

Share the Vision



February 25, 2009

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103 Old Iron Ore Road, Bloomfield, CT 06002
www.fidelco.org

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

2520092100027

U.S. Department of Labor
Employee Benefits Security
Administration
Top Hat Plan Exemption
Room N-1513
200 Constitution Avenue, N.W.
Washington, DC 20210

91017 210027

Re: Fidelco Guide Dog Foundation, Inc.

Dear Sir/Madam:

In order to comply with the reporting and disclosure requirements of Part 1 of Title I of the Employee Retirement Income Security Act of 1974, and pursuant to Regulation Section 2520.104-23 of the Department of Labor, the undersigned hereby submits the following:

(1) Names of Plans:

Employment Agreement and Nonqualified Deferred Compensation Agreement between Fidelco Guide Dog Foundation, Inc. and Diane R. Lindeland each dated February 25, 2009.

(2) Name and Address of Employer:

Fidelco Guide Dog Foundation, Inc.
103 Old Iron Ore Road
Bloomfield, CT 06002

(3) Employer ID No.: 06-6060478

(4) The Employer has maintained the plans primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees or former employees.

(5) Number of such plans maintained by the Employer: Three (3)



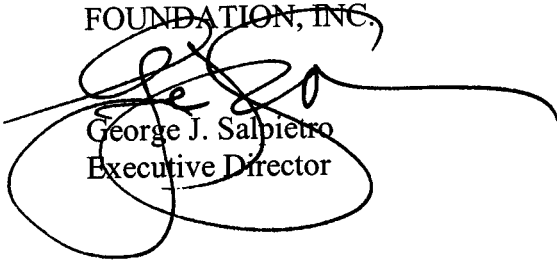
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- (6) Number of employees or former employees participating in the plans: Three
(3)

The Employer undertakes to provide to the Secretary of Labor any documents relating to the plans upon request.

Very truly yours,
FIDELCO GUIDE DOG
FOUNDATION, INC.



George J. Salpietro
Executive Director

**EMPLOYMENT AGREEMENT AND
NONQUALIFIED DEFERRED COMPENSATION AGREEMENT
BETWEEN FIDELCO GUIDE DOG FOUNDATION, INC.
AND DIANE R. LINDELAND**

Summary of Major Terms

Employment Agreement

The Employment Agreement between Fidelco Guide Dog Foundation, Inc. (the “Employer”) and Diane R. Lindeland (the “Executive”) contains the following provisions:

1. Duties

The Executive will perform on a full-time basis the duties of Treasurer of the Employer. In addition, during the three transition years preceding her attainment of age 65, the Executive will have the responsibility to design and implement a transition plan pursuant to which he will be able to transfer all of his responsibilities and duties to a successor by the end of the transition years. However, during the first transition year the Executive will not be required to perform more than 1,300 hours of service, during the second transition year the Executive will not be required to perform more than 650 hours of service, and during the third transition year the Executive will not be required to perform more than 325 hours of service. *See* Section 2 and Section 3 of the Employment Agreement.

2. Term

The term of the Employment Agreement will end on the first day of the month following the date on which the Executive reaches age 65. However, the term of the Employment Agreement will end on a prior date if the Executive incurs a disability. In addition, the Employer can terminate the Employment Agreement for cause. If the term of the Employment Agreement ends due to the Executive’s disability, the Executive will be entitled to receive any compensation or benefits which he earned through the date of termination. However, if the Employer terminates the term of the Employment Agreement for cause, the Executive will no longer be entitled to receive any benefits (except as required by law). *See* Section 4 of the Employment Agreement.

3. Compensation and Benefits

During the term of the Employment Agreement, the Executive will receive base compensation. During each year of the Employment Agreement prior to the transition years, the base compensation cannot be reduced to less than the amount received in the prior year (unless the Executive consents to the reduction). During the transition years, the base compensation will equal the Executive’s base compensation for the calendar year immediately preceding the transition years. *See* Section 5(a) of the Employment Agreement.

The Executive will also be eligible to receive an annual bonus and employee benefits on the same terms and conditions as the Employer's other senior executive officers. The Executive will be entitled to receive four weeks of vacation (except that, during the transition years, the Executive will not be entitled to receive any vacation). The Executive will also be reimbursed for all business expenses. *See* Section 5(b) through Section 5(e) of the Employment Agreement.

4. Additional covenants

The Executive agrees that, at any time during his employment or thereafter, he will not disclose any confidential information of the Employer, or take any records or documents of the Employer, or make any disparaging statement about the Employer to the Employer's employees, customers, suppliers or donors. *See* Section 7(a), Section 7(c) and Section 7(f) of the Employment Agreement.

The Executive agrees to turn over to the Employer any inventions which he develops while employed or during the six month period following his termination of employment. *See* Section 7(b) of the Employment Agreement.

The Executive agrees that, at any time during his employment and for the 18 month period following his termination of employment, he will not solicit or contact any of the Employer's clients, customers, donors or leads, or solicit or interfere with any of the Employer's contracts or relationships with its employees, customers, suppliers or donors. *See* Section 7(d) and Section 7(e) of the Employment Agreement.

The Executive agrees that, at any time during his employment and for the 18 month period following his termination of employment, he will not compete with the Employer's guide dog training business in the United States. *See* Section 7(g) of the Employment Agreement.

The Employer can seek injunctive relief to prevent the Executive from violating any of these covenants. In addition, if any of the covenants are overbroad as to scope or geographic area, the parties direct the courts to reform them in order to give them the maximum scope possible. *See* Section 7(h) and Section 7(i) of the Employment Agreement.

5. Other matters

The Employer and the Executive can amend, modify, or suspend the Employment Agreement at any time, but only to the extent permitted by Section 409A of the Internal Revenue Code. *See* Section 8 of the Employment Agreement.

Nonqualified Deferred Compensation Agreement

The Nonqualified Deferred Compensation Agreement (the “Deferred Compensation Agreement”) between the Employer and the Executive contains the following provisions:

1. Deferred compensation

The Deferred Compensation Agreement provides that the Executive will receive the following deferred compensation:

(a) **Retirement benefit.** The Executive (or his beneficiary) will receive a retirement benefit equal to five times his highest calendar year compensation (based on the taxable compensation which he receives, and the pre-tax contributions which he makes, during the three consecutive calendar years prior to his benefit commencement date). The Executive’s benefit commencement date will be the first day of the month following the date on which he reaches age 65 (or, if earlier, the first day of the month following his death, disability or termination of employment by the Employer without cause). *See* Section 1(c), Section 1(f), Section 1(j) and Section 2(a) of the Deferred Compensation Agreement.

The retirement benefit will be paid in ten equal annual installments. If the Executive dies prior to the receipt of the ten installments, his beneficiary will receive the remaining installments. *See* Section 2(a) of the Deferred Compensation Agreement.

(b) **Additional gross-up payment.** On his benefit commencement date, the Executive will receive an additional gross-up payment equal to 39% of the present value of his retirement benefit under Section 2(a), assuming an interest rate of 6%. This payment is intended to provide the Executive with the amount needed to pay the income taxes that will be payable when he becomes vested in the retirement benefit on his benefit commencement date, assuming a 30% income tax rate. *See* Section 2(b) of the Deferred Compensation Agreement and Item 1 of Summary of Major Issues *below*.

(c) **Medical benefits.** The Employer will provide the Executive with continued coverage under the Employer’s group health and dental insurance plan until December 31 of the second calendar year following the calendar year in which the Executive separates from service. During this period, the Executive will be required to pay that portion of the premium which the active officers of the Employer are required to pay. *See* Section 2(c) of the Deferred Compensation Agreement and Item 2(b) of Summary of Major Issues *below*.

