



Hunt Institute for Botanical Documentation
5th Floor, Hunt Library
Carnegie Mellon University
4909 Frew Street
Pittsburgh, PA 15213-3890
Telephone: 412-268-2434
Email: huntinst@andrew.cmu.edu
Web site: www.huntbotanical.org

The Hunt Institute is committed to making its collections accessible for research. We are pleased to offer this digitized item.

Usage guidelines

We have provided this low-resolution, digitized version for research purposes. To inquire about publishing any images from this item, please contact the Institute.

Statement on harmful and offensive content

The Hunt Institute Archives contains hundreds of thousands of pages of historical content, writing and images, created by thousands of individuals connected to the botanical sciences. Due to the wide range of time and social context in which these materials were created, some of the collections contain material that reflect outdated, biased, offensive and possibly violent views, opinions and actions. The Hunt Institute for Botanical Documentation does not endorse the views expressed in these materials, which are inconsistent with our dedication to creating an inclusive, accessible and anti-discriminatory research environment. Archival records are historical documents, and the Hunt Institute keeps such records unaltered to maintain their integrity and to foster accountability for the actions and views of the collections' creators.

Many of the historical collections in the Hunt Institute Archives contain personal correspondence, notes, recollections and opinions, which may contain language, ideas or stereotypes that are offensive or harmful to others. These collections are maintained as records of the individuals involved and do not reflect the views or values of the Hunt Institute for Botanical Documentation or those of Carnegie Mellon University.

About the Institute

The Hunt Institute for Botanical Documentation, a research division of Carnegie Mellon University, specializes in the history of botany and all aspects of plant science and serves the international scientific community through research and documentation. To this end, the Institute acquires and maintains authoritative collections of books, plant images, manuscripts, portraits and data files, and provides publications and other modes of information service. The Institute meets the reference needs of botanists, biologists, historians, conservationists, librarians, bibliographers and the public at large, especially those concerned with any aspect of the North American flora.

Hunt Institute was dedicated in 1961 as the Rachel McMasters Miller Hunt Botanical Library, an international center for bibliographical research and service in the interests of botany and horticulture, as well as a center for the study of all aspects of the history of the plant sciences. By 1971 the Library's activities had so diversified that the name was changed to Hunt Institute for Botanical Documentation. Growth in collections and research projects led to the establishment of four programmatic departments: Archives, Art, Bibliography and the Library.

May 21, 1982

MEMORANDUM

EAP RETIREMENT FUND
BANK OF BOSTON TRUST COMPANY, LTD. (BAHAMAS)

Spoke this morning to Mr. J. Richard Evans of the above bank, with respect to the Retirement Fund of which they are custodian and investment advisor.

Investment decisions are made in London or Geneva, and the Bahamas institution is actually only the custodian for the account. The investment department is headed by Mr. Steven Schaeffer but investments for our particular fund are made by Mr. Rudi Jegge in Geneva. I asked Evans to ask either Mr. Schaeffer or Mr. Jegge to notify us the next time they are in the U.S. so that we might have a meeting to become acquainted. They are in Boston "once or twice a year" he said.

A summary of the portfolio is attached. The make-up of this fund is very dissimilar to our Endowment Fund or to many of the pension funds I have seen. Nearly 1/3 of the fund is in fixed-income bonds; about 50% is in liquid cash equivalents, and approximately 13% in equities, but about 85% of the equities are foreign companies and the securities are actually denominated in those currencies (yen, pound sterling and Australian dollar).

A small amount of the portfolio is in gold. This seems inappropriate to me since there is no income from gold, and its volatility makes it somewhat unsuitable for a pension fund. The amount is small, but if they have bought gold, they may buy more, and we may wish to instruct them to move from this position.

The bank makes only quarterly reports of transactions in the account, as well as quarterly valuations. Mr. Evans is sending me copies of the March evaluation and will send copies henceforth. I told him he could expect to have some investment objectives in the near future and this is a matter which we will want to take up at our next portfolio committee meeting.

G. B. Wright

MEMORANDUM

TO: Mr. Thomas Mooney
Dr. Wayne Reitz
Mr. Charles Wheeler

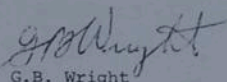
RE: EAP Endowment Portfolio

DATE: August 6, 1981

The attached letter relates to the transfer of \$512,000 to establish the off-shore retirement trust for employees of Escuela Agricola Panamericana.

Mr. Ashley has advised that the investment management of the fund will be the responsibility of the Bank of Boston Trust Company (Bahamas) Ltd. and that it will be completely separate from the Endowment Fund Portfolio.

The above for your information.


G.B. Wright

3561

cc: Austin Ashley
John G. Smith

JOHN M. BLEWER, INC.
INVESTMENT COUNSEL
105 EAST 80th STREET
NEW YORK, NEW YORK 10021
(212) 744-9330

JOHN M. BLEWER
PRESIDENT
FREDERICK F. NAGLE
VICE PRESIDENT
GRACE G. VELIZ
SECOND VICE PRESIDENT

CONNECTICUT OFFICE

P. O. BOX 1250
MADISON, CONN. 06443
(203) 767-0097
(203) 767-2063

DR DOUGLAS H. BELLEMORE
ECONOMIST

FRANK S. BERALL, ESQ.
GENERAL COUNSEL

July 28, 1981

Austin Ashley, Esq.
Bingham, Dana & Gould
100 Federal Street
35th floor
Boston, MA 02101

Re: Escuela Agricola Pan-Americana Inc.

Dear Austin,

This will confirm that \$512,000 will be sent to

Bank of Boston Trust Company
(Bahamas) Ltd.
"Pension Fund Trust"
Telex #20189

Treasury Bills in excess of this figure mature August 27, 1981.
The whole sum will be sent then, if not before.

All best regards ever,

Sincerely yours,

JMB/emp

John M. Blewer

cc: Mr. G. Burke Wright

Pension Fund file

March 16, 1982

J. Richard Evans, Vice President and Secretary
Bank of Boston Trust Company (Bahamas) Ltd.
Post Office Box N4294
Nassah, N.P. Bahamas

Dear Mr. Evans:

This refers to your two letters of November 13, 1981, addressed to Mr. Monte C. Dixon, Comptroller of Escuela Agricola Panamericana, concerning the Pension Trust Fund of Escuela.

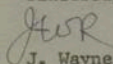
Copies of these letters were referred to the Executive Committee of the School which met in Gainesville on February 19, 1982. It was agreed at that committee meeting that the Executive Committee would keep in touch with you concerning investment policy of the fund and would report to the full Board of Trustees at its annual meeting. The Chairman of the Portfolio Committee is Mr. G. Burke Wright, United Brands Company, 1271 Avenue of the Americas, New York, NY 10020.

At the Executive Committee meeting on February 19, Mr. Wright recommended that the investment objective for 1982 of the pension fund should be to provide sufficient income to cover current estimated pension payments for the year and, beyond that strategy, to invest in such a way as to maintain or increase the real capital of the fund to protect against inflation. This was unanimously approved by the Executive Committee.

While the above mentioned committee is concerned with investment policy, the Pension Fund Committee of the school is chaired by Mr. Mario Nufio, Director Proyecto Ganadero BIRF-RO, Banco Central de Honduras, Edif Condominio 5th Piso, Tegucigalpa, Honduras. Other members of the committee are Dr. Simon Malo, Director of the School, Mr. Monte Dixon, Comptroller, Mr. Austin Ashley, Treasurer. This committee is charged with the responsibility of keeping the administration of the pension plan under review and of ascertaining from time to time the annual expenditures required from an actuarial standpoint. Regarding the latter, it is my understanding that the amount required for his year is approximately \$30,000. Mr. Monte Dixon can apprise you of the exact amount required.

It is my suggestion, therefore, that if you have questions regarding investment policy you should write Mr. G. Burke Wright, and if it has to do with the administration of the fund from the standpoint of expenditures and other details, Chairman Mario Nufio is your contact until further notification.

Sincerely,



J. Wayne Reitz, Secretary

cc: G. Burke Wright
Mario Nufio



BANK OF BOSTON TRUST COMPANY (*Bahamas*) LIMITED

November 13, 1981.

Mr. Monte C. Dixon,
Comptroller,
Escuela Agrícola Pan
Americana,
Apartado 93,
Tegucigalpa,
HONDURAS.

Dear Mr. Dixon:

Re: School Pension Trust

We enclose our investment review together with Statements of cash transactions and market valuations of the securities held in the Trust and you will see that as at September 30, the total market value amounted to almost US\$597,000.

As you may know, I have recently succeeded Mr. Joseph W. Hinckley with responsibility for the Trust Department here in Nassau, and so I thought this would be an opportune time to write to introduce myself.

I have reviewed the file for the Trust, but am really uncertain of your mailing address for the type of information we have now enclosed. In these circumstances, we have taken the precaution of having this sent to you from Boston and I would like to know if you wish us to continue this practice or whether we should communicate directly.

At the present time, the funds are being invested with complete discretion on our part without any guidelines from you and we could of course continue on this basis, but I think it would be helpful if you could let us know

.../2

BANK OF BOSTON TRUST COMPANY (*Bankers*) LIMITED

Mr. Monte C. Dixon

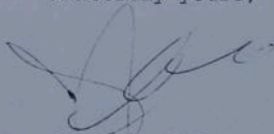
- 2 -

November 13, 1981.

whether you have any particular investment goals
which I could pass along to the investment officer.
With a Trust of this nature, obviously preservation
of capital and income are of paramount importance, but I
would appreciate any comments you might have in this
regard.

With best wishes.

Sincerely yours,

A handwritten signature in dark ink, appearing to be 'J. Richard Evans', with a stylized, looping flourish at the end.

J. Richard Evans,
Vice President & Secretary

JRE/om



BANK OF BOSTON TRUST COMPANY (*Bahamas*) LIMITED

November 13, 1981.

Mr. Monte C. Dixon,
Comptroller,
Escuela Agrícola Pan
Americana,
Apartado 93,
Tegucigalpa,
HONDURAS.

Dear Mr. Dixon:

Re: ESCUELA AGRICOLA PAN AMERICANA, INC.

I am pleased to enclose the Statement and Market Value List for the above-captioned account covering the period beginning July 1, 1981 and ending September 30, 1981.

By way of investment comment, world markets have been heavily influenced by fears of President Reagan's inability to balance the United States budget during his term of office. Failure to achieve a balanced budget has direct implications for the size of the United States Government funding requirement and hence the level of not only United States, but also world interest rates. Interest rates, themselves, will be a dominant factor in foreign exchange markets and a major element in the future flow of corporate earnings. We believe that difficulties will be experienced in balancing the United States budget and that the general economic and political environment throughout the world justify a conservative posture at present. This means that we shall be reluctant to reduce current liquidity levels and will continue to favour the U.S. Dollar with emphasis on short term instruments.

.../2

BANK OF BOSTON TRUST COMPANY (*Bankers*) LIMITED

Mr. Monte C. Dixon

- 2 -

November 13, 1981.

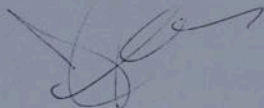
Movements in the major markets for the year ended September 30, 1981 are well illustrated by the following indices:

Standard and Poors 500	-	7.41%
Capital International Equity (Europe, Australia, Far East)	-	12.83%

Salomon Brothers world bond index declined by 11.1% in the nine months to September 30, 1981.

Would you kindly acknowledge receipt of these Statements by signing, dating and returning the attached copy of this letter. We hope that you will take the time to review your Statements and not hesitate to let us know any comments or questions you might have regarding this report.

Sincerely yours,



J. Richard Evans,
Vice President & Secretary

JRE/om

Encls.



ESCUELA AGRICOLA PANAMERICANA

APARTADO 93
TEGUCIGALPA, HONDURAS

March 12, 1982

Dr. J. Wayne Reitz, Secretary
Escuela Agrícola Panamericana
Post Office Box 14425
Gainesville, Florida 32604

Dear Dr. Reitz:

In response to your letter of March 2nd., Dr. Malo asked me to send you a listing of retired members showing monthly pensions and the total amount that will be paid from the Retirement and Pension Fund during 1982, which I attach hereto for your review.

The figures shown are in Lempiras, but it may be noted that the total pensions chargeable to the Fund will amount to \$8,613.78 for the year, which is somewhat less than the \$30,000.00 mentioned in your letter.

In addition to the above, each retiree is entitled to receive a monthly advance against his Death benefit equal to one one-hundred twentieth ($1/120$) of his annual salary in effect at the time of retirement for nine years, the cost of which is charged to the School's Operating budget, and will total \$2,330.94 for the year 1982.

Voluntary withdrawals or refunds of contributions because of termination of employment have not been estimated.

Sincerely yours,

Monte C. Dixon
Comptroller

Attachment

cc: Dr. Simon E. Malo
Mr. John G. Smith



ESCUELA AGRICOLA PANAMERICANA

APARTADO POSTAL 93
TEGUCIGALPA, HONDURAS

Mes de _____

DETALLE DE PAGOS POR PENSIONES DE RETIRO & BENEFICIOS MORTUORIOS
DE EX-EMPLEADOS DE LA ESCUELA AGRICOLA PANAMERICANA, INC.--

<u>No.</u>	<u>Nombres .--</u>		<u>Ayuda & Benef.Mort.</u>	<u>Pensión de Retiro</u>	<u>TOTAL</u>
1	DIEGO MARADIAGA	Lps.	18.00	50.00	68.00
2	RAMIRO QUINTANILLA		20.00	30.00	50.00
3	ANTONIO ACOSTA DIAZ		39.00	65.45	104.45
4	MANUEL VALLE GARCIA		59.59	226.58	286.17
5	AGUSTIN SALINAS		76.55	302.22	378.77
6	JULIO PINEDA R.		175.35	632.88	808.23
7	LOUIS O. WILLIAMS (\$ 64.25)		—	128.50	128.50
Totales.-- LPS.			<u>388.49</u>	<u>1,435.63</u>	<u>1,824.12</u>

DISTRIBUCION

6. CUENTAS DE COSTES

6210-2		388.49
63299-2	175.35	
6800-8	195.14	
	<u>18.00</u>	

1. CUENTAS POR RECIBIR

12. Col.p' Plan de Jubilación	<u>1,435.63</u>	<u>1,435.63</u>
	Lps.	<u><u>1,824.12</u></u>

Correcto _____

MEMO FROM

AUSTIN S. ASHLEY

18 August, 1981

To The Members of the
Executive Committee

Re: EAP Retirement Plan

Enclosed herewith is the final and
corrected version of EAP's restated Re-
tirement Plan.

All other copies you have should be
destroyed.



A.S.A.

Enclosure

RETIREMENT AND DEATH BENEFIT PLAN
FOR EMPLOYEES OF
ESCUELA AGRICOLA PAN-AMERICANA, INC.

ARTICLE I

Interpretation

Section 1.01. Definitions. As used herein, the following words and phrases shall have the respective meanings specified for them below unless a different meaning is clearly required by the context:

"Actuarial Equivalent": An amount of equal value when computed at such rate of interest and on the basis of such mortality and other tables as shall be adopted by the Retirement Committee for the purposes of the Plan.

"Beneficiary": The person designated a Member pursuant to the provisions of Section 2.03 hereof, or any other person or persons entitled to receive benefits under this Plan in the event of a Member's death.

"Board": The Board of Trustees of the School.

"Contribution": The amount required to be contributed to the Trust Fund each year by a Member pursuant to Section 2.04 hereof.

"Creditable Salary": Salary earned by an Employee during any period in which he is a Member of the Plan, but not exceeding \$20,000 in any one calendar year.

"Credited Service": The number of years of continuous employment by the School (with each completed month being counted as 1/12 year) between the date on which an Employee last became a Member of the Plan pursuant to Section 2.02 hereof and the date of his Retirement or the date on which his employment ended, whichever first occurs; provided, however, that Credited Service shall not include any period during which an Employee made Contributions which were later repaid to him pursuant to Section 2.05 hereof, nor shall it include service after his 65th birthday.

"Death Benefit": The benefit provided for in Article IV hereof.

"Deferred Retirement Date": The first day of the first calendar month following the date on which a Member's employment by the School ends after his Normal Retirement Date.

"Disability Retirement Date": The first day of the first calendar month following the date on which a Member's employment by the School ends after he has (a) become totally and permanently disabled as determined by the Retirement Committee upon the advice of a qualified physician, (b) attained the age of 55 years and (c) completed 10 years of Credited Service.

"Early Retirement Date": The first day of any calendar month after a Member's 55th birthday.

"Employee": Any person regularly employed by the School who is scheduled to receive a Salary at an annual rate of not less than \$600, but excluding anyone employed on a part-time, occasional, casual, temporary, seasonal, retainer or consulting basis or whose remuneration is calculated on an hourly basis or as a fee under a contract.

"Final Average Salary": The arithmetical average of a Member's Salary for the 60 consecutive calendar months prior to the date on which his Final Average Salary is being determined.

"Final Average Social Security Earnings": The arithmetical average of a Member's Social Security Earnings for the 60 consecutive calendar months prior to the date on which Final Average Salary is being determined.

"Interest": Interest at the rate of 3% per annum compounded annually.

"Member": Any Employee who is making Contributions to the Plan or a retired former Employee who is receiving benefits under the Plan.

"Normal Retirement Date": The first day of the first calendar month following a Member's 65th birthday.

"Plan": The Retirement and Death Benefit Plan for Employees of Escuela Agrícola Pan-Americana, Inc., as set forth herein and as it may be amended and in effect from time to time.

"Retirement": Termination of the full-time employment of a Member by the School on or after an Earlier Retirement Date, a Normal Retirement Date, a Deferred Retirement Date or a Disability Retirement Date, as the case may be.

"Retirement Committee": The Retirement Committee provided for in Section 7.01 hereof.

"Salary": The regular fixed cash remuneration paid by the School to an Employee for any period.

"Salary Continuation Benefit": The benefit provided for in Section 3.05 hereof.

"School": Escuela Agricola Pan-Americana, Inc., a not-for-profit corporation organized under the laws of the State of Delaware in the United States and any successor in ownership to all or substantially all of its assets.

"Social Benefit": The amount of retirement benefit payable in the normal form described in Section 3.01 hereof which, under the actuarial tables adopted by the Retirement Committee, would be provided by the aggregate value of all severance pay, unemployment benefits, pension and other benefits (exclusive of social security benefits under Federal Insurance Contributions Act of the United States) which the School is required to pay, either directly or indirectly, through taxation, insurance or otherwise on account of the Member's retirement, death, disability or termination of employment or other change in employment status, whether such payment is required before, upon or after the date of the Member's retirement or change in status. The determination of a Member's Social Benefit shall be made at the time of his Retirement and without regard to whether or not, in the case of early Retirement, he elects to postpone the commencement of the receipt of retirement benefits until his Normal Retirement Date.

"Social Security Earnings": The amount of a Member's remuneration in any calendar year which is subject to withholding of the employee tax imposed by the Federal Insurance Contributions Act of the United States, as amended (Section 3201 of Title 26 of the United States Code).

"Trust Deed": Any trust deed executed by the School with the Trustee, as contemplated by Section 6.01 hereof, as amended and in force from time to time.

"Trust Estate": The property from time to time held in trust by the Trustee pursuant to the Trust Deed for the exclusive benefit of Members and their Beneficiaries.

"Trustee": The banking institution, trust company or other person which is, or the other persons which are, at a particular time, the trustee or trustees of the Trust Deed.

"United States": The United States of America.

Whenever used in the Plan, words importing the masculine gender shall be deemed to refer to females as well as males unless the context indicates otherwise. "Child" and "Children" include legally adopted children and the "issue" of a particular parent includes the issue of an adopted child.

Section 1.02. Governing Law. The Plan shall be governed by and construed, administered and enforced in accordance with the law of the Commonwealth of Massachusetts and, to the extent applicable, the laws of the United States America.

ARTICLE II

Membership in the Plan

Section 2.01. Eligibility. Each Employee shall be eligible to become a Member on the first day of January or July next following the last to occur of (a) his 35th birthday or (b) the date of his becoming an Employee, provided he has not then attained age 60.

Section 2.02. Application. An Employee who has become eligible and desires to become a Member must sign an application for membership on a form prescribed by the Retirement Committee, indicating his acceptance of the terms of the Plan and authorizing the School to make deductions from his Salary to cover the Contributions required of him.

Section 2.03. Designation of Beneficiary. In his application for membership in the Plan, an Employee shall have the right (and shall be expected) to designate a Beneficiary who in the event of the Employee's death shall be entitled to receive any payment to which he would have been entitled if living. If a Member fails to designate a Beneficiary or, if the designated Beneficiary predeceases the Member, then any benefit to which the Member would have been entitled if living at the date of payment shall be paid instead

(a) to his widow, if living, or

(b) if there is no widow, to his children in equal shares, with the issue of a deceased child taking the parent's share per stirpes, or

(c) if there is no widow and no child or issue of a deceased child then living, to his parents in equal shares or, if only one of them is living, to such one, or

(d) if there is no widow, no child, no issue of a deceased child and no parent then living, to his brothers and sisters in equal shares, with the issue of a deceased brother or sister taking the parent's share per stirpes, or

(e) if there is no widow, no child, no issue of a deceased child, no parent and no brother or sister then living, to his executor or administrator or to whomsoever else may at the time be entitled to his personal property.

Section 2.04. Contributions by Members. Beginning in the year 1981, each Member of the Plan shall contribute to the Trust Estate annually an amount equal to the sum of

(x) two per cent (2%) of his Social Security Earnings, if any, for the preceding calendar year and

(y) four per cent (4%) of the excess of his Creditable Salary for such year over his Social Security Earnings, if any, for such year.

The amount of a Member's required Contribution for any year shall be deducted from his Salary in monthly installments and transmitted by the School to the Trustee for credit to such Member's account. For the purpose of determining the required amount of a Member's Contribution for any year, his Salary shall be deemed to continue throughout at the annual rate which was in effect on January 1 of that year, except that in the case of an Employee who becomes a Member of the Plan on July 1 in a particular year, his Salary for the rest of that year shall be deemed to continue at the annual rate which was in effect on July 1. No Contributions shall be required of a Member with respect to any period after his Retirement or during which he is on leave of absence without pay. A Member on leave of absence with pay shall continue to make Contributions unless the Retirement Committee shall have agreed otherwise. A Member cannot borrow against his Contributions.

