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Daniels

Business Services, Incorporated

15 Rankin Avenue Asheville, North Carolina 28802-0040 704/255-8981



September 25, 1992

Division of Reporting Compliance
Pension and Welfare Benefits Administration
U.S. Department of Labor
Washington, D.C. 20210

Re: Daniels Business Services, Inc.
(Employee Identification No. 56-0710870) -
Your attached inquiry of August 31, 1992

Gentlemen:

We apologize for the confusion that may have arisen in connection with the effective date of the Officer's Deferred Compensation Plan reported in our March 16, 1992 Notice to the Office of Employee Benefits Security.

That Notice (copy enclosed) incorrectly indicated that our Plan had been dated June 21, 1990. Actually, employees of this Company were authorized to commence deferral of compensation June 21, 1991. The Plan itself was formally adopted by our Board of Directors on March 16, 1992, prior to the end of the Company's fiscal year on March 31, 1992. The Notice to the Office of Employee Benefits Security was given on that date.

I enclose a copy of the Plan and the March 16, 1992 directors resolution adopting the Plan.

Please advise if you need any further information in connection with your letter.

Very sincerely yours,

DANIELS BUSINESS SERVICES, INC.

By: Vaughn B. Fisher
Vaughn B. Fisher
Controller

VBF:dc
Enclosures
cc: Kevin Huff

Daniels

Business Services, Incorporated

15 Rankin Avenue Asheville, North Carolina 28802-0040 704/255-8981



March 16, 1992

Office of Employee Benefits Security
Labor-Management Services Administration
U.S. Department of Labor
Washington, DC 20216

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Gentlemen:

Reference is made to Regulation 2520.104-23 (the "Regulation") under the Employee Retirement Income Security Act of 1974 as amended ("ERISA"), pursuant to which Regulation the following statement is filed:

1. Name of Employer: DANIELS BUSINESS SERVICES, INC. and subsidiaries
2. Address of Employer: 15 Rankin Avenue
Asheville, NC 28801
3. Employer Identification No: 56-0710870
4. Name of Plan: Officer's Deferred
Compensation Plan dated
June 21, 1990
5. Declaration: The Employer has entered into the above Agreement with one (1) of its key employees. The Employer believes that the Agreement, to the extent it may constitute a "Plan" for ERISA purposes (which Employer does not concede), would constitute an "excess benefit plan" within the meaning of Section 3(36) of ERISA. However, if the Agreement, to the extent it would constitute a "plan" does not satisfy such ERISA Section, the Employer believes that the Agreement would constitute an arrangement which is primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of the Regulation. Upon the written request of the Department of Labor, the Employer will provide a copy of the Agreement.

Very truly yours,

DANIELS BUSINESS SERVICES, INC.

By: *James Daniels*
President

President

Daniels

Business Services, Incorporated

15 Rankin Avenue Asheville, North Carolina 28802-0040 704/255-8981



DANIELS BUSINESS SERVICES, INC.

OFFICER'S DEFERRED COMPENSATION PLAN

1. Participants. Any Officer ("Officer") who is a full-time employee of the Corporation compensated at a salary of at least \$40,000.00 per year and has been approved by the Corporation's Board of Directors for participation in this Plan (the "Plan") of DANIELS BUSINESS SERVICES, INC. ("Corporation"), or any wholly owned subsidiary of the Corporation ("Subsidiary"), who has been designated as eligible to participate under this plan may elect to become a participant ("Participant") under the Plan by filing a written notice ("Notice") with the Corporation or a Subsidiary of the Corporation for whom the Officer performs his services, in the form prescribed as attached hereto.

2. Deferred Compensation. Any Participant may elect, in accordance with Section 5 of this Agreement, to defer annually the receipt of a portion of the compensation otherwise payable to him by an Employer in any calendar year, which portion shall be designated by him but shall not exceed \$20,000.00 or such greater amount as the Board may from time to time approve in writing. Any compensation deferred pursuant to this Section shall be recorded by the Corporation in a deferred compensation account ("Account") maintained in the name of the Participant, which Account shall be credited on each date for payment of compensation, in accordance with the Employer's normal practices, with a dollar amount equal to the total amount of compensation deferred during the Corporation's fiscal year pursuant to the Plan.