(d) **Additional deferred compensation.** In order to permit the Executive to pay for all or a portion of the cost of health and dental insurance after the medical benefits described above end, the Employer will provide the Executive with additional deferred compensation equal to \$1,500 per month. These amounts will be adjusted for cost of living increases as of the first paydate of each calendar year. The additional deferred

compensation will commence on the first paydate of the calendar year following the calendar year in which the Executive's coverage under the Employer's group health and dental insurance plan ceases, and will continue on the first paydate of each subsequent month until the earliest of: (i) the month in which the tenth anniversary of the Executive's separation from service occurs; (ii) the end of the calendar year in which the payment of the Executive's retirement benefit ceases; or (iii) the month in which the Executive dies. *See* Section 2(d) of the Deferred Compensation Agreement and Item 2(b) of the Summary of Major Issues *below*. (N.B. The additional gross-up payment does *not* take into account the income tax that will become payable as a result of the vesting of this additional deferred compensation.)

Notwithstanding the above, the payment of the retirement benefit and the additional gross-up payment will be delayed if the payment of those benefits would cause the Employer to violate any loan covenant or similar agreement. *See* Section 3 of the Deferred Compensation Agreement and Item 2(a)(ii) of the Summary of Major Issues *below*.

The retirement benefit, the additional gross-up payment, and the additional deferred compensation will vest upon the Executive's benefit commencement date (i.e., the first day of the month following the earliest of the Executive's attainment of age 65, death, disability or termination of employment without cause). *See* Section 4(a) of the Deferred Compensation Agreement. Therefore, the Executive will have to include the present value of these benefits in his gross income at that time. *See* Item 1 of the Summary of Major Issues *below*. The Executive will always be vested in his right to receive continued coverage under the Employer's health and dental insurance plan for a limited period of time following his separation from service. *See* Section 4(b) of the Deferred Compensation Agreement. However, the Executive's right to receive the retirement benefit, the additional gross-up payment, the additional deferred compensation, and the medical benefits will be forfeited if the Executive is terminated for cause; *provided, however*, that the Executive will continue to be eligible to receive continued medical coverage following his termination of employment to the extent required by COBRA.

2. **Additional services**

The Executive agrees to perform additional services for the Employer following his separation from service while he is receiving the retirement benefit described in Section 2(a) of the Deferred Compensation Agreement. The Executive will perform the services at such times and places as are mutually convenient to the Employer and the Executive. However, the additional services cannot exceed ten (10) hours per month (unless otherwise agreed to by the Executive in his sole discretion). In addition, the Executive will not be required to perform any additional services if he incurs a disability. The Executive will not receive any additional compensation for the performance of such services, although the Employer will reimburse the Executive for all reasonable expenses incurred by the Executive in performing such additional services that are adequately substantiated by the Executive. *See* Section 5 of the Deferred Compensation Agreement.

3. **Other matters**

The Agreement represents the unfunded agreement by the Employer to pay benefits to the Executive in the future. The Executive is merely a general unsecured creditor of the Employer. *See* Section 8 of the Deferred Compensation Agreement.

The Employer can withhold from any amounts payable to the Executive any taxes that are required to be withheld. *See* Section 10 of the Deferred Compensation Agreement.

The Employer and the Executive can amend, modify or suspend the Agreement at any time, but only to the extent permitted by Section 409A of the Internal Revenue Code. *See* Section 11 of the Deferred Compensation Agreement.

The Employer can terminate the Agreement and pay the Executive the present value of all payments that are due. However, the Agreement can be terminated only if all similar agreements maintained by the Employer are terminated, or following the Employer's dissolution or bankruptcy. *See* Section 12 of the Deferred Compensation Agreement and Item 2(c) of the Summary of Major Issues *below*.

Summary of Major Issues

1. **Nonqualified deferred compensation for tax-exempt organizations**

Code Section 457 provides the exclusive method for making nonqualified deferred compensation available to the executives of tax-exempt organizations. If a nonqualified deferred compensation arrangement satisfies the requirements of Code Section 457(b), then the nonqualified deferred compensation will not be subject to federal income tax until it is actually received. An "eligible" Section 457(b) arrangement must limit the amount of compensation that can be deferred in any calendar year to \$15,000 (as adjusted for years after 2006).

An "ineligible" Section 457(f) plan is a nonqualified deferred compensation plan maintained by a tax-exempt entity which does not satisfy all of the requirements that apply to an eligible Section 457(b) plan. For example, amounts deferred under an ineligible Section 457(f) plan can exceed the \$15,000 limit that applies to eligible Section 457(b) plans. However, *all* amounts deferred under an ineligible Section 457(f) plan will be subject to federal income tax when the deferrals are no longer subject to a substantial risk of forfeiture (i.e., when they become vested), even if they will not be paid until a later date. Deferred compensation is generally considered to be subject to a substantial risk of forfeiture if the receipt of the compensation is conditioned on the performance of substantial additional services.

In order to avoid the immediate taxation of deferred compensation under a Section 457(f) arrangement, the arrangement may provide that the deferred compensation will be subject to forfeiture until a specified future date (for example, a specified age), and that the executive will forfeit the deferred compensation if he voluntarily terminates employment prior to that date (except for death, disability or involuntary termination without cause). If the executive remains

employed until the specified date (or until death, disability or involuntary termination without cause), then the executive will become vested in the deferred compensation and the present value of the deferred compensation will become subject to income tax at the time it becomes vested, whether or not the Section 457(f) plan requires the deferred compensation to be paid to the executive when it becomes vested. On the other hand, if the executive voluntarily terminates employment prior to the specified date, then his deferred compensation will be forfeited. *See* PLR 200321002; PLR 199916037.

2. Code Section 409A

An ineligible Section 457(f) plan is also subject to the requirements of Code Section 409A, which governs the payment of nonqualified deferred compensation.

(a) Section 409A requirements

Under Section 409A, an arrangement provides for the deferral of compensation where the employee obtains a legally binding right during a calendar year to receive compensation that is not actually or constructively received until a future year. *See* Proposed Regulation Section 1.409A-1(b)(1). Since the Executive obtains, when the Deferred Compensation Agreement is executed, a legally binding right to receive deferred compensation in future years, the Deferred Compensation Agreement constitutes a nonqualified deferred compensation arrangement (even though the deferred compensation will not become vested until some date after the Deferred Compensation Agreement is executed). Similarly, because the Employment Agreement provides for the payment of compensation in the transition years that may exceed the reasonable compensation payable due to the performance of services in those years, the Employment Agreement may also constitute a nonqualified deferred compensation arrangement.

Code Section 409A imposes certain general conditions on the payment of nonqualified deferred compensation:

(i) Nonqualified deferred compensation cannot be paid prior to separation from service, disability (as defined in Section 409A), death, a date specified at the time of the deferral (such as a specified age) or pursuant to a fixed schedule in effect at the time of the deferral, the occurrence of an unforeseeable emergency (as defined in Section 409A), or a change in control (as defined in regulations). *See* Code Section 409A(a)(2)(A).

(ii) The time and form of distribution of the deferred compensation must be specified at the time of the initial deferral. An employee can change his or her initial election in order to delay the timing or change the form of distribution, *but only if*: (A) the election change is not effective until 12 months after the date the election is made; and (B) for distributions other than those payable upon death, disability or unforeseeable emergencies, the subsequent election defers payment for at least an additional 5 years from the original payment date. *See* Code Section 409A(a)(4)(C). However, it will not constitute a change in a deferral election if a deferred compensation agreement provides

for a delay in the payment of deferred compensation where the payment would violate a loan covenant or similar contractual requirement (as long as the deferred compensation is paid as soon as possible after the making of the payment would no longer cause such a violation). *See* Proposed Regulation Section 1.409A-2(b)(5)(ii).