Section 2.05. Termination of Membership and Repayment of Contributions. An Employee who wishes to terminate his membership in the Plan before Retirement may make a written application to the Retirement Committee, setting forth his reasons therefor, and if the Retirement Committee considers such reasons to be adequate, it may allow the Employee to withdraw from the Plan. If an Employee is allowed to withdraw from the Plan, he will be repaid the aggregate amount of the Contributions standing to his credit on the books of the Trust Estate together with Interest thereon from the respective dates on which the several Contributions were deducted from his Salary to the end of the calendar month preceding the date of repayment, reduced, however, by any amount then owing by him to the School.

Section 2.06. New Membership of Former Members. An Employee who was formerly a Member of the Plan, but was allowed to withdraw therefrom pursuant to Section 2.05 hereof, and who has not passed his 60th birthday may apply to the Retirement Committee to again become a Member with effect from the January 1 or July 1 next following the acceptance of his application, but in such event he shall be considered to be, for all purposes of the Plan, a new Employee with no previous Credited Service.

Section 2.07. Leave of Absence. An Employee shall not be deemed to have terminated his employment with the School by taking a leave of absence, whether with or without pay, for a purpose such as military service, government service, illness, pregnancy, childbirth, training, study or research, provided that the Employee returns to the service of the School (a)

from military service within such period that his rights of re-employment are protected by law or (b) from any other leave of absence upon the expiration thereof. All Employees shall be treated alike under similar circumstances. The period of a leave of absence shall not be included in the calculation of Credited Service unless

(a) he received full or partial Salary during the entire period of such leave of absence, or

(b) his leave of absence with payment of Salary did not extend beyond three calendar months, or

(c) his leave of absence was for service with the government of the Republic of Honduras or of the United States or an agency of either government, or

(d) he was in the armed forces of the government of the Republic of Honduras or of the United States. An Employee may be deemed to be on leave of absence for service with the government of the Republic of Honduras or of the United States notwithstanding his submission of a resignation.

ARTICLE III

Retirement and Retirement Benefits

Section 3.01. Normal Retirement and Normal Retirement Benefit. A Member shall retire not later than his Normal Retirement Date unless the Board of Trustees request him to remain in the employment of the School from year to year thereafter. A Member whose Retirement is at or after his Normal Retirement Date shall be entitled to a Normal Retirement Benefit. The Normal Retirement Benefit shall be payable to a Member monthly beginning on the first day of the calendar month following his Retirement and terminating with the month in which his death occurs.

(a) For each retiring Member or retired former Member except anyone who on 1 January, 1971, had reached Normal Retirement Age or was then retired, an amount equal to one twelfth (1/12) of the greatest of the three following amounts:

(i) the amount obtained by multiplying the (x) sum of

(A) one and one fourth percent (1.25%) of his Final Average Social Security Earnings, if any

plus

(B) one and three-fourths percent (1.75%) of the excess of his Final Average Salary over his Final Average Social Security Earnings, if any,

by (y) his Credited Service;

(ii) the amount of the single-premium single-life annuity payable monthly which, under actuarial tables adopted by the Retirement Committee, could be provided for the Member by 110% of the aggregate amount of his Contributions plus Interest thereon to his Normal Retirement Date,

and

(iii) \$600 less the amount of Social Benefits to which such Member is entitled.

(b) For each Member who was retired on 1 January, 1971, or had had then reached age 65, the amount of the Normal Retirement Benefit provided under the School's Retirement and Death Benefit Plan as in effect from time to time prior to 1 January, 1971, and applicable to such Employee.

Section 3.02. Early Retirement Benefit. A Member who has completed at least 10 full years of Credited Service may, with the consent of the Retirement Committee, elect an Early Retirement Date in which case he shall be entitled to receive an Early Retirement Benefit which shall be payable to the Member monthly beginning on the date of his Retirement or, at the Member's option, on the first day of any calendar month thereafter up to and including his Normal Retirement Date and terminating with the month in which his death occurs. The Early Retirement Benefit shall be 1/12 of the amount of the Normal Retirement Benefit for the Member calculated at the Early Retirement Date and then reduced by three tenths of one per cent (3/10 of 1%) for each month by which his Early Retirement Date precedes his Normal Retirement Date.

Section 3.03. Deferred Retirement Benefit. An Employee who at the request of the Board of Trustees remains in the employment of the School after his Normal Retirement Date may elect to defer the receipt of retirement benefits under the Plan until his employment has terminated. A Member whose Retirement occurs after his Normal Retirement Date shall be entitled to the same monthly retirement benefits as he would have received had he retired on his Normal Retirement Date, beginning on the first day of the calendar month following his Retirement and terminating with the month in which his death occurs.

Section 3.04. Disability Retirement Benefit. A Member whose Retirement is at his Disability Retirement Date shall be entitled to a Disability Retirement Benefit payable monthly commencing at his option (a) on the date of his Retirement or (b) on the first day of any calendar month thereafter and terminating with the month in which his death occurs, in an amount, subject to

reduction as hereinafter provided, equal to his Normal Retirement Benefit based upon Credited Service to his Disability Retirement Date. The amount of a Member's Disability Retirement Benefit shall be reduced to take into account any payments or other compensation to which such disabled Member may be entitled from the School. A Member receiving Disability Retirement Benefits shall be deemed to have agreed to submit, until he attains age 65 but not more than once in any calendar year nor less than 9 months since the previous occasion, to a medical examination at the School's expense by a physician engaged by the School. Such examination shall take place at the disabled Member's residence or at a place reasonably convenient to him. The Member may have his own physician in attendance at the examination, if he wishes. If the Member refuses to be examined or if, on the basis of the report made to it by the physician, the Retirement Committee determines that the Member is no longer totally and permanently disabled, the amount of his monthly retirement benefit shall be reduced, beginning on the first day of the first calendar month following the date of such determination, to the amount to which he would be entitled had he elected an Early Retirement Date coinciding with the date of his Retirement. Notwithstanding anything hereinbefore to the contrary, no disabled Member shall be entitled to a Disability Retirement Benefit if, in the judgment of the Retirement Committee, his disability resulted from a self-inflicted injury, over-indulgence in narcotic substances or a criminal act on his part.

Section 3.05. Salary Continuation Benefit. In addition to the other retirement benefits provided by the Plan, each retired Member shall be entitled to a monthly Salary Continuation Benefit in an amount equal to one one-hundred twentieth (1/120) of his annual Salary for one year at the rate in effect on the date of Retirement commencing on the first day of the calendar month following his Retirement and terminating on the ninth anniversary of his Retirement or with the payment for the month in which his death occurs. The cost of the Salary Continuation Benefit shall be borne entirely by the School. If upon or during the Retirement of any Member, the School is required, under the laws of the Republic of Honduras, to pay to or for the account of a retired Member any severance pay, unemployment benefit, pension or other social benefit, the Retirement Committee may direct the Trustee to deduct the amount, or the fair value thereof, as estimated by the Retirement Committee, from the amount of the Salary Continuation Benefit which would otherwise be payable to him.

Section 3.06. Benefits for Certain Persons Governed By the Plan As in Effect Prior to 1 January, 1971. Each person who, having been an Employee, had retired before 1 January, 1971, or being an Employee, had reached age 65 before that date and the Beneficiaries of each such person shall be entitled to receive only those retirement and other benefits, if any, to which they are or may become entitled under the terms of the School's Retirement and Death Benefit Plan as in effect from time to time prior to 1 January, 1971, and applicable to such person or to his Beneficiaries, as the case may be.

ARTICLE IV

Death Benefit and Refund of Contributions on Death

Section 4.01. Death Before Retirement. If a Member dies before Retirement, his Beneficiary shall be entitled to receive, subject to the provisions of Section 4.04 hereof, to a Death Benefit, payable as a lump sum, in an amount equal to his Salary for one year at the annual rate in effect on the date of his death. In addition to the Death Benefit, such Member's Beneficiary shall be entitled to receive an amount, payable as a lump sum, equal to the Contributions credited to his account on the books of the Trustee at the date of death, together with Interest thereon to the end of the month preceding that in which his death occurred, reduced, however, by any amount owing by him to the School at the date of his death and not repaid prior to the distribution by the Trustee pursuant to this Section.

Section 4.02. Death After Retirement. If a Member dies after Retirement, his Beneficiary shall be entitled to receive, subject to the provisions of Section 4.04 hereof, a Death Benefit payable as a lump sum in an amount equal to his Salary for one year at the annual rate in effect at his Retirement, reduced by the total of all the payments made to him pursuant to Section 3.05 hereof. In addition to the Death Benefit, such Member's Beneficiary shall be entitled to receive an amount, payable as a lump sum, equal to the amount, if any, by which the sum of Contributions credited to his account on the books of the Trustee at the date of death together with Interest thereon to the end of the calendar month preceding that date, exceeds the sum of (x) the total amount of all retirement benefits paid to him and (y) any amount owing by him to the School at the date of his death and not repaid prior to the distribution by the Trustee pursuant to this Section.

Section 4.03. Costs of Death Benefits. The costs of the Death Benefits provided under this Article IV shall be borne entirely by the School.

Section 4.04. Set-off, etc. Against Death Benefit. If the death of a Member gives rise to any claims against the School or against any insurer of liabilities of the School, the Committee may direct the Trustee to delay the payment of the Death Benefit until all such claims have been settled and the amount paid by the School in settlement thereof may be deducted from the amount of the Death Benefit otherwise payable to such Member, and no Interest shall accrue thereon during such delay.

ARTICLE V

Termination of Employment Before Retirement

Section 5.01. Prompt Refund of Contributions. If a Member's employment

is terminated before Retirement at his Normal Retirement Date or an Early Retirement Date for any reason other than death or total and permanent disability, he shall be entitled to have repaid to him in a lump sum an amount equal to the total amount of the Contributions credited to his account on the books of the Trustee at the date of such termination, together with Interest thereon to the end of the calendar month preceding that in which such termination occurs, reduced by any amount owing by the Member to the School at the time of repayment.

Section 5.02. Deferred Refund of Contributions, etc. If at the date of a Member's termination of employment for any reason other than death or total and permanent disability he has passed his 45th birthday and has completed at least 10 years of Credited Service, then in lieu of the immediate refund of his Contributions as provided for in Section 4.01 hereof he may elect, by notice to the Retirement Committee on a form prescribed by the Retirement Committee, to leave his Contributions in the Trust Estate in which case he shall be accorded the following rights and none other:

(a) He may upon demand at any time before receiving retirement benefits hereunder upon written application to the Retirement Committee have repaid to him by the Trustee in a lump sum an amount equal to the total amount of the Contributions credited to his account on the books of the Trustee together with Interest thereon to the end of the calendar month preceding that in which repayment is made, reduced by any amount owing by him to the School.

(b) If his Contributions are allowed to remain in the Trust Estate until the date which would have been his Normal Retirement Date under the Plan had he continued in the employment of the School, he will be entitled to receive retirement benefits computed in accordance with Section 3.01 hereof, on the basis of his period of Credited Service to the date of the termination of his employment, payable monthly beginning on the first day of the first calendar month following that in which his 65th birthday occurs and terminating with the month in which his death occurs.

(c) If his Contributions are allowed to remain in the Plan until the date which he could have chosen as an Early Retirement Date had he continued in the employment of the School, he may elect, by written application to the Retirement Committee, to receive reduced retirement benefits computed in accordance with Section 3.02 hereof on the basis of his period of Credited Service to the date of termination of his employment, payable monthly beginning on the first day of the first calendar month following the earliest date which could have been his Early Retirement Date and terminating with the month in which his death occurs.

(d) If, before either receiving repayment of his Contributions or receiving his first payment of retirement benefits, he becomes eligible

to rejoin the Plan by reason of his re-employment by the School or for any other reason, he shall, upon again becoming a Member, continue to be entitled to those credits in respect of Credited Service and Creditable Salary which are attributable to his prior membership and he shall accumulate additional credits in respect of Credited Service and Creditable Salary since rejoining the Plan.

ARTICLE VI

Trust Estate

Section 6.01. The Trust Deed. The School shall enter into a Trust Deed for the administration of the Trust Estate held by the Trustee thereof, which shall be in such form and contain such provisions as the Board of Trustees and the Trustee may deem appropriate including but not by way of limitation, provisions with respect to the investment of the Trust Estate, the powers and authority of the Trustee as to the administration of the Trust Estate, the authority to amend such Trust Deed and to terminate the trust thereunder and to settle the accounts of the Trustee and the Retirement Committee on behalf of all persons having interest in the Trust Estate.

Section 6.02. Contributions by the School. The School shall make contributions to the Trust Estate during each year in such amounts, computed at the rate of interest and on the basis of mortality and other tables then in use by the Retirement Committee, as a firm of independent actuaries selected by the Retirement Committee shall determine to be necessary, when combined with the Members' Contributions and earnings and appreciation of the Trust Estate allocable thereto, to provide the retirement and other benefits payable pursuant to the Plan under the funding method then in effect.

Section 6.03. Trust Estate For Exclusive Benefit of Members and Beneficiaries. All assets of the Plan shall be held in the Trust Estate for the exclusive benefit of the Members and their Beneficiaries under the Plan, and all benefits under the Plan shall be made available therefrom to retired Members and their Beneficiaries under the Plan. No Member or Beneficiary or other person shall have any interest in or right to any of the assets thereof, except as and to the extent expressly provided in the Plan. Neither the School nor any member of the Retirement Committee or the Trustee shall be liable to anyone if the Trust Estate should be insufficient to provide for the payment of all benefits under the Plan. Such benefits are to be payable only from the Trust Estate and only to the extent that such fund shall suffice therefor.

ARTICLE VII

Administration of the Plan

Section 7.01. The Retirement Committee. The Retirement Committee shall

be charged with the general administration of the Plan. The Retirement Committee shall consist of four members appointed from time to time by the Board of Trustees to serve at its pleasure.

Section 7.02. Powers of the Retirement Committee. The Retirement Committee shall have powers necessary to discharge the duties conferred upon it by the Plan and the Trust Deed including, but not by way of limitation, the powers to establish rules not inconsistent with the Plan for the purpose of administering it, to interpret and construe the Plan, to determine all questions of eligibility and status under the Plan, to appoint such agents, and to delegate to such agents such powers as it deems desirable. The decisions of the Retirement Committee shall be final and binding on all persons interested in the Plan and in the Trust Estate.

Section 7.03. Retirement Committee Procedure. A majority of the members of the Retirement Committee, by a vote at a meeting or in writing without a meeting, may take any action which this Plan authorizes or requires the Retirement Committee to take. The Retirement Committee may delegate to any member or members of the Retirement Committee, severally or jointly, the authority to take any action which this Plan authorizes or requires the Retirement Committee to take.

Section 7.04. Discretionary Actions to Be Uniform. Any discretionary actions to be taken under this Plan by the Retirement Committee with respect to the classification of Employees, Contributions or benefits shall be uniform in their nature as applied to all persons similarly situated, and no such action shall be taken which will discriminate in favor of Employees who are shareholders, officers, persons whose principal duties consist of supervising the work of other Employees or highly-compensated Employees.

Section 7.05. Annual Report. The Retirement Committee shall submit annually to the Board of Trustees a report showing in reasonable summary form, the financial position of the Trust Estate and giving a brief account of the operations of the Plan for the past year, and such further information as the Board of Trustees may reasonably require.

Section 7.06. Reliance on Certain Professionals; Immunities. The Retirement Committee shall be entitled to rely upon all tables, valuations, certificates and reports furnished by any independent actuaries selected by the Retirement Committee, upon all certificates and reports made by any firm of public accountants selected by the Retirement Committee, and upon all written opinions rendered by any legal counsel selected by the Retirement Committee, and the members of the Retirement Committee and the School and its Trustees and officers shall be fully protected in respect of any action taken or suffered by them in good faith in reliance upon any such actuaries, accountants or counsel. No member of the Retirement Committee or any agent shall be personally liable to any Employee or any person claiming through an Employee or to the School or the Trustee by reason of his exercise of his discretionary powers hereunder, or for the acts or omissions of any other

member of the Retirement Committee or any agent of the Retirement Committee, or for any loss except a loss resulting from his own gross negligence or willful misconduct.

Section 7.07. Reimbursement of Expenses. The members of the Retirement Committee shall serve without compensation for their services as such. The School will pay or reimburse the Retirement Committee for all expenses reasonably incurred by it and shall jointly indemnify each member thereof against all loss, liability and expense occasioned by any act or omission to act by him as such member or by the Retirement Committee except any act or omission which is due to his own gross negligence or willful misconduct.

ARTICLE VIII

Accounts and Valuation of the Trust Estate

Section 8.01. Members' Accounts. The Trustee shall be required to maintain a separate account for each Member of the Plan which shall show his interest in the Trust Estate in respect of Contributions made by him and his proportionate share of the income and appreciation or losses of the Trust Estate.

Section 8.02. Valuations. As at the end of each calendar quarter and as at such other times as the Retirement Committee may require from time to time, the Trustee shall determine the fair market value of the Trust Estate as a whole and the value of each Member's separate account therein.

ARTICLE IX

Limitation of Assignment

No benefit under the Plan shall be subject in any manner, direct or indirect, to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt so to anticipate, alienate, sell, transfer, assign, encumber or charge the same shall be void; provided, however, that the designation of a Beneficiary by a Member pursuant to Section 2.03 hereof shall not be deemed to be a transaction prohibited by this Article. No benefit under the Plan shall be in any way subject to the debts, contracts, liabilities, engagements or torts of any person. If any Member or retired Member or his Beneficiary is adjudicated bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefits under the Plan, then such benefits may, in the discretion of the Retirement Committee, be terminated in which event the Trustee shall hold or apply the same or any part thereof to or for the benefit of such Member or former Member and his Beneficiary and their respective dependents in such manner as the Retirement Committee may direct.

ARTICLE X

Limitation of Rights of Employees

This Plan is strictly a voluntary undertaking on the part of the School and shall not be deemed to constitute a contract between the School and any Employee or to be a consideration for, or an inducement to, or a condition of, the employment of any Employee. Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of the School or shall interfere with the right of the School to discharge or otherwise terminate the employment of any Employee at any time. Membership in the Plan shall not give any Employee any right or claim to a retirement benefit except upon Retirement, and no Employee shall be entitled to any right or claim to a retirement benefit except to the extent such right is specifically fixed under the terms of the Plan and there are funds available therefor in the hands of the Trustee.

ARTICLE XI

Amendment of the Plan

The School shall have the right at any time or times, by action of its Board of Trustees, to amend the Plan or the Trust Deed in any respect by delivering to the Trustee a certified copy of the resolution authorizing such amendment; provided, however, that no amendment (a) deprive any Member or Beneficiary of his non-forfeitable rights to benefits under the Plan accrued to the effective date of the amendment, or (b) shall permit any portion of the Trust Estate to be diverted to any purpose other than the exclusive benefit of Members and their Beneficiaries or permit any portion of the Trust Estate to revert to, or become the property of, the School except such amount attributable solely to contributions made by the School and that portion of the earnings and appreciation of the Trust Estate as was properly allocable to such Contributions as may, due to an erroneous actuarial computation, remain in the Trust Estate after the satisfaction of all liabilities under the Plan; and provided, further, that the duties or liabilities of the Trustee shall not be increased without its written consent.

ARTICLE XII

Termination of the Plan

Section 12.01. Right of Termination. The School expects to continue the Plan indefinitely, but neither the continuance of this Plan nor the payment of any Contribution hereunder is assumed as a contractual obligation by the School. The Plan will terminate on the last day of the calendar month coincident with or next following the first to occur of the following:

- (a) the date the Plan is terminated by the School if 30 days' advance notice of the termination is given to the Trustee;

(b) the date on which the School is judicially declared bankrupt or insolvent;

(c) the date the School permanently discontinues its Contributions under the Plan; or

(d) the dissolution, merger, consolidation or reorganization of the School, unless arrangements shall have been made for the continuation of the Plan by any successor to the School or by any purchaser of all or substantially all of the assets of the School, in which event the successor or purchaser will be substituted for the School under the Plan.

Section 12.02. Merger of Plan; Transfer of Assets. In the event of the merger or consolidation of the Plan with, or the transfer of the assets and liabilities of the Plan to, any other employee benefit plan, provisions shall be made so that each person who is a Member or a Beneficiary of a deceased former Member on the effective date of such merger, consolidation or transfer (if the Plan had then been terminated) would be entitled to receive benefits following such merger, consolidation or transfer equal to or greater than the benefit he would have been entitled to have received immediately before the merger, consolidation or transfer if the Plan had then terminated.

Section 12.03. Distribution on Termination of the Plan. If the Plan is terminated, the Retirement Committee, after reserving an amount sufficient to pay all expenses and charges, shall direct the Trustee to divide the remaining assets comprising the Trust Estate into two parts, one part ("Fund A") being that portion of such assets representing the total amount credited to Members' accounts in respect of their own Contributions and earnings and appreciation of the Trust Estate attributable thereto as of the date of the last valuation of the Trust Estate preceding the date of such division, and the other part ("Fund B") being the balance of such remaining assets and representing those attributable to contributions made by the School.

The assets in Fund A shall be subdivided into two parts, of which the first shall be the portion of such assets credited to the accounts of Members who had not retired on the date of termination and the second shall be the portion of such assets credited to the accounts of retired Members and Beneficiaries of retired Members. Those assets in Fund A credited to Members who were not retired at the date of termination and each such Member's proportionate amount of such assets shall be paid to him in a lump sum. The balance of such assets shall be paid to him in a lump sum added to those allocated to Fund B. The assets set aside in Fund B and any added thereto derived from Fund A shall be held by the Trustee for the purposes of providing

(a) to each retired Member or Beneficiary who on the date of termination is receiving retirement or other benefits under the Plan, the Actuarial Equivalent thereof at the date of termination, and

(b) to each living Member who had not retired before the date of termination living, the Actuarial Equivalent of the benefits which would be payable to him commencing at his Normal Retirement Date computed to the date of termination.

