

**AMENDMENT TO COMPLY WITH  
THE PENSION PROTECTION ACT OF 2006**

This amendment of the Plan is adopted to comply with the requirements of the Pension Protection Act of 2006 and the technical corrections to the Pension Protection Act of 2006 in accordance with the Worker, Retiree, and Employer Recovery Act of 2008. This amendment is to be construed in accordance with such regulations. This amendment shall continue to apply to the Plan, including the Plan as later amended, until such provisions are integrated into the Plan or the provisions of this amendment are specifically amended.

This amendment shall supersede any previous amendment and the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this amendment.

**RETIREMENT PLAN FOR EMPLOYEES OF CITY OF JONESBORO, ARKANSAS**

The Plan named above gives the undersigned the right to amend it at any time. According to that right, the Plan is amended as follows:

Effective as of January 1, 2007, by adding to the DEFINITIONS SECTION of Article I, the following definition:

Designated Beneficiary means the individual who is designated by the Participant (or the Participant's surviving spouse) as the Beneficiary of the Participant's interest under the Plan and who is the designated beneficiary under Code Section 401(a)(9) and section 1.401(a)(9)-4 of the regulations.

Effective as of January 1, 2008, by striking the definition of Eligible Retirement Plan in the DEFINITIONS SECTION of Article I and substituting in lieu thereof the following:

Eligible Retirement Plan means an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan, an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), for taxable years beginning on or after January 1, 2008, an individual retirement plan described in Code Section 408A(b) subject to any limitations described in Code Section 408A(c), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b), or a qualified plan described in Code Section 401(a), that accepts the Distributee's Eligible Rollover Distribution. The definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is an Alternate Payee under a qualified domestic relations order, as defined in Code Section 414(p).

Effective for distributions made in taxable years beginning on or after January 1, 2007, by striking the definition of Eligible Rollover Distribution in the DEFINITIONS SECTION of Article I and substituting in lieu thereof the following:

Eligible Rollover Distribution means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's Designated Beneficiary, or for a specified period of ten years or more; (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); (iii) the portion of any other distribution(s) that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and (iv) any other distribution(s) that is reasonably expected to total less than \$200 during a year.

A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only to (i) an individual retirement account or individual retirement annuity described in Code Section 408(a) or (b); (ii) for taxable years beginning on or after January 1, 2007, a qualified plan (defined contribution or defined benefit) or an annuity contract described in Code Section 403(b) that agrees to separately account for amounts so transferred including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible; or (iii) for taxable years beginning on or after January 1, 2008, an individual retirement plan described in Code Section 408A(b) (subject to any limitations described in Code Section 408A(c)) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

Effective for Limitation Years beginning on or after July 1, 2007, by striking (a)(2) under the definition of Annual Benefit in the BENEFIT LIMITATION SECTION of Article IV and substituting in lieu thereof the following:

- (2) Benefit Forms Subject to Code Section 417(e)(3): The Straight Life Annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this (2) if the form of the Participant's benefit is other than a benefit form described in (1) above. In this case, the actuarially equivalent Straight Life Annuity shall be determined as follows:
  - (i) Annuity Starting Date in Plan Years Beginning After 2005. If the Annuity Starting Date of the Participant's form of benefit is in a Plan Year beginning after 2005, the actuarially equivalent Straight Life Annuity is equal to the greatest of:
    - A. the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form;

- B. the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a 5.5 percent interest rate assumption and the Applicable Mortality Table; and
- C. the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the Applicable Interest Rate and the Applicable Mortality Table, divided by 1.05.

However, for an Employer that is an eligible employer as defined in Code Section 408(p)(2)(C)(i), the actuarially equivalent Straight Life Annuity is equal to the greater of A. or B. above.

(ii) Annuity Starting Date in Plan Years Beginning In 2004 and 2005. If the Annuity Starting Date of the Participant's form of benefit is in a Plan Year beginning in 2004 or 2005, the actuarially equivalent Straight Life Annuity is equal to the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount:

- A. the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and
- B. a 5.5 percent interest rate assumption and the Applicable Mortality Table.

If the Annuity Starting Date of the Participant's benefit is on or after the first day of the first Plan Year beginning in 2004 and before December 31, 2004, the application of this (2)(ii) shall not cause the amount payable under the Participant's form of benefit to be less than the benefit calculated under the Plan taking into account the limitations of this section, except that the actuarially equivalent Straight Life Annuity is equal to the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greatest annual amount:

- C. the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form;
- D. the Applicable Interest Rate and the Applicable Mortality Table; and
- E. the Applicable Interest Rate (as in effect on the last day of the last Plan Year beginning before January 1, 2004, under the provisions of the Plan then adopted and in effect) and the Applicable Mortality Table.

Effective as of January 1, 2007, by adding to the end of the first paragraph in the DIRECT ROLLOVERS SECTION of Article X the following:

For distributions made after December 31, 2006 (or the effective date above, if later), a Designated Beneficiary of a Participant who is not the surviving spouse of the Participant may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of a distribution, that would be an Eligible Rollover Distribution if the Designated Beneficiary were a Distributee, paid in a Direct Rollover to an individual retirement plan described in Code Section 402(c)(8)(B)(i) or (ii) established for the purposes of receiving the distribution on behalf of the Designated Beneficiary. If such Direct Rollover is made: (i) such Direct Rollover shall be treated as an Eligible Rollover Distribution; (ii) the individual retirement plan shall be treated as an inherited individual retirement account or individual retirement annuity (within the meaning of Code Section 408(d)(3)(C)); and (iii) Code Section 401(a)(9)(B) (other than clause (iv) thereof) shall apply to such plan. For this purpose, certain trusts shall be treated as a Designated Beneficiary as provided in Code Section 402(c)(11)(B).

This amendment is made an integral part of the aforesaid Plan and is controlling over the terms of said Plan with respect to the particular items addressed expressly therein. All other provisions of the Plan remain unchanged and controlling.

Unless otherwise stated on any page of this amendment, eligibility for benefits and the amount of any benefits payable to or on behalf of an individual who is an Inactive Participant on the effective date(s) stated above, shall be determined according to the provisions of the aforesaid Plan as in effect on the day before he became an Inactive Participant.

Signing this amendment, the undersigned, as plan sponsor, has made the decision to adopt this plan amendment. The undersigned is acting in reliance on their own discretion and on the legal and tax advice of their own advisors, and not that of any member of the Principal Financial Group or any representative of a member company of the Principal Financial Group.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

For the Employer

By: \_\_\_\_\_

\_\_\_\_\_  
Title