(iii) Section 409A prohibits the acceleration of distributions from their originally scheduled payment date(s). *See* Code Section 409A(a)(3). However, Section 409A does permit a Section 457(f) plan to require the payment of an advance distribution to an employee at the time he is required to pay federal income taxes, as long as the distribution does not exceed the amount of the taxes that are payable. *See* Proposed Regulation Section 1.409A-3(h)(2)(iii);

Therefore, in order to satisfy Section 409A, the Deferred Compensation Agreement specifies the time and form of payment of the retirement benefit, the additional gross-up payment, and the additional deferred compensation. The Executive's retirement benefit will be paid in installments, commencing on the first day of the month following the earliest of the date on which the executive reaches age 65, dies, becomes disabled or is involuntarily terminated without cause. The Executive's additional gross-up payment will be paid in a lump sum on the first day of the month following the earliest of the date on which the executive reaches age 65, dies, becomes disabled or is involuntarily terminated without cause (i.e., when the Executive's retirement benefit vests and becomes subject to federal income tax). The additional deferred compensation will be paid in installments beginning after the Executive's coverage under the Employer's health and dental insurance plan ends, and will be adjusted for cost of living increases (since Section 409A permits installment payments to be increased to reflect "reasonable earnings"). *See* Proposed Regulation Section 1.409A-2(b)(2)(iii). The installments will end ten years after the Executive's separation from service, the end of the calendar year in which the retirement benefit ceases, or when the Executive dies (whichever occurs first).

The Employment Agreement fixes the amount of any deferred compensation payable in the transition years by requiring the Executive's base compensation in those years to equal the Executive's base compensation for the calendar year prior to the transition years. If the amount of the base compensation were not fixed, Section 409A could be violated because the Employer would have the discretion to accelerate the payment of the transition years' base compensation by increasing the base compensation for the first transition year.

(b) Medical benefits

A separation pay arrangement is an arrangement which provides for the payment of compensation following an employee's separation from service. *See* Proposed Regulation Section 1.409A-1(b)(9)(i). Under the proposed regulations, deferred compensation does not include medical expense reimbursements provided to an employee under a separation pay arrangement, *provided that* the reimbursements do not extend beyond December 31 of the second calendar year following the calendar year in which the separation from service occurs. *See* Proposed Regulation Section 1.409A-1(b)(9)(iv)(A),(D). Therefore, the Deferred Compensation Agreement provides that the Employer will continue to provide health and dental

insurance benefits to the Executive until December 31 of the second calendar year following the calendar year in which the Executive separates from service. Consequently, this benefit should *not* be treated as deferred compensation and should not be subject to Section 409A.

In order to permit the Executive to pay for all or a portion of the cost of medical coverage after these benefits end, the Deferred Compensation Agreement requires the Employer to pay the Executive additional deferred compensation (adjusted for cost of living increases) which the Executive can then use to purchase medical coverage. These payments will constitute deferred compensation and will be subject to the requirements of Section 409A, as described above.

(c) Termination of Agreements

As a general rule, a deferred compensation arrangement cannot accelerate the payment of deferred compensation. *See* Section 409A(a)(3). However, the regulations do permit the payment of deferred compensation to be accelerated in certain limited circumstances where the arrangement is being terminated:

(i) Deferred compensation can be paid upon the termination of the arrangement, *provided that*: (A) all plans of the same type (i.e., all nonaccount balance plans) maintained by the Employer or any affiliate are terminated with respect to all participants; (B) no payments are made within twelve months after the termination of the arrangement; (C) all payments are made within 24 months after the termination of the arrangement; and (D) neither the Employer nor any affiliate adopts a plan of the same type (i.e., a nonaccount balance plan) for a period of five years following the date of termination. *See* Proposed Regulation Section 1.409A-3(h)(2)(viii)(C).

(ii) In addition, deferred compensation can be paid upon the termination of the arrangement if the termination occurs: (A) within 12 months following a corporate dissolution that is taxable under Code Section 331; or (B) within 12 months following the bankruptcy court's approval of the termination. *See* Proposed Regulation Section 1.409A-3(h)(2)(viii)(A),(B).

The Deferred Compensation Agreement incorporates these termination provisions. The Deferred Compensation Agreement provides that, if it is terminated, the present value of the payments that would have been made to the Executive will be paid to the Executive in a lump sum. Present value will be determined by using a reasonable interest rate (as permitted by Section 409A). The Employment Agreement does not incorporate any termination provisions since it can be terminated only for cause (in which case no additional payments will be made to the Executive).

3. Social Security and Medicare taxes

Deferred compensation is subject to Social Security and Medicare taxes at the time of deferral (that is, when the services are performed) or when there is no longer any substantial risk of forfeiture of the amount deferred (whichever occurs later). *See* Code Section 3121(v)(2)(A).

However, once any deferred compensation is taken into account for purposes of Social Security and Medicare taxes, any subsequent income attributable to that deferred compensation will not be subject to Social Security or Medicare taxes. *See* Code Section 3121(v)(2)(B).

Therefore, the present value of the retirement benefit described in Section 2(a), the additional gross-up payment described in Section 2(b), and the additional deferred compensation described in Section 2(d) will be subject to Social Security and Medicare taxes in the calendar year in which the benefits become vested, and will not be subject to Social Security or Medicare taxes if they are paid in a later calendar year.

4. **ERISA requirements**

Under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), an "employee pension benefit plan" includes any plan, fund or program established or maintained by an employer that provides retirement income to employees, or that results in the deferral of income by employees to termination of employment or beyond. *See* ERISA Section 3(2). An employee pension benefit plan is exempt from the participation, funding, vesting and fiduciary requirements of ERISA if: (a) the plan is unfunded; and (b) the plan is maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees. *See* ERISA Section 201(2), Section 301(a)(3) and Section 401(a)(1). Such a plan is called a "top hat" plan. A top hat plan is subject to the reporting requirements of ERISA. *See* ERISA Section 103. However, an employer can satisfy the reporting requirements of ERISA by making a one-time filing with the Department of Labor ("DOL"). The top hat filing must be provided within 120 days after the plan becomes subject to ERISA. *See* Regulation Section 2520.104-23. A top hat plan must also contain a claims procedure. *See* ERISA Section 503.

Because the Deferred Compensation Agreement will benefit only the Executive, it will be deemed to be a "top hat" plan for purposes of ERISA. Therefore, the Deferred Compensation Agreement must contain a claims procedure. *See* Section 7 of the Deferred Compensation Agreement. In addition, the Employer will have to submit to the Department of Labor a one-time filing regarding the Deferred Compensation Agreement.

NONQUALIFIED DEFERRED COMPENSATION AGREEMENT

THIS AGREEMENT is made as of the 25th day of February, 2009 by and between **FIDELCO GUIDE DOG FOUNDATION, INC.**, 103 Old Iron Ore Road, Bloomfield, CT 06002 (the "**Employer**") and **DIANE R. LINDELAND**, 98 Princeton Avenue, Feeding Hills, Massachusetts (the "**Executive**").

