



NEW JERSEY MARINE SCIENCES CONSORTIUM

Reply to Executive Office

LABOR DEPARTMENT STATEMENT

To: Office of Pension and Welfare Benefit Programs
Labor Management-Services Administration
U.S. Department of Labor
Washington, DC 20216

2520032903699

From: Employer: New Jersey Marine Sciences Consortium

Employer Identification Number: 23-7025812

Address: Building 22
Fort Hancock, New Jersey 07732

March 9, 1992

This document constitutes the statement required by 29 C.F.R. 2520.104023(a)(1) to be filed with the Secretary of Labor in respect to Nonqualified Deferred Compensation Plans maintained by the above employer.

The employer currently maintains 1 Nonqualified Salary Continuation Plan for executives who are members of a select group of management or who are highly compensated.

The number of participants in each plan is as follows:

Plan 1 1

Signed

A handwritten signature in cursive script that reads "Joan A. Sheridan".

Plan Administrator: Joan A. Sheridan

Title: Vice President-Administration

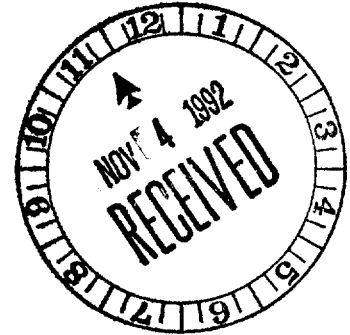
Employer: New Jersey Marine Sciences Consortium



NEW JERSEY MARINE SCIENCES CONSORTIUM

Reply to Executive Offices

October 28, 1992



U.S. Department of Labor
Pension and Welfare Benefits Administration
Washington, D.C. 20210

RE: DRC - TH 92303 - August 31, 1992 letter
Employer Identification #20-7025812
Dates: May 13, 1987 and March 9, 1992

Dear Sir/Madam:

Enclosed please find a copy of our original letter to the U.S. Department of Labor dated May 13, 1987, indicating two employees were covered. Also, find enclosed a copy of the contract which was signed May 27, 1987.

The March 9, 1992 letter enclosed indicates one employee presently covered.

Since our notification of this plan was sent to you in a timely manner, we do not believe we are in need of amnesty nor should we suffer a penalty.

May I hear from you.

Sincerely,

A handwritten signature in cursive script that reads "Joan A. Sheridan".

Joan A. Sheridan
Vice President-
Administration

JAS/ad

Enclosures

EXECUTIVE SALARY CONTINUATION AGREEMENT

THIS AGREEMENT, made and entered into this 13th day of May, 1987, by and between Joan A. Sheridan, a Corporation organized and existing under the laws of the State of New Jersey hereinafter called the Corporation, and Joan A. Sheridan, hereinafter called the Executive.

WITNESSETH:

WHEREAS, the Executive has been in the employ of the Corporation for four months, serving the Corporation as its Vice President of Administration; and,

WHEREAS, it is the consensus of the Board of Directors that the Executive's services to the Corporation in the past have been of exceptional merit and have constituted an invaluable contribution to the general welfare of the Corporation and in bringing it to its present status of operating efficiency, and its present position in its field of activity; and,

WHEREAS, the experience of the Executive, her knowledge of the affairs of the Corporation, her reputation and contacts in the industry are so valuable that assurance of her continued services is essential for the future growth and profits of the Corporation and it is in the best interests of the Corporation to arrange terms of continued employment for the Executive so as to reasonably assure her remaining in the Corporation's employment during her lifetime or until the age of retirement; and,

WHEREAS, it is the desire of the Corporation that her services be retained as herein provided; and,

WHEREAS, the Executive is willing to continue in the employ of the Corporation provided the Corporation agrees to pay to him or her beneficiaries certain benefits in accordance with the terms and conditions hereinafter set forth:

NOW THEREFORE, in consideration of services performed in the past and to be performed in the future as well as the mutual promises and covenants herein contained, it is agreed as follows:

ARTICLE ONE

01.01 Employment. The Corporation agrees to employ the Executive in such capacity as the Corporation may from time to time determine. The Executive will continue in the employ of the Corporation in such capacity and with such duties and responsibilities as may be assigned to him, and with such compensation as may be determined from time to time by the Board of Directors of the Corporation.