The Corporation shall furnish each Participant with an annual statement of his Account within ninety (90) days after the end of the Corporation's fiscal year. The Corporation shall also credit any interest or other earnings on investment of amounts in an Account to the Account on the date received until final distribution of the Account pursuant to Section 4 of the Plan. The amount of compensation that a Participant elects to defer under this Section will remain constant until suspended or modified by the filing of another election with the Corporation by a Participant in accordance with Section 5 of the Plan.

3. Investment of Deferred Amounts.

(a) If a Participant so designates in the Notice, all or a

portion of the amount credited to his Account (as specified by the Participant) will first be used to pay the premiums on a commercial annuity or a policy of life insurance on the Participant's life purchased by the Corporation or a Subsidiary, such premiums to be paid from the Account during the continuation of the Participant's election as then in effect. Any such annuity or life insurance policy shall be owned by and payable to the Corporation and the Participant shall have no control over or incidence of ownership with respect to any such policy.

- (b) All amounts credited to an Account and not used to pay premiums on an annuity or life insurance policy as provided in subparagraph (a) above shall be credited with interest at a rate equal to eight per cent (8%) per annum, until the Account has been fully distributed to a Participant or to the beneficiary or beneficiaries designated by the Participant in a writing delivered to the Corporation, with the interest rate to be paid as to such funds to be prospectively changed as provided in Paragraph 7 of this Agreement.

4. Distribution.

- (a) Upon termination of the employment of Participant with the Corporation and all other Employers for any reason other than death, the Participant will be entitled to receive:
 - (1) any annuity or life insurance policy upon which premiums have been paid pursuant to Paragraph 3(a) above, or an amount equal to the cash surrender value of any such policy on the date on which the Participant's service or employment terminates, as determined by the Corporation in its discretion; and
 - (2) any additional amounts credited to the Participant's Account as of the date of termination of service or employment. The Corporation shall determine whether the Participant will receive distribution of all amounts payable to him under this Paragraph (a), other than the policies referred to subparagraph (a) above if the Corporation distributes such policy to him, in a lump sum or in installments over a designated period of years, pursuant to the provisions of Paragraph (d) of this Section.

- (b) Upon termination of a Participant's employment with the Corporation and all other Employers by reason of his death, the Participant's designated beneficiary or beneficiaries will be entitled to receive:
- (1) the proceeds of any annuity or life insurance policy upon which premiums have been paid pursuant to Paragraph 3(a) above; and
 - (2) all other amounts credited to the Account of the Participant as of the date of his death. Said amounts shall be payable in a lump sum or in installments over a designated period of years, pursuant to the provisions of Paragraph (d) of this Section.
- (c) Upon the death of the Participant prior to complete distribution to him of the entire balance of his Account (and after the date of termination of his employment with the Corporation and all other Employers), the balance of his Account on the date of his death, including the proceeds of any annuity or life insurance policy upon which premiums have been paid pursuant to Paragraph 3(a) above if the Participant's death occurs prior to distribution of such policies to him pursuant to Paragraph (a) of this Section, shall be payable to the Participant's designated beneficiary or beneficiaries pursuant to Paragraph (d) of this Section.
- (d) The Corporation, in its discretion, shall direct distribution of the amounts credited to a Participant's Account, including interest credited thereon pursuant to Section 3, to a Participant or his beneficiary or beneficiaries pursuant to the preceding paragraphs of this Section, in a lump sum, or in installments over such period of years as the Corporation shall determine. Distribution shall be made or commence on the first day of the month next following:
- (i) the date upon which the Participant's employment with the Corporation terminates in the event of a distribution pursuant to Paragraphs (a) or (b) of this Section; or
 - (ii) the date of the Participant's death in the event of a distribution pursuant to Paragraph (c) of this Section. Subsequent installments, if any, shall be made on the annual, quarterly, or monthly anniversary dates of the date of the first

installment, as determined by the Corporation. Each such installment, if any, shall include interest credited to the balance of the Account pursuant to Section 3.

