Internal Revenue Service

Significant Index No. 0412.06-00

Department of the Treasury
200109048
Washington, DC 20224

Third Party Contact: Participants

Person to Contact:

Telephone Number:

Refer Reply to: T:EP:RA:T:A1

Date: DEC 04 2000

In re:

This letter constitutes notice that with respect to the above-named defined benefit pension plan we have granted a waiver of a portion of the minimum funding standard for the plan year ending December 31, 1999.

The waiver for the plan year ended December 31, 1999 has been granted in accordance with § 412(d) of the Internal Revenue Code and § 303 of the Employee Retirement Income Security Act of 1974 (ERISA). The waived amount is the contribution which would otherwise be required to reduce the balance in the funding standard account to zero as of the end of the plan year for which this waiver has been granted (after taking into account the contributions made through September 15, 2000).

The company has experienced a hardship as shown by losses in its three fiscal years ended December 31, 1997-1999. The company has also had de minimis cash on hand for the same period. However, the company has maintained positive net worth. In addition, the company has increased revenue and has reduced operating costs as shown by a de minimis loss for its fiscal year ended December 31, 1999 that was only 7 percent of the 1998 loss.

The plan was amended in 1995 to cease additional benefit accruals. The company contributed 87% of the contribution otherwise needed to satisfy the minimum funding standard for the 1999 plan year. Those contributions raised the plan's current liability funding percentage to 84%. Accordingly, the waived amount is approximately 13% of the contribution otherwise needed to satisfy the minimum funding standard for 1999.

Your attention is called to § 412(f) of the code and § 304 of ERISA which describe the consequences which would result in the event the plan is amended to increase benefits, change the rate in the accrual of benefits or to change the rate of vesting, while any portion of the waived funding deficiency remains unamortized.

Based on the information submitted, accumulated funding deficiencies existed for the six plan years ended December 31, 1993-1998, on which a 10% tax is imposed, under § 4971(a) of the code. The tax for these years has been paid.

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when filing amended Form 5500 for the plan year endin December 31, 1999, a copy of this letter should be attached to the Sche8ule B (Actuarial Information). we have sent a copy to the Emplovee Plans Area Manager for the Area Office i n A copy of this letter is being sent to your authorized representative pursuant to a Form 2848 (Power of Attorney) on file with our office.

Sincerely,

James E. Holland, Jr.

James E. Holland, Jr., Manager
Employee Plans Actuarial Group 1
Tax Exempt and Government Entities Division