W I T N E S S E T H:

WHEREAS, the Employer has employed the Executive as its executive director; and

WHEREAS, the Employer has agreed to provide the Executive with certain deferred compensation and other benefits, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the Employer and the Executive do hereby agree as follows:

1. **Definitions**

The following terms shall have the following meanings:

(a) "Beneficiary" means the beneficiary designated by the Executive to receive any death benefits payable under this Agreement. If no designated Beneficiary survives the Executive, or if the Executive fails to designate a Beneficiary, the Executive's Beneficiary shall be his surviving spouse or, if he has none, his estate.

(b) "Board of Directors" means the board of directors of the Employer.

(c) "Benefit Commencement Date" means the first day of the month following the date on which the Executive reaches age sixty-five (65); *provided, however*, that if the Executive dies, incurs a Disability, or has his employment terminated by the Employer without Cause prior to the first day of the month following the date on which he reaches age sixty-five (65), Benefit Commencement Date means the first day of the month following the date of the Executive's death, the date on which he incurs a Disability, or the date on which the Employer terminates his employment without Cause (whichever occurs first).

(d) "Cause" means gross negligence in connection with the Executive's employment or gross negligence in failing to perform his responsibilities as an employee in the best interests of the Employer (including, without limitation, breach by the Executive of any provision of any employment, nondisclosure, non-competition or other similar agreement between the Executive and the Employer), as determined by the Board of Directors of the Employer (which determination by the Board of Directors of the Employer shall be conclusive). The Employer shall be considered to have been discharged for Cause if the Board of Directors of the Employer

determines, within thirty (30) days after the Executive's termination of employment, that discharge was warranted.

(e) "Code" means the Internal Revenue Code of 1986, as amended.

(f) "Compensation" means all of the Executive's compensation paid by the Employer during a calendar year which is includible in the Executive's gross income for federal income tax purposes and is reported on Form W-2, including but not limited to the Executive's regular salary, bonuses, commissions, and any other forms of compensation. In addition, Compensation includes any pre-tax contributions made on behalf of the Executive to a Code Section 401(k) plan, a Code Section 403(b) annuity, or a Section 125 cafeteria plan.

(g) "Disability" means a condition: (i) which causes the Executive to be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which can be expected to last for a continuous period of not less than twelve months; or (ii) which results in the Executive receiving, by reason of any medically determinable physical or mental impairment which can be expected to result in death or which can be expected to last for a continuous period of not less than twelve months, income replacement benefits for a period of not less than three months under an accident and health plan covering the employees of the Employer. Disability shall be deemed to exist only when a written application has been filed with the Employer by or on behalf of the Executive and, with respect to a condition described in Section 1(g)(ii), when such Disability is certified to the Employer by a licensed physician approved by the Employer.

(h) "Employer" means Fidelco Guide Dog Foundation, Inc. and any successor which hereafter assumes its obligations hereunder.

(i) "Executive" means the individual whose name is set forth above.

(j) "Highest Three Year Compensation" means the highest Compensation received by the Executive during the three consecutive calendar years immediately preceding the calendar year which contains the Executive's Benefit Commencement Date.

(k) "Total Retirement Payment" means an amount equal to five times the Executive's Highest Three Year Compensation.

2. Deferred Compensation and Medical Benefits

(a) Retirement Benefit

The Executive (or his Beneficiary) shall commence to receive a retirement benefit on the Benefit Commencement Date. The retirement benefit shall be paid in ten annual installments, with each installment being equal to one-tenth (1/10th) of the Total Retirement Payment. The first such installment shall be paid on the Benefit Commencement Date, and the remaining

installments shall be paid on the successive anniversaries of the Benefit Commencement Date until the retirement benefit has been paid in full.

If the Executive dies after the Benefit Commencement Date and prior to his receipt of the entire retirement benefit, the Executive's Beneficiary will receive the remaining installment or installments of the retirement benefit on the date or dates that the Executive would have received them if he had survived.

(b) Additional Gross-Up Payment

On the Benefit Commencement Date, the Executive (or his Beneficiary) will receive an additional payment of deferred compensation equal to thirty-nine percent (39%) of the present value of the Executive's retirement benefit described in Section 2(a), assuming an interest rate of six percent (6%).

(c) Medical Benefits

Commencing on the date of the Executive's separation from service with the Employer (whether such separation from service occurs on, before or after the Executive's Benefit Commencement Date) and continuing until the last day of the second calendar year following the calendar year in which the Executive's separation from service occurs, the Employer will provide health and dental insurance benefits to the Executive and the Executive's spouse and dependents. The benefits shall be consistent with those being provided for the Employer's active officers at that time. The Executive shall be required to pay that portion of the cost of such benefits which the Executive requires active officers to pay for comparable benefits.

(d) Additional Deferred Compensation

Commencing on the first paydate of the third calendar year following the calendar year in which the Executive's separation from service occurs and continuing on the first paydate of each subsequent month until the earliest of: (i) the month in which the tenth anniversary of the Executive's separation from service occurs; (ii) December of the calendar year in which payment of the Executive's retirement benefit under Section 2(a) ceases; or (iii) the month in which the Executive dies, the Employer will pay the Executive additional deferred compensation in lieu of continued health and dental insurance benefits. The additional deferred compensation will equal \$1,500 per month.

Notwithstanding the foregoing to the contrary, commencing on the first paydate of the fourth calendar year following the calendar year in which the Executive's separation from service occurs and on the first paydate of each subsequent calendar year in which the additional deferred compensation under this Section 2(d) is payable, the amounts set forth in the preceding paragraph shall be adjusted to equal the sum of: (i) the applicable amount in effect for the immediately preceding calendar year; plus (ii) the product of the applicable amount in effect for the immediately preceding calendar year and the percentage change (expressed in decimals) in the immediately preceding calendar year in the CPI for All Urban Consumers (the "CPI-U") as published by the US Department of Labor, Bureau of Labor Statistics.

No additional deferred compensation under this Section 2(d) shall be paid by the Employer to the Executive for any calendar month: (i) which is prior to the first paydate of the third calendar year following the calendar year of the Executive's separation from service; (ii) which is after the end of the tenth anniversary of the Executive's separation from service; (iii) which is after December of the calendar year in which payment of the Executive's retirement benefit under Section 2(a) ceases; or (iv) which is after the Executive's death.

(e) No Other Deferred Compensation

Except for the deferred compensation set forth in the preceding provisions of this Section 2, the Employer shall not pay any deferred compensation to the Executive (or his Beneficiary) following the Executive's Benefit Commencement Date or separation from service; *provided, however,* that the Executive shall be entitled to receive any benefits payable to him under any qualified retirement plan or plans maintained by the Employer for its employees.

3. Delayed Payments

Notwithstanding the provisions of Section 2(a) and Section 2(b), if the making of any payments to the Executive (or his Beneficiary) under Section 2(a) or Section 2(b) would cause the Employer to violate the terms of any loan agreement or similar contract to which the Employer is a party and such violation would cause material harm to the Employer, then the payments will be delayed; *provided, however,* that any such delayed payments will be made at the earliest date on which the Employer reasonably anticipates that the payments will not cause a violation of the loan agreement or similar contract or will not cause material harm to the Employer.

4. Vesting

(a) Deferred Compensation

The Executive's right to receive the deferred compensation set forth in Section 2(a), Section 2(b) and Section 2(d) shall vest upon the Executive's Benefit Commencement Date (which is the first day of the month following the earliest of the Executive's attainment of age sixty-five (65), death, Disability, or termination of employment by the Employer without Cause. Notwithstanding anything else herein to the contrary, the Executive's right to receive the deferred compensation set forth in Section 2(a), Section 2(b) and Section 2(d) shall be forfeited if the Executive voluntarily terminates his employment with the Employer prior to his Benefit Commencement Date.

