

**ALTERNATE STATEMENT FOR REPORTING AND DISCLOSURE**  
**(For Deferred Compensation Plans)**

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

**FROM:** Lake Carroll Association  
Employer Identification Number: 23-7289234  
200 Plumtree Drive  
Lake Carroll, IL 61046

Date: 1/22, 1993

This document constitutes the statement required by C.F.R., 2520.104-23(a)(1) to be filed with the Secretary of Labor in respect to non-qualified deferred compensation plans maintained by the above employer.

The employer currently maintains 1 non-qualified deferred compensation plan(s) for employees 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  
Plan 2: -  
Plan 3: -

Administrator: James P. Fouts

Title: President of Lake Carroll Association

**RESOLUTION FOR  
DEFERRED COMPENSATION & SALARY CONTINUATION PLAN**

WHEREAS, James R. Blackburn's competent and faithful efforts on behalf of Lake Carroll Association have resulted in substantial growth and profits to the Association, and,

WHEREAS, Lake Carroll Association highly values the efforts, abilities and accomplishments of James R. Blackburn as an important member of management and recognizes that his future services are vital to its continued growth and profits and that the loss of his services would result in substantial financial losses,

WHEREAS, Lake Carroll Association in order to retain the services of James R. Blackburn is willing to provide him/her with Deferred Compensation and his/her named beneficiaries with Salary Continuation benefits,

RESOLVED, therefore, that the President of Lake Carroll Association is authorized and directed to enter into a Deferred Compensation and Salary Continuation Agreement on behalf of Lake Carroll Association with in accordance the terms as specified therein.

*Top hat*

*MAR 20 11*

## **RESOLUTION FOR CORPORATE PURCHASE OF KEY PERSON INSURANCE**

**WHEREAS, James R. Blackburn's competent and faithful efforts on behalf of Lake Carroll Association have resulted in substantial growth and profits to Lake Carroll Association, and,**

**WHEREAS, Lake Carroll Association highly values the efforts, abilities and accomplishments of James R. Blackburn as an important member of management and recognizes that his future services are vital to its continued growth and profits and that the loss of his services would result in substantial financial losses,**

**RESOLVED, therefore that is order to partially indemnify Lake Carroll Association against the loss of the services of James R. Blackburn, the Secretary of Lake Carroll Association is authorized and directed to apply for, secure, and pay all premiums on the policy of life insurance on January 22, 1993, from Connecticut Mutual Life Insurance Company in the face amount of 327,288 dollars.**

## **DEFINED BENEFIT DEFERRED COMPENSATION AND SALARY CONTINUATION AGREEMENT**

THIS AGREEMENT, made this 22nd day of January, 1993, by and between Lake Carroll Association of Lanark, Illinois, hereinafter called the Association, and James R. Blackburn, hereinafter called the Employee.

WHEREAS, the Employee's competent and faithful efforts on behalf of the Association have resulted in substantial growth and profits to the Association, and,

WHEREAS, the Association values the efforts, abilities, and accomplishments of the Employee as an important member of management and recognizes that his future services are vital to its continued growth and profits and that the loss of his services would result in substantial financial losses, and,

WHEREAS, the Association in order to retain the services of the Employee is willing to provide post-retirement benefits and/or post-death benefits for his designated beneficiary as set out below,

NOW THEREFORE, it is mutually agreed that:

### **SALARY CONTINUATION BENEFITS**

1. If the employee dies while employed by the Association prior to attaining the retirement age of 65 years, the Association shall pay the sum of the total death benefit, payable in monthly installments, for a period of five years, to such individual or individuals as the employee shall have designated in writing filed with the Association or, in the absence of such designation, to the estate of the Employee. The first payment shall be made not later than one (1) month following the Employee's death.

### **RETIREMENT BENEFITS**

2. In the event the Employee retires from employment upon attaining the retirement age of 65 years, he shall be entitled to receive from the Association the sum of \$46,000, payable in monthly installments beginning no later than one (1) month after retirement, for a period of 18 years, following the date of such retirement or until death, whichever first occurs. If the Employee should die during said 18 year period, the monthly installments shall continue to be payable until the expiration of said 18 year period to such individual or individuals as the employee shall have designated in writing filed with the Association or, in the absence of such designation, to the estate of the Employee.

**SEVERANCE  
BENEFITS**

1. In the event the Employee terminates employment for reasons other than death or retirement, he shall be entitled to receive from the association annual severance benefits, as set forth below, for a period of one (1) year, following the date of such severance. If the Employee should die during said one (1) year period, severance benefits shall be payable to such individual or individuals as the Employee shall have designated in writing filed with the Association or, in the absence of such designation, to the estate of the Employee, until the expiration of said year period. Severance benefits beginning at the end of one year after the execution of this Agreement shall be in the amounts set forth in the following schedule.

