

July 8, 1999

Dear Valued Business Partner:

This letter should be considered our Y2K Readiness Disclosure under the Year 2000 Information and Readiness Disclosure Act, Public Law 105-271. We define Y2K as the technology, including but not limited to, information technology, embedded systems, or any other processor-based system, when used in accordance with its associated documentation, is capable of accurately processing, providing and/or receiving date data from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000, including leap year calculations; provided that all other technology properly exchanges date data with it.

We are Y2K compliant based on the above definition. In making such a statement, we have relied upon information provided to us by others (such as the manufacturers of system hardware and software) that those products are also Y2K compliant. With respect to our business operation as a whole, we are not prepared to say that they are Y2K compliant. In fact, we doubt any company could make such a representation today. We are prepared to state that we are Y2K ready, which means we will be able to function without interruption after the date rolls over to the year 2000. In making such a representation, we want you to know that we have obtained similar comfort from our business partners, either orally or in writing.

In addition, we can assure you that we are Y2K ready. In 1998, a committee was formed to handle all issues relating to Y2K and implement the necessary solutions to ensure our compliance. The committee and our technology consultants, have taken the following steps:

- * We upgraded our accounting systems to handle business in the Y2K and examined our office automation, tax and audit related software, to ensure that the versions are Y2K compliant.
- * We have examined our servers, desktop and notebook computer equipment to ensure that their operating systems will function properly after the millennium rollover.
- * We are surveying key vendors to find out if they have, or are in the process of, addressing their Year 2000 problem.
- * We plan to conducted a rollover test of our entire internal system by August 1999.
- * We have developed contingency plans to address how we will operate in the event of outages of basic services.
- * We have notified our users that any date sensitive data in spreadsheets and/or databases must be converted to a year 2000 compatible format before it can be used after December 31, 1999.

We value our business relationships, and hope that our relationship will prosper and grow over the coming years. If you have any questions, please call Marjorie Gardner, Director of Operations at (212) 447-7300, ext. 234.

Sincerely,

Watson Rice LLP
Bennie L. Hadnott, CPA
Managing Partner