Except to the extent set forth in Section 4(b), the Executive shall always be 100% vested in his right to receive the medical benefits described in Section 2(c) following his separation from service.

(b) Termination for Cause

Notwithstanding anything else herein to the contrary, the Executive's right to receive the deferred compensation described in Section 2(a), Section 2(b) and Section 2(d), and the medical benefits described in Section 2(c), shall be forfeited upon the Executive's termination of employment by the Employer for Cause; *provided, however*, that the Executive shall continue to be eligible to receive continued medical benefits to the extent required by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA").

5. Performance of Additional Services for Employer

In consideration of the payment of the deferred compensation and the medical benefits described in Section 2, the Executive agrees that, during the period of time following his separation from service in which he is receiving the retirement benefit described in Section 2(a), he will perform such additional services for the Employer as the Employer may reasonably request, at such times and places as are mutually convenient to the Employer and the Executive; *provided, however*, that such additional services shall in no event exceed ten (10) hours per month (unless otherwise agreed to by the Executive in his sole discretion); *and provided further*, that the Executive shall not be required to perform such additional services if he has incurred a Disability. The Executive shall not receive any additional compensation for the performance of such services; *provided, however*, that the Employer shall reimburse the Executive for all reasonable expenses incurred by the Executive in performing such additional services to the extent the Executive furnishes the Employer with such evidence substantiating such expenses as the Employer may reasonably request.

6. Claims Procedure

(a) Any claim for benefits under this Agreement shall be made in writing to the Employer. The Employer shall promptly process each claim for benefits received by it and shall notify the claimant in writing of the action taken regarding the claim for benefits within a reasonable period of time following its receipt, but not later than ninety (90) days. This period may be extended by the Employer for up to ninety (90) days, *provided that* the notice of the extension of time is furnished to the claimant prior to the beginning of the extension period. In the event of a denial of benefits, the Employer shall furnish the claimant with a written notification which shall include: (i) the reasons for the denial; (ii) specific references to the provisions of the Agreement on which the denial is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim for benefits, including an explanation of why such material or information is necessary; and (iv) an explanation of the review procedure set forth in Section 6(b).

(b) A claimant who has received a written denial of a claim for benefits may appeal by filing with the Employer a written request for review. Such request must be made within sixty (60) days following the receipt of the written denial. In connection with any request for review, the claimant may at any time review all documents, records, and other information

relevant to the claim free of charge, and request a review that takes into account all comments, documents, records and other information submitted (without regard to whether such information was submitted or considered in the initial benefit determination). A claimant must file an appeal with the Employer requesting its review of a denial of a benefit claim before initiating a claim in a state or federal court.

(c) The Employer shall notify the claimant of its determination on review within sixty (60) days following receipt of the request for review. This period may be extended by the Employer for up to sixty (60) days, *provided that* the Employer determines that special circumstances (such as the need to hold a hearing) require an extension of time for processing the claim. Written notice of the extension shall be furnished to the claimant prior to the beginning of the extension period. The extension notice must indicate the special circumstances requiring the extension and the date as of which the Employer expects to render a decision.

7. No Fiduciary Relationship

Except to the extent required by law, nothing contained in this Agreement, and no action taken pursuant to its provisions by either party hereto, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Employer and the Executive or any other person.

8. Payments from General Assets

It is the intention of the Employer, the Executive, and his Beneficiary that the arrangements hereunder be unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended. The payments to the Executive hereunder shall be made from assets which shall continue, for all purposes, to be a part of the general assets of the Employer, and no person, other than the Employer, shall have, by virtue of the provisions of this Agreement, any interest in such assets. To the extent that any person acquires a right to receive payments from the Employer under the provisions hereof, such right shall be no greater than the right of any unsecured general creditor of the Employer. The Executive and his heirs, successors and assigns shall have no legal or equitable rights, interests or claims to any specific property or assets of the Employer. This Agreement constitutes a mere promise by the Employer to make benefit payments in the future.

This Agreement is maintained by the Employer primarily for the purpose of providing deferred compensation to the Executive, who is a member of a select group of management or highly compensated employees within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended. The Agreement will be administered and interpreted to the extent possible in a manner consistent with this purpose.

9. **Continuance of Employment**

This Agreement shall not be deemed to be a contract of employment with the Executive. This Agreement does not impose any obligation on the Employer to continue the employment of the Executive, nor does it restrict the right of the Employer to terminate the Executive's employment.

10. **Tax Withholding**

The Executive shall pay all federal, state and local taxes relating to the Employer's payment of any amount hereunder. The Employer shall have the right to deduct from any such payment any taxes required by law to be withheld from the Executive with respect to such payment.

11. **Amendment and Suspension**

The Employer (by action of its Board of Directors) and the Executive may, by written agreement, modify, amend, or suspend this Agreement at any time; *provided, however*, that no modification, amendment, or suspension of this Agreement may permit any distribution of the Executive's benefits hereunder other than in accordance with the provisions of Section 409A of the Code.

12. **Termination**

(a) The Employer (by action of its Board of Directors) and the Executive may, by written agreement, terminate this Agreement at any time, *but only if*: (i) all nonqualified deferred compensation plans of the same type maintained by the Employer and all of its affiliates are terminated with respect to all employees; (ii) no payments (other than payments that would be payable under the terms of the Agreement if the termination of the Agreement had not occurred) are made within twelve months after the termination of the Agreement; (iii) all payments are made within 24 months after the termination of the Agreement; and (iv) the Employer does not adopt a nonqualified deferred compensation plan of the same type for a period of five years following the date of termination of the Agreement. If the Agreement is terminated, the present value of all amounts payable to the Executive will be distributed in a lump sum on the first day of the month coinciding with or next following the first anniversary of the termination of the Agreement.

(b) Notwithstanding Section 12(a), the Employer and the Executive may, by written agreement, terminate this Agreement and require the Employer to distribute to the Executive in a lump sum the present value of all amounts payable to the Executive as soon as administratively practicable following the termination of the Agreement, *provided that* the termination of the Agreement occurs: (i) within twelve months following a corporate dissolution that is taxable

under Code Section 331; or (ii) within twelve months following the bankruptcy court's approval of the termination of the Agreement.

(c) For purposes of this Section 12, in calculating the present value of the amounts payable to the Executive, the Employer shall use a reasonable interest rate (as permitted under Section 409A of the Code).

13. **Miscellaneous**

(a) The titles of the sections in this Agreement are for reference only. In the event of a conflict between a title and the content of a section, the content of the section shall control.

(b) This Agreement shall be binding upon the Employer and its successors and assigns, and the Executive and the Executive's successors, assigns, heirs, executors, administrators and beneficiaries. Insofar as the Executive is concerned, this Agreement is personal and the Executive's duties under it shall not be assigned. The waiver by any party of any breach or default of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or other transaction) of all or substantially all of the business and/or assets of the Employer to expressly assume and agree to perform the Employer's obligations under this Agreement in the same manner and to the same extent that the Employer would be required to perform them if no such succession had taken place. Each such successor shall execute a written agreement evidencing its assumption of the Employer's obligations under this Agreement prior to the effective date of any such purchase, merger, consolidation or other transaction.

(c) The Executive may not assign, transfer, pledge or hypothecate his rights under this Agreement in any way (whether by operation of law or otherwise) and such rights of the Executive shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge or hypothecation of this Agreement contrary to the provisions hereof, and any levy upon, attachment of or similar process with respect to this Agreement, shall be null and void and without effect. The Employer shall have the right to terminate this Agreement, in the event of any such assignment, transfer, pledge, hypothecation, levy, attachment or similar process, by notice to that effect to the person then entitled to exercise the Executive's rights under this Agreement; *provided, however*, that such a termination of this Agreement shall not prejudice any rights or remedies which the Employer may have under this Agreement or otherwise.

