

**STATEMENT
PURSUANT TO LABOR REGULATION § 2520.104-23
FOR THE
J. WILLIAM PAUGH
SUPPLEMENTAL EXECUTIVE RETIREMENT BENEFIT
EMPLOYMENT AGREEMENT**

2520043381307

Pursuant to Labor Regulation § 2520.104-23, Wayne Memorial Hospital, Inc. ("Employer") files this statement with respect to the above-referenced plan as follows:

1. The name and address of the Employer is:

Wayne Memorial Hospital, Inc.
2700 Wayne Memorial Drive
Goldsboro, North Carolina 27533

2. The Employer's employer identification number is 56-1484844.
3. The Employer hereby declares that it maintains the J. William Paugh Supplemental Executive Retirement Benefit Agreement ("Agreement") primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of Wayne Memorial Hospital, Inc. The Agreement is intended to qualify as a top hat plan within the meaning of Section 201(a)(2) of the Employee Retirement Income Security Act of 1974. The Employer does not sponsor another such plan.
4. One employee participates in the Agreement.
5. The Employer shall provide the plan document to the Secretary of Labor upon request as required by Section 104(a)(1) of the Employee Retirement Income Security Act of 1974.

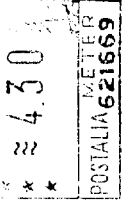
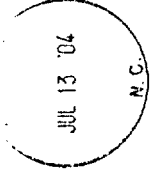
WAYNE MEMORIAL HOSPITAL, INC.

By: 

Title: PRESIDENT & CEO

Date: JULY 13, 2004

SMITH MOORE LLP
ATTORNEYS AT LAW



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

VIA PRIORITY MAIL