GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY
HOME OFFICE - GREENWOOD VILLAGE, COLORADO
ADMINISTRATIVE OFFICES
GREENWOOD VILLAGE, COLORADO

GROUP POLICYHOLDER	City of Virginia Beach
GROUP POLICY NUMBER	98486-01
GROUP ANNUITY CONTRACT DATE	July 1, 2002

Group Deferred Stable Asset Fund Annuity Contract, Non-Participating

The provisions on the following pages, together with the Application for this Group Annuity Contract, are part of this Group Annuity Contract.

For the purposes of this Group Annuity Contract, "Plan" means the plan and adoption agreement that the Group Policyholder has designated as the Deferred Compensation Plan.

Signed for the Great-West Life & Annuity Insurance Company on the issuance of the Group Annuity Contract on the Annuity Contract Date.

D. C. Hanson
Senior Vice-President
General Counsel and Secretary

W. J. McCallum
President and Chief Executive Officer

For the Actuary

This Group Annuity Contract is a legal contract between the Group Policyholder and the Great-West Life & Annuity Insurance Company. PLEASE READ THIS ANNUITY CONTRACT CAREFULLY. IT IS A CONTRACT WHICH MAY PROVIDE FOR PAYMENTS OR VALUES WHICH ARE NOT GUARANTEED AS TO FIXED-DOLLAR AMOUNT BUT MAY INCREASE OR DECREASE ACCORDING TO THE INVESTMENT EXPERIENCE OF A VARIABLE ANNUITY ACCOUNT.

Great-West Life & Annuity Insurance Company

Application for Group Deferred Stable Asset Fund Annuity Contract

The Group Policyholder indicated below (hereinafter called the Applicant) hereby applies to Great-West Life & Annuity Insurance Company (hereinafter called the Company) for a Group Deferred Stable Asset fund Annuity Contract, form number STAC 1-95, (hereinafter called the Group Annuity Contract). The Group Annuity contract is not in force until this application is accepted by the Company at its Home Office in Greenwood Village, Colorado.

The effective date of the Group Annuity Contract is the Group Annuity Contract Date, which is: _____.

PLEASE NOTE, THE ANNUITY CONTRACT MAY PROVIDE FOR PAYMENTS OR VALUES WHICH ARE NOT GUARANTEED AS TO FIXED DOLLAR AMOUNT, BUT MAY INCREASE OR DECREASE ACCORDING TO THE INVESTMENT EXPERIENCE OF A VARIABLE ANNUITY ACCOUNT.

Basic Applicant Information

Full Legal Name of Applicant: City of Virginia Beach

Full Legal Name of Plan: City of Virginia Beach Deferred Compensation Plan

State of Situs: Virginia

Check one of the following:

⊗ IRC 457 Plan, or

☐ IRC 401(a) or 401(k) Plan Federal Tax I.D. #: 621155456

PLEASE NOTE, IRC sec. 401(a)/401(k) plans are subject to the provisions of ERISA. It is suggested that a Plan Document, and if applicable, an Application for Determination, be submitted to the Internal Revenue Service prior to enrollment. It is required that you provide Great-West Life & Annuity Insurance Company with a copy of the Plan document and Application for Determination submitted to the Internal Revenue Service when the Determination is received.

Affiliated Corporations, Groups or Service Organizations:

Applicant's Address: Municipal Center Bldg. 18, Suite 209
2424 Courthouse Drive
Virginia Beach, VA 23456

Signature of Applicant 9/3/02 Dated

DAVID HARTZOG PAYROLL ADMINISTRATOR

Print Name of Applicant Title

Great-West Life & Annuity Representative Signature Dated

Great-West Life & Annuity Representative Name (Printed) License ID Number

STAC 1-95A

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

SECTION 1. DEFINITIONS

Accumulation Period - the period during which the Participant is covered under this Group Annuity Contract prior to the Participant's Annuity Commencement Date.

Administrative Offices - 8515 East Orchard Road, Greenwood Village, Colorado 80111.

Annuitant - the person upon whose life the payment of an annuity is based.

Annuity Commencement Date - the date on which annuity payments commence under a payment option, which for any Participant is the date required under the Group Policyholder's Plan.

Annuity Payment Period - the period during which the Participant is covered under this Group Annuity Contract after the Participant's Annuity Commencement Date.

Book Value of Participant Annuity Accounts - the sum of the Participant Annuity Account Values on any date during the Accumulation Period.

Book Value of the Separate Account - is determined monthly and defined in greater detail in Section 5.5 of the Contract.

Company - Great-West Life & Annuity Insurance Company.

Competing Fund - any of the following types of funds offered by the Group Policyholder:

a) any fund with a known or periodically declared rate of interest, or

b) any money market fund, or

c) any bond fund with a duration of 3 years or less.

Deposit - contributions, transfers and other amounts deposited to the Stable Asset Fund.

Group Annuity Contract Date - the effective date indicated by the Group Policyholder on the Application for this Group Annuity Contract, or such other date which is acceptable to the Company.

Group Policyholder - the employer of a Participant and the applicant for this Group Annuity Contract.

