, markets, or management. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal SmallCap Growth II Separate Account. Principal SmallCap Growth II Separate Account invests primarily in equity securities of smaller companies offering superior prospects for earnings growth. These companies are generally characterized as “growth” companies. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal SmallCap S&P 600 Index Separate Account. Principal SmallCap S&P 600 Index Separate Account is invested primarily in stocks and securities of companies similar to those stocks which are used to calculate the Standard and Poor's 600 SmallCap Stock Index (or a similar stock index if the Standard and Poor's 600 SmallCap Stock Index is no longer calculated). The investments may also include a reasonable amount of stock index futures, commercial paper, OTC (over the counter) derivative securities and other types of investments. In addition, some funds may be invested in stock index accounts operated by other investment managers, including funds operated by affiliates of ours. Principal SmallCap S&P 600 Index Separate Account attempts to earn a return similar to that of the Standard & Poor's 600 SmallCap Stock Index. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal SmallCap Value Separate Account. Principal SmallCap Value Separate Account is invested primarily in common stocks from smaller, financially stable companies with below-average price/earnings ratios and above-average dividend yields which we view as undervalued by the market. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities or other convertible securities that may be converted to common stocks. If the market as a whole is overvalued, we may hold assets of this Separate Account in fixed income securities instead of stocks. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

Principal SmallCap Value II Separate Account. Principal SmallCap Value II Separate Account invests primarily in a diversified group of equity securities of U.S. companies with small market capitalizations that exhibit value characteristics. The investments may also include OTC (over the counter) derivative instruments such as options and futures, other equity securities, or other convertible securities that may be converted to common stocks. The Separate Account may also invest directly in the investments previously described or in some other type of investment that maintains the investments previously described.

Principal U.S. Property Separate Account. Principal U.S. Property Separate Account is invested primarily in real estate such as office buildings, industrial buildings, shopping centers, retail stores and similar property.

Principal Ultra Long Bond Separate Account. Principal Ultra Long Bond Separate Account invests primarily in long duration corporate bonds, Treasury bonds, agency debentures and zero coupon bonds (STRIPs) and other traditional fixed income instruments. Such holdings shall be predominantly denominated in U.S. dollars. In addition, some funds may be invested in OTC (over the counter) derivative instruments such as options and futures.

The investments may also include such other foreign bond investments as are generally considered appropriate for a fixed income bond account. The Separate Account will typically have an effective duration of over seven years. This Separate Account may invest in the investments outlined in this Separate Account description or in an underlying mutual fund or other type of investment that maintains the investment described.

- B. DETERMINING SEPARATE ACCOUNT VALUES; OPERATING EXPENSES.** The value of a Separate Account is its market value (appraised market value for Principal U.S. Property Separate Account) less Operating Expenses accrued but not deducted, if any. To the extent that a Separate Account invests in a Mutual Fund, the value of such Separate Account is the number of the shares invested in the Mutual Fund multiplied by the Mutual Fund's NAV for that Valuation Date. If there is no readily available market, its value is the fair market value of the assets held in such Separate Account as determined by us using generally accepted accounting practices and applicable law. The value of all Separate Accounts will always be expressed in U.S. dollars. We will determine the value of a Separate Account on each Valuation Date.

Net Asset Value (NAV) means the price per mutual fund share represented as a dollar amount.

Operating Expenses are those charges which must be paid in order to operate a Separate Account or obtain investments for a Separate Account. Operating Expenses include, but are not limited to, custodial fees, transfer taxes, brokerage fees, processing fees, and other taxes and fees associated with the operation of a Separate Account. Operating expenses will be deducted from the Separate Account associated with a particular charge on the next Valuation Date after the Operating Expenses have been paid or are immediately payable. In accordance with our then-current procedures, various Separate Accounts may share in the payment of certain Operating Expenses and, in some cases, we may use certain fees paid to us by third parties to offset Operating Expenses incurred by a Separate Account which would otherwise be payable from that Separate Account.