Executive agrees to devote her full time and attention exclusively to the business and affairs of the Corporation, except during vacation periods and to use her best efforts to furnish faithful and satisfactory services to the Corporation. The Executive further agrees that during the period of her employment pursuant to this Agreement she will not have any other business affiliations without the approval of the Board of Directors of the Corporation.

The salary continuation benefits provided by this Agreement are granted by the Corporation as a fringe benefit to the Executive and are not part of any salary reduction plan or an arrangement deferring a bonus or a salary increase. The Executive has no option to take any current payment or bonus in lieu of these salary continuation benefits.

ARTICLE TWO

02.01 Retirement Benefit. If the Executive shall continue in the employment of the Corporation until she attains the age of sixty-five (65) which date is hereby established as of November 17, 1997 she may retire from active daily employment as of the first day of the month next following attainment of age 65 or upon such later date as may be mutually agreed upon by the Executive and the Corporation.

The Corporation agrees that upon such retirement it will pay to the Executive the sum of Four Thousand Four Hundred (~~\$4,400~~^{\$5,200}) Dollars on the first day of the month following such retirement and will pay a like sum on each annual anniversary of said date to the Executive during her lifetime for ~~ten~~^{Five} (10) years until she shall have received ~~ten~~^{Five} (10) annual payments of ~~Four~~^{Five} Thousand, ~~Four~~^{Two} Hundred each; subject to the conditions and limitations hereinafter set forth.

02.02 Retirement Death Benefit. The Corporation agrees that if the Executive shall so retire, but shall die before receiving the ten (10) annual payments, it will continue to make such annual payments of Five Thousand Two Hundred Dollars (\$5,200) annually to such individual or individuals as the Executive may have designated in writing, filled with and been approved by the Corporation, until the expiration of ten (10) years from the date of such retirement. In the absence of any effective designation of beneficiary any such amounts becoming due and payable upon the death of the Executive shall be payable to her duly qualified executor or administrator.

The Executive, with the consent of the Board of Directors, may remain in active and full employment after her 65th birthday. Generally no retirement benefits are to be payable to the Executive until her actual retirement from regular full employment.

ARTICLE THREE

03.01 Consulting Services. It is mutually agreed that during the ten (10)-year period following retirement from active daily employment upon attainment of age sixty-five (65) which date is hereby established as November 17, 1997 and extending to July 15, 2005, or such later ten-year period as mutually agreed upon, the Executive shall, at the request of the Corporation, be available at reasonable times and places as may be mutually agreed upon, to render services to the senior executives of the Corporation at its offices in an advisory or consulting capacity.

The Executive will keep himself informed concerning the affairs of the Corporation through reports which the Corporation will supply, and such other means as may be agreed upon. The Executive shall not be required to travel from whatever place she may then be living or staying for the purposes of such consultation unless all expenses incurred by him shall be paid by the Corporation.

Breach of this condition shall not be considered to have occurred if the Executive is unable to consult because of her mental or physical disability.

In furnishing such consultative services, the Executive shall not be an employee of the Corporation, but shall act in the capacity of an independent contractor.

The consultative duties required are only conditions for the receipt of the benefits and the income is in no way paid in exchange for the performance of these services.

There are three reasons for taking this position:

- a. The consulting services may not be adequate for the income payable and thus exposed to the charge of unreasonableness.

- b. Social Security benefits might be imperiled if the income is paid for work up to age 72.
- c. The special tax treatment from a single sum distribution for a qualified pension or profit-sharing plan could be lost.

It is felt that the consultative work may interfere with the right to receive Social Security benefits, consider incorporating a payment for the services each time they are furnished. The amount can be under the Social Security permitted maximum.

03.02 Competitive Service. During the said ten (10)-year period following retirement from active daily employment, the Executive shall not become the owner of, nor engage, directly or indirectly, in any business which is substantially similar to the business of the Corporation, either as proprietor, partner, stockholder, officer, director, employee or otherwise, within an area of 100 miles from the a corporate office, unless the Corporation has first consented in writing thereto.

Technically this is not an agreement not to compete-it is a condition to the receipt of the payment. The executive can compete, but if she does she loses her benefits.

03.03 Forfeiture. The payments provided under Article Two are conditioned upon the Executive fulfilling the foregoing requirements and, in the event the Executive shall at any time materially breach foregoing requirements, the Board of Directors of the Corporation may, by a Resolution, at any regular or special meeting, suspend or eliminate payment during the period of such breach. What constitutes a material breach shall be within the sole determination of the Board of Directors.