Interest Rate(s) - an annual effective rate of interest to be determined by the Company prior to the last day of each calendar quarter, effective for Deposits in the next calendar quarter and money already included in the Participant Annuity Account Value. This annual effective rate will never be less than the Minimum Guaranteed Interest Rate and will be compounded daily. Should the interest crediting method be modified by the Company, the Company will provide the Group Policyholder with notice of the changes.

Letter Agreement - a formal written agreement signed by the Company and the Group Policyholder which is used to clarify or modify certain provisions of the Contract and will be attached to and form a part of this Group Annuity Contract.

Market Value of the Separate Account - is determined monthly and defined in greater detail in Section 5.4 of the Contract.

Minimum Guaranteed Interest Rate - equal to 0%.

Participant - an employee who has met the eligibility requirements under the Plan and for whom the Group Policyholder has applied for coverage.

Participant Annuity Account - a separate record in the name of each Participant which reflects his or her pro-rata share in the Stable Asset Fund.

Participant Annuity Account Value - the dollar value of the Participant Annuity Account.

Participant Effective Date - the date on which the first Deposit is credited to a Participant Annuity Account.

Payee - the Group Policyholder or the person, including the Participant, designated to receive the value of the Participant Annuity Account.

Plan - the underlying plan document of the Group Policyholder written in accordance with Section 457, Section 401(a), or Section 401(k) of the Internal Revenue Code. Although the Company may have knowledge of certain provisions of the Plan, the legal sufficiency of the Plan remains solely the responsibility of the Group Policyholder.

SECTION 1. DEFINITIONS (continued)

Premium Tax - the amount of tax, if any, charged by a state or other governmental authority on premiums.

Request - any request in a form, either written, telephoned or computerized, satisfactory to the Company and received by the Company at its Administrative Offices from the Owner, or the Owner's designee, as required by any provision of this Contract, or as required by the Company.

Rollover - Amounts moved from or into the Stable Asset Fund in connection with an eligible plan under Section 401(a) or 401(k) of the Internal Revenue Code. Such amounts shall be moved only upon Request from the Group Policyholder on behalf of a Participant.

Stable Asset Fund - is the Stable Asset Fund separate account, a segregated investment account established by Great-West Life & Annuity Insurance Company under Colorado law. Assets within the Stable Asset Fund will be invested in either securities backed by the full faith and credit of the U.S. government or its agencies or instrumentalities or in investment grade corporate bonds at the time of purchase according to the investment guidelines agreed to by the Group Policyholder and the Company.

Transaction Date - Deposits and Requests will be processed on the date received by the Company at its Administrative Offices provided that its offices are open. Deposits and Requests received after 4:00 p.m. EST/EDT shall be deemed to have been received on the next business day.

Transfer to Other Companies - amounts moved from the Stable Asset Fund to another company upon each Request from the Group Policyholder on behalf of the Participant.

SECTION 2. OWNERSHIP PROVISIONS

2.1 Ownership of the Stable Asset Fund

The Company has absolute ownership of the assets of the Stable Asset Fund. The portion of the assets of the Stable Asset Fund equal to the reserves and other contract liabilities of the Stable Asset Fund are not chargeable with liabilities arising out of any other business the Company may conduct.

2.2 Ownership of the Group Annuity Contract

Upon the Group Policyholder's Application for this Group Annuity Contract, the Group Policyholder becomes the owner of the Group Annuity Contract. It alone has all rights, remedies and recourses given in the Group Annuity Contract, and, while the Group Annuity Contract and the Participant Annuity Accounts are held in respect of Participants, there is no contractual relationship between the Company and the Participants. While the Group Policyholder may request the opinion of the Participant on matters and transactions affecting the Participant Annuity Account, the Group Policyholder may act according to the dictates of its own judgment and discretion.

Subject to the Plan participation provisions, each employee for whom Deposits have been made is a Participant for whom a Participant Annuity Account is kept.

2.3 Transfer and Assignment

The interest of the Group Policyholder in this Group Annuity Contract may not be transferred, sold, assigned, pledged, charged, encumbered, or in any way alienated without the prior written consent of the Company.

SECTION 3. GENERAL PROVISIONS

3.1 The Group Annuity Contract

The Group Annuity Contract is issued by the Company to the Group Policyholder.

3.2 No Competing Funds

The Group Policyholder may not offer Competing Funds, as defined in Section 1 of the Contract.

3.3 Entire Contract

This Group Annuity Contract, its Application, Tables and /or Letter Agreements, if any, form the entire contract between the Group Policyholder and the Company. A copy of the Application is attached to the Group Annuity Contract when issued to the Group Policyholder.

After issue, modifications to the Group Annuity Contract under the Contract Modification provisions become part of the Group Annuity Contract.

All statements in the Application, in the absence of fraud, have been accepted as representations and not as warranties.

Only the President, a Vice-President, or the Secretary of the Company can modify or waive any provisions of the Group Annuity Contract.

3.4 The Plan

The terms and provisions of the Plan do not for any purpose form any part of this Group Annuity Contract and are not binding on the Company.