Valuation Date means the date we determine the value of a Separate Account. Valuation Dates will occur on dates we determine, but at least on the last Business Day of a calendar month. Valuation will occur at the end of each such day, according to our then-current procedures. For purposes of the Principal Diversified International Separate Account, Principal International Growth Separate Account, Principal International SmallCap Separate Account, Principal International Emerging Markets Separate Account, and Principal International I Separate Account only those days on which both the value of the underlying investments is determined and we are open for business will be Valuation Dates.

Business Day means a day on which both we and the New York Stock Exchange are open for business, or any other day which we agree will be a Business Day.

If you request a list of our Business Days for any calendar year, we will provide you with the list.

- C. **MANAGEMENT FEES.** The Management Fee under each Separate Account will be a percentage of the value of assets in such Separate Account, subject to the equivalent of a maximum annual percentage listed in the Table of Separate Account Features. We will determine the Management Fee for each Separate Account and report it to you. We reserve the right to change the Management Fee to any charge up to the maximum limit at any time by giving you written notice at least 30 days before the date the change is to take effect.

Management Fee means the charge consisting of the investment Management Fee and the contract expense charge applicable to this contract for each Separate Account which we determine and report to you.

A pro-rata charge will be deducted from each Separate Account on each Valuation Date for the number of calendar days within the Valuation Period ending on such Valuation Date.

Valuation Period means the period from the end of a Valuation Date to the end of the next following Valuation Date.

- D. **SEPARATE INVESTMENT FUND.** A Separate Investment Fund is established for this contract for participation in each Separate Account.
- E. **RETURNS CREDITED TO SEPARATE INVESTMENT FUNDS.** Each Separate Investment Fund established under this contract will be credited with its portion of the return associated with the appropriate Separate Account. The return for a Separate Account will be based on the change in value of that Separate Account less any Management Fee.

In order to track the returns for the Separate Investment Funds established under this contract, we will use a unit value system of recordkeeping, unless we determine that another recordkeeping system would be more appropriate.

- F. **UNIT VALUE SYSTEM OF RECORDKEEPING.** Under a unit value system of recordkeeping, we will calculate the value of a Separate Investment Fund for each Valuation Date by multiplying the number of Separate Account units held in the Separate Investment Fund by the applicable Unit Value.

Unit Value means the dollar value for one unit.

Contributions or transfers to a Separate Investment Fund increase the number of Separate Account units credited to it. Transfers and payments from a Separate Investment Fund reduce the number of Separate Account units. The increase or

decrease in the number of Separate Account units is calculated by dividing the dollar amount of the contribution, transfer, or payment by the applicable Unit Value.

We will calculate the Unit Value applicable to each Separate Investment Fund on each Valuation Date. The Unit Value will be based upon the total value of the Separate Account and the number of existing Separate Account units.

When crediting Contributions and transfers added to a Separate Investment Fund we will use the Unit Value applicable to the Separate Investment Fund for the Valuation Date on which we accept the Contribution or transfer.

If we accept the Contribution or transfer on a date other than a Valuation Date, we will use the Unit Value for the next following Valuation Date.

We reserve the right to change our unit value recordkeeping system upon 30 days notice to you.

G. DEPOSITS TO SEPARATE ACCOUNTS; RESTRICTIONS AND ORDER OF ENTRY. We reserve the right to defer, limit, or stop your or any Member's (as permitted by the Plan) ability to direct Contributions and transfers to or from a Separate Account, and we may require you to transfer existing account balances out of a Separate Account. We may exercise these rights if we

1. need to comply with regulation, statute, or decisional law to which we are subject,
2. believe it would be imprudent not to do so in fulfilling our fiduciary role as an investment manager under the Employee Retirement Income Security Act of 1974, as amended (ERISA),
3. believe the investment approach of the Separate Account no longer makes sense, is excessively expensive, or does not currently have any favorable investment opportunities available, or
4. decide to suspend or discontinue operation of such Separate Account.

Contributions or transfers directed to a Separate Account that we have closed on a temporary basis, other than Principal U.S. Property Separate Account, will be treated as Contributions or transfers for which we have not received proper investment directions and the provisions of the contract with regard to any such Contributions or transfers will apply.

