

N C C SYSTEMS INC.
P.O. Box 670
6738 State Highway 56
Potsdam, New York, 13676-0670

28 May, 2019

2520192040081

CERTIFIED MAIL -RETURN RECEIPT REQUESTED
U.S. Department of Labor
Employee Benefits Security Administrators
Top Hat Plan Exemption
200 Constitution Avenue, NW, N-1513
Washington, DC 20210

Gentlemen:

To comply with the alternative reporting and disclosure method provided under Labor Regulations §2520.104-23, this is to inform you of the adoption of certain plans maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

The name and address of the Employer maintaining the plan(s) is:

N C C SYSTEMS INC.
P.O. BOX 670
6738 STATE HIGHWAY 56
POTSDAM, NEW YORK, 13676-0670

The Employer's EIN is: 16-1161663

The number of employees participating in the plan is: 1

Plan Name	Number of Participants
Split Dollar Agreement for DAVID L. HUNKINS	1

Very truly yours,

N C C SYSTEMS INC.

By: 
THAD HUNKINS, President

SCOLARO FETTER GRIZANTI & McGOUGH, P.C.

ATTORNEYS AND COUNSELORS AT LAW

CAROL A. CHRISTIANSEN
AMY B. EGITTON
DANIEL J. FETTER
JEFFREY M. FETTER^{o†}
GINA M. GLOVER[‡]
KELLY J. GRAVES
ANTHONY J. GRIZANTI^o
CHAIM J. JAFFE
MARK N. LEVY
DOUGLAS J. MAHR
SHANE M. MCCROHAN^o
STEWART M. MCGOUGH^{*}
MEGHAN M. POMPO
CATHERINE A. RAY

SYRACUSE • TULLY • CORTLAND • ROCHESTER • LEROY
STUART, FLORIDA

FRANKLIN SQUARE
507 PLUM STREET, SUITE 300
SYRACUSE, NEW YORK 13204
TELEPHONE (315) 471-8111
FAX (315) 471-1355

WWW.SCOLARO.COM

DIRECT LINE: (315) 477-6256
DIRECT FAX: (315) 425-3656
EMAIL: JFETTER@SCOLARO.COM

OF COUNSEL:

JEREMIAH P. COSGROVE
WILLIAM B. MAGNARELLI
RONALD A. MITTLEMAN
R. MICHAEL SHAFER

*ALSO ADMITTED TO FL BAR
^oALSO ADMITTED TO MA BAR
^oALSO ADMITTED TO PA BAR
[‡]ALSO ADMITTED TO VT BAR
[†]ALSO ADMITTED TO WA BAR

May 28, 2019

Via Certified Mail - Return Receipt Requested

U.S. Department of Labor
Employee Benefits Security Administrators
Top Hat Plan Exemption
200 Constitution Avenue, N.W. – N-1513
Washington, D.C. 20210

RE: NCC Systems Inc.
EIN: 16-1161663

Dear Sir/Madam:

Enclosed please find the executed Top Hat Plan Exemption Letter for the Split Dollar Insurance Agreement for the above-referenced entity. Please file the enclosed Letter, and return a time-stamped copy of each to me in the enclosed self-addressed, postage paid envelope.

If you have any questions, please do not hesitate to contact me.

Sincerely,

SCOLARO FETTER GRIZANTI & McGOUGH, P.C.



Jeffrey M. Fetter

JMF/cmn: 758931.1
Enclosure

SPLIT-DOLLAR INSURANCE AGREEMENT

This **SPLIT-DOLLAR INSURANCE AGREEMENT** ("**Agreement**") is made as of the 28th day of May 2019, by and between **N C C SYSTEMS INC.**, a New York business corporation (the "**Corporation**") and **DAVID L. HUNKINS** ("**Director**").

W I T N E S S E T H :

WHEREAS, Director has capably and efficiently provided valuable services to Corporation and has done so for many years, rendering such valuable services to and for the benefit of the Corporation, formerly as an employee and President and now as Vice President and a Director at the Corporation.

WHEREAS, Director desires to continue to provide his services on the Corporation's behalf provided he is adequately compensated and provided with meaningful benefits for himself;

WHEREAS, the Corporation desires to retain the services of Director in the capacities identified above; and

WHEREAS, the Corporation is willing, for the mutual benefit of the Corporation and Director, to invest in life insurance on the life of Director.