In the event the Board of Directors by such a Resolution eliminates further payments to the Executive, all amounts then remaining unpaid under this Agreement shall be forfeited and the Corporation shall have no further liability to the Executive or any other persons hereunder.

ARTICLE FOUR

04.01 Death Prior to Retirement. In the event the Executive should die while actively employed by the Corporation at any time after the date of this Agreement but prior to his attaining the age of sixty-five (65) years (which will occur on July 15, 1996, or such later date as may be agreed upon), the Corporation will pay the sum of Five Thousand Five Hundred (\$5,500) Dollars per year in monthly installments of \$458.33 one hundred and twenty (120) months to such individual or individuals as the Executive may have designated in writing, filed with and been approved by the Corporation. The said monthly payments shall begin the first day of the month following the month of the decease of the Executive. In the absence of any effective designation of beneficiary any such amounts becoming due and payable upon the death of the Executive shall be payable to his duly qualified executor or administrator.

In the event that the Executive shall die prior to his 65th birthday, and that such death is the result of suicide, then, and in such event, the death benefit provided by this Article shall not be payable.

If the Executive is not survived by a widow, or his widow dies before receiving the one hundred twenty (120) installments, the remaining installment payments may be commuted on the basis of 4% per annum compound interest and paid to the executors and administrators of the last survivor of the Executive and his wife.

ARTICLE FIVE

05.01 Voluntary Termination of Service or Discharge. In the event that the Executive shall voluntarily resign or otherwise voluntarily terminate her employment with the Corporation or be discharged for actions inimical to the Corporate interests, which shall be in the sole determination of the Board of Directors, prior to November 17, 1997 this Agreement shall terminate upon the date of such resignation, other voluntary termination of employment or discharge and no benefits or payments of any kind are to be made hereunder.

05.02 Other Termination of Service. The Corporation reserves the right to terminate the employment of the Executive at any time prior to retirement. In the event that the employment of the Executive shall terminate prior to November 17, 1997, other than by her voluntary action, her disability, her death or her discharge for actions inimical to the Corporate interests, then this Agreement shall terminate upon the date of such termination of employment and the Corporation shall pay to the Executive as severance compensation the amount outlined in the following schedule, predicated on the year in which severance occurs. These amounts shall be paid to the Executive in monthly installments commencing with the first day of the month following the month in which such severance occurs.

SCHEDULE OF SEVERANCE PAYMENTS

Completed Years of Service with Corporation	Amount of Annual Installment	Number of Years Payable
<u>1</u>	<u>125</u>	<u>10</u>
<u>2</u>	<u>326</u>	<u>10</u>
<u>3</u>	<u>508</u>	<u>10</u>
<u>4</u>	<u>672</u>	<u>10</u>
<u>5</u>	<u>818</u>	<u>10</u>
<u>6</u>	<u>944</u>	<u>10</u>

<u>7</u>	<u>1056</u>	<u>10</u>
<u>8</u>	<u>1155</u>	<u>10</u>
<u>9</u>	<u>1242</u>	<u>10</u>
<u>10</u>	<u>1317</u>	<u>10</u>

In the event the Executive's death should occur after such involuntary severance but prior to the completion of the monthly payments provided for in this Article, the remaining installments shall be paid to such individual or individuals as the Executive may have designated in writing, filed with and been approved by the Corporation. In the absence of any effective designation of beneficiary any such amounts shall be payable to the duly qualified executor or administrator of the Executive.

ARTICLE SIX

06.01 Alienability. Neither the Executive, her widower, nor any other beneficiary under this Agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, commute, modify, or otherwise encumber in advance any of the benefits payable hereunder, nor shall any of said benefits be subject to seizure for the payment of any debts, judgments, alimony or separate maintenance, owed by the Executive or her beneficiary or any of them, or be transferable by operation of law in the event of bankruptcy, insolvency, or otherwise. In the event the Executive or any beneficiary attempts assignment, commutation, hypothecation, transfer, or disposal of the benefit hereunder the Corporation's liabilities shall forthwith cease and terminate.

ARTICLE SEVEN

07.01 Participation in Other Plans. Nothing contained in this Agreement shall be construed to alter, abridge, or in any manner affect the rights and privileges of the Executive to participate in and be covered by any Pension, Profit-Sharing, Group Insurance, Bonus or similar employee plans which the Corporation may now or hereafter have.