We must receive new investment direction for any Contributions formerly directed to a temporarily closed Separate Account if you or the Member (as permitted by the Plan) wish to change the way investments are treated, as described in the previous paragraph. Once a temporarily closed Separate Account reopens, we must receive new investment directions in order to direct any Contributions or transfers to such

Separate Account. We may limit the application of such new investment directions as necessary to protect the Separate Account.

Contributions or transfers directed to the Principal U.S. Property Separate Account, if we have closed it on a temporary basis, will be directed to Principal Money Market Separate Account, if available, or to such other separate account or general account option as you or the Member may have chosen for a default.

We will maintain records of all such Contributions or transfer requests so that such amounts will be transferred to the closed Separate Account as soon as permitted under the terms of the contract.

Provisions for Principal U.S. Property Separate Account if it has been temporarily closed. We have established the following order of entry into this Separate Account that was temporarily closed, then reopened:

1. All amounts held in Principal Money Market Separate Account waiting for transfer to the Separate Account.
2. Any amounts held in any other Separate Account or in our general account which are to be transferred to the Separate Account.

Within each of the above 2 categories, amounts will be transferred one customer at a time, in order from the oldest waiting Contribution or transfer to the newest Contribution or transfer.

Normally, if the amount of the intended transfer is greater than the amount open for acceptance by a previously closed Separate Account, the entire amount of the transfer will continue to be held in the investment option it was in at the time of the request until the Valuation Date when complete transfer may be made. However, we and you (the Member, if permitted by the Plan) may mutually agree to transfer only a portion of the intended amount to the Separate Account.

We will notify you in writing when amounts have been transferred to a reopened Separate Account. You or a Member, as permitted by the Plan, may revoke a request for transfer of funds to a Separate Account by telling us in writing before the date transfer is made. The notification must also include new investment directions for the intended transfer.

Provisions for a permanently closed Separate Account. We will notify you in writing of our intent to permanently close a Separate Account. You will have 60 days to request transfer as described in the Paragraph labeled "Transfers and Payments from a Separate Account" below. If after 60 days we have not received your written notification of where to transfer a closed Separate Account balance, we will treat that account balance as a Contribution for which we do not have investment direction.

H. TRANSFERS AND PAYMENTS FROM A SEPARATE INVESTMENT FUND. Upon Written Notification, subject to our right to defer a transfer or payment as described in Section I of this rider, and provided such transfer would not cause the Benefit Index to equal or exceed the value of the Funds under this contract determined in accordance with Article VI, Section 2 (Option 2), Section 3 (Subsection 3), and Section 4 of the contract, we will

1. transfer to a Guaranteed Interest Fund or another Separate Investment Fund all or any portion of the Separate Investment Fund specified, or
2. transfer to another Funding Agent all or any portion of the Separate Investment Fund, or
3. make any Choice 3 payments under Article IVC directly from the Separate Investment Fund, or
4. make any payments under Article V, Section 1, directly from the Separate Investment Fund.

The amount to be paid or transferred will be determined and paid or transferred within seven business days after (i) the Valuation Date on which we receive the Written Notification, or (ii) a later Valuation Date specified in the Written Notification. Payments and transfers will be made in accordance with our then-current procedures. We will notify you in writing of these procedures. The amount transferred or paid will be deducted from the Separate Investment Fund from which such transfer or payment was requested on the date of such transfer or payment. Each transfer to another Separate Investment Fund may occur only on a Valuation Date of that Separate Investment Fund.

We are not responsible for the application of amounts transferred to another Funding Agent.

I. LIMITATIONS ON TRANSFERS AND PAYMENTS FROM A SEPARATE INVESTMENT FUND. In general, transfers and payments from a Separate Investment Fund will be made within seven business days after the first Valuation Date following the request specified in Section H of this rider.

We reserve the right, however, to defer such transfers or payments up to the maximum number of days shown in the Table of Separate Account Features for each Separate Account. If we defer any transfer or payment under this Section, we will determine the amount to be transferred or paid on the date transfer or payment occurs. We will notify you in the event of any deferment of more than 30 days under the provisions of this Section. These limitations will not apply to the payments to the beneficiary of a Member due to the Member's death.