NOW, THEREFORE, in consideration of the services heretofore rendered and to be rendered by Director, and in consideration of the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Insurance.

(a) **Insurance Policy(ies).** The Corporation shall purchase and maintain as owner during the term of this Agreement the insurance policy on the life of Director, from the insurance company (the "**Insurance Company**"), all as described in **Exhibit A** attached hereto and made a part hereof (the "**Policy**"). The Corporation shall pay each year during the term of this Agreement the annual premium for the Policy as determined upon issuance of the Policy. The parties agree that the Policy shall be maintained under a split-dollar arrangement as described herein, requiring the premiums to be paid by the Corporation at all times during the term of this Agreement.

(b) **Consent of Director.** Pursuant to Section 101(j) of the Internal Revenue Code of 1986, as amended (the "**Code**"), this Paragraph constitutes written notice to Director:

(i) that Corporation and possibly certain related parties (as defined in Code Section 101(j)(3)) shall acquire insurance on Director's life;

(ii) that the minimum amount of insurance coverage under such life insurance policy or policies, as of the date of its issuance, is Four Hundred and Fifteen Thousand Five Hundred and Fifty-Six and 00/100 Dollars (\$415,556.00) and as further set forth on **Exhibit A**; and

(iii) that except as otherwise provided in Paragraph 3(a)(i) below, Corporation will be the beneficiary of proceeds payable upon the death of Director under such policy.

This Paragraph also constitutes Director's written consent to such life insurance coverage and the continuation of such coverage by the Corporation, even after Director no longer provides services to the Corporation. Furthermore, Director agrees to execute such other and further documents as may be reasonably requested by the Corporation in order to comply with Code Sections 101(j) and 6039I or other pertinent provisions of the Code.

(c) **Physical Examinations.** Director agrees to submit to any physical examinations which may be reasonably required by the Insurance Company in order to issue any policy purchased pursuant to this Paragraph.

(d) **Schedule of Policies.** Any and all Policies purchased pursuant to this Agreement shall be set forth in **Exhibit A**.

2. **Valuation.** The value of the current life insurance protection provided by the Policy (for purposes of reporting income with respect to the protection provided to Director) shall be calculated using such rates as shall be in accordance with the directives of the Internal Revenue Service as stated in IRS Notice 2008-42.

3. **Beneficiary Provisions.**

(a) **Split of Proceeds.** The Policy shall provide by endorsement or otherwise that upon Director's death and while the Policy and this Agreement are in full force and effect, the proceeds shall be paid as follows:

(i) **Corporation.** The Corporation shall be entitled to an amount equal to all premiums paid by the Corporation throughout the term of the Agreement; and

(ii) **Beneficiary.** Director shall designate a beneficiary in writing, in form and substance as set forth in **Exhibit B**, attached hereto and made a part hereof ("**Designated Beneficiary**"). The Designated Beneficiary shall be entitled to receive the amount of Four Hundred and Fifteen Thousand Five Hundred and Fifty-Six and 00/100 Dollars (\$415,556.00) less the total amount entitled to the Corporation under 3(a)(i).

If no such designation is made or if no Designated Beneficiary survives Director, such benefits due and payable following Director's death shall be paid to the personal representative of Director's estate. No beneficiary designation by Director shall

be valid unless signed by Director and filed with the Corporation prior to Director's death.

(b) **Cancellation or Lapse.** Notwithstanding anything to the contrary set forth herein, upon the cancellation or lapse of the Policy prior to Director's death, the Corporation shall have the exclusive right to receive the cash value of the Policy (if any).

(c) **Acceleration Prohibited.** Except as expressly provided under this Agreement and under Internal Revenue Code Section 409A, the acceleration of the time or schedule of any deferred payment due under this Agreement is prohibited.

4. **Rights and Obligations.** The parties hereto shall have the following rights and obligations under this Agreement:

(a) **Director.** Except as otherwise provided below, Director shall not have any rights whatsoever in and to the Policy including, but not limited to, the right to the cash surrender value, loan value or dividends, the right to exercise settlement options, or any other privilege or incident of ownership. If any such rights should in the future exist, Director hereby expressly waives them. Notwithstanding the foregoing, Director shall have the right to change his Designated Beneficiary hereunder from time to time during the term of this Agreement.