In making the last-mentioned provisions, no Member's Contributions or any income or appreciation of the Trust Estate attributable thereto shall be used for any purpose other than the funding of benefits for such Member and his Beneficiary. If the balance of the Trust Estate remaining for allocation to either of the two foregoing groups is insufficient to provide the full Actuarial Equivalents of the respective benefits to which the Members and their Beneficiaries would otherwise be entitled under this Section, then the amounts thereof shall be proportionately reduced to the extent necessary.

Any excess in Fund B remaining in the Trust Estate after making provision for the payment of the full Actuarial Equivalents of the benefits referred to in subparagraphs (a) and (b) above, shall be repaid to the School.

The respective amounts of Fund B allocated to the purposes set forth above shall be distributed to or set aside for the benefit of the persons interested in the Trust Estate in such manner and through such trust funds, contracts issued by life insurance companies or other means as the Retirement Committee shall direct, provided, however, that in directing the purchase for any person of a contract from an insurance company, the Retirement Committee shall not direct the application of an amount in excess of the Actuarial Equivalent of benefits from the Trust Estate allocable to such person under the foregoing provisions of this Section 12.02.

The certification of the Retirement Committee as to the persons to be provided for in each group, the amounts allocated and any other material facts shall be conclusive and binding on the Trustee, the School and all persons interested in the Trust Estate.

ARTICLE XIII

Reduction or Cancellation of Benefits

Notwithstanding anything elsewhere herein to the contrary, expressed or implied, if the Retirement Committee shall have determined upon proof satisfactory to it that a retired Member has committed an act of fraud or dishonesty against the School, retirement benefits payable to him and his Beneficiary under the Plan shall be reduced to the amount which can be funded solely by his own Contributions and earnings and appreciation of the Trust Estate attributable thereto, as reasonably determined by the Retirement Committee, and the Death Benefits otherwise available to such Member and his Beneficiary shall be cancelled.

ARTICLE XIV

Provisions of General Application

Section 14.01. Payments Due Incompetents. If the Retirement Committee determines that any person to whom a benefit is payable under the Plan is incompetent by reason of mental or physical disability, the Retirement Committee may, in its discretion, direct the payments becoming due to such person to be made to another for his benefit without responsibility on the part of the Retirement Committee or the Trustee to see to the application of such payments. Payments made pursuant to the direction of the Retirement Committee in the exercise of such discretionary power shall operate as a complete discharge of the Trust Estate, the Trustee and the Retirement Committee.

Section 14.02. Missing Persons. If the Retirement Committee is unable, within five years after any benefit becomes due under the Plan to any person, to make such payment because the identity or whereabouts of such person cannot be ascertained, the Retirement Committee may direct that such benefit and all future benefits payable to such person shall be forfeited and all liability of the Trust Estate, the Trustee and the Retirement Committee with respect to the payment thereof shall terminate.

Section 14.03. No Guarantee of Benefits. Neither the School nor the Trustee in any way guarantees the Trust Estate against loss or depreciation nor do they guarantee any payment to any person. The liability of the School and of the Trustee in respect of payments hereunder is limited to the assets of the Trust Estate available therefor.

Section 14.04. Effect of Headings. The headings of Articles, Sections and paragraphs hereof are included for convenience only and are not parts of the Plan.

Section 14.05. Transitory Provisions.

(a) Effective Date. The Plan as amended and restated herein shall be effective from 1 January, 1981.

(b) Status of Existing Members. All Members who were Members of the Plan as it existed on 31 December, 1980, shall continue as Members from and after 1 January, 1981, unless they shall have retired or died or otherwise left the employment of the School or terminated their membership in the Plan as provided in Section 2.05 hereof.

(c) Contributions by Members For Years Before 1981. The required amounts of Contributions by Members for periods up to 31 December, 1980, shall be governed by the School's Retirement and Death Benefit Plan as amended and in effect from time to time up to and including that date.

(d) Benefits Under Earlier Versions of the Plan. The retirement and other benefits to which Employees or former Employees who had reached age 65 or retired before 1 January, 1971, may become or are entitled and the benefits to which their Beneficiaries may become or are entitled are governed by the provisions of the School's Retirement and Death Benefit Plan as in effect from time to time prior to 1 January, 1971 and applicable to such persons.



ESCUELA AGRICOLA PANAMERICANA

TEGUCIGALPA, HONDURAS

November 17, 1980 - mailed 1/21/81

Mr. John W. Weeks, Secretary-Treasurer
Escuela Agrícola Panamericana, Inc.
Museum of Science-Science Park
Boston, Massachusetts 02114

RE: Retirement Plan, proposed changes

Dear Mr. Weeks:

Based on the cost data contained in letters, dated September 9 and November 7, from Carroll Consulting Actuaries, and in order not to overburden the School's operating budget, we wish to revise the proposed changes, as follows:

1. Eligibility age: Should remain at age 35.
2. Normal Retirement age: Should remain at age 65.
3. Increase Retirement Benefits:

We propose that the School increase the pension formula from 1.75% to 2.50%. The estimated net annual cost to the School for this increase will be \$15,000, which we feel is within reason. We assume that U.S. citizens paying F.I.C.A. Taxes will also be included.

4. Increase Employee Contributions:

We propose that all members of the "Plan" contribute 6% on salary up to \$20,000.

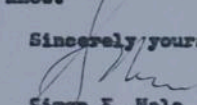
We do not share the idea of reducing the member contribution rate, nor making the plan non-contributory, as this would naturally place such limitations on the benefit formula as to render it almost impossible for any significant improvement.

5. Repaying Contributions Withdrawn:

Because of the possibility of this suggestion having adverse effect on the main purpose of the Plan, plus the fact that the cost is not precisely measurable, we withdraw our recommendation on this item, and propose that the original regulations remain unchanged.

If there is any other information you may wish to have in this connection, please let us know.

Sincerely yours,


Simon E. Male
Director

Enc.

cc: Mr. John G. Smith
Mr. Austin S. Ashley
Mr. Monte C. Dixon

MD/llc

CONCERNING THE PENSION PLAN

From Minutes of Trustees Meeting, Nov. 14-15, 1980

Mr. Weeks was then asked to take up the suggested Pension Plan changes. First he referred to a letter from EAP's consulting actuary, Mr. Carroll, which discussed the costs of certain plan changes. The only action taken on these matters was to refer them back to the Director and to the Controller, Mr. Dixon, for their further examination. Secondly, Mr. Weeks took up the question of segregation of the Pension Plan assets from the Endowment Fund where they are presently co-mingled, and of the need to set up a new trustee for the plan. Following discussion, and on motion duly made and seconded, it was unanimously

VOTED: That there be segregated from the general funds of the Corporation's assets sufficient to cover the accrued liabilities of the Corporation in respect of its Retirement and Death Benefit Plan for Employees (hereinafter in this vote and in the following vote called "the Plan") and that such assets be placed in trust with Bank of Boston Trust Company (Bahamas) Limited, of Nassau in the Commonwealth of the Bahamas, as trustee (hereinafter in this vote and in the following vote called "the Trustee"), to be held and administered, together with all future contributions of the Plan made by the Corporation and by Members of the Plan, and the income and appreciation thereof, for the exclusive benefit of employees of the Corporation who are Members of the Plan and retired former Members of the Plan and the respective beneficiaries of such Members and retired Members; and

VOTED
FURTHER: That the Treasurer is hereby authorized, as such officer of the Corporation and as its agent, to execute and deliver in the name and on behalf of the Corporation and under its corporate seal, a trust deed with the Trustee substantially in the form submitted to this meeting and to cause to be transferred to the Trustee, or its nominee, against the Trustee's receipt therefor, assets sufficient to cover the accrued liabilities of the Corporation in respect of the Plan at the date of such transfer, such assets to be selected by the Treasurer, in his discretion, from the general funds of the Corporation, and that any trust deed with said Bank of Boston Trust Company (Bahamas) Limited, as trustee, executed in the name of the Corporation by the Treasurer shall be deemed to be that authorized by this Vote.

Following the above votes, it was requested that EAP's auditors verify the amount of pension assets to be segregated at the time this takes place.

Lastly the trustees asked that special thanks be given to Mr. Ashley for his efforts in connection with the by-laws revision and the pension plan changes

RECEIVED

JUN 30 1980

BINGHAM, DANA & GOULD

100 FEDERAL STREET
BOSTON, MASSACHUSETTS 02110

EUROPEAN OFFICE:

5 CHEAPSIDE
LONDON EC2V 6AA
TELEPHONE: 01-236 2182
TELEX: 888179
CABLE ADDRESS: BDGLDN GTELEPHONE: (617) 357-9300
TWX: 7103210169
CABLE ADDRESS: BLDGDM BSN

June 26, 1980

Simon E. Malo, Director
Escuela Agricola Panamericana
Tegucigalpa
Honduras

Dear Simon:

Your letter to John Weeks of 28 May proposing revisions of the pension plan raised the question in my mind whether the plan had to meet the requirements of the Pension Reform Act ("the Act") that was passed by the U. S. Congress in 1974. That Act applies to any employee benefit plan maintained by any U. S. employer engaged in any activity affecting commerce. By "commerce" is meant interstate commerce or commerce with a foreign country, but precisely what the expression "affecting commerce" means is hard to say. Although one might be inclined at first to say that the operation of a not-for-profit education institution was not an activity affecting commerce, there are goodly numbers of decisions of the National Labor Relations Board which suggest that such an assumption might be unsound. In one instance, the Board took jurisdiction of a labor dispute involving employees of a charitable institution that was running a home for disturbed children. Since the National Labor Relations Act gives the Board jurisdiction only in cases "affecting commerce", they had to find that the operation of the home affected commerce in some way, if only to a slight degree. Thus, a charitable hospital nursing home was held to affect commerce because it got supplies, equipment and some of its patients through interstate commerce. So with that background, it appears that EAP, too, could be deemed to affect commerce since it gets some of its equipment and perhaps other things as well, from the U.S., and if so, then the School would have to comply with the Act -- which would be an administrative nuisance, what with all the periodic reports that have to be made to the Department of Labor and the Internal Revenue Service, to say nothing of changes that would have to be made in the way the plan is funded and administered. While we may ultimately decide to face up to the Act, there is one alternative which would at least eliminate the reporting task although not the making of a major change in the administration of the plan. The alternative would be to fund the plan separately from the endowment and to have the segregated funds held (nominally) by a trustee in Honduras and administered there. The plan

BINGHAM, DANA & GOULD

Simon E. Malo, Director

Page 2

June 26, 1980

would then, since the beneficiaries are, by and large, not U.S. citizens or residents, be exempt from the operation of the Act.

What occurred to me was that perhaps Banco Atlantida could act as trustee to hold and invest and reinvest the assets initially set aside to fund the plan and future contributions made by EAP. Presumably, in view of the affiliation between Banco Atlantida and National City Bank, the latter could keep physical custody of the securities in New York and execute securities transactions and handle the accounting and do other paper work there as agent for Banco Atlantida. Before going further with this notion, I think it would be useful to explore with Banco Atlantida their capability of handling such an assignment and, if they can, what would be the annual charges (subject to change, of course) for such a job.

If you need more information, please let me know.

Kindest regards.

Sincerely,



Austin S. Ashley

ASA/rw

cc: John G. Smith
John W. Weeks

June 19, 1980

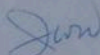
Mr. William J. Carroll
Carroll Consulting Actuaries
88 Broad Street
Boston, Massachusetts 02110

Dear Bill:

First, I want to acknowledge, with thanks, yours of the 13th with the attached actuarial evaluation of EAP's Retirement Plan.

As I mentioned on the telephone, I have now received from the School In Honduras a letter outlining several suggested changes in the plan, and this letter of May 28 is enclosed herewith. I would appreciate very much your taking a look at this, and letting me know what the projected cost would be to make these changes. I will contact you the middle of next week to see whether this can be done with the information at hand, or whether it is more complicated. As I mentioned to you, we would like to know the projected cost in time to discuss it at the School's Executive Committee meeting on July 18.

Sincerely,



John W. Weeks
Secretary-Treasurer

JWW:b
enc

Carroll Consulting Actuaries

88 BROAD STREET
BOSTON, MASSACHUSETTS 02110

RECEIVED

JUN 17 1980

William J. Carroll, F. S. A.

(617) 426-3300

June 13, 1980

Mr. John Weeks
Secretary-Treasurer
Escuela Agricola Pan-Americana, Inc.
Museum of Science
Science Park
Boston, Massachusetts 02114

Re: Annual Actuarial Report

Dear John:

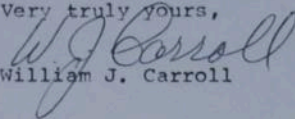
Attached is our report on the January 1, 1980 actuarial valuation of the Retirement Plan of Escuela Agricola Pan-Americana, Inc.

The valuation indicates a need for a contribution by the School in an amount equal to about 85% of the employee contributions. We suggest that this should be applicable for calendar year 1980.

Salary amounts for the active group increased noticeably above the level of last year. Since this is a 'final average pay' benefit plan, the cost tend to increase as salaries increase. However, a 'gain' emerged in the form of a reduced liability for the retired members which about offset the increase. The 'gain' arose because the census of retired members submitted for this valuation has fewer retired and vested terminations and lists lower amounts of pension than we had assumed was the case last year.

If you'd like to discuss this report before passing it along to the School, I'd be happy to hear from you.

Very truly yours,


William J. Carroll

WJC:et

INTRODUCTION

The January 1, 1980 actuarial valuation of the Retirement Plan of Escuela Agrícola Pan-Americana, Inc., was performed to determine the amount of School contribution for calendar year 1980.

Results of the current valuation indicate that it is appropriate for the School to continue making direct contributions to the plan. Our recommendation for a 1980 School contribution appears in the section headed 'COST SUMMARY.'

AGE/SERVICE CLASSIFICATION

This table classifies the membership into cells based on sex, attained age, and length of service. One female and seventeen male members are vested, being at least age 45 and having at least 10 years of service. Eight of those vested also have satisfied the plan requirements for early retirement.



ESCUELA AGRICOLA PANAMERICANA

TEGUCIGALPA, HONDURAS

Apartado 93

May 28, 1980

Mr. John W. Weeks, Secretary-Treasurer
Escuela Agrícola Panamericana, Inc.
Museum of Science - Science Park
Boston, Massachusetts 02114

Dear Mr. Weeks:

Enclosed herewith are two copies of EAP's Actual Final Pay Pension Plan with suggested changes, which was reviewed by Mr. John Smith, Monte C. Dixon, and myself, this morning.

While we concur in general with the suggested changes, Mr. Smith recommended that we forward these to you with the request that you kindly have an actuarial valuation of the Plan prepared by Carroll Consulting Actuaries to determine the costs involved. If possible we would like to have this information for the Board Meeting in July.

We have suggested five (5) changes, with the following justifications:

1. Reducing "Eligibility age" from 35 to 32, will enable many employees to join the Plan 3 years earlier than the present Plan permits.
2. Reducing "Normal retirement" from age 65 to age 62 will afford the Director more flexibility in dealing with employees approaching retirement age.
3. Increasing "Retirement benefits" to 2% for each year of credited service, to a maximum of 30 years, will provide up to 75% of the member's salary upon normal retirement. This seems reasonable. Likewise, we feel that the 4 or 5 U.S. citizens on the payroll deserves the same consideration. Also, due to inflation, we feel that an annual pension of \$600 should be the minimum paid to any employee.
4. Increasing "Employees contributions" to 6% of pay (up to \$20,000 annually) should cover a goodly portion of the cost of increased benefits. It is suggested, that additional contributions to the Plan be made by the School when funds are available.
5. The option of repaying into the Plan an amount equal to the contributions refunded to older employees, due to economic reasons, permitting them to regain credited Service seems most deserving due to their long and faithful service with EAP.

If you should need any further information, in this connection, please let us know.

Sincerely,

Enc. Mr. John G. Smith
Mr. Monte C. Dixon
MD/llc

Simon E. Male
Director

ESCUELA AGRICOLA PANAMERICANA

ACTUAL FINAL PAY PENSION PLAN WITH SUGGESTED CHANGES

-- Eligibility:

All present members continue to be eligible for the revised plan. New employees will be eligible upon attainment of age 35. (Suggested age 32).

-- Normal Retirement:

Age 65 (Suggested age 62).

-- Early Retirement:

Age 55 and 10 years of credited service. The amount of pension will be calculated in the same manner as the Normal Retirement Pension and reduced by 0.3% for each month by which retirement precedes the normal retirement date.

-- Deferred Retirement:

If, by mutual arrangement, a member remains in the Company's service after normal retirement date, payment of the normal retirement pension will be deferred until he retires. The amount of pension will not be increased by reason of such deferment.

-- Disability Retirement:

A member who qualifies for total disability will be entitled to a monthly disability benefit computed on the same basis as if he were retiring on normal retirement date, but using only his credited service to retirement date. An employee must be age 55 and have 10 years of credited service to be eligible for Disability Benefits.

-- Vesting:

Age 45 and 10 years of credited service.

-- Normal Retirement Benefit:

For each year of credited service, to a maximum of 30 years, a member accrues a retirement benefit credit of 1% of that portion of his final 5 years average pay which is covered by U.S. Social Security plus 1.3/4% of the portion not so covered. A minimum benefit of \$300 annual pension will be provided for any member having 10 or more years of credited service at normal retirement date.

-- Delete above paragraph in its entirety and insert the following in its place:

For each year of credited service, to a maximum of 30 years, a member accrues a retirement benefit credit of 2.1% of his final 5 years average pay. A minimum benefit of \$600 annual pension will be provided for any member having 10 or more years of credited service at normal retirement date.

-- Employee Contribution:

2% of pay covered by U.S. Social Security plus 4% of pay not so covered.

-- Delete above paragraph in its entirety and insert the following in its place:

6% of pay (up to \$20,000 annually).

-- Death Benefit:

The death benefit under the existing plan, which is equal to one year salary at death before retirement, or prorated over 10 years after retirement.

-- Credited Service:

All years of continuous membership in the plan will be considered as credited service.

-- Suggested addition:

All present members who have lost credited service because of having to resign temporarily from the Plan, due to economic reasons, will have the option of repaying into the Plan an amount equal to the contributions refunded plus 6% interest compounded annually since the date of withdrawal. The maximum salary on which benefits may be earned will be limited to \$20,000 annually.



ESCUELA AGRÍCOLA PANAMERICANA

TEGUCIGALPA, HONDURAS

November 17, 1980

Mr. John W. Weeks, Secretary-Treasurer
Escuela Agrícola Panamericana, Inc.
Museum of Science-Science Park
Boston, Massachusetts 02114

RE: Retirement Plan, proposed changes

Dear Mr. Weeks:

Based on the cost data contained in letters, dated September 9 and November 7, from Carrell Consulting Actuaries, and in order not to overburden the School's operating budget, we wish to revise the proposed changes, as follows:

1. Eligibility age: Should remain at age 35.

2. Normal Retirement age: Should remain at age 65.

3. Increase Retirement Benefits:

We propose that the School increase the pension formula from 1.75% to 2.50%. The estimated net annual cost to the School for this increase will be \$15,000, which we feel is within reason. We assume that U.S. citizens paying F.I.C.A. Taxes will also be included.

4. Increase Employee Contributions:

We propose that all members of the "Plan" contribute 6% on salary up to \$20,000.

We do not share the idea of reducing the member contribution rate, nor making the plan non-contributory, as this would naturally place such limitations on the benefit formula as to render it almost impossible for any significant improvement.

5. Repaying Contributions Withdrawn:

Because of the possibility of this suggestion having adverse effect on the main purpose of the Plan, plus the fact that the cost is not precisely measurable, we withdraw our recommendation on this item, and propose that the original regulations remain unchanged.

If there is any other information you may wish to have in this connection, please let us know.

Sincerely yours,

Simon E. Male
Director

Enc.

cc: Mr. John G. Smith
Mr. Austin S. Ashley
Mr. Monte C. Dixon

April 1, 1980

Mr. William J. Carroll ⁴²⁶⁻³³⁰⁰
Carroll Consulting Actuaries
88 Broad Street
Boston, Massachusetts 02110

Dear Bill:

Following up our telephone conversation today, I enclose herewith the EAP Retirement and Death Benefit Plan Data for the year 1979. Also enclosed is a copy of the list of retired members of the plan, as of December 31, 1979.

Would you be good enough to make another actuarial evaluation of the plan, and advise us whether the School should continue paying the same as before into the plan.

Sincerely yours,

John W. Weeks

Secretary-Treasurer

JWW:b
encs

November 16, 1979

Mr. William J. Carroll
Carroll Consulting Actuaries 426-3300
88 Broad Street
Boston, Massachusetts 02110

Dear Bill:

I have just received another communication from Monte Dixon in Honduras with which he sent an up-dated listing of information on the active membership group, which will be helpful to you in the next actuarial valuation. I enclose a copy herewith.

He refers again to the case of Diego Maradiaga's date of birth which, for the record, is September 3, 1914. Thus his calculations, as you explained in your letter to me of October 25, are correct.

As Dixon further informs me, the enclosed listing is also intended to correct several other errors including certain members who withdrew from the plan and later rejoined it.

I trust the above is clear, and if you have any further questions, don't hesitate to let me know.

Sincerely yours,

John W. Weeks
Secretary-Treasurer

JWW:b
enc

November 7, 1979

Mr. William J. Carroll
Carroll Consulting Actuaries
88 Broad Street
Boston, Massachusetts 02110

Dear Bill:

First, I want to thank you for yours of October 25th informing me about the retirement benefit due to Mr. Maradiaga.

Last Summer I wrote down to the School, at your suggestion, for a listing of the inactive group of retirees of EAP. I have just received such a listing from Monte Dixon, and I enclose it herewith. I trust this will be helpful with calculating the School's retired liability in the next go-around.