Notwithstanding the fact that the Company may have knowledge of the terms of the Plan, the obligations of the Company are measured and determined solely by the terms and provisions of this Group Annuity Contract.

3.5 Non-Participating

This Group Annuity Contract is non-participating, meaning that it is not eligible to share in the Company's divisible surplus.

3.6 Currency and Payment of Deposits

All amounts to be paid to or by the Company must be in the currency of the United States of America. All Deposits to this Group Annuity Contract must be made payable to the Company or its designated agent.

3.7 Age

If the age of the Participant or Payee has been misstated, the payments established for him/her under the Participant Annuity Account will be made on the basis of his/her correct age.

If payments were too large because of misstatement, the difference with interest may be deducted by the Company from the next payment or payments. If payments were too small, the difference with interest may be added by the Company to the next payment. This interest will be not less than 4% per year.

3.8 Notice and Proof

Any notice or demand by the Company to or upon the Group Policyholder or any Payee may be given by mailing it to that person's last known address as stated in the Company's file.

An application, report, Request, election, direction, notice or demand by the Group Policyholder or Payee will be made in a form satisfactory to the Company. When the Company requires it, the Group Policyholder will obtain the signature of the Participant's or Payee's spouse on forms provided by the Company.

The Company may require adequate proof of the age and death of any Payee before it admits a claim for or pays any payment.

Written materials developed by the Group Policyholder to describe this Group Annuity Contract must first be approved by the Company.

SECTION 4. PURCHASE PROVISIONS

4.1 Commencement and Termination of Coverage

The Group Policyholder may make application for coverage of any employee if the Company is then accepting applications for coverage under this Group Annuity Contract, unless a Date of Cessation of Deposits has been declared.

An employee for whom an adequate application has been made becomes covered as a Participant as of the Participant Effective Date. Coverage of a Participant terminates upon a total or partial distribution which results in a Participant Annuity Account Value of $0.

4.2 Deposits

Unless a Date of Cessation of Deposits has been declared, the Group Policyholder may from time to time pay Deposits in cash in respect of a Participant until the earlier of his/her death, Annuity Commencement Date, or the termination of the Participant Annuity Account.

The amount of Deposits to be paid by the Group Policyholder in respect of any Participant will be determined by the Group Policyholder.

The Group Policyholder will report the amount paid as Deposits on forms acceptable to the Company. The Group Policyholder's report is conclusive and binding on it and any person or entity claiming an interest under the Group Annuity Contract or any Participant Annuity Account. When the Group Policyholder's report does not coincide with the Deposits received, the Company may return them.

4.3 Allocation of Deposits

After an adequate application on behalf of a Participant has been made, Deposits, less Premium Tax, if any, will be allocated in the Participant Annuity Account when received by the Company at its Administrative Offices.

Deposits on behalf of the Participant will be allocated to the Stable Asset Fund.

SECTION 5. CONTRACT VALUE PROVISIONS

5.1 Stable Asset Fund Deposits

From time to time, the Group Policyholder, on behalf of a Participant, will make Deposits to the Stable Asset Fund. The Company may offer the Stable Asset Fund to any Participant who, by Request, may allocate any Deposit to the Stable Asset Fund.

5.2 Interest Crediting Method

Interest Rates are calculated quarterly by equating the Book Value of the Separate Account to the Book Value of the Participant Annuity Accounts over the average remaining life of the assets in the separate account unless otherwise agreed to by the Company and the Group Policyholder. Deposits will commence earning interest on the day the Deposit is allocated to the Stable Asset Fund.

5.3 Contract Value

The contract value, at any given time, will either be the Book Value of the Separate Account or the Market Value of the Separate Account, as defined below. The Book Value will apply to Cessation Option #1 when it is elected under Section 11 of this Contract. The Market Value will apply to Cessation Option #2 when it is elected under Section 11 of this Contract.

5.4 Market Value of the Separate Account

The Market Value of the Separate Account is determined monthly or on the Premium Cessation Date. This value is based on the closing market price for each security in the account, less the outstanding balance, if any, of amounts borrowed from the Company's General Account as described in Section 5.6 below, and less the Investment Management Fee described in Section 5.8.

5.5 Book Value of the Separate Account

The Book Value of the Separate Account is determined monthly or on the Premium Cessation Date. This value is the amoritized cost of the securities owned by the separate account, plus cash, plus accrued interest, less the outstanding balance, if any, of amounts borrowed from the Company's General Account as described in Section 5.6 below, and less the Investment Management Fee described in Section 5.8.

5.6 Loan from the General Account of the Company

If the amount of any transfer or distribution exceeds the cash balance in the Stable Asset Fund, the Stable Asset Fund will borrow such deficiency from the General Account of the Company. All subsequent Deposits and proceeds from the maturities of Stable Asset Fund assets will first be applied to reduce the outstanding balance of this loan. Interest will be charged monthly by the Company's General Account at an annual effective rate equal to the 30 day LIBOR rate, plus .35%.

5.7 Amortization of Bond Defaults

In the event that any bonds in the Stable Asset Fund go into default, losses will be amortized through the setting of a lower credited Interest Rate.