(b) **Corporation.** The Corporation shall:

(i) the right to receive such amount of the Policy proceeds as set forth in Paragraph 3(a)(i) above;

(ii) have the right to assign its rights under the Policy to, but only to, Director upon receipt by the Corporation of the amounts to which it is entitled under this Agreement;

(iii) have the right to borrow against the Policy for the purpose of paying any benefits to Director under any agreement with Director or pursuant to any benefit plan in which Director is a participant; and

(iv) have the right to exercise all such other rights as owner of the Policy.

(c) **Beneficiary.** The Designated Beneficiary shall have the right to receive such amount of the proceeds as set out in Paragraph 3(a)(ii) above.

5. **Dividends.** Dividends on the Policy shall be applied in any one of the following ways as the Corporation shall determine: paid in cash, applied to reduce premiums due, left to accumulate with interest, or applied to purchase paid up additions.

6. Premiums.

(a) **Payment of Premiums.** During the term of this Agreement, the Corporation shall pay all premium payments to the Insurance Company.

(b) **Payment After Transfer.** In the event of any transfer or retransfer of the Director's rights under this Agreement, whether voluntary or involuntary, by assignment inter vivos or otherwise, the person or persons to whom the transfer is made, whether beneficially entitled to the rights transferred or holding them in a fiduciary capacity, shall be substituted for Director hereunder with respect to those rights, but Director shall remain liable for the repayment of all sums advanced or to be advanced, including premium payments made by the Corporation hereunder and for the performance of all duties imposed on him by this Agreement except to the degree, if any, Director is released from them in writing by the Corporation and the Corporation shall remain liable for the performance of all other duties imposed on the Corporation by this Agreement, except to the degree, if any, the Corporation is released from them in writing by the Corporation.

7. Term and Termination.

(a) **Term.** This Agreement shall commence as of the date of execution hereof by the parties and shall remain in effect until the earliest to occur of (i) the mutual agreement of the parties; or (ii) payment in full of all obligations under this Agreement, or (iii) upon Director's death following the payment of all insurance proceeds in accordance with and pursuant to this Agreement.

(b) **Transfer Upon Termination.** Upon termination of this Agreement for any reason, the amount due the Corporation as set forth in this Agreement shall, as of the date this Agreement be terminated, and unless otherwise mutually agreed to in writing by the parties, be paid to the Corporation by Director or Director's personal representative within thirty (30) days of the termination of this Agreement or as soon thereafter in the event of Director's death.

8. Claims Procedure.

(a) **Procedure.** Director's Designated Beneficiary shall claim any benefit hereunder following Director's death by submitting a written request to the Corporation. If a claim for benefits is wholly or partially denied, notice of the denial, prepared in accordance with subparagraph (b), shall be furnished to the Designated Beneficiary within a reasonable period of time, not to exceed ninety (90) days after receipt of the request by the Corporation ("**Determination Period**"), unless special circumstances require an extension of time for processing the request. If such an extension of time is required, written notice of the extension shall be furnished to the Designated Beneficiary prior to the termination of the initial Determination Period. In no event shall such extension exceed a period of ninety (90) days from the end of the initial Determination Period. If the Corporation determines that, due to matters

beyond its control, a decision cannot be rendered within the extension period, the Corporation may extend the Determination Period an additional thirty (30) days by notifying the Designated Beneficiary of such further extension. Each extension notice shall indicate the special circumstances requiring an extension of time and the date on which the Corporation expects to render a decision.

(b) **Denial.** The Corporation shall provide the Designated Beneficiary a written notice setting forth, in a manner calculated to be understood by the Designated Beneficiary, the following:

- (i) the specific reason(s) for the denial;
- (ii) specific references to the pertinent provisions of the Agreement upon which the denial is based;
- (iii) a description of any additional material or information necessary for the Designated Beneficiary to perfect the request and an explanation of why such material or information is necessary;
- (iv) an explanation of the review procedure as set forth in subparagraphs (c) and (d) below, and a statement of the Designated Beneficiary's right to bring a civil action in a court of law after final administrative review; and
- (v) if an internal rule, guideline, protocol or other similar criterion was relied on in making the determination, either (A) a recitation of such rule, guideline, protocol or other similar criterion, or (B) a statement that such criterion was relied upon and that a copy of it will be provided free of charge to the Designated Beneficiary upon request.