Sincerely,

John W. Weeks
Secretary-Treasurer

JWW:b
enc

Carroll Consulting Actuaries

88 BROAD STREET
BOSTON, MASSACHUSETTS 02110

RECEIVED

OCT 29 1979

William J. Carroll, F.S.A.

(617) 426-3300

October 25, 1979

Mr. John W. Weeks, Secretary-Treasurer
Escuela Agricola Pan-Americana, Inc.
Museum of Science
Boston, Massachusetts 02114

Re: Retirement of Diego Maradiaga

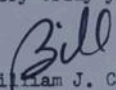
Dear John:

If the conversion rate from Honduran currency to our dollars is two to one, I agree with Monte Dixon's page of calculations documenting the amount of retirement benefit due Mr. Maradiaga.

One point that should be clarified however is his date of birth. Our records have been carrying him as born on September 19, 1919. Mr. Dixon's calculations use a date five years earlier. If the date we have on file is the correct one, the benefit would be reduced in accordance with paragraph 10 of the plan.

If there is any question, please call or write.

Very truly yours,


William J. Carroll

WJC/ak



ESCUELA AGRICOLA PANAMERICANA
TEGUCIGALPA, HONDURAS

*

Name and Plan Account Number: Diego Maradiaga - No. 143
Date of Birth: September 3, 1914
Date of Employment: December 1, 1958
Date of Entry in Plan: January 1, 1966
Normal Retirement Date: October 1, 1979

Retirement computation (Final 5-year average salary L. 1,992.00)

L. 1,992.00 X 24.0625 = L. 479.33 Retirement benefits.

Death benefit computation (Salary as of October 1, 1979 = L. 2,160.00)

L. 2,160.00 X 1/10 = L. 216.00.

	<u>Monthly</u>	<u>Annually</u>
<u>Combined benefits--</u>		
Retirement benefits	L. 50.00	L. 600.00 ⁽¹⁾
Advance on death benefits	<u>18.00</u>	<u>216.00</u>
Total benefits for 9 years	L. 68.00	L. 816.00
Benefits after 9 years for life	L. 50.00	L. 600.00

Severance pay 10 months at L. 180.00 = L. 1,800.00

Note (1) Minimum annual retirement benefit.

Total contributions to Plan by Employee	L. 847.20
Total interest at 3% earned on above	<u>173.92</u>
Total contributions plus interest	L. <u>1,021.12</u>

*This would
provide only
125.00 (approx
of Ret. Ben.
wfc.*

Approved: *Antonio*
Secretary-Treasurer

Date: Nov. 16, 1979

MCD

October 22, 1979

Mr. William J. Carroll
Carroll Consulting Actuaries
88 Broad Street
Boston, Massachusetts 02110

Dear Bill:

Enclosed is the letter from Monte Dixon dated October 10 along with his calculations, about which I spoke to you this afternoon.

Would you be good enough to check this out and let me know whether his calculations are correct and the document can be approved.

With thanks.

Sincerely,

John W. Weeks
Secretary-Treasurer

JWW:b
Encs

Carroll Consulting Actuaries

88 BROAD STREET
BOSTON, MASSACHUSETTS 02110

William J. Carroll, F. S. A.

(617) 426-3300

August 8, 1977

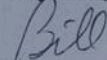
Mr. John W. Weeks, Secretary-Treasurer
Escuela Agricola Pan-Americana, Inc.
Museum of Science - Science Park
Boston, Massachusetts 02114

Dear John:

I have considered the consequences of the funding method used by Escuela Agricola Pan-Americana to provide for the pensions to retired members and pre-fund for those not yet retired. This method is described in Mr. Dixon's letter to you, June 29, 1977.

For this year, again we can safely ignore direct payment by the school. Next year perhaps, regular modest payments may have to be resumed. We will be able to determine that after viewing the mortality, retirement and termination experience of calendar year 1977.

Very truly yours,



William J. Carroll

WJC:ak

July 13, 1977

Mr. William J. Carroll
Carroll Consulting Actuaries
88 Broad Street
Boston, Massachusetts 02110

Dear Bill:

I just recently received the enclosed letter from Monte Dixon at the School in Honduras, in which he replies to the questions you put to me back in June.

If you have any further thoughts to add to your June letter on the EAP Retirement Plan, would you kindly let me know.

Sincerely,

John W. Weeks
Secretary-Treasurer

JWW:b
enc



Apartado 93

RECEIVED
JUL 7 1977

June 29, 1977

Mr. John W. Weeks, Secretary-Treasurer
Escuela Agrícola Panamericana, Inc.
Museum of Science - Science Park
Boston, Massachusetts 02114

Dear Mr. Weeks:

In reply to your letter of June 13, referring to the EAP Retirement Plan actuarial valuation performed by Carroll Consulting Actuaries, I will try to clarify the method used by the School in making pension payments:

Pension payments include: 1) Retirement benefits, and 2) Advance on Death Benefits. The Retirement benefits comes from the Retirement Fund, to which all members contribute, and whose contributions were previously matched by the School. The advance on death benefits, on which no contributions are made, is paid directly from the School operating budget.

Instead of using the traditional approach of depositing total employees contributions and withdrawing amounts for monthly payment of benefits, we find it more expedient to withhold from the monthly contributions enough to cover the monthly Retirement benefit portion of the pension payments, depositing the net difference to the Retirement Fund, with all transactions properly recorded on the books of the School.

Using actual figures the following is an example of how this is done:

Detail of Pension payments for month of June 1977:

No.	Name	Advance on Death Benefits	Retirement Benefits	Total Pension
1	Ramiro Quintanilla	L. 20.00	L. 57.50	L. 77.50
2	Agustin Salinas	76.55	302.22	378.77
3	Manuel Valle	59.59	226.58	286.17
4	Jose Cornejo	124.00	212.88	336.88
5	Julio Pineda	175.36	632.88	808.24
6	Louis Williams (\$64.25)	-	128.50	128.50
	Charged to Operations	L. 455.50	-	-
	Charged to Retirement Fund		L. 1,560.56	-
	Total Pensions paid			L. 2,016.06



No. 2 - Mr. John W. Weeks

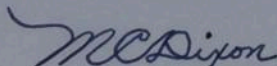
Total contributions by employees for month of June	L.	1,805.80
Less: Retirement benefits paid as shown above		<u>1,560.56</u>
Net amount sent to Paine, Webber, Jackson & Curtis	L.	245.24
for deposit to Retirement Fund Principal Cash Account	\$	<u>122.62</u>

It may be noted that current contributions continue to exceed current Retirement benefits paid. As time goes by and more employees retire, Retirement benefits will undoubtedly exceed employees contributions; however, when this happens, we can still use the above method by netting Retirement benefits against contributions and interest. Eventually we will have to request additional funds for these payments.

The Retirement Fund balance, as of June 30, is US\$. 393,849.62, which at 6% will yield US\$23,630.98 for the current year. Hence, the Retirement Fund balance at the close of 1977 will be approximately US\$418,000.00, which appears to be adequate for the present.

If you should wish to have any further information in this connection, please let me know.

Sincerely yours,


Monte C. Dixon
Comptroller

cc. Mr. J. S. Courand - Director

Carroll Consulting Actuaries

88 BROAD STREET
BOSTON, MASSACHUSETTS 02110

William J. Carroll, F. S. A.

(617) 426-3300

June, 1977

Mr. John W. Weeks
Deputy Director
The Museum of Science
Boston, Massachusetts

Re: The Retirement Plan for Escuela Pan-Americana, Inc.

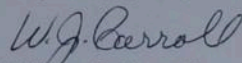
Dear Mr. Weeks:

Attached is our report on the January 1, 1977, actuarial valuation of the Retirement Plan of Escuela Agricola Pan-Americana, Inc.

It is our understanding that the School has been paying Plan benefits directly from its operating budget rather than having them processed as charges against the Fund. This practice has been roughly equivalent in financial consequence to the Fund to the more traditional approach of depositing School contributions and withdrawing amounts for payment of benefits. For this reason, we suggest that no direct contribution by the School to the Retirement Fund will be required for 1977.

If you would like to discuss any aspect of the report, I'd be happy to hear from you.

Very truly yours,


William J. Carroll

WJC:ak

INTRODUCTION

Our January 1, 1977 actuarial valuation of the retirement plan of Escuela Agrícola Pan-Americana, Inc., was performed in order to determine if the School should now resume direct contributions to the retirement fund. For some years the School has been able to skip direct payments because sufficient assets had already been accumulated in the fund to cover accruing costs.

Over several years the fund has been growing with interest credits and with deposits of the direct contributions of the members. These contributions by the members are required by the terms of the Plan as a condition of membership. There have been no withdrawals for monthly pension payments to those retired. We understand that in lieu of withdrawals the School disburses benefit payments directly from its operating budget. These disbursements offset accruing pension costs thereby lessening the need for contributions from the School. We judge this practice to be financially sound for now and suggest it be continued for 1977.

AGE/SERVICE CLASSIFICATION TABLE

On the computer-printed page following is a summary of the results of classifying members by attained age, sex, and length of service. For this valuation we have 50 members, 3 females and 47 males. One of the females has long service and is vested; the other two have less than 10 years of service. Sixteen of the male members have at least 10 years of service and are over age 45 and vested. Six of these are also over age 55 and eligible for early retirement.

The group remains fairly stable from period to period. Not many new members are added and withdrawals are not excessive.

February 15, 1977

Mr. William J. Carroll
Carroll Consulting Actuaries
88 Broad Street
Boston, Massachusetts 02110

Dear Bill:

Following up my recent telephone conversation with you, I have just received from Honduras, and I enclose herewith, a copy of the EAP Retirement and Death Benefit Plan Data for 1976. I am also informed that total pension plan assets, as of 1-1-77, amounted to \$391,705.

Will you be good enough to let me know whether the School can continue to omit its contribution, as it has been doing in recent years.

Sincerely,

John W. Weeks
Secretary-Treasurer

enc

November 29, 1974

Pension Benefit Guaranty Corporation
P. O. Box 7119
Washington, D. C. 20044

Re: KX 04 2104172-other
Escuela Agricola Panamericana Inc.
Pension Plan

Gentlemen:

Your Form # PBGC-1 was mailed to us for the initial declaration of premium required of the plan administrator of a "covered" plan. We are of the opinion that we do not have a "covered" plan. For this reason we have not submitted the PBGC-1 declaration.

Our plan is not a qualified one; it would not have qualified during the last five years; it is maintained mainly for employees of Escuela Agricola Panamericana - an agricultural school located near Tegucigalpa, Honduras - who for the most part are citizens of Honduras and neither residents of nor citizens of the United States; and, of course, we are not engaged in interstate commerce. The plan provisions are designed around the social legislation of Honduras and would not be a suitable plan for a domestic corporation. For these reasons we believe that our plan is not a covered plan.

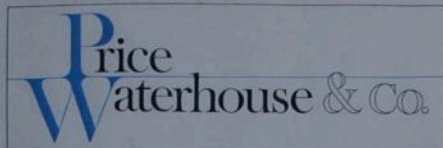
If we have misinterpreted the law, and if it should be found that we have a "covered" plan, then, of course, we shall comply.

Pending your ruling on the matter we respectfully request an extension of the filing deadline so as not to incur any penalty.

Sincerely yours,

John W. Weeks
Secretary-Treasurer
Escuela Agricola
Panamericana, Inc.
Pension Plan

JWW:b



225 FRANKLIN STREET, BOSTON, MASSACHUSETTS 02110
617-423-7330

September 2, 1975

Mr. John Weeks
Museum of Science
Science Park
Boston, Massachusetts 02114

Dear Mr. Weeks:

RE: ESCUELA AGRICOLA PANAMERICANA

EMPLOYEE RETIREMENT SECURITY ACT (ERISA)
REPORTING AND DISCLOSURE REQUIREMENTS

This letter is in response to your letter of August 25 enclosing copies of your correspondence with the Pension Benefit Guarantee Corporation. Both your letter to the Pension Benefit Guarantee Corporation and their response confirm my understanding that your plan is not "covered", since it is an "excluded" plan under the Pension Reform Act of 1974 and, as a result, you are excluded from the reporting and disclosure requirements as provided for under the Act.

Consequently, there are no further requirements to comply with under the Pension Reform Act of 1974.

Yours very truly,

Allen N. Elgart

Allen N. Elgart

August 25, 1975

Mr. Henry J. Hurford, Jr.
Price Waterhouse & Company
225 Franklin Street
Boston, MA 02110

Dear Mr. Hurford:

Following up our telephone conversation today, I am pleased to enclose herewith copies of my letter to the Pension Benefit Guaranty Corporation of November 29, 1974 and their response to me dated January 28, 1975.

I would appreciate your advice based on the enclosures as to any further requirements I should be complying with, as noted in your letter of August 20 covering ERISA reporting and disclosure requirements.

Many thanks.

Sincerely yours,

John W. Weeks

Enclosures

PENSION BENEFIT GUARANTY CORPORATION

P. O. BOX 7119

WASHINGTON, D. C. 20044

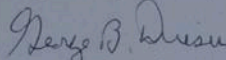
JAN 20 1975

Mr. John W. Weeks, Secretary-Treasurer
Escuela Agricola Pan-Americana, Inc.
Museum of Science
Science Park
Boston, Massachusetts 02114

Dear Mr. Weeks:

In response to your request for an opinion concerning the Escuela Agricola Pan-Americana, Inc. Pension Plan, we note that you state that "our plan is not a qualified one; it would not have qualified during the last five years...." Plans which do not meet the requirements of §401(a) of the Internal Revenue Code and did not meet these requirements in the five years preceding enactment of the Employee Retirement Income Security Act of 1974 are not covered by Title IV of the Act. See id., Section 4021(a)(1)(B) and (2). Accordingly, your plan need not file a declaration or pay a premium.

Very truly yours,


George B. Driesen
Deputy General Counsel

Armour

April 27, 1973

Dr. Hugh L. Popenoe
University of Florida
Center for Tropical Agriculture
McCarty Hall 2001
Gainesville, Florida 32601

Dear Hugh:

You have asked me to check further into the question of Bob Armour's pension, and also to get answers to Julio Pineda's letter to Bert Muller of March 19.

First with respect to Bob Armour, I have gone over the situation again with our actuary, Bill Carroll, who has nothing really significant to add to his letter of February 23rd, which you already have in your possession. Carroll thinks that we as trustees cannot really do anything more than stated within the scope of our pension plan, and thinks that Bob will not really suffer any substantial loss taking his final 18 months compensation as suggested in the February 23 letter. Carroll's only further thought is that if we want to sweeten the final settlement any more that it be done outside the plan.

With respect to the Pineda letter, his first question concerns the addition of perquisites to the salary. Definition L in the amended plan defines salary as "the annual rate of pay used in determining the member's contribution for any calendar year as described in paragraph 13." Thus his pension would appear to depend on the amount he has been contributing, and he would receive his pension based on his current salary. Of course this definition might be changed by amendment of the plan if everyone feels it is unfair.

Pineda's second question on the tax is a good deal more complicated. Some reference has already been made to this complicated matter and you have already seen the information obtained by Jack Fox from United Fruit Company, as well as the memo to you from Monte Dixon dated April 4. I have talked further to Bill Carroll who, while not an attorney, does have

April 27, 1973

some thoughts on the matter, and basically feels the question might be argued either way. He refers to sections 20, 21 and 22 of the plan and feels that the tax would only be against the School and not against the individual. Thus, he would rule that pension benefits can be paid without withholding a tax. This, of course, is not the last word, and my reaction is that we should have the benefit of a proper legal opinion. This may take a little time to procure, but I will get together with Austin Ashley as soon as possible to see if Bingham, Dana & Gould's tax expert can help us.

Sincerely,

John W. Weeks
Secretary-Treasurer

JWW:b

Bill Carroll - 4/24/73

- ① On Armour's pension - question: can we do more?

He stands by his letter of 2/23/73 - we really can't do any more within the scope of our pension plan + he will not suffer any substantial loss taking his final 18 months compensation as suggested by Carroll in that letter. If something further is considered, Carroll thinks it should be given outside the plan.

- ② On Pinola letter

a) Question concerning prerequisites - Carroll refers to Definition L ("Salary" means the annual rate of pay used in determining the member's contribution for any calendar year as described in Paragraph 13)

Depends on what amount he has been contributing. As plan now stands he would only receive a pension based on his salary. However, perhaps the plan could be amended if everyone feels its unfair.

b) Tax question - Carroll thinks it could be argued either way. Refer to Sections 20, 21 + 22 of the plan. These don't indicate where the fund is to be kept. Carroll thinks the tax would be against the school only, not against the individual - comingling of funds is merely an investment strategy. Carroll basically feels that pension benefits can be paid without withholding a tax, but suggests clearance with attorney.

April 17, 1973

Mr. William J. Carroll
Carroll & Heskett
88 Broad Street
Boston, Massachusetts 02110

426-3300

Dear Bill:

As I told you on the phone the other day I have a couple of further questions on which I need help.

First, I enclose a copy of a letter from Mr. Pineda which is self-explanatory. Attached to that letter is a memorandum from Mr. Dixon at the School referring to the withholding of tax on non-resident aliens. That memorandum in turn refers to a letter to Mr. Fox from Mr. Nawrocki at United Fruit. The latter is also enclosed for your information. I would be most grateful for your thoughts on the problem brought up by Mr. Pineda, and will give you a ring in a few days after you have had an opportunity to think about it.

At the recent meeting of the School's Executive Committee held in Miami, the President of the School, Dr. Popenoe, asked me to check up once again on the retirement question as it concerns Mr. Robert Armour, the retired Director. You will recall you wrote me on February 23rd on this matter and I passed on this information to Dr. Popenoe. The question from Mr. Armour apparently concerns the most favorable level of compensation during the final year so as not to lower the average salary upon which the retirement is based. It seems to me you have worked it out equitably and that it is impossible for him to have his cake and eat it too - with reference to vesting. Please let me know what you think.

Sincerely yours,

John W. Weeks
Secretary-Treasurer

JWW:b

P. S. The information from United Fruit is my only copy,
and I would appreciate your returning it at your convenience.

Encs



ESCUELA AGRICOLA PANAMERICANA
TEGUCIGALPA, HONDURAS



March 19, 1973

Dr. Albert S. Muller, Director
Escuela Agrícola Panamericana
Present.

Dr. Muller:

The following exposition is written so as to formalize our talk of March sixth.

Both the former director, Mr. R. P. Armour, and yourself have known of my intention to retire early from the service of the school as well as some of the reasons for wanting to do it. The partial but progressive loss of hearing now handicaps me as a language teacher and I would like to start my project of a school for underprivileged children before I get too old.

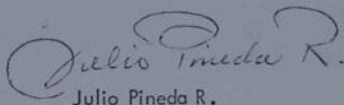
In 1971, on reaching the age of the earliest possible retirement, I decided to keep on working because of the announced change in regards to perquisites. They were to be curtailed and compensated with an increase in salary which would benefit my pension. The policy is still in the process of being put into effect and it might benefit me still more depending on the extent of the changes and the time involved in enacting them. The other item which I have had to consider is the percentage of reduction of my pension income due to regulations of the United States taxing system. Both you and Mr. Armour have said the matter is under consideration by members of the Board and that a favorable solution is most likely. These two factors have influenced my decision to stay on the job because of the great bearing they have on the only source of income I would receive on retirement.

The present period of readjustment in the organization of the school offers a natural break which might make it convenient for me to get started with my project while allowing the school a wider range in the establishment of the changes it wants to undertake.

Before making a final decision, I would like to ask about the possibility of having all perquisites considered part of the salary average on which my retirement is to be calculated as well as to get a definite assurance that there will be no loss in the pension through United States taxation. Meanwhile, and to enhance my future plans I ask for a leave of absence for this coming trimester and promise to return to take care of the admission examinations and the selection of the class of 1976. I also offer to perform such a service on a part time basis after my retirement if the school is interested.

I must say that my planned withdrawal from the school after 24 years of uninterrupted service is in no way due to dissatisfaction with anything other than my own shortcomings as a teacher of English which was the basic reason for which I was hired. My family and myself can look back on all these years as a time of achievement, pleasure and wellbeing such as it would have been hard to find anywhere else; for which we are very thankful.

Sincerely,

A handwritten signature in cursive script that reads "Julio Pineda R." The signature is fluid and elegant, with the first and last names being more prominent than the middle initial.

Julio Pineda R.

cc: Dr. Hugh Popenoe

JPR/omb

February 26, 1973

Dr. Hugh L. Popenoe
University of Florida
Center for Tropical Agriculture
McCarty Hall 2001
Gainesville, Florida 32601

Dear Hugh:

I enclose herewith a copy of a letter from Mr. Carroll of our actuarial firm, Carroll & Heskett. As I wrote to you back on the 29th of December, I asked Bill Carroll to do something about the best way to put Bob Armour in a vested position. The reason for the delay in getting back to you was the necessity of obtaining the necessary information on Bob's service record from Monte Dixon at the School.

It seems to me that the solution suggested for stretching out Bob's salary from 12 to 18 months is desirable, even though it would mean a reduction in salary on a monthly basis during the period in question. If you agree, I think it would be appropriate for you as President, to contact Bob, and to advise the School directly as to the compensation to be paid him per month through June 30, 1974. If there are any questions you have of us up here, please let me know.

Sincerely,

John W. Weeks
Secretary-Treasurer

JWW;b
Enclosure

Carroll & Heskett
Consulting Actuaries

88 BROAD STREET ♦ BOSTON, MASSACHUSETTS 02110

WILLIAM J. CARROLL, F. S. A.
LEONARD S. HESKETT

(617) 426-3300

February 23, 1973

Mr. John W. Weeks, Sec.-Treas.
Escuela Agricola Pan-Americana, Inc.
Museum of Science
Science Park
Boston, Massachusetts 02114

Dear John:

Using the service record of Mr. Armour, I have determined the following with regard to his status in the Retirement and Death Benefit Plan for Employees of Escuela Agricola Pan-Americana, Inc.

	<u>Average Salary</u>	<u>Credited Service</u>	<u>Retirement Benefit Accrued</u>	<u>Benefit Vested</u>
at December 31, 1972	\$16,100.	8.5 yrs.	\$2,395.	-0-
at December 31, 1973	15,567.*	9.5 yrs.	2,588.	-0-
at June 30, 1974	15,567.*	10.0 yrs.	2,724.	\$2,724.