Special Real Estate Limitations. Because of the illiquid nature of the assets in which Principal U.S. Property Separate Account is invested, we reserve the right to defer transfers or payments from a Principal U.S. Property Separate Investment Fund if a transfer or payment would exceed the amount of cash and other liquid assets held in Principal U.S. Property Separate Account, reduced by amounts committed to purchase properties or needed for Operating Expenses. We will not defer requested transfers or payments for longer than three years under this paragraph. For any Plan that allows Members to direct some or all of their investments to the Principal U.S. Property Separate Account and for which we keep records, we will notify all Members in the event of any deferment of more than 45 days of a type described under this paragraph which arises under any of our contracts having access to the Principal U.S. Property Separate Account. Our notice to those Members will be in writing and will explain the investment and transfer options available to the Members.

Principal U.S. Property Separate Account may be illiquid for indefinite periods of time. We will not manage Principal U.S. Property Separate Account to provide a liquidity pool for requests for transfer or payment. If requests for transfer or payment from Principal U.S. Property Separate Account are deferred, then the deferred transfers or payments, when made, will be made in the following order:

1. Any death benefits payable under a defined contribution plan.
2. All or a portion of each of the other requests for payment, determined as follows:
 - a. the amount of the request, divided by
 - b. the amount of all waiting requests, multiplied by
 - c. the amount we determine to be available to pay requests; provided, however, that no more than the amount of the request shall be paid out.

Deferred transfers or payments, when paid, will be made as of a Valuation Date and will be based on the Principal U.S. Property Separate Account Unit Value as of the date paid.

In determining the amount available to pay requests, we will subtract amounts payable under any other group annuity contract which requires that we make payments from the Principal U.S. Property Separate Account using a method other than the one described in this Section. We reserve the right to make payments in a different manner than described in this Section if we (i) are required to do so under applicable statutes, regulations, or decisional law to which we are subject, (ii) must do so to comply with our fiduciary responsibilities as an ERISA investment manager as described in Article VII, Section 16, or (iii) deem it necessary to make a change to maintain an equitable distribution of assets under all of our group annuity contracts. We will not implement a change under item (iii) before the notice to all affected Contractholders is provided and the appropriate time period after the notice has elapsed.

Special Limitation for Certain Separate Accounts. We reserve the right to make the portion of a requested transfer in excess of the specified dollar limit in substantially equal monthly installments over a period not to exceed the specified period, if, in the specified period which ends on the requested date of transfer, all transfers and payments from the Separate Investment Fund invested in a particular Separate Account which is subject to the dollar limit total the specified dollar limit or more. For purposes of this limitation, transfers and payments from any other Separate Investment Funds or funds included in the Separate Account from any other contracts or policies issued in connection with the Plan or with any other retirement plan of the Employer will be included as a transfer or payment from a Separate Investment Fund. If this limitation is imposed by us, the first installment will be made one month after the date of request, or on such later date that you specify. The specified dollar limit and period are:

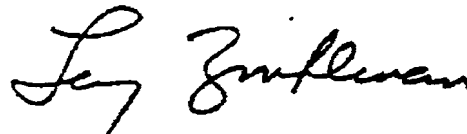
1. \$1,000,000 and 12 months, respectively, for Principal International SmallCap Separate Account, Principal International Emerging Markets Separate Account.
2. \$20,000,000 and 36 months, respectively, for all other Separate Accounts described in this Rider except Principal Money Market Separate Account and Principal Bond and Mortgage Separate Account.

Mutual Fund Limitations. Without regard to any other feature of the contract or this rider, if any limitation or delay is imposed by an underlying Mutual Fund, if any, we will be unable to transfer, make payments, or apply amounts held under these Separate Accounts.

- J. PLANS WHICH MAY INVEST IN THE SEPARATE ACCOUNTS.** The Separate Accounts are not registered with the Federal Securities and Exchange Commission and therefore only Plans which meet certain requirements under the Internal Revenue code may invest in the Separate Accounts.