(c) **Purpose.** The purpose of the review procedure set forth in this subparagraph and subparagraph (d) is to provide a procedure by which the Designated Beneficiary may have a reasonable opportunity to appeal to the Corporation a denial of a request for benefits. To accomplish this purpose, the Designated Beneficiary may (i) review pertinent documents and records; and (ii) submit issues, documents, records and comments in writing. The Designated Beneficiary may request a review by filing a written request for review with the Corporation at any time within sixty (60) days after receipt by the Designated Beneficiary of written notice of the denial of the Designated Beneficiary's request for benefits.

(d) **Decisions.** A decision on review of a denied request for benefits shall be made by the Corporation's Board of Directors, after taking into account all comments, documents, records and other pertinent information regardless of when submitted. It shall make a decision promptly, but not later than sixty (60) days after receipt of the request for review, unless special circumstances require an extension of time for processing, in which case a

decision shall be rendered as soon as possible, but not later than one hundred (120) days after receipt of the request of review. If such an extension of time for review is required, written notice of the extension shall be furnished to the Designated Beneficiary prior to the commencement of the extension. The decision on review shall be in writing, shall be written in a manner calculated to be understood by the Designated Beneficiary, and shall include specific reasons for the decision and specific references to the pertinent provisions of the Agreement upon which the decision is based.

9. **Amendments.** Amendments may be made to this Agreement only by a writing executed by each of the parties hereto.

10. **Construction.**

(a) This Agreement constitutes the entire agreement between the parties pertaining to the purchase and maintenance of the Policy under a split dollar arrangement for the benefit of Director, and supersedes all prior arrangements pertaining to the Policy. Captions have been inserted as a matter of convenience only and shall not be deemed a part of this Agreement.

(b) This Agreement shall be governed and interpreted in accordance with the laws of the State of New York, except to the extent superseded by federal law.

11. **Binding Effect.** This Agreement shall be binding upon the respective heirs, legal representatives, successors, and assigns of the parties.

12. **Legal Counsel.** The law firm of Scolaro Fetter Grizanti & McGough, P.C. has drafted this Agreement as counsel to the Corporation, and Director hereby expressly acknowledges that he has been advised that he has not been represented by Scolaro Fetter Grizanti & McGough, P.C. in this matter and has been advised and urged to seek separate legal counsel for advice in this matter.

13. **Adoption of Whereas Clauses.** The parties hereto hereby adopt, as part of this Agreement, each of the recitals contained in the WHEREAS clauses set forth at the beginning of this Agreement and agree that they shall be binding upon the parties.

14. **Counterparts.** This Agreement may be executed in counterparts, any one of which shall constitute an original for all purposes.

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

CORPORATION:

N C C SYSTEMS INC.

By: 

Name: THAD HUNKINS

Title: President

DIRECTOR:

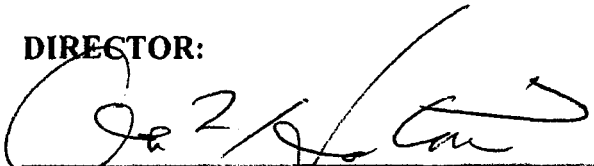

DAVID L. HUNKINS, Individually

EXHIBIT A**INSURANCE POLICIES**

<u>Policy #</u>	<u>Face Amount</u>	<u>Insurer</u>	<u>Owner</u>	<u>Premium</u>
4920247	\$415,556.00	The Lincoln National Life Insurance Co.	N C C SYSTEMS INC.	\$1067.76/month

EXHIBIT B

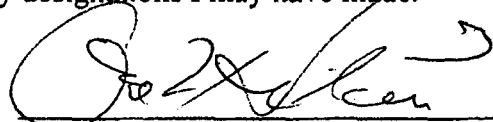
I, **DAVID L. HUNKINS**, hereby designate the following individual as my beneficiary to receive, following my death, all benefits that are payable under a certain Split-Dollar Insurance Agreement between me and **N C C SYSTEMS INC.**, a New York business corporation ("**Corporation**"), dated effective the 28th day of May 2019:

Name: **DAVID L. HUNKINS LIVING TRUST u/t/a dated September 12, 2007, as amended from time to time**

Address: **128 Juniperus Drive, Safety Harbor, FL 34695**

I understand this designation shall not be effective until delivered to Corporation, but that upon delivery it shall supersede all prior beneficiary designations I may have made.


