SPECIAL TAX NOTICE REGARDING QUALIFIED DISTRIBUTIONS

This notice contains important information which may help you decide how to receive distributions from your retirement plan. If you have additional questions after reading this notice, you may contact your plan administrator.

This Notice is provided to you by your Plan Administrator because all or part of the payment you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional IRA or an eligible employer plan. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover.

I. SUMMARY

In general, distributions are available from your retirement plan when you (1) attain age 59 ½, (2) attain age 55 and separate from service, (3) separate from service or retire, (4) incur a hardship, or (5) are disabled. Distributions for other reasons may be available, depending on the particular plan. Please consult your employer and/or tax advisor to determine if other reasons apply. Ordinary income tax is applicable to these distributions if they are paid to you directly. If money is paid directly to you, 20% of the taxable amount is required to be withheld and that amount is sent to the IRS as income tax withholding to be credited against your taxes. Also, if a distribution is made payable to you for (3) or (4) above, a 10% penalty tax may apply in addition to ordinary income tax. For more information, see IRS Publication 575, Pension and Annuity Income.

Your Right to Waive the 30-Day Notice Period. Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after you receive this Notice. Thus, after receiving this Notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30- day notice period ends before your election is processed, you may waive the notice period by making an affirmative election on your benefit election form indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

II. DISTRIBUTIONS THAT CAN AND CANNOT BE ROLLED OVER

Certain distributions from your retirement plan are eligible for rollover to another retirement plan or a Traditional IRA. Not all IRA's may receive a qualified plan rollover. Those which may be rolled over are called eligible rollover distributions. They include:

- **Eligible for rollover**
  1) distributions of your pre-tax contributions
  2) earnings/losses on your pre-tax contributions
  3) distributions of vested employer contributions made on your behalf
  4) earnings/losses on employer contributions

Other distributions from the plan are not eligible for rollover. These include:

- **Not eligible for rollover**
  1) distributions which you are required to take upon attainment of age 70 ½
  2) distributions which you receive at least annually which are part of a series paid over ten or more years (systematic withdrawals are not considered a series)
  3) employee after-tax contributions
  4) distributions made over your life expectancy
  5) hardship distributions

III. DIRECT ROLLOVER

You may request that all or part of your distribution(s), which are eligible rollover distributions, be rolled over directly to an IRA or another employer plan that accepts rollovers. This is called a "direct rollover". A direct rollover will avoid taxation of the transferred amount until later removed from the new IRA or new employer plan. If you desire to make a direct rollover to an IRA, contact the sponsor of your new IRA to find out how to complete this transaction. Please keep in mind the new IRA may have penalties for withdrawals at a later date. See IRS Publication 590, Individual Retirement Arrangements.

If you receive a series of distributions, which are eligible rollover distributions, over a period less than ten years, you may choose between making them direct rollovers or distributions made directly to you. Your decision will apply to the entire series of distributions unless you request a change at a later date.

IV. DISTRIBUTIONS PAID DIRECTLY TO YOU

If a distribution is made directly to you (instead of a direct rollover), 20% will be withheld and sent to the IRS.

This 20% could become subject to taxes unless certain steps are taken as described below. The remaining 80% of the distribution will be taxed in the year you receive it unless, within 60 days, you roll it over to an IRA or another employer plan. In addition, a penalty tax of 10% may apply to the full amount of the distribution.

If you are married, your spouse must consent to any election above $5,000.

For example, you request a distribution of $10,000, which is an eligible rollover distribution to be paid directly to you.

1) $8,000 would be paid directly to you
2) The remaining $2,000 would be withheld and sent to the IRS to be credited against your tax liability

You may avoid taxation on both amounts ($8,000 +$2,000) by rolling them into an IRA or another employer plan. Since the $2,000 was withheld, you would need to replace it in some way on your own, and then roll it along with the $8,000 into an IRA or another employer plan. This process must be completed within 60 days of the original payment. If you are unable to replace the $2,000 on your own, you may still roll the $8,000 into an IRA or another employer plan. However, the withheld $2,000 will be subject to ordinary income tax (in the year it was paid). In addition, a penalty tax of 10% may apply to the $2,000 (see Part I).

NOTE:

a) Special Tax treatment is available if you were born before January 1 1936. Consult your tax advisor if you are receiving a lump sum distribution and your birthday is before this date.
b) Hardship distributions do not eliminate the tax or penalty tax obligations. However, a hardship distribution allows you the option of a 10% withholding or other elected percentage including 0%.
c) There is a special rule for payment from a plan that includes employer stock.

V. DISTRIBUTIONS TO SURVIVING SPOUSES, ALTERNATIVE PAYEES, AND OTHER BENEFICIARIES

The rules summarized above also apply to eligible rollover distributions to surviving spouses and "alternate payees". A surviving spouse is a spouse who outlives their deceased spouse. An alternate payee is a spouse or former spouse who receives an interest in a retirement plan according to a "qualified domestic relations order", which is issued by a court usually in connection with divorce or separation.

If you are a surviving spouse contemplating a distribution(s) from your deceased spouse's retirement plan, you may choose to have it (the portion which is an eligible rollover distribution) paid as a direct rollover to an IRA or qualified plan, or paid directly to you. If the distribution is paid directly to you, 20% will be withheld as indicated in Part IV.

If you are an alternate payee, you have the same pay out choices as your spouse or former spouse on eligible rollover distributions as summarized in Part III and part IV. If you are a surviving spouse or an alternate payee, you will not be subject to the 10% penalty tax described in Part I, even if you are younger than 59 ½.

HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the federal (not the state or local) tax ruled that might apply to your distribution(s). The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a distribution from your retirement plan. Also, you can find more specific information on the tax treatment of distribution from retirement plans in Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS Website at www.IRS.gov, or by calling 1-800-TAX-FORM.

In summary, in almost all cases, to avoid the 20% withholding you should request the withdrawal be made payable directly to an IRA or another employer plan.

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