5.8 Investment Management Fee

An Investment Management Fee will be assessed and deducted against the Stable Asset Fund each calendar quarter. In no event will the Investment Management Fee exceed an annual effective rate of 1.5% of the assets in the Stable Asset Fund.

SECTION 6. TRANSFERS ON BEHALF OF INDIVIDUAL PARTICIPANTS

6.1 Transfers

Except as noted below, the Group Policyholder may make transfers to other non-Competing Funds offered by the Company under another contract, or Transfers to Other Companies by Request on behalf of individual Participants. Such individual Participant Transfers will be based upon the individual Participant's Participant Annuity Account Value.

6.2 Transfer Terms

a. A transfer will take effect on the Transaction Date.

b. No transfers are permitted after the Annuity Commencement Date.

c. When the Group Policyholder is effecting Transfers on behalf of all Participants under the Group Annuity Contract, the Market Value of the Separate Account and the provisions of Section 11 of the Contract shall apply.

d. When and if the Group Policyholder encourages Participants to transfer out of the Group Annuity Contract, the Market Value of the Separate Account and the provisions of Section 11 of the Contract shall apply.

6.3 Transfers to Other Companies

At any time prior to the Annuity Commencement Date, the Group Policyholder on behalf of the Participant may by Request transfer all or a portion of the Participant Annuity Account Value to an account currently offered by another company under the terms of the Plan and in accordance with the appropriate provisions of the Internal Revenue Code of 1986, as amended. Such individual Participant transfers will be based upon the Participant Annuity Account Value.

6.4 Transfers to the Company

Amounts transferred to the Company shall be treated as Deposits under Section 4 of this Contract.

6.5 Non-Taxable Distribution

No amount transferred pursuant to Section 6 of this Contract will be treated as a taxable distribution to the Participant.

6.6 Business Hardship Withdrawal

For IRC 401(a) and IRC 401(k) Group Policyholders only, in the event of a 20% or more reduction in the work force in one calendar year, the first 20% of the Book Value of the Separate Account on the first day of the calendar year may be paid at the Book Value of the Separate Account. Reductions in the work force of less than 20% in one calendar year will be paid at the Book Value of the Separate Account. Transfers in excess of the above noted 20% will always be paid at the Market Value of the Separate Account.

SECTION 7. DISTRIBUTIONS TO A BENEFICIARY

7.1 Death of Participant after Annuity Commencement Date

If the Participant dies after the Annuity Commencement Date and before his/her entire interest has been distributed, payments will continue to the Beneficiary under the distribution method applicable to the Participant on the Participant's date of death. However, if the Plan allows the Beneficiary to change the method of distribution, a new Payment Option may be elected by Request by the Group Policyholder on behalf of the Beneficiary only so long as payments are made to the Beneficiary not less rapidly than under the Payment Option effective on the Participant's date of death.

7.2 Death of Participant before Annuity Commencement Date

a. 5-Year Rule If the Participant dies before the Annuity Commencement Date, the entire interest of the Participant must be distributed on or before December 31 of the year containing the fifth anniversary of the Participant's death. This Rule will always apply to non-individual entities.

b. 1-Year Rule If the Plan provides that any portion of the Participant's interest is payable to a designated Beneficiary, such portion may be distributed over the lesser of (1) the life of the designated Beneficiary, or (2) over a period not extending beyond the life expectancy of the designated Beneficiary or (3) 15 years. Such distributions to a designated Beneficiary must begin not later than December 31 of the year following the date of the Participant's death. The Group Policyholder on behalf of the designated Beneficiary may elect by Request to take distributions either under the 5-Year Rule or under this 1-Year Rule.

If no election is received by the Company by November 1 of the year following the year of the Participant's death, distributions will be made pursuant to the 5-Year Rule described in subsection a. of Section 7.2.

For purposes of this section, a designated Beneficiary is any individual named as a Beneficiary by the Participant.

c. Special Rule for Surviving Spouse. If the designated Beneficiary is the surviving spouse of the Participant, the date on which the distributions are required to begin shall not be earlier than the date on which the Participant would have attained age 70 1/2. Distributions may be elected at any time pursuant to Section 9 of this Contract; but in any event must commence on or before the later of (1) December 31 of the year immediately following the Participant's death and (2) December 31 of the calendar year in which the Participant would have attained age 70 1/2.

d. Any payments made under an IRC Section 457 Plan which are made over a period greater than one year can only be made in substantially non-increasing amounts paid not less frequently than annually.

7.3 Amount Payable on Death of Participant

If the Participant dies before the Annuity Commencement Date the Amount Payable on death will be:

a. Where death occurs before the Participant's 70th birthday, the greater of:
   (i) the Participant Annuity Account Value, less Premium Tax, if any, and
   (ii) the sum of Deposits paid to, less any Partial Distributions made from, the Participant Annuity Account, less Premium Tax, if any.

b. Where death occurs on or after the Participant's 70th birthday, the Participant Annuity Account Value, less Premium Tax, if any.