Date: 5/28/2019



DAVID L. HUNKINS, Individually

Received and accepted this 28th day of May, 2019.

N C C SYSTEMS INC.


By: _____
Name: **THAD HUNKINS**
Title: **President**

N C C SYSTEMS INC.
P.O. Box 670
6738 State Highway 56
Potsdam, New York, 13676-0670

28 May, 2019

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Top Hat Plan Exemption
200 Constitution Avenue, NW, N-1513
Washington, DC 20210

Gentlemen:

To comply with the alternative reporting and disclosure method provided under Labor Regulations §2520.104-23, this is to inform you of the adoption of certain plans maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

The name and address of the Employer maintaining the plan(s) is:

N C C SYSTEMS INC.
P.O. BOX 670
6738 STATE HIGHWAY 56
POTSDAM, NEW YORK, 13676-0670

The Employer's EIN is: 16-1161663

The number of employees participating in the plan is: 1

Plan Name	Number of Participants
Split Dollar Agreement for DAVID L. HUNKINS	1

Very truly yours,

N C C SYSTEMS INC.

By: 
THAD HUNKINS, President

N C C SYSTEMS INC.
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Very truly yours,

N C C SYSTEMS INC.

By: 
THAD HUNKINS, President

SPLIT-DOLLAR INSURANCE AGREEMENT

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W I T N E S S E T H :

WHEREAS, Director has capably and efficiently provided valuable services to Corporation and has done so for many years, rendering such valuable services to and for the benefit of the Corporation, formerly as an employee and President and now as Vice President and a Director at the Corporation.

WHEREAS, Director desires to continue to provide his services on the Corporation's behalf provided he is adequately compensated and provided with meaningful benefits for himself;

WHEREAS, the Corporation desires to retain the services of Director in the capacities identified above; and

WHEREAS, the Corporation is willing, for the mutual benefit of the Corporation and Director, to invest in life insurance on the life of Director.

NOW, THEREFORE, in consideration of the services heretofore rendered and to be rendered by Director, and in consideration of the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Insurance.

(a) **Insurance Policy(ies).** The Corporation shall purchase and maintain as owner during the term of this Agreement the insurance policy on the life of Director, from the insurance company (the "**Insurance Company**"), all as described in **Exhibit A** attached hereto and made a part hereof (the "**Policy**"). The Corporation shall pay each year during the term of this Agreement the annual premium for the Policy as determined upon issuance of the Policy. The parties agree that the Policy shall be maintained under a split-dollar arrangement as described herein, requiring the premiums to be paid by the Corporation at all times during the term of this Agreement.

(b) **Consent of Director.** Pursuant to Section 101(j) of the Internal Revenue Code of 1986, as amended (the "**Code**"), this Paragraph constitutes written notice to Director:

(i) that Corporation and possibly certain related parties (as defined in Code Section 101(j)(3)) shall acquire insurance on Director's life;

(ii) that the minimum amount of insurance coverage under such life insurance policy or policies, as of the date of its issuance, is Four Hundred and Fifteen Thousand Five Hundred and Fifty-Six and 00/100 Dollars (\$415,556.00) and as further set forth on **Exhibit A**; and

(iii) that except as otherwise provided in Paragraph 3(a)(i) below, Corporation will be the beneficiary of proceeds payable upon the death of Director under such policy.

This Paragraph also constitutes Director's written consent to such life insurance coverage and the continuation of such coverage by the Corporation, even after Director no longer provides services to the Corporation. Furthermore, Director agrees to execute such other and further documents as may be reasonably requested by the Corporation in order to comply with Code Sections 101(j) and 6039I or other pertinent provisions of the Code.

(c) **Physical Examinations.** Director agrees to submit to any physical examinations which may be reasonably required by the Insurance Company in order to issue any policy purchased pursuant to this Paragraph.