(d) Any notice, consent or demand required or permitted to be given under the provisions of this Agreement shall be in writing, and shall be signed by the party giving or making the same. If such notice, consent or demand is mailed to a party hereto, it shall be sent by United States certified mail, postage prepaid, addressed to such party's last known address as shown on the records of the Employer. The date of such mailing shall be deemed the date of notice, consent or demand.

(e) This Agreement, and the rights of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of Connecticut. Actions brought under this Agreement shall be subject to the jurisdiction of the state and federal courts of Connecticut. Both parties consent to the personal jurisdiction of such courts for such actions, and agree that they may be served with process by certified or registered mail to their then current addresses.

(f) No provision in this Agreement is to be interpreted for or against any party because that party or that party's legal representative drafted the provision.

(g) The provisions of this Agreement are severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of any other provision.

(h) The waiver by a party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any prior or subsequent breach by any of the parties hereto.

(i) Any provision of this Agreement that is susceptible to more than one interpretation shall be interpreted in a manner that is consistent with the Agreement satisfying the requirements of Code Section 409A.

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

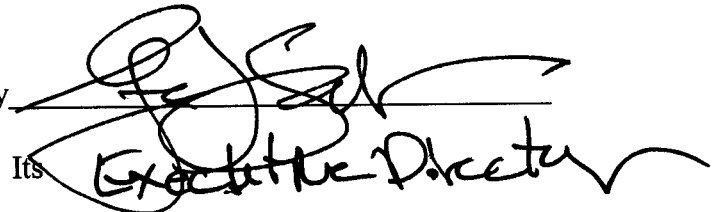
Witness:



EMPLOYER:
FIDELCO GUIDE DOG FOUNDATION, INC.

By

Its



EXECUTIVE:


Diane R. Lindeland

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made as of the 25th day of February, 2009, by and between **FIDELCO GUIDE DOG FOUNDATION, INC.**, 103 Old Iron Ore Road, Bloomfield, CT 06002 (the "**Employer**") and **DIANE R. LINDELAND, 98 Princeton Avenue, Feeding Hills, Massachusetts** (the "**Executive**").

WITNESSETH:

WHEREAS, the Employer wishes to continue to employ the Executive in the capacities and on the terms and conditions set forth below, and the Executive has agreed to accept such employment on the terms set forth below.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants hereinafter set forth and other good and valuable consideration, the Employer and the Executive agree as follows:

1. **Definitions.**

(a) "Board of Directors" means the board of directors of the Employer.

(b) "Cause" means gross negligence in connection with the Executive's employment or gross negligence in failing to perform his responsibilities as an employee in the best interests of the Employer (including, without limitation, breach by the Executive of any provision of any employment, nondisclosure, non-competition or other similar agreement between the Executive and the Employer), as determined by the Board of Directors of the Employer (which determination by the Board of Directors of the Employer shall be conclusive). The Employer shall be considered to have been discharged for Cause if the Board of Directors of the Employer determines, within thirty (30) days after the Executive's termination of employment, that discharge was warranted.

(c) "Code" means the Internal Revenue Code of 1986, as amended.

(d) "Disability" means a condition: (i) which causes the Executive to be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which can be expected to last for a continuous period of not less than twelve months; or (ii) which results in the Executive receiving, by reason of any medically determinable physical or mental impairment which can be expected to result in death or which can be expected to last for a continuous period of not less than twelve months, income replacement benefits for a period of not less than three months under an accident and health plan covering the employees of the Employer. Disability shall be deemed to exist only when a written application has been filed with the Employer by or on

behalf of the Executive and, with respect to a condition described in Section 1(d)(ii), when such Disability is certified to the Employer by a licensed physician approved by the Employer.

(e) "Transition Years" mean the twelve month period immediately preceding the termination date of this Agreement ("Third Transition Year"), the twelve month period immediately preceding the Third Transition Year (the "Second Transition Year"), and the twelve month period immediately preceding the Second Transition Year (the "First Transition Year").

2. **Position.**

The Employer hereby employs the Executive, and the Executive hereby accepts employment, as Vice President of the Employer for the period from the date of this Agreement through the first day of the month following the date on which the Executive reaches age sixty-five (65).

The Executive agrees to serve as the Vice President of the Employer and to devote her full working time, attention and energies to the performance of the duties described in Section 3: (i) except for vacations in accordance with Section 5(d) hereof and absences due to temporary illness; and (ii) except that the foregoing shall not preclude the Executive from serving on the boards of a reasonable number of trade associations, for-profit corporations and charitable organizations and engaging in charitable activities and community affairs, *provided* such activities collectively do not interfere with the proper performance of the Executive's duties and responsibilities hereunder. Notwithstanding the above, during the First Transition Year the Executive shall not be required to perform more than 1,300 hours of service, during the Second Transition Year the Executive shall not be required to perform more than 650 hours of service, and during the Third Transition Year the Executive shall not be required to perform more than 325 hours of service.

3. **Authority, Responsibilities and Duties.**

The Executive shall have such authority, responsibilities and duties as generally pertain to the office of Vice President, and shall have such other authority, responsibilities and duties as may reasonably be assigned from time to time by the Board of Directors of the Employer or its designee.

Notwithstanding the above, during the Transition Years the Executive shall also have the responsibility to design and implement a transition plan pursuant to which he will be able to transfer all of his responsibilities and duties to a successor by the end of the Transition Years.

4. **Term.**

The term of this Agreement shall begin as of the date of this Agreement and shall continue until the first day of the month following the date on which the Executive reaches age sixty-five (65); *provided, however*, that the term of this Agreement shall terminate if the Executive incurs a Disability; *and provided further*, the Employer may terminate this Agreement for Cause. If the term of the Agreement is terminated due to the Executive's Disability, the

Executive shall be entitled to receive all of the compensation and benefits described in Section 5 which he earned through the date of termination, as well as any post-termination compensation or benefits to which he is entitled under the terms of the Agreement, any other agreement with the Employer, or by law. If the Employer terminates this Agreement for Cause, the Executive shall not be entitled to receive any of the compensation and benefits described in Section 5 following the date of such termination, except to the extent otherwise required by law.

5. Compensation and Benefits.

During the term of this Agreement, in consideration of the services performed for or on behalf of the Employer, the Employer shall compensate the Executive as follows:

(a) Base Compensation.

The Employer shall pay the Executive, in accordance with the Employer's customary payroll practices for its senior executive officers, base compensation at an annual rate determined by the Board of Directors. Notwithstanding anything else herein to the contrary, the Executive's base compensation for any calendar year during the term of this Agreement shall not be less than his base compensation during the immediately preceding calendar year (unless the Executive consents to such reduction), and the Executive's base compensation for the calendar years in the Transition Years shall equal the Executive's base compensation for the calendar year immediately preceding the Transition Years.

(b) Annual Bonus.

For each fiscal year of the Employer which ends within the term of the Agreement, the Executive shall be entitled to participate in the Employer's annual incentive program for its senior executive officers, or such other bonus plan or program as the Board of Directors shall establish for the Executive in its sole discretion.

(c) Other Benefits.

