DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Significant Index No. 0412.06-00 OCT - 4 2001 200152050

In re:

T:EP:RA:T:A

Dear

This letter constitutes notice that a conditional waiver of the minimum funding standard has been granted for the above-named pension plan for the plan year ending December 31, 2000.

The conditional waiver has been granted in accordance with section 412(d) of the Internal Revenue Code (the "Code") and section 303 of the Employee Retirement Income Security Act of 1974 (ERISA). The amount for which the waiver has been granted is the contribution that would otherwise be required to reduce the balance in the funding standard account of the plan to zero as of the end of the plan year for which the waiver has been granted.

(the "Company") is a privately held family-owned located in The Company has sponsored a defined benefit plan for its employees since December 1, 1969.

The Company experienced temporary substantial business hardship resulting from the loss of two major customers that represented approximately 26% of sales. Total sales dropped approximately 20% from 1998 to 1999. As a result, the Company had a net loss in income for the 1999 fiscal year and a significant decline in working capital.

Effective January 1, 2001, the Company adopted an amendment to cease future benefit accruals to reduce future funding obligations. In addition, the 2000 financial statement shows an improvement in sales and income when compared to 1999. There was approximately an 11% increase in sales in 2000, and a decreased loss in net income for 2000.

The Plan had an accumulated funding deficiency for the 1999 plan year. The Company has not paid the excise taxes due under section 4971(a) of the Code relating to the 1999 plan year.

This waiver has been granted subject to the following conditions, which you have agreed to:

(1) The Company will make contributions necessary to satisfy the minimum funding requirement (including the waiver amortization payment for the plan year ended December 31, 2000) of the Plan for the plan year ending December 31, 2001, by September 15, 2002.

(2) The ten percent excise tax imposed, under section 4971(a) of the Code, on the accumulated funding deficiency for the 1999 plan year shall be paid in full within 90 days from the date of this letter.

If the Company fails to meet the above conditions, this waiver is retroactively null and void.

Your attention is called to section 412(f) of the Code and section 304 of ERISA which describes the consequences which result in the event the plan is amended to increase benefits, to change the rate in the accrual of benefits, or to change the rate of vesting while any portion of the waived amount remains unamortized.

This ruling is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as others as precedent.

When filing Form 5500 for the plan year ending December 31, 2000, the date of this letter should be entered on Schedule B (Actuarial Information). Copies of Form 5330 (Return of Excise Taxes Related to Employee Benefit Plans) have been enclosed for your convenience. We have sent a copy of this letter to the Area Manager in

If you have any questions concerning this matter, please contact

Sincerely yours,

Martin L. Pippins

Martin L. Pippins, Manager
Employee Plans Actuarial Group 2
Tax Exempt and Government
Entities Division