(d) **Schedule of Policies.** Any and all Policies purchased pursuant to this Agreement shall be set forth in **Exhibit A**.

2. **Valuation.** The value of the current life insurance protection provided by the Policy (for purposes of reporting income with respect to the protection provided to Director) shall be calculated using such rates as shall be in accordance with the directives of the Internal Revenue Service as stated in IRS Notice 2008-42.

3. **Beneficiary Provisions.**

(a) **Split of Proceeds.** The Policy shall provide by endorsement or otherwise that upon Director's death and while the Policy and this Agreement are in full force and effect, the proceeds shall be paid as follows:

(i) **Corporation.** The Corporation shall be entitled to an amount equal to all premiums paid by the Corporation throughout the term of the Agreement; and

(ii) **Beneficiary.** Director shall designate a beneficiary in writing, in form and substance as set forth in **Exhibit B**, attached hereto and made a part hereof ("**Designated Beneficiary**"). The Designated Beneficiary shall be entitled to receive the amount of Four Hundred and Fifteen Thousand Five Hundred and Fifty-Six and 00/100 Dollars (\$415,556.00) less the total amount entitled to the Corporation under 3(a)(i).

If no such designation is made or if no Designated Beneficiary survives Director, such benefits due and payable following Director's death shall be paid to the personal representative of Director's estate. No beneficiary designation by Director shall

be valid unless signed by Director and filed with the Corporation prior to Director's death.

(b) **Cancellation or Lapse.** Notwithstanding anything to the contrary set forth herein, upon the cancellation or lapse of the Policy prior to Director's death, the Corporation shall have the exclusive right to receive the cash value of the Policy (if any).

(c) **Acceleration Prohibited.** Except as expressly provided under this Agreement and under Internal Revenue Code Section 409A, the acceleration of the time or schedule of any deferred payment due under this Agreement is prohibited.

4. **Rights and Obligations.** The parties hereto shall have the following rights and obligations under this Agreement:

(a) **Director.** Except as otherwise provided below, Director shall not have any rights whatsoever in and to the Policy including, but not limited to, the right to the cash surrender value, loan value or dividends, the right to exercise settlement options, or any other privilege or incident of ownership. If any such rights should in the future exist, Director hereby expressly waives them. Notwithstanding the foregoing, Director shall have the right to change his Designated Beneficiary hereunder from time to time during the term of this Agreement.

(b) **Corporation.** The Corporation shall:

(i) the right to receive such amount of the Policy proceeds as set forth in Paragraph 3(a)(i) above;

(ii) have the right to assign its rights under the Policy to, but only to, Director upon receipt by the Corporation of the amounts to which it is entitled under this Agreement;

(iii) have the right to borrow against the Policy for the purpose of paying any benefits to Director under any agreement with Director or pursuant to any benefit plan in which Director is a participant; and

(iv) have the right to exercise all such other rights as owner of the Policy.

(c) **Beneficiary.** The Designated Beneficiary shall have the right to receive such amount of the proceeds as set out in Paragraph 3(a)(ii) above.

5. **Dividends.** Dividends on the Policy shall be applied in any one of the following ways as the Corporation shall determine: paid in cash, applied to reduce premiums due, left to accumulate with interest, or applied to purchase paid up additions.

6. Premiums.

(a) **Payment of Premiums.** During the term of this Agreement, the Corporation shall pay all premium payments to the Insurance Company.

(b) **Payment After Transfer.** In the event of any transfer or retransfer of the Director's rights under this Agreement, whether voluntary or involuntary, by assignment inter vivos or otherwise, the person or persons to whom the transfer is made, whether beneficially entitled to the rights transferred or holding them in a fiduciary capacity, shall be substituted for Director hereunder with respect to those rights, but Director shall remain liable for the repayment of all sums advanced or to be advanced, including premium payments made by the Corporation hereunder and for the performance of all duties imposed on him by this Agreement except to the degree, if any, Director is released from them in writing by the Corporation and the Corporation shall remain liable for the performance of all other duties imposed on the Corporation by this Agreement, except to the degree, if any, the Corporation is released from them in writing by the Corporation.

