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TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

AUG 02 2006

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Plan =

X =

Y =

This letter constitutes notice that conditional approval has been granted for your request for a 10-year extension for amortizing the Plan's unfunded liabilities described in section 412(b)(2)(B) of the Internal Revenue Code ("Code") and section 302(b)(2)(B) of the Employee Retirement Income Security Act of 1974 ("ERISA"). The extension is granted for the amortization period for amortizing unfunded liabilities of the Plan for the plan year beginning July 1, 2003.

The extensions of the amortization periods of the unfunded liabilities of the Plan have been granted in accordance with section 412(e) of the Code and section 304(a) of ERISA. Section 412(e) of the Code and section 304(a) of ERISA authorize the Secretary to extend the period of time required to amortize any unfunded liability (described in section 412(b)(2)(B) of the Code and section 302(b)(2)(B) of ERISA) of a plan for a period of time (not in excess of 10 years) if the Secretary determines that such extension would carry out the purposes of ERISA and would provide adequate protection for participants under the plan and their beneficiaries and if the Secretary determines that the failure to permit such extension would (1) result in (A) a substantial risk to the voluntary continuation of the plan, or (B) a substantial curtailment of pension benefit levels or employee compensation, and (2) be adverse to the interests of plan participants in the aggregate.

Section 101 of Reorganization Plan No. 4 of 1978, 1979-1 C.B. 480, transferred the authority for issuing rulings under section 304(a) of ERISA from the Secretary of Labor to the Secretary of the Treasury. Accordingly, the amortization periods for the unfunded liabilities of the Plan are extended as described above under section 412(e) of the Code and section 304(a) of ERISA.

The Plan is a multiemployer plan. The Plan was X% funded on a market value basis as of July 1, 2001. Subsequent to an investment return of negative 12.17% during the 2001 plan year, the Plan was Y% funded as of July 1, 2002. In response to this deterioration in the funded status of the Plan, the employer contribution rate was increased 20% effective February 1, 2004, and additional 14% effective February 1, 2005. In addition, the Trustees of the Plan have resolved that employer contribution rates shall be increased in accordance with the following schedule:

Effective Date	Increase
February 1, 2006	14%
February 1, 2007	14%
February 1, 2008	14%
February 1, 2009	12%
February 1, 2010	12%
February 1, 2011	8%
February 1, 2012	8%
February 1, 2013	8%
February 1, 2014	8%

However, despite these increases the Plan, absent an additional 75% increase in employer contribution rates, is projected to have funding deficiencies beginning with the plan year beginning July 1, 2005. This is the case even though the funded status of the plan (i.e. the ratio of the market value of assets to the unit credit actuarial accrued liability) is projected to gradually increase without any increases in employer contribution rates beyond those listed above. The Trustees of the Plan have represented that an additional 75% increase in employer contribution rates is unattainable.

If, however, the requested amortization period extension was to be granted, projections of the Funding Standard Account would show no future funding deficiencies. Accordingly, failure to permit the extensions would result in a substantial risk to the voluntary continuation of the Plan and would be adverse to the participants in the aggregate. However, because the prospects for recovery are uncertain and because of the funded percentage of the Plan, we are granting the extension subject to the conditions listed below:

- (1) A notional credit balance is maintained such that the credit balance is at least as large as the accumulation (at the plan's valuation rate) of the amortized (at the Plan's valuation rate over a period of 15 years) differences between the amortization payments of the extended bases (amortized at the section 6621(b) rate) and the amortization payments of such bases had such bases been extended and amortized at the Plan's valuation rate.
- (2) The Plan's funded ratio, calculated by dividing the Plan's market value of assets by its actuarial accrued liability (computed using the unit credit method and the Plan assumptions as of July 1, 2005) is:
  - (a) no less than 59% for each valuation date from July 1, 2005, through July 1, 2011, inclusive;
  - (b) for each valuation date subsequent to July 1, 2011, no less than 1% greater than the floor funded ratio as of the previous valuation date. (For example, because the floor funded ratio as of July 1, 2011, is 59%, the funded ratio must be at least 60% as of July 1, 2012, and 61% as of July 1, 2013); and
- (3) For each plan year that the extension remains in effect, starting with the plan year beginning July 1, 2005, a copy of the actuarial valuation report for each plan year will be provided by March 15 of the second following calendar year to the address listed below:

Internal Revenue Service

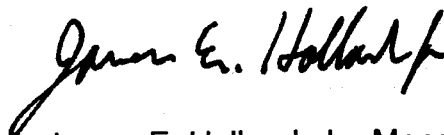
You accepted these conditions in a letter dated July 26, 2006. If any one of these conditions is not satisfied, the approval to extend the amortization periods for amortizing the unfunded liabilities would be retroactively null and void. However, the Service will consider modifications of these conditions especially in the event that unforeseen circumstances beyond the control of the Plan may cause the actual experience of the Plan to fail the funded ratio condition. An example of such an unforeseen circumstance would be market fluctuations which affect the value of the Plan's assets. Of course, any request for a modification is considered another ruling request and would be subject to an additional user fee.

Your attention is called to section 412(f) of the Code and section 304(b) of ERISA, which describe the consequences that 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 the amortization extension remains in place. Please note that any amendment that increases liabilities for a profit sharing plan or any other retirement plan (whether qualified or unqualified) maintained by the Trustees for the Plan and covering participants of the Plan to which this ruling applies, would be considered an amendment for purposes of section 412(f) of the Code and section 304(b) of ERISA. Similarly, the establishment of a new profit sharing plan or any other retirement plan (whether qualified or unqualified) maintained by the Trustees for the Plan and covering participants of the Plan to which this ruling applies, would be considered an amendment for purposes of section 412(f) of the Code and section 304(b) of ERISA.

We have sent a copy of this letter to the Manager, EP Classification in \_\_\_\_\_, to the Manager, EP Compliance Unit in \_\_\_\_\_ and to your authorized representative pursuant to a power of attorney on file in this office.

If you require further assistance in this matter, please contact \_\_\_\_\_

Sincerely yours,



James E. Holland, Jr., Manager  
Employee Plans Technical