* This average salary results from assuming a salary of \$12,334. for calendar year 1973, and a salary of \$6,166. for the first 6 months of calendar year 1974.

Mr. Armour will qualify for a vested benefit when he has 10 years of service credit. (Ref.: Definition (k), page 2; Termination -- page 14, 2nd paragraph.) In order for this to happen, he must remain an "Employee" of the School until June 30, 1974. (Ref.: Definition (f), page 1.) So, should the School continue his employment until June 30, 1974, at the reduced salary of \$1,027.78 per month, Mr. Armour would receive a vested retirement benefit of \$2,724. annually, with payments commencing on his Normal Retirement Date, January 1, 1987.

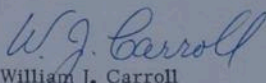
During the 18 month period from January 1, 1973, to June 30, 1974, Mr Armour would be required to make contributions at the rate of 4% of pay, as called for in the Retirement Plan. The value of the retirement benefit for which he will thus qualify, will far outweigh the additional cost to him.

-2-

It is important that during this period he continue to be an "Employee". His status would be similar to that of a professor at one of our universities who is granted a sabbatical leave at 2/3 of pay. He continues to be an "Employee", but he doesn't have day-to-day duties or responsibilities at the university.

If there should be any question, or if you should think of some alternative solution to the problem, I'd be happy to explore the subject further. I think, however, that this is the most direct approach to take.

Very truly yours,


William J. Carroll

WJC/ak

426-3300

February 2, 1973

Mr. William J. Carroll
Carroll & Heskett
88 Broad Street
Boston, Massachusetts 02110

Dear Bill:

First, with respect to the study you are making in order to determine whether a contribution from EAP is required in 1972, I enclose herewith a copy of the Retirement and Death Benefit Plan Data for the year 1972, Information on Active Employees in the plan as of 12/31/72, and Information in Connection with Retired Employees as of 12/31/72. I trust you will let me know when you have a recommendation to make on this subject.

At the time of our meeting after Christmas, I also mentioned to you that Bob Armour was resigning as the School's Director at the end of the calendar year, and that the President of the School, Dr. Popenoe, was anxious to know whether we could somehow work out an arrangement to continue him on the payroll until he qualified for vesting. You had suggested that instead of keeping him on full pay through December of this year, that we reduce this period of full pay and pick him up on a consulting basis, adding the necessary months in 1974 to give him full vesting rights, and at the same time not increasing the total compensation paid to him. In this connection I also enclose information on his service record, which you requested.

I will appreciate your letting me know when we can discuss this matter further, so that I can advise Dr. Popenoe how we recommend handling it.

Sincerely,

John W. Weeks
Secretary-Treasurer

JWW:b
Enclosures



ESCUELA AGRICOLA PANAMERICANA
TEGUCIGALPA HONDURAS

Apartado 93

January 12, 1973

Mr. John W. Weeks, Secretary-Treasurer
Escuela Agrícola Pan-Americana, Inc.
Museum of Science
Science Park
Boston, Massachusetts 02114

Dear Mr. Weeks:

As requested in your letter of December 29, 1972, I enclose
herewith the following information:

- 1) Information on active employees of the Retirement Plan.
- 2) Information on Mr. Armour's service record, in connection
with his retirement pension.

(Our 1972 report of Plan activity is being mailed to you
under separate cover).

Sincerely yours,

Monte C. Dixon
Business Manager

Enc. a/s

P.S.- Retirement Plan Fund balance as of January 1, 1973 was
\$304,662.85.

M.C.D.

Called Carroll 2/23/73

- 1) He is writing on the Armon case
- 2) He will advise about reevaluation
+ necessity for employer
contributions to be renewed



Mr. R. P. Armour, Director

Service Record

- 1.-) Date of Employment: May 1, 1964
2.-) Date of Entry in Plan: July 1, 1964
3.-) (Mr. Armour did not at any time withdraw from the plan)

4.-) Salary history for the last five calendar years:

Year 1968	\$ 15,000.00
" 1969	" 15,000.00
" 1970	" 15,000.00
" 1971	" 17,000.00 (1)
" 1972	" 18,500.00

Average salary for five years \$ 16,100.00

NOTE: (1)- In the year 1971, Mr. Armour salary from January 1 thru June 30 was, as shown above, \$ 17,000.00 His salary was increased July 1, 1971 to \$ 18,500.00

This would give him an average salary of \$ 17,750.00 for the year. However the salary as of January 1, is the salary on - which contributions were made.

Monte C. Dixon
Monte C. Dixon
Business Manager

Date of birth: December 12, 1921

December 29, 1972

Dr. Hugh L. Popenoe
University of Florida
Center for Tropical Agriculture
McCarty Hall 2001
Gainesville, Florida 32601

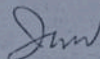
Dear Hugh:

As I told you on the telephone a few minutes ago, I have been talking with our actuary Bill Carroll concerning Bob Armour's pension, and a means by which he can achieve vesting. It was Carroll's suggestion that instead of considering full pay through December '73 that we reduce this period and pick up Bob on a consulting basis, adding on the necessary months in 1974 to give him vesting rights and making the total compensation the same (in other words the same as though he were on full pay until December '73).

I am writing to Monte Dixon at the School to get some of the data on Bob, and when I receive this, I will sit down with Carroll and calculate how the above can be worked out. I will then be in touch with you again.

Lastly, I have noted the corrections you suggest on the minutes, and will contact George Gardner when he returns. Also, for the record, I note that the next meeting will be on May 19 in Zamorano.

Sincerely,



John W. Weeks
Secretary-Treasurer

JWW:db

cc: Mr. John M. Fox

December 29, 1972

Mr. Monte C. Dixon, Business Manager
Escuela Agrícola Panamericana
Apartado 93
Tegucigalpa, Honduras

Dear Monte:

I have been talking today with Mr. Carroll of the actuarial firm of Carroll & Heskett in connection with a valuation of our plan for 1972. He is anxious to know when your 1972 report of the plan activity will be available. Depending upon the answer to this question, would it be possible to send me the information on each active employee as follows: name, sex, date of birth, date of hire, date of membership in plan, annual salary and contribution both for 1972, total contribution for each individual, contribution and interest for each individual and fund balance on 1-1-73. Also, in connection with retired employees: name, sex, date of birth, date of retirement and annual pension.

In connection with Mr. Armour's pension, we should like to know his date of employment, when he became a member of the plan; whether he withdrew at any time from the plan and his salary history for the last five calendar years.

On December 27th I deposited unrestricted contributions totalling \$5,300 including George E. Putnam, Jr. \$300 and Ieland Stillman Foundation \$5,000.

I enclose tax form and guide for your information and also withholding form.

Lastly, I have not been able to contact AID regarding the last request for \$50,000, but plan to do so next week and will let you know.

Sincerely,



John W. Weeks
Secretary-Treasurer

JWW:b



UNIVERSITY OF FLORIDA
INSTITUTE OF FOOD AND AGRICULTURAL SCIENCES

COLLEGE OF AGRICULTURE AGRICULTURAL EXPERIMENT STATIONS AGRICULTURAL EXTENSION SERVICE SCHOOL OF FORESTRY

INTERNATIONAL PROGRAMS
CENTER FOR TROPICAL AGRICULTURE

December 13, 1972

2001 MCCARTY HALL
GAINESVILLE, FLORIDA 32601
TELEPHONE: (904) 392-1965
CABLE ADDRESS: CENTROP

REC'D BY
DEC 18 1972
J. M. FOX

Mr. John M. Fox
H. P. Hood & Sons
500 Rutherford Avenue
Boston, Massachusetts 02129

Dear Jack:

It is my understanding that Bob Armour will have nine years vested in the retirement plan this May and that he needs ten. Since he plans on going off the payroll next December, (which would include his cessantia) and has three months of terminal leave, that would still leave him short on the ten years. What can or what do we need to do about this? Any suggestions you might have will be appreciated.

With best regards,

Hugh Popenoe
President, Board of Trustees
Escuela Agricola Panamericana

HP:c1

*See Plan -
Qualified -
Termination pay does not effect service
Leave of absence.*

Re. Annuity pension - contract Dixon

Need date of employment

" " he became member of Plan

Did he withdraw at any time from Plan

Salary history for last 5 calendar years (to calculate benefit)

A Full pay thru Dec. 73

B leave of absence for 5 mos. (or time to complete 10 yrs.)
Consulting status at reduced pay

In order not to have A+B cost more than originally figured, but could vote to change his termination arrangements

Cash
Active Employees

'72 Report available?

- ✓ 1. Name
- ✓ 2. Sex
- ✓ 3. Date of Birth
- ✓ 4. Date of Hire
5. Date of Membership in Pension Plan (start of Continuous Membership)
- ✓ 6. Annual Salary 1972
7. Contributions for

'76
'77
'78
- ✓ 8. Total Contributions ~~of employees~~ for each individual
- ✓ 9. Contributions + Interest " " "

Fund Balance on 1-1-73

Retired

1. Name
2. Sex
3. Date of Birth
4. Date of Retirement
5. Annual (or Monthly) Pension



Apartado 93

January 10, 1973

Mr. John W. Weeks, Secretary-Treasurer
Escuela Agrícola Pan-Americana, Inc.
Museum of Science - Science Park
Boston, Massachusetts 02114

Dear Mr. Weeks:

This is in reply to your letter of December 20, on the subject of Mr. Arambu's retirement, and the question of income tax connected with his retirement plan payments.

When Mr. Wilbur Lauer visited the School in 1970, he told us that because our retirement benefits will be paid from a U.S. Trust, the payments would be subject to U.S. Income Tax withholding. The tax, he said, only applies to the amount of interest and dividend earnings which arise in the operation of the plan.

I pointed out to Mr. Lauer and Mr. Armour, at the time, that we already had one retired employee, Mr. Ramiro Quintanilla, who was receiving a monthly benefit of \$28.70, and that no tax was being withheld. It was agreed not to do anything about this one employee, since the amount was so small, but it was suggested that if and when more employees retired the tax matter should be investigated. Someone from the United Fruit Company told us recently that the withholding from pensioners of the Tela Railroad Company amounted to 30% of the pension paid. I assume this is what Mr. Armour was referring to when he brought up the question in Miami after the recent Meeting of the Board.

Unless I hear from you to the contrary, I will be paying Mr. Arambu a monthly benefit of Lps.136.70, as shown on the attach memo of mine to Mr. Armour dated July 26, 1972, which has been approved by both Mr. Armour, and Dr. Hugh Popenoe.

Copies of letters dated March 4, 1970, are also enclosed for your general information.

Sincerely yours,

MC Dixon
Monte C. Dixon
Business Manager

December 20, 1972

Mr. Monte C. Dixon, Business Manager
Escuela Agricola Panamericana
Apartado 93
Tegucigalpa, Honduras

Dear Monte:

Following the recent meeting of the Trustees in Miami, Mr. Armour spoke to me very briefly about the retirement at the end of this year of Mr. Arambu. He had a question about the 30% retirement payments contributed by the School in U. S. dollars and whether a tax was due. Since I am in doubt as to what he referred to, would you kindly explain in more detail exactly what information you need. I will then contact our actuaries and try to give you an answer.

The Season's Greetings to you all.

Sincerely,

John W. Weeks
Secretary-Treasurer

JWW:b

AUG 1 1972



ESCUELA AGRICOLA PANAMERICANA
TEGUCIGALPA, HONDURAS

★

July 26, 1972

Dr. Hugh L. Popenoe
President, Board of Trustees
Escuela Agrícola Panamericana
Center for Tropical Agriculture
2001 McCarty Hall
University of Florida
Gainesville, Florida 32601

Dear Hugh:

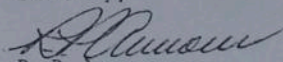
I refer to your letter of July 12.

Regarding the case of Paco Arambu I believe the explanation given in the Memo presented by Mr. Dixon, see attached, thoroughly clarifies this point. If, as your letter would seem to suggest, you wish us to make a decision here we will be glad to do so.

Concerning Rafael Alvarado what I have been attempting to get from him is an idea of his actual economic need, as opposed to the \$150.00 suggested by LASPAU. Since he has continued to ignore this question completely, and taking into consideration the pressures from LASPAU, I presume we could just accept their position on this. There still remains the question as to what date should be used for commencement of the payments and I would appreciate your getting this information from Alvarado for us. To my mind if a true economic need does exist these are both specific questions which Alvarado should have been prepared to answer before now.

With best regards,

Sincerely,


R. P. Armour
Director

RPA/aml

Attachments

ESCUELA AGRICOLA PANAMERICANA

July 26, 1972

MEMORANDUM

To: Mr. R. P. Armour, Director
 From: Mr. M. C. Dixon, Business Manager
 Subject: PENSION PLAN - EARLY RETIREMENT

McDixon

With reference to my Memo of April 27, your letter of July 3 to Dr. Hugh Popenoe, and his reply of July 12, all related to information requested on the above subject matter in cases where severance pay has to be paid, I will attempt to elucidate.

Since it has been decided to terminate the services of Paco Arambu at the end of the current year, because of his continued illness during the past three years, it appears as if he qualifies for disability retirement.

Paco will attain the age of sixty years in December, at which time he will also complete ten years as a member in the Retirement Plan and, with a final 5-years average pay of Lps.5.808,00, his pension will be calculated as follows:

1. Retirement Computation -

$Lps. 5.808,00 \times 17.5 = Lps. 1.016,40$ (Annual retirement pension)

2. Death Benefit (Annual salary at time of retirement Lps.6.240.00)

$Lps. 6.240,00 \times 1/10 = Lps. 624.00$ (Annual advance on death benefit)

Combined Benefits -

	<u>Monthly</u>	<u>Annually</u>
Retirement benefit	Lps. 84.70	Lps. 1.016,40
Advance on death benefit	<u>52.00</u>	<u>624,00</u>
Total combined benefits	<u>Lps. 136.70</u>	<u>Lps. 1.640.40</u>

Under the laws of Honduras, Paco is entitled to receive two months advance notice, plus severance pay equivalent to eight months salary, or a total of Lps.5.200,00 on the date of his termination of employment.

Our Retirement Plan reads in part: "If upon the retirement of any member, the School is required by law to pay, on account of his retirement, any severance pay, the amount may, at the option of the School, be offset against the death benefit payable."

The clarification requested in my Memo of April 27, was intended to resolve once and for all, under what circumstances would the above option be exercised by the School?

It was felt that a definite ruling should be made for the records, so as to eliminate the possibility of any arbitrary decisions in the future.

In the case of Paco Arambu, if his severance pay is offset against the advance on death benefit, his monthly pension will be reduced from Lps.136.70 to Lps.93.36, a difference of Lps.43.34 monthly or Lps.520.08 annually.

The above computation is based, of course, on the assumption that Paco does qualify for Special Disability Retirement. Should it be decided that he retire under the provision for Early Retirement only, then his normal retirement pension will be reduced by 18% representing the reduction for five years at the rate of 3.6% for each year by which retirement precedes the normal retirement date of age 65.

MCD/aml

ESCUELA AGRICOLA PANAMERICANA

July 26, 1972

MEMORANDUM

To: Mr. R. P. Armour, Director
 From: Mr. M. C. Dixon, Business Manager *MCDixon*
 Subject: PENSION PLAN - EARLY RETIREMENT

With reference to my Memo of April 27, your letter of July 3 to Dr. Hugh Popenoe, and his reply of July 12, all related to information requested on the above subject matter in cases where severance pay has to be paid, I will attempt to elucidate.

Since it has been decided to terminate the services of Paco Arambu at the end of the current year, because of his continued illness during the past three years, it appears as if he qualifies for disability retirement.

Paco will attain the age of sixty years in December, at which time he will also complete ten years as a member in the Retirement Plan and, with a final 5-years average pay of Lps.5.808,00, his pension will be calculated as follows:

1. Retirement Computation -

$\text{Lps.}5.808,00 \times 17.5 = \text{Lps.}1.016,40$ (Annual retirement pension)

2. Death Benefit (Annual salary at time of retirement Lps.6.240.00)

$\text{Lps.}6.240,00 \times 1/10 = \text{Lps.}624.00$ (Annual advance on death benefit)

Combined Benefits -

	<u>Monthly</u>	<u>Annually</u>
Retirement benefit	Lps. 84.70	Lps. 1.016,40
Advance on death benefit	52.00	624,00
Total combined benefits	<u>Lps.136.70</u> ⁽¹⁾	<u>Lps. 1.640.40</u>

Under the laws of Honduras, Paco is entitled to receive two months advance notice, plus severance pay equivalent to eight months salary, or a total of Lps.5.200,00 on the date of his termination of employment.

Note (1) - Approved by Mr. R. P. Armour, Director, and Dr. Hugh Popenoe, President of the Board of Trustees, August 17, 1972.

Carroll & Heskett
Consulting Actuaries

88 BROAD STREET ♦ BOSTON, MASSACHUSETTS 02110

WILLIAM J. CARROLL, F. S. A.
LEONARD S. HESKETT

(617) 426-3300

November 30, 1971

Mr. John W. Weeks
Secretary-Treasurer
Escuela Agricola Panamericana
Museum of Science
Science Park
Boston, Massachusetts 02114

Dear Mr. Weeks:

The depth of the subject matter covered in the five questions posed to you by Mr. Armour in his letter of November 16, 1971 would seem to indicate a studious interest in the new plan on the part of the personnel of the School. One of our objectives in re-designing the Plan was to stimulate participant interest, and so the questions certainly are to be encouraged and they deserve serious attention. Following, and in the same order as the questions were presented, are our answers and comments:

1. Employees of the School on January 1, 1971, who then were members of the Plan or who joined immediately thereafter (by July 1, 1971) will receive credit for all of their continuous membership. Continuous membership, of course, extends back beyond January 1, 1971 for all employees of the School who on that date were members of the Prior Plan. Thus, for some, continuous service may exceed 30 years.

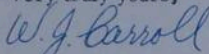
Any employee who is not now a member may not become a member until he has reached the age of 35. And so, credited service for any new members automatically shall be limited to 30 years.

2. The provision which allows a retired person to draw an annual advance of 10% against his death benefit is a carryover from the Prior Plan. It was intended in that Plan that early retirements would be permitted only in special cases. I don't believe that the Prior Plan allowed the annual draw against the death benefit to healthy persons retiring at age 55, for example, at least not without first having applied the same reduction factor as would be applied to the regular retirement benefit. The provision is purposefully vague, perhaps, to allow the Committee some scope.

2. Cont'd: As a practical matter, it may be unwise to offer too great an incentive for early retirement, especially with a temporary payment (the 9 year draw against the death benefit) that could expire even before the member reaches age 65. This could exhaust the members' retirement funds while he is still relatively young. The Plan could be amended to be more specific on this matter and to reflect the desire of the Board, (The School pays the entire cost of this benefit.)
3. No. The provisions of Paragraph 18 would apply and the member would be entitled to receive only his regular reduced pension. If, however, he dies before first receiving aggregate benefits at least equal to the amount of his contributions with interest, the difference will be paid to his beneficiary in accordance with the provisions of Paragraph 19.
4. When the new Plan was being drafted, it was observed that no female employee-members were even close to satisfying this optional retirement date. And since the new Plan contains more liberal benefits and a more liberal early retirement clause, it was felt that the removal of this special eligibility for females would not adversely affect the any member.
5. Again, we suggest that tax matters be referred to a qualified tax counsel or to the Internal Revenue Service.

I shall be out of town on Wednesday, December 1, 1971, but if you should have any questions or other matters to discuss before leaving for Honduras on Thursday, please call me.

Very truly yours,



William J. Carroll

WJC:ak

November 24, 1971

Mr. William J. Carroll
Carroll & Heskett
89 Broad Street
Boston, Massachusetts 02110

Dear Mr. Carroll:

First, I should like to acknowledge with thanks your letter of the 18th referring to questions on the EAP Pension Plan.

Since I received this correspondence I have received a letter from Mr. Armour, the Director of the School in Honduras, and I enclose a copy herewith. I plan to leave for Honduras next Thursday to attend the semi-annual meeting of the Trustees, and would like to, if possible, take answers to the five questions included in Armour's letter. If it does not seem possible to get this information to me by next Thursday, would you be kind enough to reply directly to Robert P. Armour, Escuela Agricola Panamericana, Apartado 93, Tegucigalpa, Honduras, with a copy to me here in Boston.

With many thanks.

Sincerely,

John W. Weeks
Secretary-Treasurer

JWW:b
Enclosure

Carroll & Heskett
Consulting Actuaries

88 BROAD STREET ♦ BOSTON, MASSACHUSETTS 02110

WILLIAM J. CARROLL, F. R. A.
LEONARD S. HESKETT

(617) 426-3300

November 18, 1971

Mr. John W. Weeks
Secretary-Treasurer
Escuela Pension Plan
Museum of Science
Science Park
Boston, Massachusetts 02114

Dear Mr. Weeks:

Considerable thought has been given to the matters outlined in your letter of November 8, 1971, relating to the Escuela Pension Plan. We conclude that it is not feasible for us to attempt to provide direct answers to the rather involved questions that have been presented. However, with the hope of being of some assistance, we offer the following comments:

1. As you noted in your letter, the material that we provided last June goes about as far in the direction of a general clarification of the Plan as we consider possible without introducing the danger of misinterpretation. With reference to the specific accounts listed in your letter, we might examine their current status, for example:

Employee's Name	Account Number	Present Age	APPROXIMATE	
			Accrued Annual <u>Pension</u>	Accrued Pension Reduced for <u>Immediate Retirement</u>
Ponce	99	59	\$ 369.	Not yet elig.
Moreno	72	58	$895 \times 74.8 =$	669.
Salinas	6	58	$1,372 \times 74.8 =$	1,026.
Pelen	5	48	1,940.	Not yet elig.
Pineda	16	55	$1,948 \times 64.0 =$	1,247.