<u>Full years from Date of Agreement to Severance of Employment</u>	<u>Annual Amount Payable</u>
1 year but less than 2 years	<u>33% of fund value</u>
2 years but less than 3 years	<u>67% of fund value</u>
3 years but less than 4 years etc.	<u>100% of fund value</u>

**CLAIMS  
PROCEDURE**

4. If any benefits become payable under this Agreement, the Employee (or designated beneficiary in the case of the Employee's death) shall file a claim for benefits by notifying the Association orally or in writing. If the claim is wholly or partially denied, the Association shall provide a written notice within 90 days specifying the reason for the denial, the plan provisions on which the denial is based, and additional material or information necessary to receive benefits, 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 a review is desired, the Employee (or designated beneficiary in the case of the Employee's death) shall notify the Association in writing within 60 days after receipt of a written notice of a denial of a claim. In requesting a review, the Employee or beneficiary may review plan documents and submit any written issues and comments he or she feels are appropriate. The Association shall then review the claim and provide a written decisions within 60 days of receipt of a request for review. This decision shall state the specific reasons for the decision and shall include references to specific provisions on which the decision is based.

**CONSTRUCTION  
OF AGREEMENT**

5. Any payments under this Agreement shall be independent of, and in addition to, those under any other plan, program or agreement which may be in effect between parties hereto, or any other compensation payable to the Employee or the Employee's designated beneficiary by the Association. This Agreement shall not be construed as a contract of employment nor does it restrict the right of the Association to discharge the Employee for proper cause or the right of the Employee to terminate employment.

The Association shall be under no obligation whatever to purchase or maintain any contract, policy or other asset to provide the benefits under this Agreement and any reference to a contract, policy or other asset is made solely for the purpose of computing the value of the benefits payable. Any contract, policy or other asset which the Association may utilize to assure itself of general assets with which to provide the benefits hereunder shall not serve in any way as security to the Employee for the Association's performance under this Agreement and shall remain the general assets of the Association subject to the claims of its creditors.

The Association does not give, nor does the plan created by this Agreement give or the Employee receive a beneficial interest in any asset of the Association. All rights of ownership in any such assets are and remain in the Association.

The law of the State of Illinois shall govern this agreement.

**EMPLOYEE  
RIGHTS**

6. The rights of the Employee, any designated recipient of the Employee, or any person claiming through the Employee under this Agreement, shall be solely those of an unsecured general creditor of the Association. The Employee, the designated recipient of the Employee, or any other person claiming through the Employee, shall have the right to receive those benefits specified under this Agreement only from the Association, and shall have no right whatsoever to look to any specific or special property separated from the Association to satisfy a claim for benefit payments.

Neither the Employee nor any designated beneficiary shall have any right to sell, assign, transfer or otherwise convey the right to receive any payments hereunder.

The Employee acknowledges and agrees that neither such employee nor any designated recipient, or any person claiming through the Employee, shall have any rights or beneficial ownership interest in any general asset the Association may acquire or use to help support its financial obligations under this Agreement. Any such general asset used or acquired by the Association in connection with liabilities it has assumed under this Agreement,

shall not be deemed to be held under any trust for the benefit of the Employee or his or her designated recipients. Nor shall any general asset be considered security for the performance of the obligations of the Association. Any such asset shall remain a general, unpledged, and unrestricted asset of the Association.

The Employee also understands and agrees that his or her participation, in any way, in the acquisition of any such general asset for the Association shall not constitute a representation of the Employee, his or her designated recipient, or any person claiming through the Employee that any of them has a special or beneficial interest in such general asset.

**CHANGE OF BUSINESS FORM**

The Association agrees that it will not merge, consolidate, or combine with any other business entity unless and until the succeeding or continuing corporation, or business entity expressly assumes and confirms in writing the obligations of the Association under this Agreement.

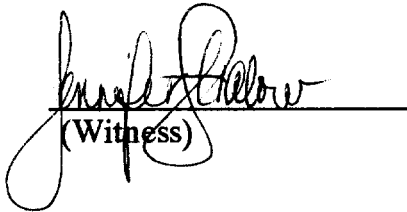
**AMENDMENT**

8. The Association may not be altered, amended or revoked except by a written agreement signed by the Association and Employee.

**INTERPRETATION**

9. Where appropriate in this Agreement, words used in the singular shall include the plural and words used in the masculine shall include the feminine.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first hereinabove written.