7.4 Requests For Distributions

Subject to the 5-Year rule, the 1-Year rule or the Special Rule for Surviving Spouse, as applicable, set forth in Section 7.2, an election to receive the amount described in Section 7.3 must be made pursuant to Section 9 of this Contract.

SECTION 8. DISTRIBUTIONS TO A PARTICIPANT

8.1 Requests for Distributions

On the Company's receipt of a Request at least 30 days before the Annuity Commencement Date, the Group Policyholder on behalf of the Participant may:

a. Elect or change a Payment Option.

b. Elect or change the Participant's Annuity Commencement Date to any future date which is not later than the date required under the Internal Revenue Code of 1986, as amended. If any Annuity Commencement Date would be less than 30 days from the date the Request is received, the Company may delay the Annuity Commencement Date elected by 30 days.

c. If the Group Policyholder on behalf of the Participant has failed to elect a Payment Option within 30 days of the Annuity Commencement Date, the Company will pay the Group Policyholder on behalf of the Participant a Fixed Life Annuity with 10 Year Guaranteed Period from the Participant Annuity Account Value.

8.2 Distribution at Annuity Commencement Date or Separation from Service

Except as provided in Section 8.3, no distributions will be allowed prior to the Participant's Annuity Commencement Date or separation from service, as determined by the Group Policyholder in accordance with the provisions of the Plan. The distribution must be elected pursuant to Section 9 of this Contract and will take effect on the later of the date elected or the date the Request is received at the Administrative Offices of the Company.

8.3 Distribution Due to Unforeseeable Emergency or Hardship

If the Participant incurs an unforeseeable emergency under an IRC Section 457 Plan, or a Hardship under an IRC Section 401(a) or 401(k) Plan, as determined by the Group Policyholder under the terms of the Plan, then the Group Policyholder on behalf of the Participant may by Request take a total or partial distribution from the Participant Annuity Account. The distribution will take effect on the later of the date elected or the date the Request is received at the Administrative Offices of the Company.

8.4 Amount Payable on Distribution

If a total distribution is requested, the amount payable will be paid under the Payment Option provisions of Section 9 designated by the Group Policyholder on behalf of the Participant. Distributions to a Participant are based on the Participant Annuity Account Value and distributions will only be available to a Participant or Payee who is entitled to a distribution in accordance with the Plan, as determined by the Group Policyholder

If a partial distribution is requested, the amount payable will be in one sum. In either event, the amount will be equal to:

a. The amount of the distribution requested as of the effective date of the distribution, less

b. Premium Tax, if any.

8.5 Conditions of Payment

Payment will only be made if then available to the Payee under the terms and provisions of the Plan as determined by the Group Policyholder, and will only be made to the Group Policyholder or to the order of the person designated in Request by the Group Policyholder to receive payment.

8.6 Adequate Proof

The Company may require adequate proof of age, separation from service, hardship (IRC 401(a) or 401 (k)), or unforeseeable emergency (IRC 457) to establish that a benefit has become payable under the provisions of the Plan prior to making any payment under this Group Annuity Contract.

SECTION 9. PAYMENT OPTIONS

9.1 Selection of Payment Options

a. A total or partial lump sum or one of the fixed dollar payment options may be elected.

b. If a lump sum option is elected, the amount to be distributed is the amount requested as a lump sum less the Premium Tax, if any, as of the date the amount is distributed.

c. If a fixed dollar method of payment option is elected, the amount to be applied is the Participant Annuity Account Value, less Premium Tax, if any, as of the Annuity Commencement Date.

9.2 How to Elect Payment Options

A Request by the Group Policyholder on behalf of the Participant or Payee is required to elect, or change the election of, a Payment Option and must be received by the Company at least 30 days prior to the Annuity Commencement Date, or, if the Participant dies prior to the Annuity Commencement Date, within 60 days of the date the Company receives adequate proof of the Participant's death.

The Company will rely on the Group Policyholder's determination with respect to the timing and amount of any benefit payable to the Participant or Payee under this Contract. Nothing contained herein shall be construed to be tax or legal advice and the Company assumes no responsibility or liability for any costs, including but not limited to taxes, penalties or interest incurred by the Plan, the Group Policyholder, the Participant or any Payee arising out of such determination.

9.3 Fixed Dollar Payment Options

The following fixed dollar payment options are available:

a. *Option 1: Income of Specified Amount*
The Company will pay an income at 12-, 6-, 3-, or 1-month intervals, of an amount elected by the Payee for an Annuity Payment Period of not less than 36 months nor more than 240 months. Upon death of the Payee, any amounts remaining payable under this payment option will be paid to the Group Policyholder or other Payee designated by the Group Policyholder under Section 7 of this Group Annuity Contract. Table A is applicable to this option.

b. *Option 2: Income for a Specified Period*
The Company will pay an income at 12-, 6-, 3-, or 1-month intervals, for the number of years elected by the Payee for an Annuity Payment Period of not less than 36 months nor more than 240 months. Upon death of the Payee, any amounts remaining payable under this payment option will be paid to the Group Policyholder or other Payee designated by the Group Policyholder under Section 7 of this Group Annuity Contract. Table A is applicable to this option.

c. *Option 3: Fixed Life Annuity with Guaranteed Period*
The Company will pay a monthly payment for the guaranteed Annuity Payment Period elected. Payments will continue for the lifetime of the Payee. Upon death of the Payee, any amounts remaining payable under this payment option will be paid to the Group Policyholder or other Payee designated by the Group Policyholder under Section 7 of this Group Annuity Contract. Table B is applicable to this option.