7. Term and Termination.

(a) **Term.** This Agreement shall commence as of the date of execution hereof by the parties and shall remain in effect until the earliest to occur of (i) the mutual agreement of the parties; or (ii) payment in full of all obligations under this Agreement, or (iii) upon Director's death following the payment of all insurance proceeds in accordance with and pursuant to this Agreement.

(b) **Transfer Upon Termination.** Upon termination of this Agreement for any reason, the amount due the Corporation as set forth in this Agreement shall, as of the date this Agreement be terminated, and unless otherwise mutually agreed to in writing by the parties, be paid to the Corporation by Director or Director's personal representative within thirty (30) days of the termination of this Agreement or as soon thereafter in the event of Director's death.

8. Claims Procedure.

(a) **Procedure.** Director's Designated Beneficiary shall claim any benefit hereunder following Director's death by submitting a written request to the Corporation. If a claim for benefits is wholly or partially denied, notice of the denial, prepared in accordance with subparagraph (b), shall be furnished to the Designated Beneficiary within a reasonable period of time, not to exceed ninety (90) days after receipt of the request by the Corporation ("**Determination Period**"), unless special circumstances require an extension of time for processing the request. If such an extension of time is required, written notice of the extension shall be furnished to the Designated Beneficiary prior to the termination of the initial Determination Period. In no event shall such extension exceed a period of ninety (90) days from the end of the initial Determination Period. If the Corporation determines that, due to matters

beyond its control, a decision cannot be rendered within the extension period, the Corporation may extend the Determination Period an additional thirty (30) days by notifying the Designated Beneficiary of such further extension. Each extension notice shall indicate the special circumstances requiring an extension of time and the date on which the Corporation expects to render a decision.

(b) **Denial.** The Corporation shall provide the Designated Beneficiary a written notice setting forth, in a manner calculated to be understood by the Designated Beneficiary, the following:

- (i) the specific reason(s) for the denial;
- (ii) specific references to the pertinent provisions of the Agreement upon which the denial is based;
- (iii) a description of any additional material or information necessary for the Designated Beneficiary to perfect the request and an explanation of why such material or information is necessary;
- (iv) an explanation of the review procedure as set forth in subparagraphs (c) and (d) below, and a statement of the Designated Beneficiary's right to bring a civil action in a court of law after final administrative review; and
- (v) if an internal rule, guideline, protocol or other similar criterion was relied on in making the determination, either (A) a recitation of such rule, guideline, protocol or other similar criterion, or (B) a statement that such criterion was relied upon and that a copy of it will be provided free of charge to the Designated Beneficiary upon request.

(c) **Purpose.** The purpose of the review procedure set forth in this subparagraph and subparagraph (d) is to provide a procedure by which the Designated Beneficiary may have a reasonable opportunity to appeal to the Corporation a denial of a request for benefits. To accomplish this purpose, the Designated Beneficiary may (i) review pertinent documents and records; and (ii) submit issues, documents, records and comments in writing. The Designated Beneficiary may request a review by filing a written request for review with the Corporation at any time within sixty (60) days after receipt by the Designated Beneficiary of written notice of the denial of the Designated Beneficiary's request for benefits.

(d) **Decisions.** A decision on review of a denied request for benefits shall be made by the Corporation's Board of Directors, after taking into account all comments, documents, records and other pertinent information regardless of when submitted. It shall make a decision promptly, but not later than sixty (60) days after receipt of the request for review, unless special circumstances require an extension of time for processing, in which case a

decision shall be rendered as soon as possible, but not later than one hundred (120) days after receipt of the request of review. If such an extension of time for review is required, written notice of the extension shall be furnished to the Designated Beneficiary prior to the commencement of the extension. The decision on review shall be in writing, shall be written in a manner calculated to be understood by the Designated Beneficiary, and shall include specific reasons for the decision and specific references to the pertinent provisions of the Agreement upon which the decision is based.

9. **Amendments.** Amendments may be made to this Agreement only by a writing executed by each of the parties hereto.

10. **Construction.**

(a) This Agreement constitutes the entire agreement between the parties pertaining to the purchase and maintenance of the Policy under a split dollar arrangement for the benefit of Director, and supersedes all prior arrangements pertaining to the Policy. Captions have been inserted as a matter of convenience only and shall not be deemed a part of this Agreement.