ARTICLE EIGHT

08.01 Funding. The Corporation reserves the absolute right at its sole and exclusive discretion either to fund the obligations of the Corporation undertaken by this Agreement or to refrain from funding the same, and to determine the extent, nature, and method of such funding. Should the Corporation elect to fund this Agreement, in whole or in part, through the medium of life insurance or annuities, or both, the Corporation shall be the owner and beneficiary of the policy. The Corporation reserves the absolute right, in its sole discretion, to terminate such life insurance or annuities, as well as any other funding program, at any time, either in whole or in part. At no time shall the Executive be deemed to have any right, title, or interest in or to any specified asset or assets of the Corporation, including, but no by way of annuity, any insurance or annuity contract or contracts or the proceeds therefrom.

Any such policy shall not in any way be considered to be security for the performance of the obligations of this Agreement. It shall be, and remain, in general, unpledged, unrestricted asset of the Corporation.

If the Corporation purchases a life insurance or annuity policy on the life of the Executive, she agrees to sign any papers that may be required for that purpose and to undergo any medical examination or tests which may be necessary.

08.02 This Article shall not be construed as giving the Executive or her beneficiary any greater rights than those of any other unsecured Creditor of the Corporation.

ARTICLE NINE

09.01 Reorganization. The Corporation shall not merge or consolidate into or with another corporation, or reorganize, or sell substantially all of its assets to another corporation, firm, or person

unless and until such succeeding or continuing corporation, firm, or person agrees to assume and discharge the obligations of the Corporation under this Agreement. Upon the occurrence or such event, the term "Corporation" as used in the Agreement shall be deemed to refer to such successor or survivor Corporation.

ARTICLE TEN

10.01 Communications. Any notice or communication required of either party with respect to this Agreement shall be made in writing and may either be delivered personally or sent by first class mail to: Corporation-[Building 22, Ft. Hancock, NJ 07732]; Executive-[12 Renier Court, New Monmouth, NJ 07748]; as the case may be. Each party shall have the right by written notice to change the place to which any notice may be addressed.

ARTICLE ELEVEN

11.01 Not a Contract of Employment. This Agreement shall not be deemed to constitute a contract of employment between the parties hereto, nor shall any provision hereof restrict the right of the Corporation to discharge the Executive, or restrict the right of the Executive to terminate her employment.

This Agreement can provide for an authorized leave of absence not to exceed some period, such as one year. During this time the Executive will be considered to be still in the employ of the Corporation for the purposes of this Agreement.

ARTICLE TWELVE

12.01 Claims Procedure. In the event that benefits under this Plan Agreement are not paid to the Executive (or her beneficiary in the case of the Executive's death), and such person feels entitled to receive them, a claim shall be made in writing to the Plan Administrator within sixty (60) days from the date payments are not made. Such claim shall be reviewed by the Plan Administrator and the Corporation. If the claim is denied, in full or in part, the Plan Administrator shall provide a written notice within ninety (90) days setting forth the specific reasons for denial, specific reference to the provisions of this Agreement upon which the denial is based, and any additional material or information necessary to perfect the claim, if any. Also, such written notice shall indicate the steps to be taken if a review of the denial is desired.


If a claim is denied and review is desired, the Executive (or her beneficiary in the case of the Executive's death), shall notify the Plan Administrator in writing within sixty (60) days [and a claim shall be deemed denied if the Plan Administrator does not take any action within the aforesaid ninety (90)-day period]. In requesting a review, the Executive or her beneficiary may review this Plan Agreement or any documents relating to it and submit any written issues and comments she or she may feel appropriate. In its sole discretion the Plan Administrator shall then review the claim and provide a written decision within sixty (60) days. This decision likewise shall state the specific reasons for the decision and shall include reference to specific provisions of this Plan Agreement on which the decision is based.

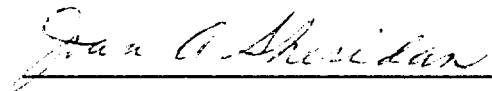
For purposes of implementing this claims procedure (but not for any other purpose), Joan A. Sheridan is hereby designated as the Named Fiduciary and Plan Administrator of this Plan Agreement or her delegate.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be duly executed by its President and its Corporate seal affixed, duly attested by its Vice President, and the Executive has hereunto set her hand and seal at Fort Hancock, New Jersey the day and year first above written.