The guaranteed Annuity Payment Period elected may be 5, 10, 15 or 20 years, or may be a period referred to as "Installment Refund." Under the Installment Refund period, payments will be made until the total of the payments made equals the amount applied.

d. *Option 4: Fixed Life Annuity*
The Company will pay a monthly payment during the Payee's lifetime. Table B is applicable to this option.

e. *Option 5: Joint and One-Half Survivor Fixed Annuity*
A joint and one-half survivor fixed annuity provides a fixed monthly payment to an Annuitant for his/her lifetime; thereafter, and upon receipt by the Company of adequate proof of the Annuitant's death, one-half of the fixed payment amount continues to a designated Payee, if living, and terminates upon his/her death. Table C is applicable to this option.

f. *Option 6: Periodic Payment Option*

(i) For IRC 457 Plans, a Periodic Payment Option is available in accordance with the provisions set forth in the Periodic Payment Option Rider - 457 Plans Rider attached to the back of this Contract.

(ii) For IRC 401(a)/(k) Plans, a Periodic Payment Option is available in accordance with the provisions set forth in the Periodic Payment Option Rider - 401(a)/(k) Plans Rider attached to the back of this Contract.

g. Fixed dollar payment options are subject to the following provisions:

(i) Payments under a fixed dollar payment option are guaranteed by the Company as to dollar amount throughout the Annuity Payment Period.

The amount of the payment under any fixed dollar payment option will be determined by applying the Company's then current non-participating group single premium rates for this class of group annuity contracts to the amount applied under the option.

Those current rates will not be less than the rate obtained from the Table which is applicable to the elected option.

(ii) If any payment to be made under the elected payment option will be less than $50, the Company may make the payments in the most frequent interval which produces a payment of at least $50. The minimum amount that may be applied under the elected payment option is $2,000. If the amount is less than $2,000, the Company may pay it in one sum. The maximum amount that may be applied under any elected payment option is $1,000,000. For the application of any greater amount, the Company's consent is required.

(iii) No commutation of annuities will be permitted.

SECTION 10. CONTRACT MODIFICATION

10.1 Contract Modification

This Group Annuity Contract may be modified at any time by written agreement between the Company and the Group Policyholder. No such modification will, without the written consent of the Group Policyholder, affect the terms, provisions, or conditions of this Group Annuity Contract which are or may be applicable to Deposits paid in respect of Participants prior to the date of such modification.

However, the Company may at any time and without the consent of the Group Policyholder or any Participant or other person, but upon 30 days' written notice to the Group Policyholder, modify this Group Annuity Contract in any respect to conform it to changes in tax or other law, including applicable regulations or rulings.

10.2 Modification of Tables

The Company may at any time and without the consent of the Group Policyholder or any Participant or other person, but upon 30 days' written notice to the Group Policyholder, modify Tables A, B, and C, or any of them. However, no such modification will affect the terms, provisions or conditions of the Group Annuity contract which are or may be applicable to Deposits paid in respect of Participants prior to the date of such modification.

SECTION 11. CESSATION OF DEPOSITS, COMPLETE TRANSFERS, AND BUSINESS HARDSHIPS

11.1 Cessation of Deposits

Upon 60 days' written notice to the other, the Group Policyholder or the Company may declare that, as from the date stated in the notice (that date being called the Date of Cessation of Deposits), no further Deposits will be made to the Group Annuity Contract.

After the Date of Cessation of Deposits is declared, no new Participant Annuity Account will be established.

11.2 Options on Date of Cessation of Deposits

Upon the Date of Cessation of Deposits, the Group Policyholder may by Request elect Cessation Option (1) or Cessation Option (2) below. If the Group Policyholder has not elected a cessation option within 30 days of the Date of Cessation, the Company will make the election in its sole discretion. Such election shall be binding on the Group Policyholder.

Cessation Option (1). Maintenance of each Participant Annuity Account Value:

The Company will maintain each Participant Annuity Account Value until it is applied to a Payment Option or distributed to a Participant or Beneficiary. When such individual transactions are applied or paid, they will be calculated at the Book Value of the Participant Annuity Account.

Cessation Option (2). Market Value of the Stable Asset Fund:

If Cessation Option (2) is elected, the Group Policyholder must specify option A or B below at the same time it notifies the Company it is ceasing Deposits and the Company will pay the Market Value of the Stable Asset Fund within 30 days after the Date of Cessation of Deposits.

Option A

After notification of Cessation of Deposits, the Company will sell all non-cash assets in the account attributable to the terminating contract and convert them to cash assets or short-term money market instruments. The time when all non-cash assets have been converted to cash or short-term money market instruments will be no later than the Date of Cessation of Deposits.