Eligibility for early retirement is age 55 and 10 years of credited service (membership in the Plan for which credit is given). Mr. Ponce is old enough but lacks a few of the required 10 years of credited service. Mr. Pelen has sufficient service but is seven years short of satisfying the age requirement. The accrued pension is reduced by 3/10 of 1% for each month by which the early retirement precedes the member's normal retirement. (assuming, for example,

that Mr. Moreno retires exactly 7 years early, the reduction would be 3.6% per year early, or 25.2%. Thus, his early retirement pension would equal 74.8% of his accrued normal retirement pension.) The benefit illustrations shown above all are based on the 1969 salaries.

2. It would be inappropriate for us to attempt to give advice regarding the income tax question. Nevertheless, it is our understanding that the assets of the Plan are held in a U.S. Trust, which assets are commingled with other assets to form the Endowment Fund of the ~~Museum~~ *EAP* of Science. Contributions to the Endowment Fund are made for the School by a third-party U.S. Corporation. These contributions likely are deductible to the U.S. Corporation as voluntary contributions to a non-profit organization. Presumably, this arrangement is tax-exempt during the accumulation period. When a disbursement is made in the form of a pension payment, this represents income to the recipient. The amount of U.S. Federal Income Tax (if any) levied against this income likely will vary somewhat from individual to individual, depending on such factors as the location of his permanent residence, his citizenship status, existing tax treaties, and the amount of his own contributions. This subject should be handled by the member's tax attorney, or if specifics were presented, possibly the local office of the Internal Revenue Service would offer guidance.

Sorry that we can't offer more substantial comment, but I'm sure you appreciate the difficulties present.

Very truly yours,

WJ Carroll
William J. Carroll

WJC:bms



ESCUELA AGRICOLA PANAMERICANA
TEGUCIGALPA, HONDURAS

★

November 16, 1971

Mr. John W. Weeks
Secretary-Treasurer
Escuela Agrícola Panamericana
Museum of Science
Science Park
Boston, Massachusetts 02114

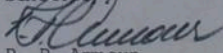
Dear Mr. Weeks:

Listed below are some of the questions being asked by members of the Retirement and Death Benefit Plan:

1. If an employee retires at age 65 after 40 years of continuous membership in the Plan, will he receive credited service for 40 years, or is the maximum 30 years? In other words, will his annual pension be more than that of an employee retiring at age 65 with 30 years continuous membership, each having the same average salary over final five years of employment, or will it be the same?
2. If an employee retires early at age 55 with 15 years of continuous membership, is he eligible to draw annual advances of 10% against his Death benefit?
3. If an employee resigns from the School after age 50 with 15 year of continuous membership, and begins to receive a retirement pension at age 55, is he eligible for Death Benefit?
4. Under the former plan, the "normal retirement date" for a female member was age 60, is she still entitled to retire at age 60, under the new plan, providing she was a member of the old plan, with no reduction in benefit?
5. We understand that retirement plan payments are subject to U.S. Income Tax withholding. Will the School pay this Tax, or will it be withheld from the pension check of the retired member? If so, what percentage will be withheld? And, does this mean that all retired members, even though they are foreigners, will have to file U.S. annual Internal revenue returns?

Clarification on the above will be appreciated.

Sincerely,


R. P. Armour
Director

RPA/aml

cc: Mr. M. C. Dixon

November 8, 1971

Mr. William J. Carroll
Carroll & Heskett
88 Broad Street
Boston, Massachusetts

Dear Mr. Carroll:

Following up my telephone conversation today, we have received a letter from the Director at the School in Honduras asking for two things: (1) For the staff we need a detailed clarification of the new plan for Mr. Dixon (Business Manager) to answer questions. (2) Information on the following members showing specifically what they would receive if retired in 1972 - plan account numbers 99, 72, 6, 5 and 16. Figúres should show tax reductions for payments made in Honduras."

With respect to the first request above, I had thought that the letter we drew up last June for the employees would have provided sufficient clarification, and do not know what they are really after since this outlines the important changes that were made.

Also, as I explained on the telephone, I do not have 1971 salary information on hand and would have to resort to the Retirement and Death Benefit date for 1970, which information you should probably have in your files. Will you give me a ring when you have had a chance to think about this and we can decide what to do next.

Sincerely,



John W. Weeks
Secretary-Treasurer

JWW:b

original to GPH 6/18/71

June, 1971

To all salaried employees:

The School has made important changes in the Retirement and Death Benefit Plan. Effective January 1, 1971, highlights of the Plan are:

1. Eligibility for Membership -- All salaried employees who currently are members of the Plan will continue to be members. Other present salaried employees whose earnings exceed \$600.00 per annum and who will have at least six (6) months of service by July 1, 1971, the next enrollment date, may join the Plan on that date by completing and returning to the Committee beforehand an application for membership. Thereafter, a salaried employee will not be eligible to join the Plan until he has reached his thirty-fifth (35) birthday.
2. Retirement Benefits -- On the first day of the month following your sixty-fifth (65) birthday, you may retire. Your annual pension will be a percentage of your average annual salary during the five calendar years just preceding your retirement. The percentage will be based on your continuous membership and may be illustrated as follows:

<u>Years of Continuous Membership in the Plan</u>	<u>Percentage of Final-Average Salary</u>	
	<u>Covered by Social Sec.</u>	<u>Not Covered by Social Sec.</u>
10	12.5%	17.5%
15	18.75	26.25
20	25.00	35.00
25	31.25	43.75
30	37.50	52.50

Thus for example, if you retire at age sixty-five (65) after 30 years of continuous membership, and are not covered by U.S. Social Security, and if your average salary over your final five years of employment is \$2,000., your annual pension will be \$1,050.00.

3. Death Benefits - If you should die before retirement while an active member of the Plan, your beneficiary will receive a death benefit settlement equal to one-year's salary. If you retire at age sixty-five (65),

your death benefit will continue in force and you may draw annual advances of 10% during each of the first 9 years of your retirement. At your death, your beneficiary will receive payment of the unpaid balance.

4. School Contributions - School contributions will be applied toward the cost of the Death Benefit, toward the expenses of operating the Plan, and toward the balance of the cost of member pensions that is not covered by the member's own contributions.
5. Contributions by Members - Eligible employees who become members will make contributions toward the cost of their retirement benefits as follows:

On salary not covered by U. S. Social Security - 4%
On salary covered by U.S. Social Security - 2%

These contributions will be made by payroll deduction. All such contributions together with interest thereon will be held to each member's account and paid to his beneficiary in the event he should die before retirement, or refunded to him should he withdraw from the Plan for any reason before becoming eligible for a retirement or disability benefit.

6. Other Important Features of the Revised Plan are:

Vesting - Upon termination of employment after age 45 and 10 years of continuous membership

Early Retirement - After age 55 and 10 years of continuous membership

Special Disability Retirement - After age 55 and 10 years of continuous membership

We hope all eligible employees will carefully weigh the advantages of membership in the Plan. Even for those who are young enough to look forward to many years of employment before becoming eligible for retirement benefit payments, there is immediate eligibility for the death benefit coverage. This is a very valuable feature of the plan, available only to members of the Plan, and paid for entirely by the School.

If you should have any questions concerning the Plan, we will be happy to discuss them with you.

Very truly yours,

George P. Gardner, Jr.
Acting President

Robert P. Armour, Director

DRAFT OF ANNOUNCEMENT LETTER TO
EMPLOYEES OF ESCUELA AGRICOLA PAN-AMERICANA INC.

To all salaried employees:

The School has made important changes in the Retirement and Death Benefit Plan. Effective January 1, 1971, highlights of the Plan are:

1. Eligibility for Membership-- All salaried employees who currently are members of the Plan will continue to be members. Other present salaried employees whose earnings exceed \$600.00 per annum and who will have at least six (6) months of service by July 1, 1971, the next Enrollment Date, may join the Plan on that date by completing and returning to the Committee beforehand an application for membership. Thereafter, a salaried employee will not be eligible to join the Plan until he has reached his thirty-fifth (35) birthday.
2. Retirement Benefits-- On the first day of the month following your sixty-fifth (65) birthday, you may retire. Your annual pension will be a percentage of your average annual salary during the five calendar years just preceding your retirement. The percentage will be based on your continuous membership and may be illustrated as follows:

<u>Years of Continuous Membership in the Plan</u>	<u>Percentage of Final-Average Salary Covered by Social Sec.</u>	<u>Not Covered by Social Security</u>
10	12.5%	17.5%
15	18.75	26.25
20	25.00	35.00
25	31.25	43.75
30	37.50	52.50

Thus for example, if you retire at age sixty-five (65) after 30 years of continuous membership, and are not covered by U.S. Social Security, and if your average salary over your final five years of employment is \$2,000., your annual pension will be \$1,050.00.

3. Death Benefits-- If you should die before retirement while an active member of the Plan, your beneficiary will receive a death benefit settlement equal to one-year's salary. If you retire at age sixty-five (65), your death benefit will continue in force and you may draw annual advances of 10% during each of the first 9 years of your retirement. At your death, your beneficiary will receive payment of the unpaid balance.
4. School Contributions-- School contributions will be applied toward the cost of the Death Benefit, toward the expenses of operating the Plan, and toward the balance of the cost of member pensions that is not covered by the member's own contributions.

5. Contributions by Members-- Eligible employees who become members will make contributions toward the cost of their retirement benefits as follows:

On salary not covered by U.S. Social Security-----	4%
On salary covered by U.S. Social Security-----	2%

These contributions will be made by payroll deduction. All such contributions together with interest thereon will be held to each member's account and paid to his beneficiary in the event he should die before retirement, or refunded to him should he withdraw from the Plan for any reason before becoming eligible for a retirement or disability benefit.

6. Other important features of the revised Plan are:--

Vesting- Upon termination of employment after age 45 and 10 years of continuous membership

Early Retirement- After age 55 and 10 years of continuous membership

Special Disability Retirement- After age 55 and 10 years of continuous membership

We hope all eligible employees will carefully weigh the advantages of membership in the Plan. Even for those who are young enough to look forward to many years of employment before becoming eligible for retirement benefit payments, there is immediate eligibility for the death benefit coverage. This is a very valuable feature of the plan, available only to members of the Plan, and paid for entirely by the School.

If you should have any questions concerning the plan, members of the Committee will be happy to discuss them with you.

Very truly yours,

Attachment

DRAFT OF ANNOUNCEMENT LETTER TO
EMPLOYEES OF ESCUELA AGRICOLA PAN-AMERICANA INC.

To all salaried employees:

The School has made important changes in the Retirement and Death Benefit Plan. Effective January 1, 1971, highlights of the Plan are:

1. Eligibility for Membership-- All salaried employees who currently are members of the Plan will continue to be members. Other present salaried employees whose earnings exceed \$600.00 per annum and who will have at least six (6) months of service by July 1, 1971, the next Enrollment Date, may join the Plan on that date by completing and returning to the Committee beforehand an application for membership. Thereafter, a salaried employee will not be eligible to join the Plan until he has reached his thirty-fifth (35) birthday.
2. Retirement Benefits-- On the first day of the month following your sixty-fifth (65) birthday, you may retire. Your annual pension will be a percentage of your average annual salary during the five calendar years just preceding your retirement. The percentage will be based on your continuous membership and may be illustrated as follows:

Years of Continuous Membership in the Plan	Percentage of Final-Average Salary Covered by Social Sec.	Not Covered by Social Security
10	12.5%	17.5%
15	18.75	26.25
20	25.00	35.00
25	31.25	43.75
30	37.50	52.50

Thus for example, if you retire at age sixty-five (65) after 30 years of continuous membership, and are not covered by U.S. Social Security, and if your average salary over your final five years of employment is \$2,000., your annual pension will be \$1,050.00.

3. Death Benefits-- If you should die before retirement while an active member of the Plan, your beneficiary will receive a death benefit settlement equal to one-year's salary. If you retire at age sixty-five (65), your death benefit will continue in force and you may draw annual advances of 10% during each of the first 9 years of your retirement. At your death, your beneficiary will receive payment of the unpaid balance.
4. School Contributions-- School contributions will be applied toward the cost of the Death Benefit, toward the expenses of operating the Plan, and toward the balance of the cost of member pensions that is not covered by the member's own contributions.

Contributions by Members-- Eligible employees who become members will make contributions toward the cost of their retirement benefits as follows:

On salary not covered by U.S. Social Security-----	4%
On salary covered by U.S. Social Security-----	2%

These contributions will be made by payroll deduction. All such contributions together with interest thereon will be held to each member's account and paid to his beneficiary in the event he should die before retirement, or refunded to him should he withdraw from the Plan for any reason before becoming eligible for a retirement or disability benefit.

6. Other important features of the revised Plan are:--

Vesting- Upon termination of employment after age 45 and 10 years of continuous membership

Early Retirement- After age 55 and 10 years of continuous membership

Special Disability Retirement- After age 55 and 10 years of continuous membership

We hope all eligible employees will carefully weigh the advantages of membership in the Plan. Even for those who are young enough to look forward to many years of employment before becoming eligible for retirement benefit payments, there is immediate eligibility for the death benefit coverage. This is a very valuable feature of the plan, available only to members of the Plan, and paid for entirely by the School.

If you should have any questions concerning the plan, ~~members of the Committee~~ will be happy to discuss them with you.

Very truly yours,

[Handwritten signatures and names]
~~Robert P. Anderson, Secretary~~
 George P. Hadden Jr., Acting Pres.
 Robert P. Anderson, Director

March 29, 1971

Mr. George P. Gardner, Jr.
Paine, Webber, Jackson & Curtis
24 Federal Street
Boston, Massachusetts 02110

Dear George:

With respect to the EAP Pension Plan changes, I have been working with the actuarial firm of Carroll & Heskett, at the suggestion of Will Lauer, since the December meeting. During this period of time they have redrafted the plan to put it in proper language and have also been working on a letter which could be made available to the EAP employees to advise them of the changes. I enclose a draft of the announcement letter, and a bill and check, which should be countersigned by you and forwarded along. Do you feel that the rest of the Administrative Committee (Cabot and Kimberly) should be "bothered" by reviewing this, or should we take a chance it will serve our purposes? I should think the letter should best be signed by Bob, as Director of the School, unless you feel that it is more proper to have it come from Wayne himself.

Lastly, do you feel it would be wise to circulate to the Board a draft of the new plan and to work up a vote approving it for the May meeting? Bear in mind that the proposed changes were approved at the December meeting by the Trustees but not the revised plan incorporating the changes.

Sincerely,

John W. Weeks
Secretary-Treasurer

JWW:b
Enclosures

P. S. Supplementing the last paragraph, it occurs to me that we should probably have a vote from the Trustees authorizing the waiving of payment for 1971, since the plan is over-funded. I enclose a copy of Carroll's letter stating this fact for the record.

Carroll & Heskett
Consulting Actuaries

88 BROAD STREET ♦ BOSTON, MASSACHUSETTS 02110

WILLIAM J. CARROLL, F. S. A.
LEONARD S. HESKETT

(617) 426-3300

February 18, 1971

Board of Directors
Escuela Agricola Pan-Americana, Incorporated

Gentlemen:

Based on our December 31, 1969 valuation of the liabilities under the Retirement and Death Benefit Plan for Employees of Escuela Agricola Pan-Americana, Incorporated, we find there has been sufficient advance - funding by the School to safely permit a discontinuance of school contributions for the year 1971. The matter of school contributions for subsequent years should be re-studied at a later date.

Very truly yours,

William J. Carroll
William J. Carroll

WJC:bms

Copies To:
Armon
Gardner
Reitz

Carroll & Heskett
Consulting Actuaries

88 BROAD STREET ♦ BOSTON, MASSACHUSETTS 02110

WILLIAM J. CARROLL, F. S. A.
LEONARD S. HESKETT

(617) 426-3300

January 30, 1971

Mr. John W. Weeks
Deputy Director
The Museum of Science
Boston, Massachusetts

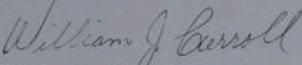
Dear Mr. Weeks:

We enclose a copy of our actuary's draft of the revised Retirement and Death Benefit Plan for Employees of Escuela Agricola Pan-Americana Inc. Earlier, a copy was sent to Mr. Richard Giles for his observations on whether or not the intended changes have been represented properly. We both agreed that this draft describes adequately the basis of the new Plan.

When I met with you earlier, I agreed to submit a bid regarding a retainer for providing consulting and actuarial services to the Committee on a continuing basis. We feel that the costs and liabilities of the Plan should be valued at more frequent intervals than has been the practice. It will be no more costly usually to annually update records and compute costs than it will be to schedule valuations infrequently but on a special basis. Our retainer to provide routine consulting and regular actuarial valuation services for this type Plan and membership size would be \$450. per year.

I will call you next week to schedule a short meeting, if you are agreeable. I will plan to offer interpretations of certain provisions of the Plan that I think may be especially difficult for anyone not regularly exposed to the pension subject.

Very truly yours,


William J. Carroll

WJC:bms

cc: Mr. R.G. Giles

United Fruit Company

A Division of United Brands Company
Prudential Center
Boston, Massachusetts 02199
(617) 262-3000

November 12, 1970

Mr. George Gardner, Jr.
Paim, Webber, Jackson & Curtis
24 Federal Street
Boston, Massachusetts

RE: ESCUELA AGRICOLA PANAMERICANA RETIREMENT PLAN

Dear Mr. Gardner:

In our meeting last Monday, it was suggested that a summary of the retirement plan study would be helpful in presenting the proposed revisions to the school board. In response to this suggestion, I have prepared the following comments:

1. The study was performed with the following objectives in mind:
 - a. To establish the relationship between assets and liabilities of the existing plan.
 - b. To estimate the future level of annual cost of the existing plan to the school.
 - c. To compare benefits and costs of the existing plan with those of a final average salary plan.
2. To satisfy the first objective, a calculation was performed using census data furnished by the school. The results of the calculation, which may be found on page 2 of the report, are summarized below:

Total Annual Normal Cost	\$ 12,200
Total Accrued Liability	\$159,100

In addition, the assets of the plan were estimated at \$240,000.

As you can see, the assets of the existing plan (\$240,000) exceed the total accrued liability (\$159,100) as of December 31, 1969. Therefore, the existing plan is overfunded by a considerable amount.

3. The estimated future level annual cost of the existing plan (page 2) is \$12,200. Since annual employee contributions amount to approximately \$10,500, it is apparent that the employees are contributing almost the entire amount of the annual cost of the plan. Furthermore, the existing plan provides for matching contributions, and the plan will continue to increase its present overfunded position, unless action is taken to amend paragraph 12 of the plan which deals with Employer contributions.

4. Calculations were performed to estimate the liability of a plan which would provide a retirement benefit equal to 50% of final average earnings for employees retiring with 30 years of service. The results of this calculation may be found on page 6 of the report, and are summarized below:

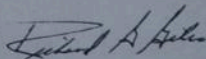
Total Annual Normal Cost	\$ 17,100
Total Accrued Liability	\$188,400

The benefits derived from this plan are considered to be very realistic by current standards. Further, it may be seen that although the estimated annual cost increased by \$4,900, this is still less than the present total annual employee and employer contribution.

5. In order to determine the impact of the proposed plan on present members, a benefit comparison was prepared. This comparison shows the existing benefit (BEN-A) vs. the proposed benefit (BEN-C). The benefit comparison may be found on the last three pages of the report.
6. On the basis of the results of this study, it seems appropriate to suggest the following action:
- Amend the retirement plan to include the suggested final average pay formula outlined on page 4 of the report.
 - Amend the retirement plan to include the early and disability provisions outlined on page 4 of the report.
 - Amend paragraph 12 of the plan document to eliminate reference to matching contributions.
 - Establish a policy with respect to funding. In this connection, it does not seem unreasonable to set a goal of 80% or 85% of total accrued liability as a realistic objective.
 - On the assumption that 85% may be established as a realistic funding objective, it would appear that the school may discontinue the employer share of annual contributions for the next three to four years, even if the proposed improved plan is adopted.
 - It is apparent from this study that there is a need to review the financial position of the pension plan at more frequent intervals. This is of special importance if the Board decides to discontinue employer contributions for the next several years. The firm of Carroll & Heskett, Consulting Actuaries, performed the actual calculations in connection with this study. Since they have become familiar with the plan and have designed programs to accommodate the type of valuation you require, I am sure that they could perform future valuations at a nominal charge.

For your convenience, I am enclosing 12 copies of the revised report for distribution to members of the Board and Administrative Committee. If you have any questions on the report, please do not hesitate to call on me.

Very truly yours,



Richard G. Giles
Manager, Employee Benefits

Enc

March 4, 1970

Mr. Wilbur Lauer
United Fruit Company
Prudential Building
Boston, Mass. 02199

Dear Mr. Lauer:

With reference to your recent visit to EAP on Thursday January 26, and our conversation with Mr. M. C. Dixon regarding the study of our present EAP Pension Plan, and recommendations for improvements of that plan, I now have pleasure in attaching a memorandum prepared by Mr. M. C. Dixon which makes several suggestions on the final pension plan, as recommended.

Since my own comments follow very closely those of Mr. Dixon I would just include the following remarks, based on the numbered paragraphs in Mr. Dixon's memorandum.

2. I believe that the matter of an approved salary schedule for EAP is one which has had attention from the administration of the school in previous years and has been discussed at Board level, on various occasions. As such would have to be taken up separately, although I would agree that any decision made, at the administrative level, would of course affect the projection for any retirement benefits by staff members in the retirement plan.
5. I would suggest that, if at all possible, we at least find out what the effects would be in making normal retirement age 60 and optional retirement age 55 thus making a 30 year period, for obtaining full benefit from the plan, as age 30 to 60. In this way perhaps we could encourage longer service on EAP staff without losing the interest of our younger staff members. Also early retirement, in this case, would have a penalty of only a 18% reduction as opposed to a 36% reduction, as it stands at present under point 6 of the comments provided in the attached memorandum.
15. Although I am in agreement that it would seem advisable to operate the plan outside the United States I would be more inclined to consider an investment in the Caribbean area rather than in Honduras itself. But this is entirely a matter of obtaining maximum security for the funds invested and, at the same time, avoid U.S. Income Tax in this case.