The Executive will be eligible for and will be entitled to participate in other benefits maintained by the Employer for its senior executive officers (including, but not limited to, medical, dental, disability, life insurance and retirement benefits) on a basis not less favorable than that applicable to other senior executive officers of the Employer, subject to the requirements of applicable law. The Employer shall have the right to amend or terminate any or all of such benefits at any time; *provided, however*, that any such amendment or termination shall apply on the same basis to the Executive and to all other senior executive officers of the Employer. The Executive will also be entitled to appropriate office space, administrative support (including but not limited to secretarial assistance), and such other facilities and services as are suitable to the Executive's position and adequate for the performance of the Executive's duties.

(d) **Vacation.**

Prior to the Transition Years, the Executive will be entitled to four (4) weeks of vacation per calendar year, to be taken at such times and intervals as shall be determined by the Executive, subject to the reasonable business needs of the Employer and to Employer policies applicable to senior executive officers as in effect from time to time. The Executive shall not be entitled to receive cash in lieu of any unused vacation time, and shall not be entitled to carry over any unused vacation time to a subsequent calendar year. The Executive shall not be entitled to any vacation during the Transition Years.

(e) **Business Expenses.**

The Executive will be entitled to reimbursement of all reasonable business expenses, in accordance with the Employer's policy as in effect from time to time and on a basis not less favorable than that applicable to other senior executive officers of the Employer (including, without limitation, telephone, travel and entertainment expenses incurred by the Executive in connection with the business of the Employer). All such reimbursements shall be subject to such reasonable substantiation and documentation as may be specified by the Employer.

(f) **Withholding**

Any payments provided under this Agreement shall be paid net of any applicable tax withholding required by federal, state or local law.

6. **Nonqualified Deferred Compensation Agreement**

In addition to the amounts payable under this Agreement, the Executive is also entitled to receive the benefits set forth in the Nonqualified Deferred Compensation Agreement dated of even date herewith. If this Agreement is deemed to involve the payment of any deferred compensation, the claims procedure set forth in the Nonqualified Deferred Compensation Agreement shall apply to such deferred compensation.

7. **Nondisclosure/Nonsolicitation/Noncompetition Covenant**

The Executive covenants and agrees as follows:

(a) **Nondisclosure Covenant**

The Executive will not in any manner, either directly or indirectly, at any time during employment by the Employer or after termination of employment for any reason, disclose or make accessible to any third party, or permit or authorize others to do the same, nor appropriate to the Executive's own use or to the use of others, any secret, confidential, proprietary or classified information or trade secrets (whether identified by the Employer as classified, confidential or secret or not) pertaining to the Employer's products and services, including without limitation all methods, processes, designs, formulas, equipment, supplier information, financial data, past and present pricing information, plans and products information, test results

and data, research information, design techniques, discoveries, inventions, improvements, plans, devices, materials, engineering, copyrighted material, development work, customer and donor lists and information, and sales or operating procedures of the Employer (hereinafter sometimes collectively referred to as "Confidential Information"), and whether or not developed, devised or otherwise created in whole or in part by the efforts of the Executive, except as required for the performance of the Executive's duties for the Employer.

The Executive acknowledges that the disclosure of any of the Employer's Confidential Information would be detrimental to the Employer. The parties agree that restricting disclosure of the Employer's Confidential Information is essential to the effective and successful conduct of the Employer's business and to the Employer's good will, and that the Confidential Information shall be and remain the property of the Employer. The Executive shall return all Confidential Information to the Employer upon demand, and in any event promptly upon the termination of the Executive's employment for any reason, and the Executive shall retain no copies of the Confidential Information in any medium whatsoever following such termination of employment.

(b) Inventions and Discoveries

If the Executive, while employed by the Employer or during a period of six (6) months after termination of employment for any reason, either solely or jointly with others, makes, conceives, develops or acquires any design, discovery, improvement, invention, training product or service, trademark, process, method or copyrighted material (collectively, "Inventions") which pertains or relates to the business, products, publications, or processes of the Employer, or is made, conceived, developed or acquired through use of the Employer's facilities, or on the Employer's time or with the Employer's resources (whether or not during regular working hours), said Inventions shall be the sole and exclusive property of the Employer. The Executive shall promptly and fully disclose any such Invention to the Employer, and the Executive shall execute and deliver to the Employer, without request and without further compensation, all documents which the Employer deems necessary or appropriate to: (i) prepare or prosecute applications for patents for any of the Inventions, and the Executive shall do all other things necessary or proper to obtain letters patent and to vest the Employer with full title thereto; (ii) assign and transfer to the Employer the Executive's entire right, title and interest in and to all such Inventions; and (iii) otherwise more fully evidence the Employer's ownership of the Inventions. The Executive further agrees to provide the Employer, without request, all copies and originals of records, notes, reports and the like relating to the Inventions at the time of the Executive's termination of employment.

(c) Records and Documents

During employment with the Employer and at all times after termination of employment for any reason, the Executive will not, without the prior written consent of the Employer, take, retain or copy any papers, publications, customer or donor lists, brochures, catalogues, files, equipment, samples, training materials, credit cards, or any other document or other papers or copies thereof of any kind belonging to or furnished by the Employer.

(d) Nonsolicitation of Customers and Donors

The Executive covenants and agrees that, during the term of the Executive's employment with the Employer, and for a period of eighteen (18) months after his termination of employment for any reason, the Executive will not, directly or indirectly, alone or in concert with others, for the Executive's account or for the account of any other person, solicit or contact (other than for the account of the Employer) any clients, customers, donors or leads with whom the Employer, or the Executive, has had prior contact, for the purpose of soliciting sales of products or services which are the same as or competitive with the products or services of the Employer, or for the purpose of soliciting donations to the Employer.

(e) Noninterference

The Executive covenants and agrees that, during the Executive's employment with the Employer and for a period of eighteen (18) months after his termination of employment for any reason, the Executive will not, directly or indirectly, alone or in concert with others, for the Executive's account or for the account of any other person, solicit or otherwise interfere with any of the Employer's contracts or relationships with any of the Employer's employees, customers, suppliers, donors, vendors, joint venturers or independent contractors.

(f) Agreement Not to Harm the Employer

The Executive covenants and agrees that, at any time during employment with the Employer, or after termination of employment for any reason, the Executive will not make any statement, verbally or in writing, or take any action which is materially detrimental to the interests of the Employer or which may adversely affect any relationship between the Employer and its employees, customers, suppliers, donors, vendors, joint venturers or independent contractors.

(g) Noncompetition Agreement

While employed by the Employer, and for a period of eighteen (18) months after termination of employment for any reason, the Executive will not, anywhere in the Restricted Area, directly or indirectly, alone or in concert with others, either as a sole proprietor, partner, joint venturer, shareholder, director, officer, member, manager, trustee, trust beneficiary, agent, employee, consultant, investor or in any other capacity, compete with the guide dog training business of the Employer as conducted during the Executive's employment. As used in this subsection (g): (i) the term "compete" shall mean engaging, participating, or being involved in any respect in the business of, or furnishing any aid, assistance or service of any kind to any person in connection with, the design, manufacture, production, distribution, sale, marketing, merchandising, import or export of any product or service similar in either design or function, or both, to any product or service at any time designed, manufactured, produced, distributed, sold, marketed, merchandised, imported or exported by the Employer; and (ii) the Restricted Area means the United States. If it is determined through appropriate proceedings that the Executive has breached the covenant set forth in this subsection (g), the term of the covenant shall be

extended for a term equal to the period for which the Executive is determined to have breached the covenant.