Option B
After notification of Cessation of Deposits is received, the Company will value the separate account on the Date of Cessation of Deposits and transfer the assets of the separate account attributable to the terminating contract to the successor insurer or the Group Policyholder.

11.3 Complete Transfers
When a Group Policyholder elects to transfer the aggregate of all Participant Annuity Accounts to another carrier at any one time, such transfers will be calculated at the Market Value of the Separate Account.

11.4 Business Hardships
In accordance with the provisions of Section 6.6 of the Contract, the Company may transfer funds for business hardships as described in the above noted section.

This Contract shall be governed by and interpreted under the laws of the Commonwealth of Virginia, except as it may be preempted by Federal law. The parties hereto designate the Circuit Court of the City of Virginia Beach, Virginia or the United States District Court for the Eastern District of Virginia, Norfolk Division for purposes of litigation and venue.

APPROVED AS TO
LEGAL SUFFICIENCY
as amended
Associate City Attorney

TABLE A - **Income of Specified Amount**
- **Income of a Specified Period**

Monthly Payment for Each $1,000
of Participant Annuity Account Value

Years	Payment
3	28.61
4	21.82
5	17.75
6	15.04
7	13.10
8	11.66
9	10.54
10	9.63
11	8.90
12	8.30
13	7.78
14	7.34
15	6.96
16	6.63
17	6.34
18	6.08
19	5.85
20	5.64

To determine the payment for other frequencies of payment, multiply the above monthly payment by the following factors:

	Factor
Quarterly payment	2.99
Semi-annual payment	5.96
Annual payment	11.81

If payments are for an amount or duration different than that outlined above, the Company will determine the proper amount or duration using the actuarial basis used to determine the above Table.

TABLE B - Fixed Life Annuity

Monthly Payment for Each $1,000
of Participant Annuity Account Value

Age of Payee	Without Guaranteed Period	With Guaranteed Period			
		5 Years	10 Years	15 Years	20 Years
50	3.99	3.99	3.98	3.96	3.94
55	4.31	4.30	4.27	4.24	4.19
60	4.71	4.70	4.67	4.60	4.49
65	5.28	5.25	5.18	5.05	4.84
70	6.07	6.02	5.85	5.56	5.15
75	7.22	7.09	6.68	6.07	5.41

If payments commence on any other date than the exact age of the Payee as shown above, the amount of the monthly payment shall be determined by the Company on the actuarial basis used by it in determining the above amounts.

TABLE C - Joint and One-Half Survivor Fixed Annuity

Monthly Payment for Each $1,000
of Participant Annuity Account Value

Age of Annuitant	If Designated Payee is Age					
	50	55	60	65	70	75
50	3.88	3.91	3.94	3.96	3.97	3.98
55	4.09	4.15	4.19	4.23	4.25	4.27
60	4.34	4.43	4.51	4.58	4.63	4.66
65	4.64	4.77	4.90	5.01	5.10	5.16
70	4.99	5.17	5.36	5.55	5.70	5.83
75	5.40	5.65	5.91	6.19	6.46	6.69

If payments commence on any other date than the exact age of the Annuitant or designated Payee as shown above, the amount of the monthly payment shall be determined by the Company on the actuarial basis used by it in determining the above amounts.

THIS PAGE IS INTENTIONALLY LEFT BLANK.

AMENDMENT NO. 1-97C (STAC) ATTACHED TO AND FORMING PART OF
THE GROUP DEFERRED COMPENSATION ANNUITY CONTRACT

WHEREAS, the Group Policyholder has either previously entered into a Group Deferred Stable Asset Fund Annuity Contract (the "Group Annuity Contract") and Application for Group Deferred Stable Asset Fund Annuity Contract (the "Application") with Great-West Life & Annuity Insurance Company, or will be entering into such Group Annuity Contract and Application with the execution of this Amendment,

AND WHEREAS, the above noted Group Annuity Contract and Application require amendments to conform to recent changes made to the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code"),

AND WHEREAS, immediately upon the Group Policyholder's amendment of the Plan document to place all assets in trust, the trust provisions described below will become effective,

AND WHEREAS, in order to maintain eligibility under Code Section 457, the Plan will continue to hold Plan assets in trust,

NOW THEREFORE, pursuant to Section 10. 1 he Group Annuity Contract, the following amendments will be made to he Group Annuity Contract and Application.

1. The following sentence will be added to the Application:

"Notwithstanding any provision in this Application to the contrary, in no event shall the assets under the Group Annuity Contract be subject to the claims of general creditors of the employer after the Plan is amended to place plan assets in trust."

2. In Section I of the Group Annuity Contract; the definition following the term "Group Policyholder" is hereby deleted. In place thereof, the following definition of Group Policyholder will be added:

"the named trustee, or the governmental employer sponsoring the Plan, as **trustee, and the applicant for this Group Annuity Contract."**

3. Section 2.2 of the Group Annuity Contract is hereby deleted. In place thereof, the following Section will be added:

2.2 Ownership of the Group Annuity Co

Upon the Group Policyholder's Application for this Group Annuity Contract, the Group Policyholder becomes the owner of the Group Annuity Contract. Effective the earlier of January 1, 1999 or the date the Plan is amended to meet the trust requirement the Group Policyholder, as the trustee of the Plan, may **exercise all rights hereunder** for the exclusive benefit of Plan Participants and beneficiaries. There is no contractual relationship between the Company and the Participants.