Mr. Wilbur Lauer

- 2 -

March 4, 1970

We certainly owe a great deal of thanks to yourself, and Mr. Giles, for the interest shown in our desire to improve our present EAP Pension Plan and I look forward to discussing this with you further when I am in Boston in April.

With best regards.

Sincerely,

A handwritten signature in dark ink, appearing to be 'J. P. Armour', written over a horizontal line.

J. P. Armour
Director

cc: Mr. Giles
Mr. M. C. Dixon

ESCUELA AGRICOLA PANAMERICANA

March 4, 1970

MEMORANDUM

TO: Mr. R. P. Armour, Director

FROM: Monte C. Dixon, Business Manager

SUBJECT: SUGGESTED FINAL PAY PENSION PLAN

As requested by Mr. Lauer, on his recent visit to the School, I enclose a detail of active members in the Pension Plan showing actual credit benefits accrued as of December 31, 1969.

General observations and comments:

1. The benefit comparison shown on the computer form exhibit is exaggerated not only by the use of current earnings instead of actual earnings, but also by the use of date of hire, instead of date of entry in Plan. This should be corrected in order to get a better appreciation of the suggested benefit formula.
2. "Ben C", which shows the benefit determined on the basis of the suggested final pay plan applying the assumed rate of salary projection, could be misleading; simply, because the school has no salary scale-notwithstanding the fact that an approved salary scale is definitely needed.
3. To appreciate more fully the difference between the benefits of the existing plan and those of the suggested plan, I would suggest showing two additional columns on the computer form exhibit: One, showing the benefits at normal retirement date, under the existing plan, using actual earnings from date of entry in plan, and: two, showing the benefits under the suggested plan, going back to date of entry in plan, but excluding assumed rate of salary projections.
4. Eligibility - Under the suggested plan, new employees will be eligible upon attainment of age 35. This is obviously going to result in temporary withdrawal by many members now under 35 years of age. In this connection it has occurred to me that there are several older employees who joined the

March 4, 1970

plan prior to age 35 but, because of economic reasons, withdrew from the plan at a later date - say age 40 - and rejoined as a new member, with no hope now of receiving maximum 30-years benefits. The question is whether it would be permissible for such a member to repay into the fund his returned contributions plus interest, in order that he be fully covered at 65 years of age. This appears to be feasible, since the School's contributions has remained in the fund, and no additional cost would occur. To cite one example, we have an employee, who will retire in 1974 with 25 years service, but will have credit benefits accrued for 11 years only, because of his withdrawing from the plan 7 years ago.

5. Normal retirement - If the age for normal retirement remains at 65, I feel very strongly that we should have optional retirement at age 60 or at least age 62, with no reduction in retirement benefits.
6. Early retirement - The 0.3% reduction for each month, by which retirement precedes the normal retirement date (subject to above) seems to be reasonable enough.
7. Deferred retirement - no comments.
8. Disability retirement - This is very important, and should definitely be included in the revised plan.
9. Vesting - No comments.
10. Normal retirement benefits:- This will be improved under the suggested final pay plan but I still feel that the plan's "over-funded" position renders it quite possible for further improvement.
11. Employee contribution - No comments.
12. Death benefit - Should remain as is, with one-tenth of one year's salary added to pension benefits at time of retirement.
13. Credited service - See comments under Item 4.
14. The reason that the Plan is "fully-funded" is not because the School has accelerated its funding during past years, but rather a high turnover of the membership, as a result of the School's very high personnel turnover, as well as members withdrawing and returning at a later date. The School contributions remain in the fund.

15. Since retirement plan payments are subject to U.S. Income Tax withholding, I think serious thought should be given to the feasibility of moving the fund outside the United States. All local banks are now affiliated with responsible U.S. banks, and this could probably be arranged through a Dollar account at a local bank with a guaranteed 5 1/2 compounded interest annually.

ESCUELA AGRICOLA PANAMERICANA, INC.
RETIREMENT AND DEATH BENEFIT PLAN
CONTRIBUTIONS OF MEMBER IN THE PLAN AT THE CLOSE OF 1969

HONDURAS

		<u>CONTRIBUTED TOTAL</u>
Balance per Prior Schedule "A"	(Code 0, 3, 4, & 6)	47,317.72
Adjustments (Exchange variances)		-
Correcting opening Balance		47,317.72
Current year contributions		9,944.70
Transfers In, Current year	(Cumulative period to date to transf.in)	-
Refunds	(Code 1, 2 & 7)	-3,348.10
Retirements	(Code 5)	-
Transfers out current year	(Cumulative period to date to transf.out)	-
	Balance per present Scheduled "A"(Code 0,3,4&6)	53,914.32
	Total contributions as above	53,914.32
	Balance Code 8 per Schedule A	<u>329.35</u>
	Total per Pension Plan Contra Accounts	<u><u>54,243.87</u></u>

ESCUELA AGRICOLA PAN AMERICANA, INC.

HONDURAS

RETIREMENT AND DEATH BENEFIT PLAN

SUMMARY OF EMPLOYEES' CONTRIBUTIONS - YEAR ENDED DECEMBER 31, 1969

<u>MONTH</u>		<u>AMOUNT</u>
January	\$	878.90
February		864.90
March		864.90
April		897.90
May		855.50
June		842.70
July		838.70
August		838.70
September		786.40
October		760.90
November		757.60
December		<u>757.60</u>
TOTAL	\$	<u>9,944.70</u>
TOTAL YEAR CONTRIBUTIONS PER SCHEDULES "A"		<u>9,944.70</u>

ESCUELA AGRICOLA PANAMERICANA, INC.

RETIREMENT AND DEATH BENEFIT PLAN

HONDURAS

SUMMARY OF EMPLOYEES REFUNDS

DECEMBER 31, 1969

<u>MONTH</u>	<u>CONTRIBUTIONS</u>	<u>INTEREST</u>	<u>TOTAL</u>
February	350.00	11.04	361.04
April	6.60	0.02	6.62
May	531.50	16.49	547.99
June	225.30	13.44	238.74
September	1,369.80	160.99	1,530.79
October	757.50	30.74	788.24
November	107.40	4.55	111.95
	<u>\$ 3,348.10</u>	<u>237.27</u>	<u>3,585.37</u>

RECONCILIATION WITH SCHEDULE "A"

1	Left Company Services	\$ 1,573.10	46.43	1,619.53
2	Withdrew from Plan	<u>1,775.00</u>	<u>190.84</u>	<u>1,965.84</u>
	TOTAL REFUNDED AS PER SCHEDULED "A"	<u>3,348.10</u>	<u>237.27</u>	<u>3,585.37</u>

ESCUELA AGRICOLA PAN AMERICANA, INC.

RETIREMENT AND DEATH BENEFIT PLAN

HONDURAS

REPAYMENT OF CONTRIBUTIONS, PLAN YEAR ENDED DECEMBER 31, 1969

<u>REASON FOR REFUND</u>	<u>NAME</u>	<u>CONTRIBUTIONS</u>	<u>INTEREST</u>	<u>TOTAL</u>
Resigned	Alemán N., Mario R.	22.50	0.14	22.64
"	Banegas G., Manuel A.	11.50	0.17	11.67
"	Burton, Thomas R.	343.00	15.55	358.55
"	Funes P., Ramiro	96.00	1.78	97.78
"	Nérida, Julio	424.00	14.54	438.54
"	Norales G., Miguel A.	350.00	11.04	361.04
"	Pelón S., Celia Iris	31.50	0.31	31.81
"	Sequeira A., Francisco	288.00	2.88	290.88
"	Valladares B., Jimeo	6.60	0.02	6.62
		\$ 1,573.10	46.43	1,619.53

ESCUELA AGRICOLA PANAMERICANA, INC.

RETIREMENT AND DEATH BENEFIT PLAN

HONDURAS

REPAYMENT OF CONTRIBUTIONS, PLAN YEAR ENDED DECEMBER 31, 1969

<u>REASON FOR REFUND</u>	<u>NAME</u>	<u>CONTRIBUTIONS</u>	<u>INTEREST</u>	<u>TOTAL</u>
Withdrew from Plan	Arambú O., Jorge	202.80	13.32	216.10
" " "	Calona B., Adán	738.80	142.56	881.36
" " "	Perez O., Gustavo	726.00	30.43	756.43
" " "	Ruiz A., Juan A.	<u>107.40</u>	<u>4.35</u>	<u>111.95</u>
	\$	<u>1,775.00</u>	<u>190.84</u>	<u>1,965.84</u>

ESCUELA AGRICOLA PANAMERICANA, INC.
RETIREMENT AND DEATH BENEFIT PLAN
STATUS OF MEMBERS IN THE PLAN AT CLOSE OF 1969

HONDURAS

	CONTRIBUTIONS					INTEREST				
	LEAVE OF VESTED	OVER RET.				LEAVE OF VESTED	OVER RET.			
	ACTIVE	ABSENCE	RIGHTS	AGE	WORK	ACTIVE	ABSENCE	RIGHTS	AGE	WORK
					TOTAL					TOTAL
Bice. per prior Sch. A	45,747.71	220.00	1,350.01		47,317.72	8,324.86	13.45	892.43		9,230.74
Adjustment										
Corrected opening Bice.	45,747.71	220.00	1,350.01		47,317.72	8,324.86	13.45	892.43		9,230.74
Current year contributions and accruals	9,944.70				9,944.70	1,734.60		67.27		1,801.87
Transfers in Refunds	-3,348.10				-3,348.10	-237.27				-237.27
Retirements										
Transfers out										
Deceased										
Reclassification						-7.00	7.00			
Adjustments (Exchange variance)										
FOR PRESENT SCHEDULE "A"	52,344.31	220.00	1,350.01		53,914.32	9,815.19	20.45	959.70		10,795.34

TOTAL CONTRIBUTIONS AS ABOVE	\$ 53,914.32
Plus Code 8 per Schedule A	329.55
BALANCE PER PENSION PLAN CONTRA ACCOUNTS \$	<u>54,243.87</u>

ESCUELA AGRICOLA PANAMERICANA, INC.

RETIREMENT AND DEATH BENEFIT PLAN

HONDURAS

SUMMARY OF EMPLOYEE'S EARNINGS, CONTRIBUTIONS AND INTEREST AS REPORTED ON

SCHEDULE "A"

YEAR ENDED - 1969

STATUS CODE	DESCRIPTION	PLAN EARNINGS CURRENT YEAR		CONTRIBUTIONS		INTEREST		
		FICA	NON	CURRENT YEAR	PERIOD	CURRENT YEAR	PERIOD	
			FICA					
0	Active	20,760.00	216,900.00	9,091.20	52,344.31	1,678.86	9,815.19	
1	Left Company services	4,200.00	11,702.50	552.10	1,573.10	14.66	46.43	
2	Withdrew from plan		7,535.00	301.40	1,775.00	34.08	190.84	
3	Leave of absence				220.00	7.00	20.45	
4	Exercised vested rights				1,350.01	67.27	959.70	
5	Retired current year							
6	Over Ret. Age still working							
7	Deceased current year							
8	Inactive							
					329.55		26.52	
	TOTALS	\$	24,960.00	236,137.50	9,944.70	57,591.97	1,801.87	11,059.13

ESCUELA AGRICOLA PANAMERICANA, INC.

DETAIL OF EMPLOYEES' EARNINGS AND CONTRIBUTIONS UNDER RETIREMENT AND DEATH BENEFIT PLAN-YEAR ENDED DECEMBER, 1969

NAME	Plan Account Number	EARNINGS CURRENT YEAR		CONTRIBUTIONS		INTEREST ACCRUED ON CONTRIBUTIONS		STATUS CODE
		Cov'd. by US.Soc.Sec.	Not cov'd. by US.Soc.Sec.	Current year	to Date	Current year	to Date	
AGOSTA D., Antonio	183		1,350.00	54.00	54.00	0.81	0.81	1-0
AGUDELO C., Arley	153		4,500.00	180.00	528.00	13.45	23.79	2-0
ALVARRECA, Cristobal	185		750.00	30.00	30.00	0.45	0.45	1-0
ALEMAN M., Rodolfo	169		1,800.00	72.00	138.00	3.09	4.08	2-0
ALVAREZ L., Elsa de	44		2,100.00	84.00	801.53	26.95	165.98	2-0
ALVAREZ V., Julio	45		2,250.00	90.00	978.00	33.60	220.67	2-0
ALVAREZ C., Ramón	1		5,400.00	216.00	3,384.78	127.78	1,110.33	2-0
ARMOUR, Robert P.	104		15,000.00	600.00	2,720.00	76.67	212.35	2-0
AVILA R., José	112		960.00	38.40	164.40	4.58	11.88	1-0
AVILA A., Gregorio	154		900.00	36.00	94.80	2.36	4.12	1-0
BENAVIDES R., Amado	135		660.00	26.40	100.80	2.73	6.10	1-0
BENAVIDES R., Abraham	56		930.00	37.20	356.40	11.75	65.52	1-0
BENAVIDES R., Domingo	2		1,290.00	51.60	743.42	28.49	260.83	1-0
BENAVIDES S., Olga M.	187		900.00	36.00	36.00	0.54	0.54	1-0
BURGOS F., Wilma	137		1,950.00	78.00	270.00	7.19	15.79	2-0
BURGOS E., Arnaldo	90		3,600.00	144.00	855.60	25.46	90.54	2-0
CASCO B., Marco A.	155		5,700.00	228.00	656.00	16.64	29.15	2-0
CALONA L., Trinidad	116		840.00	33.60	148.80	4.16	10.88	1-0
CALONA C., Maria M.	170		900.00	36.00	66.00	1.45	1.90	1-0
CORNEJO M., Jose T.	91		5,400.00	216.00	1,464.00	44.13	158.99	2-0
DIXON, Monte C.	117	7,680.00	-	153.60	777.60	22.21	61.78	2-0
DISCUEA C., Miguel	109		1,260.00	50.40	265.20	7.05	23.44	1-0
FERNANDEZ R., Juan	32		5,700.00	228.00	2,718.12	94.55	642.21	2-0
FIGUEROA G., Isabel	188		1,020.00	40.80	40.80	0.61	0.61	1-0
FIGUEROA S., Santos	189		600.00	24.00	24.00	0.36	0.36	1-0
PICK A., Walter	171		4,500.00	180.00	348.00	7.82	10.34	2-0
FLORES F., Bernabé	190		600.00	24.00	24.00	0.36	0.36	1-0
FLORES F., Eleuterio	191		750.00	30.00	30.00	0.45	0.45	1-0
FLORES R., Antonio	119		1,200.00	48.00	225.60	6.37	17.16	1-0
FONSECA I., Jose M.	120		1,050.00	42.00	201.60	5.71	15.40	1-0
FRAYTAG, George F.	63	7,800.00	1,200.00	204.00	1,970.40	64.03	330.00	2-0
GARCIA C., Roberto	173		4,800.00	192.00	384.00	5.73	11.61	2-0
GOMEZ E., Pedro	140		900.00	36.00	138.00	3.74	8.26	1-0
LAGOS E., Hipolito	46		960.00	38.40	447.60	15.42	100.73	1-0
LOZANO C., Lionel	192		3,150.00	126.00	126.00	1.89	1.89	2-0
MARADIAGA G., Diego	143		630.00	25.20	99.60	2.71	6.08	1-0
MARADIAGA F., Santos	142		750.00	30.00	104.40	2.78	6.15	1-0
MARADIAGA F., Amado	124		1,140.00	45.60	220.80	6.26	16.98	1-0
MARADIAGA E., Rafael	193		1,140.00	45.60	45.60	0.68	0.68	1-0

NAME	Plan Account Number	EARNINGS CURRENT YEAR		CONTRIBUTIONS		INTEREST ACCRUED ON CONTRIBUTIONS		STATUS CODE
		Cov'd. by	Not cov'd. by	Current	To	Current	To	
		US. Soc. Sec.	US. Soc. Sec.	year	date	year	Date	
MARTINEZ M., Alfonso	194		1,200.00	48.00	48.00	0.72	0.72	1-0
MARTINEZ R., Genaro	195		1,050.00	42.00	42.00	0.63	0.63	1-0
MEDINA L., Armando	159		4,080.00	163.20	475.20	12.09	21.52	2-0
MEDINA F., Jose Domingo	111		1,800.00	72.00	332.40	9.46	23.41	2-0
MEDINA, Inocente	34		1,350.00	54.00	538.56	18.52	124.19	1-0
MEDINA S., Miguel	174		810.00	32.40	63.60	1.44	1.91	1-0
MEJIA Ch., Carlos	196		1,950.00	78.00	78.00	1.17	1.17	2-0
MIDENCE B., Rina V.	157		2,250.00	90.00	258.00	6.54	11.62	2-0
MOLINA R., Antonio	3		7,800.00	312.00	3,043.24	107.58	306.50	2-0
MOLINA P., Juan R.	175		660.00	26.40	50.40	1.13	1.49	1-0
MORENO V., Jose J.	72		5,400.00	216.00	1,615.20	50.12	213.48	2-0
MUNOZ B., Victor	121		4,500.00	180.00	804.00	22.51	58.69	2-0
MUNOZ, Daniel	160		690.00	27.60	78.00	1.97	3.50	1-0
NARVAEZ B., Victor	144		4,800.00	192.00	750.00	21.90	47.43	2-0
ORTEGA, Gerardo	161		750.00	30.00	82.80	2.08	3.64	1-0
ORTEGA, Santiago	125		1,020.00	40.80	134.80	5.19	13.69	1-0
PAGOAGA C., Rene	162		1,650.00	66.00	180.00	4.51	7.86	2-0
PEL N C., Amado	5		5,700.00	228.00	3,933.40	149.78	1,323.09	2-0
PINEDA R., Julio	16		7,200.00	288.00	4,113.36	148.46	1,127.88	2-0
PONCE A., Francisco	99		2,700.00	108.00	729.60	22.00	75.64	2-0
RIOS P., Candelario	176		6,600.00	264.00	528.00	12.00	15.96	2-0
RIVERA C., Francisco S.	199		600.00	24.00	24.00	0.33	0.33	1-0
RIVERA F., David S.	198		1,350.00	54.00	54.00	0.81	0.81	1-0
RODAS I., Jacobo	177		720.00	28.80	52.80	1.16	1.52	1-0
RODRIGUEZ V., Elias	178		870.00	34.80	67.20	1.51	2.00	1-0
RODRIGUEZ M., José A.	200		660.00	26.40	26.40	0.40	0.40	1-0
RUBIO M., Mario	100		1,200.00	48.00	254.40	7.42	24.44	1-0
RUBIO M., Jose A.	127		990.00	39.60	187.20	5.29	14.33	1-0
SAGASTUME S., Humberto	201		1,950.00	78.00	78.00	1.17	1.17	2-0
SANCHEZ C., Jose C.	202		600.00	24.00	24.00	0.36	0.36	1-0
SANCHEZ B., Leonidas	166		750.00	30.00	80.40	2.01	3.54	1-0
SALINAS N., Agustín	6		4,500.00	180.00	2,902.16	110.74	989.99	2-0
SIERRA C., Francisco E.	179		1,350.00	54.00	102.00	2.27	2.99	1-0
SCHLITTLER, John B.	207	5,280.00	-	105.60	105.60	1.58	1.58	2-0
SOLOMON E., Gladstone	149		6,000.00	240.00	845.22	22.55	49.14	2-0
SOTO H., Jose L.	130		630.00	25.20	49.20	1.11	1.47	1-0
TORRES A., José A.	181		660.00	26.40	50.40	1.13	1.49	1-0
TORRES E., Alfonso	70		5,100.00	204.00	1,531.20	48.30	229.22	2-0
TORRES Y., Guillermo	150		5,400.00	216.00	816.00	22.04	48.76	2-0
UCLAS C., Efrain	101		900.00	36.00	190.00	5.83	20.29	1-0
ULLOA B., Fernando	203		900.00	36.00	36.00	0.54	0.54	1-0

NAME	Plan Account Number	EARNINGS CURRENT YEAR		CONTRIBUTIONS		INTEREST ACCRUED ON CONTRIBUTIONS		STATUS CODE
		Cov'd.by	Not cov'd.by	Current	To	Current	To	
		US.Soc.Sec.	US.Soc.Sec.	year	Date	year	Date	
VALLE G., Manuel	7		3,600.00	144.00	2,056.92	77.49	675.67	2-0
VENTURA, Ananias	205		600.00	24.00	24.00	0.36	0.36	1-0
VENTURA S., Max	206		5,100.00	204.00	204.00	3.06	3.06	2-0
VIZIL S., Rene	78		2,370.00	94.80	648.00	19.93	83.86	2-0
ZACCAGNA S., Luis	182		3,840.00	153.60	297.60	6.68	8.84	2-0
ZELAYA P., Jacobo	151		5,400.00	216.00	832.00	22.55	50.24	2-0
ZEPEDA V., Julio C.	167		7,200.00	288.00	864.00	22.12	39.53	2-0
ZELAYA R., Luis	130		1,170.00	46.80	223.20	6.31	17.05	1-0
TOTAL	\$	20,760.00	216,900.00	9,091.20	52,344.31	1,678.86	9,815.19	

ESCUELA AGRICOLA PANAMERICANA, INC.

DETAIL OF EMPLOYEES' EARNINGS AND CONTRIBUTIONS UNDER RETIREMENT AND DEATH BENEFIT PLAN-YEAR ENDED DECEMBER 1969

NAME	Plan Account Number	EARNINGS CURRENT YEAR		CONTRIBUTIONS		INTEREST ACCRUED ON CONTRIBUTIONS		STATUS CODE
		Cov'd.by	Not cov'd.by	Current	To	Current	To	
		US.Soc.Sec.	US.Soc.Sec.	year	date	year	date	
ALLENAN N., Mario R.	184		562.50	22.50	22.50	0.14	0.14	1-1
BANEGAS G., Manuel A.	186		287.50	11.50	11.50	0.17	0.17	1-1
BURTON, Thomas R.	138	4,200.00	-	84.00	343.00	5.45	15.55	2-1
FUNES P., Ramiro	172		750.00	30.00	96.00	0.79	1.78	2-1
MERIDA, Julio	156		1,600.00	64.00	424.00	4.02	14.54	2-1
MORALES G., Miguel	158		350.00	14.00	350.00	0.88	11.04	2-1
PELEN S., Celia I.	197		737.50	31.50	31.50	0.31	0.31	1-1
SEQUEIRA A., Francisco	207		7,200.00	288.00	268.00	2.88	2.88	2-1
VALLADARES B., Jimmie	204		165.00	6.60	6.60	0.02	0.02	1-1
TOTAL \$		4,200.00	11,702.50	552.10	1,573.10	14.66	46.43	

ESCUELA AGRICOLA PANAMERICANA, INC.

