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August 15, 2000

U.S. DEPT. OF LABOR
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To: Secretary of Labor
Top Hat Plan Exemption
Pension & Welfare Benefits Administration
Room N-5644
US Department of Labor
200 Constitution Ave. NW
Washington, DC 20001

From: HAS Images, Inc. E. I. # 31-1127512
136 N. St. Clair Street
Suite 300
Dayton, OH 45402

This statement is being filed to comply with **29 CFR 2520.104-23** Alternative method of compliance for pension plans for certain selected employees.

This is to declare that HAS Images, Inc., a domestic C Corporation incorporated under the laws of Ohio, has implemented a non-qualified incentive bonus (deferred compensation) plan that covers a select group of key management and supervisory personnel. At the current time, nine employees are covered under the plan that involves individual agreements with each employee as to the amount of the annual contributions based on the employee's position with the company but with which the terms of vesting, distributions, etc. are the same. A blank example is attached. The benefits are calculated using investment fund balances that the employees can provide input regarding but the benefits are paid from the general assets of the employer. None of the current participants are shareholders in the corporation.

This plan was first implemented on May 1, 2000. The filing of this notice is within the 120 days as per the statute.

If you have any questions, please contact:

Edwin A. Pottenger 937-890-3068 (phone) or 937-890-3595 (fax)

Signed:

Harry A. Stiller, President
Harry A. Stiller, President
HAS Images, Inc. - Plan sponsor

08/17/00
(date)

HAS Images Individual Incentive Bonus Plan

1. **Employee Name:** _____
2. **Plan Effective Starting Date:** May 1, 2000
3. **Amount of Annual Anticipated Contribution to plan:** \$ _____
(subject to all other included provisions)

4. **Terms of the anticipated incentive bonus plan funding contributions:**
 HAS Images, Inc. will contribute the above annual contribution amount to this discretionary deferred incentive bonus plan (subject to termination clause #7 below) each year on or about May 1st provided that you are employed by HAS Images, Inc. and have not reached age sixty-one (61) as of that date. The amounts which are contributed and the earnings there on remain the property of HAS Images, Inc. until the time that distributions of vested contributions and earnings become payable to the employee under this agreement.

5. **Vesting of cumulative bonus plan funding contributions and earnings:**

Between inception of plan and 5 years	0%
After 5 Full Years but less than 12 years	25%
After 12 Full Years but less than 20 years	50%
After 20 Full Years	75%
Upon the employee attaining age 61 (regardless of the number of years of participation in plan)	100%

Note: If employment terminates due to criminal conduct including theft, the above vesting schedule will still apply but any amounts required to reimburse HAS Images, Inc. for any costs or expenses that occurs as a result of the conduct will be deducted from the vested amounts in determining the amount of payment that the terminated employee is entitled to receive under this agreement.

6. **Normal termination and distribution of funds:**
 Upon the employee reaching age 61, the plan will distribute fifty percent (50%) of the then 100% vested balance within six months of attaining age 61. The balance of the vested amounts will be distributed within six months of attaining age 62. However, if an employee resigns prior to reaching age 61, the amount vested as of the date of resignation will then be paid in five equal annual installments beginning no later than six months after the date of resignation unless HAS Images, Inc., at its sole discretion, would choose to pay the vested bonus amounts over a shorter time period and/or in more frequent payments.

7. **Plan Termination Clause:**
 Plan funding can be suspended and/or terminated at will by HAS Images, Inc. However, if plan funding is suspended for more than one consecutive year, or if the funding is suspended due to the insolvency of the Company, or if the plan is terminated, then vesting becomes 100% and payment will be due to the employee within thirty (30) days in the case of insolvency or within twelve (12) months of the triggering event if for any other reason (other than death or employee resignation).

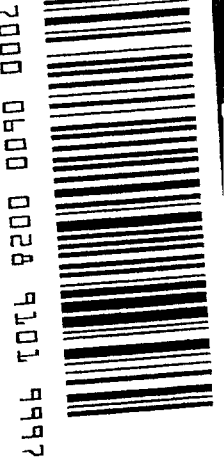
8. **Termination due to death:**
 If the employee dies during the term of this agreement but prior to the payment of vested amounts under any other clause, then the amount that would have been vested had the employee resigned as of the date of death will be payable to the deceased employee's estate (as bonus earned but unpaid) within sixty (60) days of the date of death. Payment will be delivered to the spouse of the deceased unless the employee is unmarried at the time of death upon which payment will be delivered to the court appointed executor of the estate.

9. **Investment options:**

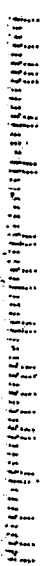


Edwin A. Pottenger, CPA
3345 Old Salem Road
Dayton, OH 45415

**RETURN RECEIPT
REQUESTED**



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Pension & Welfare Benefits Admin.
Room N-5644
US Department of Labor
200 Constitution Ave. NW
Washington, DC 20004**

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