The Group Policyholder, as owner of the contract, is deemed to be the trustee of the assets invested in the Group Annuity Contract, and such contract is intended to satisfy the trust requirements of **Code Sections 457(g) and 401** (f).

4. Section 2.3 of the Group Annuity Contract is hereby deleted. In place thereof, the following Section will be added:

2.3 Transfer and Assigning

No portion of the Plan's assets and the earnings thereon may be used for, or diverted to, any purpose other than for the exclusive benefit of plan participants and beneficiaries prior to the satisfaction of all liabilities with respect to employees and their beneficiaries.

5. A new Section 2.4 will be added to the Group Annuity Contract and shall read a's follows:

2.4 Trustee of the Group Annuity Contract and Plan Assets

Notwithstanding any provision of this Group Annuity Contract or the Application to the contrary, the Group Policyholder, as owner of the Group Annuity Contract, is the trustee with respect to all Plan assets deposited into the Group Annuity Contract, and the earnings thereon, and shall hold all such assets for the exclusive benefit of Plan Participants and Beneficiaries. The Group Annuity Contract shall be treated as a trust for purposes of Code Sections 457(g) and 401(f), and no portion of the amount deposited in the Group Annuity Contract, or the earnings thereon, may be used for, or diverted to, any purpose other than for the exclusive benefit of Plan Participants and Beneficiaries prior to the satisfaction of all liabilities with respect to employees and their Beneficiaries.

6. The first sentence of Section 8.2 of the Group Annuity Contract is hereby deleted. In place thereof, the following sentence will be added:

Except as provided in Section 8.3, no distributions will be allowed prior to the Participant's Annuity Commencement Date, attainment of age 70 1/2, or separation from service, as determined by the Group Policyholder, unless, for years after December 31, 1996, the Plan provides for a cash out of a Participant Annuity Account which does not exceed $3,500 and meets all of the other requirements of Code Section 457(e)(9)(A).

Signed for Great-West Life & Annuity Insurance Company on the Issue Date.

W.T. McCallum

W.T. McCallum,
President and Chief Executive Officer

AMENDMENT TO SECTION 401(a) and 401(k) PLANS

ATTACHED TO AND FORMING PART OF THE GROUP ANNUITY CONTRACT

WHEREAS, the Group Contractholder/Group Policyholder has entered into a Group Annuity Contract (the "Contract") with Great-West Life & Annuity Insurance Company (the "Company"),

WHEREAS, the Contract and related riders, endorsements,amendments, and other related forms, if any, issued under the Contract require this Amendment pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"),

WHEREAS, the Contract, related riders, endorsements, amendments, and other related forms, if any, issued under the Contract require this Amendment pursuant to required minimum distribution regulations issued by the Federal Department of Treasury,

AND WHEREAS, the provisions of this amendment shall be effective January 1, 2002, unless otherwise indicated below, and shall supercede the provisions of the Contract and related riders, endorsements or amendments, if any to the extent those provisions are inconsistent with the provisions of this amendment.

NOW THEREFORE, the following Amendment is hereby made to the Contract and related riders, endorsements, amendments, or any related forms, if any, issued under the Contract.

1. EGTRRA

a. Distributions

Notwithstanding any distribution provision to the contrary, distributions made under the Contract shall be made at the time and in the amount and manner allowed under the terms of the Plan and applicable Internal Revenue Code rules and regulations promulgated thereunder, as amended from time to time, and will be tax reported under the applicable rules in effect on the date of distribution.

b. Rollovers

In the event that a Plan has been amended to accept rollovers from other eligible retirement plans, such rollovers shall be treated as Deposits under the terms of the Contract. Amounts distributed may be rolled over to an IRA or any other eligible retirement plan that accepts such rollovers. Amounts directly rolled over will not be tax reported until distributed.

c. Deemed IRAs

In the event that a Plan has been amended to establish Deemed IRA(s), including traditional, Roth or both, as part of the Plan effective on or after January 1, 2003, all contributions and rollovers to the Deemed IRA(s) shall be treated as a Deposit under the terms of the Contract and will be administered pursuant to Internal Revenue Code Section 408(q), as amended from time to time, and any applicable rulings and regulations promulgated thereunder.

d. Hardship Distributions

The terms and provisions of the Plan, applicable provisions of the Internal Revenue Code and Treasury regulations promulgated thereunder, as amended from time to time, shall govern all aspects of Hardship Distributions.

2. Minimum Distribution Requirement Regulations

Required minimum distributions under the Contract shall only be made in a manner consistent with Internal Revenue Code Section 401(a)(9), as amended from time to time, and applicable Federal Treasury regulations promulgated thereunder in effect at the time of the distribution.

Signed for Great-West Life & Annuity Insurance Company on the Issue Date.

W.T. McCallum

W.T. McCallum,
President and Chief Executive Officer

4