DETAIL OF EMPLOYEES' EARNINGS AND CONTRIBUTIONS UNDER RETIREMENT AND DEATH BENEFIT PLAN-YEAR ENDED DECEMBER, 1969

NAME	Plan Account Number	EARNINGS CURRENT YEAR		CONTRIBUTIONS		INTEREST ACCRUED ON CONTRIBUTIONS		STATUS CODE
		Cov'd.by US.Soc.Sec.	Not cov'd.by US.Soc.Sec.	Current year	To Date	Current year	To date	
ARAMBU O., Jorge	113		600.00	24.00	202.80	2.52	13.30	1-2
GALONA B., Adan	50		1,160.00	46.40	738.80	14.76	142.56	2-2
PEREZ O., Gustavo	168		4,950.00	198.00	726.00	14.47	30.43	2-2
RUIZ A., Juan A.	165		325.00	33.00	107.40	2.33	4.55	1-2
TOTAL		5	2,535.00	301.40	1,775.00	34.08	190.84	

ESCUELA AGRICOLA PANAMERICANA, INC.

DETAIL OF EMPLOYEES' EARNINGS AND CONTRIBUTIONS UNDER RETIREMENT AND DEATH BENEFIT PLAN-YEAR ENDED DECEMBER, 1969

<u>NAME</u>	<u>Plan Account Number</u>	<u>EARNINGS CURRENT YEAR</u>		<u>CONTRIBUTIONS</u>		<u>INTEREST ACCRUED ON CONTRIBUTIONS</u>		<u>STATUS CODE</u>
		<u>Cov'd by US.Soc.Sec.</u>	<u>Not cov'd. by US.Soc.Sec.</u>	<u>Current year</u>	<u>To date</u>	<u>Current year</u>	<u>To date</u>	
Rodspinner, Albert L.	147				220.00	7.00	20.45	2-3
			TOTAL	\$	220.00	7.00	20.45	

ESCUELA AGRICOLA PANAMERICANA, INC.

DETAIL OF EMPLOYEES' EARNINGS AND CONTRIBUTIONS UNDER RETIREMENT AND DEATH BENEFIT PLAN-YEAR ENDED DECEMBER, 1969

ESCUELA AGRICOLA PANAMERICANA, INC.

DETAIL OF EMPLOYEES' EARNINGS AND CONTRIBUTIONS UNDER RETIREMENT AND DEATH BENEFIT PLAN-YEAR ENDED DECEMBER, 1969

NAME	Plan Account Number	EARNINGS CURRENT YEAR		CONTRIBUTIONS		INTEREST ACCRUED ON CONTRIBUTIONS		STATUS CODE
		Cov'dby	Not cov'dby	Current	To	Current	To	
		US.Soc.Sec.	US.Soc.Sec.	year	date	year	date	
Torres O., Oscar	17				329.55		26.52	2-8
		TOTAL \$			329.55		26.52	

REVISED

RETIREMENT AND DEATH BENEFIT PLAN FOR EMPLOYEES OF ESCUELA AGRICOLA PANAMERICANA Tegucigalpa, Honduras

Effective Date.

1. This Plan shall become effective September 1, 1946, or on such other date as may be fixed by the Board of Trustees of the Escuela Agricola Panamericana, Inc. (hereinafter referred to as the "Board").

Scope of Plan.

2. This Plan shall apply to certain of the employees of the Escuela Agricola Panamericana in the Republic of Honduras (hereinafter referred to as the "School").

Retirement Trust Fund.

3. For the purposes of this Plan, the School will create a Retirement Fund (hereinafter referred to as the "Fund") constituted as herein provided.

The Fund shall be administered by an Administrative Committee (hereinafter referred to as the "Committee") consisting of not less than three nor more than five members appointed by the Board. The Board shall at all times have power of removal and substitution of the members of such Committee and of filling vacancies however caused. The Committee shall have full and complete management and control of the Fund and, subject to veto by the Board, shall determine conclusively for all parties concerned all questions arising in the administration, interpretation and application of the said Fund, except as may be otherwise provided herein. The necessary expenses of, as well as any taxes upon the Fund or the income therefrom, shall be paid out of the Fund.

Administration of the Plan.

4. The Committee shall be charged with the administration of the Plan. The Committee shall make such rules and regulations as may be necessary to carry out the provisions of the Plan and, subject to veto by the Board, shall

determine conclusively for all parties concerned all questions arising in the administration, interpretation and application of the Plan. The members of the Committee shall serve as such without compensation, but any expenses necessarily incurred by the Committee in administering the Plan shall be borne by the School.

Definition of Term "Employee".

5. The term "employee" shall mean any regularly employed person who is on the salaried payrolls of the School and who receives a regular salary of not less than \$360 per year from the School, other than a retainer, payment for special services or a fee under contract.

Eligibility for Participation.

6. On July 1, 1964 and each January 1st and July 1st thereafter, an employee who shall not have attained the age of sixty years may join the Plan. Eligibility for membership in the Plan from September 1, 1946 to June 30, 1964 shall be governed by the applicable provisions of the Plan in effect from time to time during that period.

7. An employee joining the Plan must sign an application on a form prescribed by the Committee, indicating his acceptance of the terms of the Plan and authorizing the required salary deductions. Employees participating in the Plan and those receiving retirement benefits under the terms of the Plan will be referred to hereafter as "members".

8. At the time of signing such application the member shall designate a beneficiary and may at any time change the beneficiary upon written notice to the Committee. In the event of the member's death the beneficiary so designated shall have only the rights herein specifically granted (as set forth in Paragraphs 20 and 22 hereof). If such beneficiary does not survive the member, any payments that otherwise would be made to the beneficiary will be made to the survivor or survivors in each of the following classes in the order named, to

wit: the member's widow or widower, children and adopted children, parents, brothers and sisters, executors or administrators.

9. Any member who for any reason ceases to be a member of the Plan may at a later date, if otherwise eligible, rejoin the Plan but, except as otherwise provided in subparagraph (c) of Paragraph 22, only on the basis of a new member and will be given no credit for services prior to his readmission.

Retirement Date.

10. Any member in active service who attains age sixty-five shall be retired on the first day of the calendar month next following the date on which such age is attained, which shall be the "normal retirement date"; provided, however, that any female member who on July 1, 1964 has passed her forty-fifth birthday and had at least ten years of service for which credit has been allowed under this Plan may, prior to attaining age sixty-five, elect to be retired on the first day of any calendar month after the date on which she attains age sixty, and such elected date shall be deemed to be her normal retirement date. Any member may, on the request of the School, be retained in active service after the normal retirement date. During such extended service such member shall not make any contributions for retirement benefits and shall not receive any retirement credit for the time employed after the normal retirement date. The Board may reduce the age limit for retirement with respect to all or any class of employees.

11. In special cases, with the consent of the Committee, a member of the Plan may retire on a date which is prior to his normal retirement date by not more than ten years. The retirement benefit in such case shall be fixed by the Committee, taking into consideration the amounts paid into the Fund by the School and the member, together with the accumulation thereon, the age and life expectancy of the member and his years of service. The retirement benefit will necessarily be materially smaller than that which would otherwise be payable

on the normal retirement date, due to the fact that benefits commence at a younger age, and are based on a shorter period of contributions. Details covering any particular case will be furnished as occasion requires.

Contributions by the School.

12. Concurrently with the payment of contributions for retirement benefits by the members of the Plan, the School will credit the Fund for service retirement benefits an amount at least equal to that paid by the members. The School may from time to time make additional contributions to provide for such retirement benefits. However, this paragraph shall not be construed so as to limit or deny the right of the Board to modify or terminate the Plan as provided in Paragraphs 32, 33 and 34.

Contributions by Employees.

13. Effective July 1, 1964 each member of the Plan shall contribute to the Fund each year 2% of that part (if any) of his annual salary taxable during such year to provide old-age retirement benefits under the United States Social Security Act, plus 4% of that part (if any) of his annual salary not so taxable during such year. Contributions by members prior to July 1, 1964 shall be governed by the applicable provisions of the Plan in effect from time to time prior to that date.

Beginning with the year 1949 the fiscal year of the Plan shall end on December 31st. The annual salary referred to in Paragraph 13 shall mean the annual salary in effect on January 1st each year beginning with the year 1950, except for employees joining the Plan on July 1st each year (pursuant to Paragraph 6) in which case the annual salary as of July 1st shall be effective until the following January 1st.

The Committee may modify or adjust these contributions to meet any changes or modifications which may be made in the Social Security Act or other social legislation, or to meet the terms of any new social legislation which

may be enacted.

The Board may in its discretion reduce for any given year the contributions of the members or the contributions of both the members and the School if in its judgment the income of the Fund is sufficient to warrant such action.

14. Contributions by members for retirement benefits shall cease on a member's normal retirement date, or actual retirement date if earlier retired.

15. A member on leave of absence with pay shall regularly contribute to the Plan, unless under special circumstances some other arrangement is authorized by the Committee.

16. A member on leave of absence without pay shall not contribute to the Plan and shall not receive any retirement benefit credit for such period, and all rights to the death benefit shall cease during such period, unless otherwise authorized by the Committee. Upon return to active service contributions shall be resumed.

17. A member may not borrow on his contributions at any time.

Retirement Benefits.

18. On retirement at normal retirement date, a member, subject to Paragraphs 32, 33 and 34 of the Plan, shall receive an annual retirement benefit as follows:

For each year of service subsequent to becoming a member of the Plan, and pro rata for each additional completed month of such service: 1% of that part (if any) of the member's annual salary which during such year was taxable to provide old-age retirement benefits under the United States Social Security Act, plus 1 3/4% of that part (if any) of his salary which during such year was not so taxable.

Annual salary as used in this paragraph shall mean the salary on the basis of which contributions were paid under the provisions of Paragraph 13.

The minimum retirement allowance payable at normal retirement date shall be \$180 per annum.

The Board may in its discretion increase the retirement benefits indicated above if the corpus of the Fund and the income received thereon are deemed reasonably adequate therefor and likewise may reduce such benefits (including the minimum retirement allowance hereinabove specified) if the Fund should prove inadequate. The Board may also adjust the said benefits if the contributions should be changed to meet the terms of any social legislation now in effect or which may be hereafter enacted.

19. The first retirement benefit payment will be paid on the first day of the first month after retirement, and subsequent retirement benefit payments will be made on the first day of each month thereafter during the lifetime of the retired member. All rights to retirement benefits shall cease with the death of the member.

Death Benefits.

20. (a) Before Retirement. Upon the death of any member before retirement the School will pay to the beneficiary or other person entitled thereto under Paragraph 8 hereof a sum equal to one year's salary at the annual salary rate being received by the member at the time of his death.

(b) After Retirement. After the retirement of any member the School will pay to him annually in equal monthly installments for a period of nine years, or for such shorter period as the member may live, as an advance against the death benefit an amount equal to one-tenth of one year's salary at the annual salary rate being received by the member at the time of his retirement. Upon the death of such member the School will pay to the beneficiary or other person entitled thereto under Paragraph 8 hereof a sum equal to one year's salary at the annual salary rate being received by the member at the time of his retirement less the amount advanced to the member against the death benefit

as provided herein.

(c) No contributions shall be made by the member to cover the death benefit herein provided. If the death of the member gives rise to claims against the School or against any company, institution or other entity insuring the School or its employees either under Workmen's Compensation Laws, accident laws or laws relating to compulsory insurance or death benefits or arising out of alleged negligence, then the School may withhold the payment of the death benefit or such part thereof as then remains unpaid until all such claims have been settled and the amount paid in settlement thereof may be deducted from the amount of the death benefit otherwise payable under this Plan.

(d) If upon or during the retirement of any member the School is required under the laws of the Republic of Honduras to pay on account of his retirement any severance pay, unemployment benefit, pension or other social benefit, the amount or estimated present value thereof may similarly, at the option of the School, be offset against the amount of the death benefit or part thereof then remaining unpaid, and only the remaining balance, if any, paid upon the death of such member.

Withdrawal from Plan.

21. When an employee becomes a member of the Plan, it is expected that he will continue regular contributions during the term of his employment until normal retirement date. A member who desires to withdraw from the Plan before termination of employment shall make application to the Committee, setting forth the reasons therefor, and if the Committee considers such reasons are adequate, it may grant such application and permit the member to withdraw from the Plan. If the Plan is so materially modified or amended as in the Committee's judgment to affect adversely a member's retirement benefits, the Committee will upon application permit such member to withdraw from the Plan.

Repayment of Member's Contributions.

22. (a) If a member dies before retirement there will be payable to his designated beneficiary or such other person as may be entitled thereto under Paragraph 8 an amount equal to the member's own contributions to the Fund, together with interest thereon at the rate of 3% per annum, compounded annually, less any amount owing by the member to the School.

If a member dies after retirement, there will be payable to such beneficiary or other person the amount, if any, by which the sum of the member's own contributions to the Fund, together with interest thereon at the rate of 3% per annum, compounded annually, exceeds the sum of the total amount of retirement benefits paid to such member and any amount owing by the member to the School.

(b) If a member's membership in the Plan is terminated other than by death, the member will be entitled to have repaid to him an amount equal to his own contributions to the Fund, together with interest thereon at the rate of 3% per annum, compounded annually, through the month prior to the date of termination of his membership, less any amount which he may owe to the School, subject however to the provisions of subparagraph (c) hereof.

(c) Any member who has passed his forty-fifth birthday and has had at least ten years of service for which credit has been allowed under this Plan shall, if his employment be terminated other than by death, or if the Board pursuant to any provisions of this Plan should terminate the Plan with respect to him, be entitled at his option (i) to have repaid to him an amount equal to his own contributions to the Fund, together with interest thereon at the rate of 3% per annum, compounded annually, less any amount which he may owe to the School, or (ii) to allow his contributions to remain in the Fund, in which latter case he will be accorded the following rights and none other:

(1) He may upon demand at any time before receiving retirement

benefits have repaid to him his own contributions to the Fund, together with interest thereon at the rate of 3% per annum, compounded annually, less any amount he may owe to the School.

(2) If said contributions are allowed to remain in the Fund until what would have been his normal retirement date under the Plan, he will be entitled to receive, beginning on the first day of the month after such date, retirement benefits as then or hereafter provided in the Plan corresponding to the period of service for which credit has been allowed.

(3) At any time not more than 10 years prior to what would have been his normal retirement date under the Plan, he may, in special cases, with the consent of the Committee, elect to receive reduced retirement benefits as fixed by the Committee in accordance with Paragraph 11.

(4) If he should die before receiving either repayment of his own contributions or retirement benefits, there will be payable to his designated beneficiary or such other person as may be entitled thereto under Paragraph 8, an amount equal to the member's own contributions to the Fund, together with interest thereon at the rate of 3% per annum, compounded annually, less any amount owing by the member to the School; and if he should die after having received retirement benefits, there will be payable to such beneficiary or other person the amount, if any, by which the sum of the member's own contributions to the Fund with interest thereon at the rate of 3% per annum, compounded annually, exceeds the sum of the total amount of retirement benefits paid such member and any amount owing by the member to the School.

(5) If, before either receiving repayment of his contributions or receiving his first payment of retirement benefits, he becomes eligible to rejoin the Plan by reason of his reemployment by the School or by reason of the reinstatement of the Plan as to him, as the case may be, he shall be

allowed to re-enter the Plan under the rules and regulations prescribed by the Committee and to add to his retirement benefit credits accumulated after his re-entry into the Plan the retirement benefit credits allowed to him prior to the interruption of his membership.

23. The Committee shall have as much time as it considers necessary within which to liquidate so much of the investments of the Fund as will be needed to make the payments required by Paragraph 22.

Nature of Fund.

24. The Fund established under the Plan shall consist of the contributions made by members and the School and the accruals thereto from time to time held by the School. No member or beneficiary (in case of death of member) nor any other person shall have any interest in or right to any part of the earnings of the Fund or any part of the assets thereof, except as and to the extent expressly provided in the Plan.

Management of Fund.

25. The Committee, except as herein otherwise provided, shall have full power in its sole discretion to manage, invest and reinvest, alter and change these funds and to make other investments which they may deem advisable, and in so doing the Committee shall be vested with all such rights, powers and privileges as might lawfully be exercised by any person owning similar property in his own right. The Committee shall not be limited to so-called "legal investments for Trustees."

The Committee, with the authorization of the Board, may at any time commingle all or any part of the assets of the Retirement Fund with the restrictive endowment fund or other funds of Escuela Agricola Pan-Americana, Inc. for such period or periods as it deems advisable. In such case Escuela Agricola Pan-Americana, Inc. will credit the Retirement Fund with interest on the assets so commingled at a rate per annum equal to the average rate of return which Escuela Agricola Pan-Americana, Inc. receives on the entire fund with which

the assets are so commingled, compounded annually, and the Retirement Fund will not suffer any capital loss or share in any capital gain of the funds so commingled or otherwise participate in the income derived from the investment of such funds.

The members of the Committee shall not be liable for the making, retention, or sale of any investment or reinvestment made by them, nor for any loss to or diminution of the Fund, except such acts as are due to willful misconduct, fraud or lack of good faith. The Committee may from time to time consult with counsel who may be of counsel to the School, and said Committee and each member thereof shall be fully protected in acting upon such advice of counsel as respects legal questions.

General Provisions.

26. (Deleted by amendment of April 20, 1964.)

27. If a member eligible for retirement benefits under the Plan be incapable of personally receiving retirement benefit payments, the Committee may direct that payments be made to any person they may determine is best fitted to receive or administer the money on behalf of the retired member, and any payments so made by the Committee shall be conclusively deemed to have been made for the benefit of such member, and the Committee shall not be liable in respect of the application of such payments.

28. No benefit, payable under the provisions of the Plan, shall be subject in any manner to anticipation, assignment, pledge, or charge, and any attempt so to anticipate, assign, pledge, or charge the same shall be void; nor shall any such benefit be in any manner liable for or subject to the debts, contracts, liabilities, or torts of any member or beneficiary; nor shall any interest of either the member or beneficiary under the Plan be subject to garnishment, attachment, execution or levy of any kind.

If any member or beneficiary shall become bankrupt or attempt to

anticipate, assign, pledge or charge any benefit, except as specifically provided in the Plan, then such benefit shall, in the discretion of the Committee, cease and determine, and in that event the Committee may hold or apply the same or any part thereof to or for the benefit of such member or beneficiary, his spouse, children or other dependents, or any of them, in such manner and in such proportions as the Committee may think proper, and any payments so made shall be conclusively deemed to have been made for the benefit of such member.

29. The benefits provided under this Plan are the only retirement allowances for eligible employees contemplated by the School. However, the Committee shall have the power where circumstances exist to grant a retirement allowance to any employee retired or to be retired by the School, whether eligible to be a member under the Plan or not, provided that the School shall first pay or cause to be paid into the Fund the estimated amount required to cover the cost of any such allowance or benefit.

30. The establishment of this Plan shall not be held nor construed as part of the contract of employment or as one of the considerations for entering into such contract of employment or as conferring any legal rights upon any employee or other person nor shall it interfere with the right of the School to discharge any such employee or treat him without regard to the existence of the Plan.

Purchase of Annuity and Life Insurance Contracts.

31. The Committee shall have the right at any time, if it shall see fit, with the approval of the Board, to enter into contracts with one or more insurance companies for the purchase of individual or group annuity contracts or individual or group life insurance contracts, and in its discretion to terminate any such contract or contracts. The Committee may pay the premiums and other charges therefor from the Fund. Neither the Committee nor the School shall be responsible for any sums paid out of the Fund for individual or group annuities, or individual or group life insurance contracts purchased in con-

nection with this Plan, or for any liability of the insurance companies under such contracts with respect to such sums.

Modification or Termination of Plan.

32. It is the intention of the School to continue the Plan, and make its contributions regularly each year for service benefits, but the Board may for any reason discontinue or suspend or reduce the School's contributions for this purpose below the amount which it is estimated will be required to fully service such benefits, and in such event all benefits on account of contributions payable by the School shall be reduced to such amount as the Committee considers the contributions theretofore made by the School together with the future reduced contributions, if any, will reasonably provide. In the event the School's contributions for future service retirement benefits are reduced, the contributions of the members for such purpose shall be correspondingly reduced.

Neither the School nor the members of the Committee functioning under the Plan shall be liable in any way if the Fund should prove insufficient to provide the benefits herein contemplated.

33. If in the Republic of Honduras any new or additional social or retirement benefits shall be created in favor of members of the Plan under which the School may be required to make payments to or for the benefit of such members either directly or indirectly through taxation, insurance or otherwise, or if any impositions shall be placed upon the School for the benefit of such members, the Board may with respect to such members either discontinue the Plan or make such modifications or adjustments thereof as in its judgment may be equitable under the circumstances.

34. The School reserves the right at any time and from time to time by action of the Board to amend, modify, discontinue or terminate in whole or in part any or all of the provisions of this Plan.

If the Plan should be discontinued or terminated, then in addition to

the return of the members' contributions as herein provided, the members will participate in the remainder of the Fund to such extent and in such form as the Committee in its sole discretion may determine to be fair and reasonable under all the circumstances, provided that if any of the members should have received or be entitled to receive, over and above those now accorded by law, any social or retirement benefits which the School may either directly or indirectly have paid or be obligated to pay or for the payment of which the School may directly or indirectly have contributed or be obligated to contribute, such participation will be reduced by such amount as the Committee may deem reasonable and fair.