(b) This Agreement shall be governed and interpreted in accordance with the laws of the State of New York, except to the extent superseded by federal law.

11. **Binding Effect.** This Agreement shall be binding upon the respective heirs, legal representatives, successors, and assigns of the parties.

12. **Legal Counsel.** The law firm of Scolaro Fetter Grizanti & McGough, P.C. has drafted this Agreement as counsel to the Corporation, and Director hereby expressly acknowledges that he has been advised that he has not been represented by Scolaro Fetter Grizanti & McGough, P.C. in this matter and has been advised and urged to seek separate legal counsel for advice in this matter.


13. **Adoption of Whereas Clauses.** The parties hereto hereby adopt, as part of this Agreement, each of the recitals contained in the WHEREAS clauses set forth at the beginning of this Agreement and agree that they shall be binding upon the parties.

14. **Counterparts.** This Agreement may be executed in counterparts, any one of which shall constitute an original for all purposes.

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

CORPORATION:

N C C SYSTEMS INC.

By: 
Name: THAD HUNKINS
Title: President

DIRECTOR:

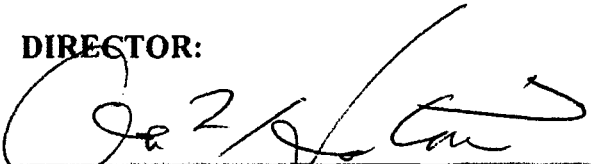

DAVID L. HUNKINS, Individually

EXHIBIT A**INSURANCE POLICIES**

<u>Policy #</u>	<u>Face Amount</u>	<u>Insurer</u>	<u>Owner</u>	<u>Premium</u>
4920247	\$415,556.00	The Lincoln National Life Insurance Co.	N C C SYSTEMS INC.	\$1067.76/month

EXHIBIT B

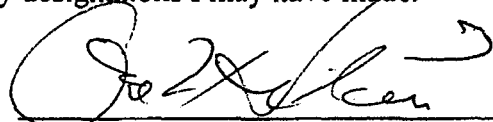
I, **DAVID L. HUNKINS**, hereby designate the following individual as my beneficiary to receive, following my death, all benefits that are payable under a certain Split-Dollar Insurance Agreement between me and **N C C SYSTEMS INC.**, a New York business corporation ("**Corporation**"), dated effective the 25th day of May 2019:

Name: **DAVID L. HUNKINS LIVING TRUST u/t/a dated September 12, 2007, as amended from time to time**

Address: **128 Juniperus Drive, Safety Harbor, FL 34695**

I understand this designation shall not be effective until delivered to Corporation, but that upon delivery it shall supersede all prior beneficiary designations I may have made.

Date: 5/28/2019


 DAVID L. HUNKINS, Individually

Received and accepted this 28th day
 of May, 2019.

N C C SYSTEMS INC.

By: 
 Name: **THAD HUNKINS**
 Title: **President**

N C C SYSTEMS INC.
P.O. Box 670
6738 State Highway 56
Potsdam, New York, 13676-0670

28 May, 2019

CERTIFIED MAIL -RETURN RECEIPT REQUESTED

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

Gentlemen:

To comply with the alternative reporting and disclosure method provided under Labor Regulations §2520.104-23, this is to inform you of the adoption of certain plans maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

The name and address of the Employer maintaining the plan(s) is:

N C C SYSTEMS INC.
P.O. BOX 670
6738 STATE HIGHWAY 56
POTSDAM, NEW YORK, 13676-0670


The Employer's EIN is: 16-1161663

The number of employees participating in the plan is: 1

Plan Name	Number of Participants
Split Dollar Agreement for DAVID L. HUNKINS	1

Very truly yours,

N C C SYSTEMS INC.

By: 
THAD HUNKINS, President

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SCOLARO FETTER GRIZANTI & MCGOUGH, P.C.
ATTORNEYS AND COUNSELORS AT LAW
FRANKLIN SQUARE
507 PLUM STREET, SUITE 300
SYRACUSE, NEW YORK 13204

TO:

U.S. Dept. of Labor
Employee Benefits Security Administrators
Top Hat Plan Exemption
200 Constitution Avenue, NW N-1513
Washington, D.C. 20210

FIRST CLASS MAIL