- K. If the Internal Revenue Service or a court makes a final determination that the Plan no longer qualifies as a qualified plan, we will require that you transfer any assets invested in the Separate Investment Funds. If we decide that you must transfer assets from the Separate Investment Funds, we will send you a notice describing your options. Your Written Notification must clearly specify the General Investment Fund or the Funding Agent where you want the Separate Account assets transferred. If we do not receive an acceptable Written Notification from you within five business days, we will transfer the assets to the General Investment Fund.
- K. **FUNDS.** We are the sole owner of all assets held in the Separate Accounts.
- L. **AMENDMENT BY US.** As of any date, we may unilaterally strike this rider and replace it with a rider to allow participation in any additional Separate Account or Accounts offered by us. Such revised rider will not change the provisions of an existing Separate Account. Participation in any additional Separate Account by a Member will be by Notification.

PRINCIPAL LIFE INSURANCE COMPANY

A handwritten signature in black ink, appearing to read "Jay Zinfle". The signature is written in a cursive, flowing style.

Chairman, President and
Chief Executive Officer

TABLE OF SEPARATE ACCOUNT FEATURES

Separate Account	Maximum Annual Management Fee Percentage	Maximum Number of Days Allowed to Defer Transfers or Payments
Principal Bond and Mortgage Separate Account	2.00	270
Principal Bond Market Index Separate Account	2.00	270
Principal Capital Appreciation Separate Account	2.00	270
Principal Core Plus Bond I Separate Account	2.00	270
Principal Disciplined LargeCap Blend Separate Account	2.00	270
Principal Diversified International Separate Account	2.00	270
Principal Diversified Real Asset Separate Account	2.00	270
Principal Equity Income Separate Account	2.00	270
Principal Government & High Quality Bond Separate Account	2.00	90
Principal High Yield I Separate Account	2.00	270
Principal Income Separate Account	2.00	270
Principal Inflation Protection Separate Account	2.00	270
Principal International Emerging Markets Separate Account	2.00	270
Principal International Equity Index Separate Account	2.00	270
Principal International Growth Separate Account	2.00	270
Principal International I Separate Account	2.00	270
Principal International SmallCap Separate Account	2.00	270
Principal International Value I Separate Account	2.00	270
Principal LargeCap Blend II Separate Account	2.00	270
Principal LargeCap Growth Separate Account	2.00	270
Principal LargeCap Growth I Separate Account	2.00	270
Principal LargeCap Growth II Separate Account	2.00	270
Principal LargeCap S&P 500 Index Separate Account	2.00	270
Principal LargeCap Value Separate Account	2.00	270
Principal LargeCap Value I Separate Account	2.00	270
Principal LargeCap Value III Separate Account	2.00	270
Principal MidCap Blend Separate Account	2.00	270
Principal MidCap Growth Separate Account	2.00	270
Principal MidCap Growth III Separate Account	2.00	270
Principal MidCap S&P 400 Index Separate Account	2.00	270
Principal MidCap Value I Separate Account	2.00	270

Separate Account	Maximum Annual Management Fee Percentage	Maximum Number of Days Allowed to Defer Transfers or Payments
Principal MidCap Value III Separate Account	2.00	270
Principal Money Market Separate Account	2.00	90
Principal Preferred Securities Separate Account	2.00	270
Principal Real Estate Securities Separate Account	2.00	270
Principal Short-Term Income Separate Account	2.00	270
Principal SmallCap Blend Separate Account	2.00	270
Principal SmallCap Growth Separate Account	2.00	270
Principal SmallCap Growth I Separate Account	2.00	270
Principal SmallCap Growth II Separate Account	2.00	270
Principal SmallCap S&P 600 Index Separate Account	2.00	270
Principal SmallCap Value Separate Account	2.00	270
Principal SmallCap Value II Separate Account	2.00	270
Principal U.S. Property Separate Account	None	Three (3) years
Principal Ultra Long Bond Separate Account	2.00	270