5. Election to Defer Compensation. The Notice by which a Participant elects to defer compensation as provided in this Agreement shall be in writing, signed by the Participant, and delivered to the Corporation prior to the payroll period in which the compensation to be deferred is otherwise payable to the Participant. Such election (and any subsequent election) will continue until suspended or modified in a writing delivered by the Participant to the Corporation, which new election shall only apply to compensation otherwise payable to the Participant after the end of the Corporation's fiscal year in which such election is delivered to the Corporation. Any deferral election made by the Participant shall be irrevocable with respect to any compensation covered by such election, including the compensation payable in the Corporation's fiscal year in which the election suspending or modifying the prior election is delivered to the Corporation.

6. Participant's Rights Unsecured. The right of the Participant or his designated beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Corporation, and neither the Participant nor his designated beneficiary shall have any rights in or against any amount credited to his Account or any other specific assets of the Corporation. All amounts credited to an Account shall constitute general assets of the Corporation and may be disposed of by the Corporation at such time and for such purposes as it may deem appropriate. An Account may not be encumbered or assigned by a Participant or any beneficiary. This Plan shall be exempt from ERISA requirements under Section 401 of the Internal Revenue Code, as amended.

7. Amendments to the Plan. The Board may amend the Plan at any time, without the consent of the Participants or their beneficiaries, including the rate of interest to be prospectively paid on any funds in the Participant's Account under Paragraph 3(a) of this Agreement; provided, however, that no amendment shall divest any Participant or beneficiary of the credits to his Account, or of any rights to which he would have been entitled if the Plan had been terminated immediately prior to the effective date of such amendment.

8. Termination of the Plan. The Board may terminate the Plan at any time. Upon termination of the Plan, distribution of the credits to a Participant's Account shall be made in the manner and at the time heretofore prescribed; provided that no additional credits shall be made to the Account of a Participant following

termination of the Plan other than interest thereon credited pursuant to Section 3.

9. Expenses. Costs of administration of the Plan will be paid by the Corporation and/or by such of its Subsidiaries with Employees participating in the Plan as may be determined by the Board.

10. Notices. Any notice or election required or permitted to be given by a Participant hereunder shall be in writing and shall be deemed to be filed:

- (a) on the date it is personally delivered to the President of the Corporation or a Subsidiary, as the case may be; or
- (b) three business days after it is sent by registered or certified mail, addressed to such Secretary at P.O. Box 40, Asheville, North Carolina 28802.

CONSENT TO ACTION WITHOUT MEETING
OF DIRECTORS OF
DANIELS BUSINESS SERVICES, INC.

The undersigned, being all the Directors of DANIELS BUSINESS SERVICES, INC., a North Carolina corporation, do hereby adopt the following resolution by affixing our signatures hereto:

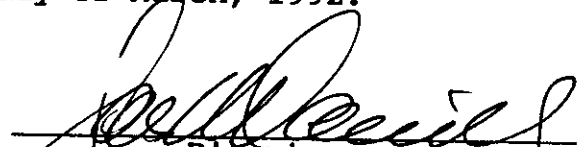
WHEREAS, the Corporation desires to assist certain of its full-time employees who are officers of the Corporation and its subsidiaries in providing proper deferred compensation opportunities for said individuals and the President of the Corporation has previously authorized preparation of an Officer's Deferred Compensation Plan for approval by the Board of Directors and authorized specified employees to participate in said Plan commencing June 21, 1991.

NOW, THEREFORE BE IT RESOLVED that the appropriate officers of this Corporation are hereby authorized and directed to take all steps necessary to execute and implement the Officer's Deferred Compensation Plan in form as attached hereto, including notification of said Plan and Agreements to the United States Department of Labor.


This action is effective this 16th day of March, 1992.



Director
J. A. Miller



Director
James W. Daniels



Director
Richard A. Wood, Jr.