ATTEST:

NJ MARINE SCIENCES CONSORTIUM

by 
Robert B. Abel, President


Joan A. Sheridan, Executive

ATTEST:


William G. Gordon, Vice President


Witness

ARTICLE THIRTEEN

13.01 Events of Default. For purposes of this Agreement, the words "Event of Default" shall mean: (a) Nonpayment of any benefit provided herein when due; (b) Adjudication of the Corporation as a bankrupt or insolvent or entry of an order, remaining unstayed by appeal or otherwise for forty-five (45) days, appointing a receiver or trustee for the Corporation, or for all or any of its property or approving a petition seeking reorganization or other similar relief under the bankruptcy or other similar laws of the United States of America or any state or any other competent jurisdiction, or the filing by the Corporation of a petition seeking any of the foregoing or consenting thereto, or the filing of a petition to take advantage of any debtor's act, or making a general agreement for the benefit of creditors, or admitting in writing its inability to pay its debts as they mature; or (c) dissolution or liquidation of the Corporation.

13.02 Notice of Termination Upon the occurrence of an Event of Default, the Executive or her legal representative may in her sole discretion terminate this Agreement by filing written notice of such termination with the Corporation.

13.03 In the event the Executive shall terminate this agreement, she shall be entitled to receive a single sum payment in an amount equal to the Commuted Value (6% interest) of the retirement, disability, or severance benefits otherwise payable hereunder which the executive had accrued prior to the date of termination of this Agreement, and which are unpaid at said date of termination. Said single sum shall be due and payable on the date of termination of this Agreement and shall thereafter bear interest at the rate of 8% per annum, computed annually.

13.04 Cessation of Benefits. In the event the Executive shall terminate this Agreement, the Executive shall cease to be entitled to receive benefits hereunder except those specifically set forth in this Article Thirteen.

13.05 Upon the occurrence of an Event of Default after the death of an Executive who had commenced receiving retirement or severance benefits hereunder, his beneficiary may, in the beneficiary's sole discretion, terminate this Agreement by filing written notice of such termination with the Corporation. In such event the beneficiary shall be entitled to receive a single sum payment in an amount equal to the commuted value (6% interest) of the death benefit otherwise payable to said beneficiary hereunder which are unpaid at the date of termination of this Agreement. Said single sum shall be due and payable on the date of termination of this Agreement and shall thereafter bear interest at the rate of 8% per annum computed annually.

ARTICLE FOURTEEN

14.01 Arbitration. In the event of any dispute, controversy or misunderstanding arising between the parties hereto, which may, directly or indirectly concern or involve any of the terms, covenants or conditions hereof, the parties agree that such controversy shall be settled by arbitration in the Borough of Surf City, N.J. in accordance with the Rules of American Arbitration Association. Invoke intervention from a panel of 3 arbitrators from the American Association of Arbitrators. Judgement upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The costs of the arbitration shall be borne by the part or parties designated by the arbitrators.

DESIGNATION OF BENEFICIARY

Pursuant to the terms of a Salary Continuation Agreement, dated May 13, 1987, between myself and the New Jersey Marine Sciences Consortium, I hereby designate the following beneficiary(ies) to receive any payments which may be due under such agreement after my death:

Primary Beneficiary George Sheridan
Secondary Beneficiary(ies) my children

The Primary Beneficiary named above shall be designated beneficiary referred to in Articles Four and Five of said Agreement if he or she is living at the time a death benefit payment thereunder becomes due and payable, and the Secondary Beneficiary named above shall be the designated beneficiary referred to in Articles Four and Five of said Agreement only if he or she is living at the time a death benefit payment becomes payable and the Primary Beneficiary is not then living.

This designation hereby revokes any prior designation which may have been in effect.

DATE: May 27, 1987

Mary Balbach
(Witness)

Joan A. Sheridan
Joan A. Sheridan

Acknowledged By:

Robert B. Abel
Robert B. Abel, President



NEW JERSEY MARINE SCIENCES CONSORTIUM

Robert B. Abel, PhD
President

SANDY HOOK Executive Office:

Building 22, Ft. Hancock, NJ 07732

201-872-1300

LABOR DEPARTMENT STATEMENT

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