(h) Remedies of the Employer

The Executive acknowledges that: (i) the covenants and agreements in this Section 7 represent a reasonable and necessary protection of the legitimate interests of the Employer and have been tailored to protect those interests; (ii) the Executive's failure to observe and comply with these covenants and agreements will cause irreparable harm to the Employer; (iii) the consideration received by the Executive for the covenants and agreements is fair; (iv) the covenants and agreements shall not deprive the Executive of the ability to earn a reasonable living, and the Executive has skills which will allow the Executive to obtain employment without violating this Section 7; (v) it is and will continue to be difficult to ascertain the nature, scope and extent of the harm caused by the Executive's failure or breach of these covenants and agreements; and (vi) a remedy at law for the Executive's failure or breach will be inadequate. Accordingly, the parties intend that, in addition to any other rights and remedies which the Employer may have in the event of any breach of the covenants and agreements contained in this Section 7, the Employer shall be entitled, and is expressly and irrevocably authorized by the Executive, to demand and obtain specific performance and all other appropriate injunctive relief against the Executive in order to enforce against the Executive, or in order to prevent any breach or any threatened breach by the Executive of, the covenants and agreements contained in this Section 7.

(i) Separability

If any term or provision of this Section 7 is held or deemed to be invalid or unenforceable, in whole or in part, for any reason (including, without limitation, geographic, temporal or subject matter scope overbreadth), such term or provision shall be ineffective to the extent of such invalidity or unenforceability only, and the remaining terms and provisions of this Section 7 shall continue in full force and effect.

The Employer and the Executive desire and intend that this Section 7 be given effect to the maximum extent permitted by law and equity. They therefore respectfully request that any provision determined to be overbroad in any manner shall be reformed or interpreted to give that provision the maximum effect permissible by law and equity, and the Executive agrees to the enforcement of the provision as so modified.

The Executive has carefully considered the nature and extent of the covenants and agreements upon the Executive and the rights and remedies conferred upon the Employer under this Section 7, and acknowledges and agrees the same are reasonable with respect to time and territory, are designed to preclude competition which would be unfair to the Employer, are fully required to protect the legitimate business interests of the Employer, and do not confer benefits upon the Employer disproportionate to the detriment to the Executive.

8. Amendment and Suspension

The Employer (by action of its Board of Directors) and the Executive may, by written agreement, modify, amend, or suspend this Agreement at any time; *provided, however*, that no modification, amendment, or suspension of this Agreement may permit any distribution to the Executive hereunder other than in accordance with the provisions of Section 409A of the Code.

9. Miscellaneous

(a) The titles of the sections in this Agreement are for reference only. In the event of a conflict between a title and the content of a section, the content of the section shall control.

(b) This Agreement shall be binding upon the Employer and its successors and assigns, and the Executive and the Executive's successors, assigns, heirs, executors, administrators and beneficiaries. Insofar as the Executive is concerned, this Agreement is personal and the Executive's duties under it shall not be assigned. The waiver by any party of any breach or default of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or other transaction) of all or substantially all of the business and/or assets of the Employer to expressly assume and agree to perform the Employer's obligations under this Agreement in the same manner and to the same extent that the Employer would be required to perform them if no such succession had taken place. Each such successor shall execute a written agreement evidencing its assumption of the Employer's obligations under this Agreement prior to the effective date of any such purchase, merger, consolidation or other transaction.

(c) The Executive may not assign, transfer, pledge or hypothecate his rights under this Agreement in any way (whether by operation of law or otherwise) and such rights of the Executive shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge or hypothecation of this Agreement contrary to the provisions hereof, and any levy upon, attachment of or similar process with respect to this Agreement, shall be null and void and without effect. The Employer shall have the right to terminate this Agreement, in the event of any such assignment, transfer, pledge, hypothecation, levy, attachment or similar process, by notice to that effect to the person then entitled to exercise the Executive's rights under this Agreement; *provided, however*, that such a termination of this Agreement shall not prejudice any rights or remedies which the Employer may have under this Agreement or otherwise.

(d) Any notice, consent or demand required or permitted to be given under the provisions of this Agreement shall be in writing, and shall be signed by the party giving or making the same. If such notice, consent or demand is mailed to a party hereto, it shall be sent by United States certified mail, postage prepaid, addressed to such party's last known address as shown on the records of the Employer. The date of such mailing shall be deemed the date of notice, consent or demand.

(e) This Agreement, and the rights of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of Connecticut. Actions brought under this Agreement shall be subject to the jurisdiction of the state and federal courts of Connecticut. Both parties consent to the personal jurisdiction of such courts for such actions, and agree that they may be served with process by certified or registered mail to their then current addresses.

(f) No provision in this Agreement is to be interpreted for or against any party because that party or that party's legal representative drafted the provision.

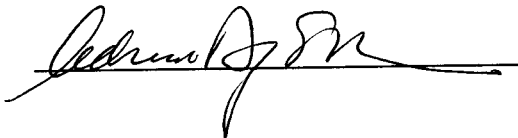
(g) The provisions of this Agreement are severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of any other provision.

(h) The waiver by a party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any prior or subsequent breach by any of the parties hereto.

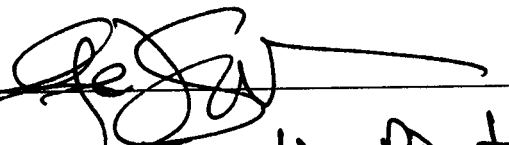
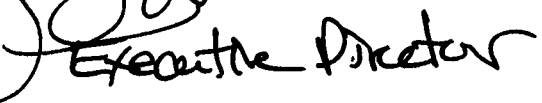
(i) Any provision of this Agreement that is susceptible to more than one interpretation shall be interpreted in a manner that is consistent with the Agreement satisfying the requirements of Code Section 409A.

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


Witness:

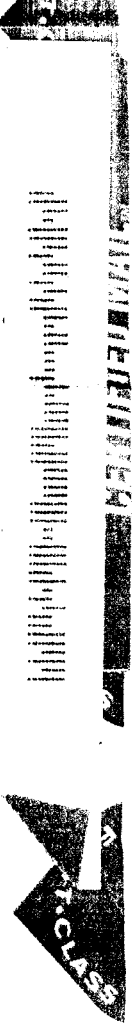


EMPLOYER:
FIDELCO GUIDE DOG FOUNDATION, INC.

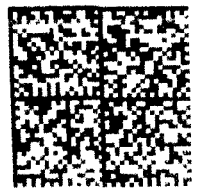
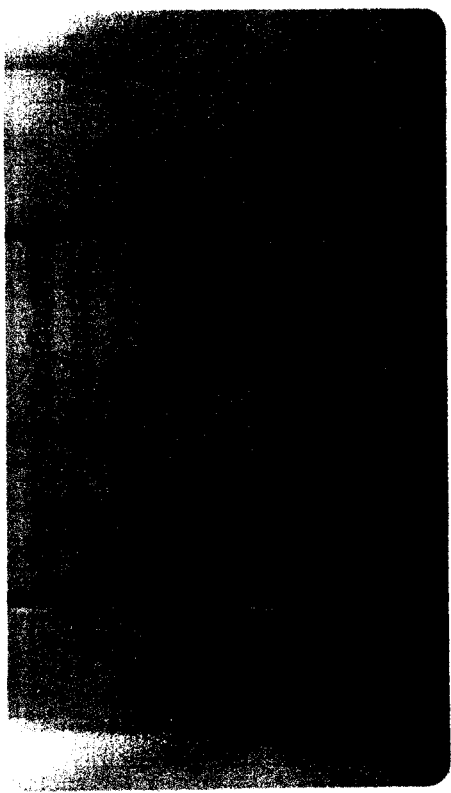
By 
Its  Executive Director

EXECUTIVE:


Diane R. Lindeland



FIRST CLASS MAIL



Hasler

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03/03/2009

Mailed From 06002

US POSTAGE