  
\_\_\_\_\_  
(Witness)

Lake Carroll Association  
Lake Carroll Association  
By: James Forts  
President

## **SUMMARY PLAN DESCRIPTION FOR SALARY CONTINUATION PLAN**

The Employee Retirement Income Security Act of 1974 (ERISA) imposes certain requirements upon administrators of employee welfare benefit plans. One of the requirements is that the administration provide you with a clear summary of the terms and benefits of the plan. The following description is designed to satisfy this requirement. If you should have any questions or anything is unclear to you, the plan administrator will be happy to assist you.

**NAME OF PLAN:** Lake Carroll Association  
Salary Continuation/Deferred Compensation  
**EMPLOYER:** Lake Carroll Association  
200 Plumtree Drive  
Lake Carroll, IL 61046

**EMPLOYER IDENTIFICATION NO:** 23-7289234  
**PLAN IDENTIFICATION NO:** 6046036

**TYPE OF PLAN:** Salary Continuation/Deferred Compensation  
**TYPE OF ADMINISTRATION:** Employer/Insurance Contract  
**END OF PLAN YEAR:** February 3  
**PLAN ADMINISTRATOR:** Lake Carroll Association  
**ADMINISTRATOR'S TELEPHONE:** 815-493-2552  
**AGENT FOR SERVICE OF PROCESS:** Jim Fouts, President  
**AGENT'S ADDRESS:** c/o Lake Carroll Association  
200 Plumtree Drive  
Lake Carroll, IL 61046

In addition to the designated agent for service of process, service of process may also be made upon the plan administrator indicated above.

**ELIGIBILITY FOR PARTICIPATION:** Benefits are payable if the insured dies while this plan is in force. Benefits are equal to those described in the Defined Benefit Deferred Compensation & Salary Continuation Agreement and are payable to such individual or individuals as the employee shall have designated in writing filed with the Association, or in the absence of such designation, to the estate of the Employee.

**FUNDING MEDIUM:** All benefits shall be paid as need from the general assets of the employer. At the employer's discretion, it may purchase a life insurance policy from Connecticut Mutual Life Insurance Company to assure itself of the funds to meet its obligation under this plan. However, the employer is under absolutely no obligation under this plan.

**LOSS OF BENEFITS:** No benefits shall be payable if James R. Blackburn dies after this plan has terminated. This plan shall terminate with respect to a participant upon his or her termination of employment or upon notice by employer. Further, no benefits shall be payable if a life insurance policy is purchased on James R. Blackburn and Connecticut Mutual Life Insurance Company denies payment for any reasons specified in the insurance policy.

**SOURCE AND CALCULATION OF PLAN CONTRIBUTIONS:** All contributions to this plan shall be made by the employer.

**CLAIMS PROCEDURE:** Upon the death of the employee while this plan is in effect, the beneficiary shall file a claim for benefits by notifying the plan administration orally or in writing. If the claim is wholly or partially denied, the plan administrator will provide a written notice within 90 days specifying the reason for the denial and the plan provisions on which the denial is based. Also, this written notice will indicate additional material or information necessary for the beneficiary to receive benefits, if any.

If a claim is denied and the beneficiary wishes to have the denial reviewed, he or she shall notify the plan administrator in writing 60 days after receipt of written notice of denial of claim. In requesting a review, the beneficiary may submit any written issues and comments he or she feels are appropriate. The plan administrator shall then review the claim and notify the beneficiary in writing of a decision within 60 days of receipt of a request for review. This decision shall state the specific reasons for the decision and shall include references to specific provisions on which the decision is based.

**RIGHTS STATEMENT:** As a participant in this plan you are entitled to certain rights and protections under ERISA. ERISA provides that you are entitled to examine without charge, at the plan administrator's office, all plan documents, including insurance contracts. Also, a participant is entitled to obtain copies of all plan documents and other plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies.

In addition to creating rights for plan participants, ERISA duties upon the people who are responsible for the operation of the Salary Continuation plan. The people who operate the plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and any other plan participants and beneficiaries. No one, including your employer, a union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining the benefits of this plan or exercising your rights under ERISA.

If your claim for benefits under the plan is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the written explanation of the reason for the denial. You have the right to have the plan reviewed and your claim considered.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials for the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$100 a day until you receive the material, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay the court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim frivolous.

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, you could contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

## DESIGNATION OF BENEFICIARY

Pursuant to the terms of a Deferred Compensation and Salary Continuation Agreement dated January 22, 1993, between myself and the Lake Carroll Association, I hereby designate the following beneficiary(ies) to receive any payments which may be due under such Agreement after my death:

Primary Beneficiary: Cheryl L. Blackburn

Secondary Beneficiary: James T. & Barbara L. Blackburn

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

Date: 1/22/93

James R. Blackburn  
(Employee)

Janice J. [Signature]  
Witness

Acknowledged By: James T. Blackburn  
(Designated Corporate Officer)