FORM 10-K405

Annual report pursuant to section 13 and 15(d), Regulation S-K Item 405

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FILER

ESKIMO PIE CORP

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SIC: **2024** Ice cream & frozen desserts

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(MARK ONE)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

COMMISSION FILE NUMBER 0-19867

ESKIMO PIE CORPORATION
(Exact name of registrant as specified in its charter)

VIRGINIA	54-0571720
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(IRS EMPLOYER IDENTIFICATION NO.)

901 MOOREFIELD PARK DRIVE
RICHMOND, VA 23236
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES, INCLUDING ZIP CODE)

REGISTRANT'S PHONE NUMBER, INCLUDING AREA CODE:
(804) 560-8400

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

ESKIMO PIE CORPORATION COMMON STOCK, $1.00 PAR VALUE,
AND PREFERRED STOCK PURCHASE RIGHTS

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS YES X NO ___

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K. [X]

THERE WERE 3,458,597 SHARES OF THE REGISTRANT'S COMMON STOCK OUTSTANDING ON MARCH 19, 1999. THE AGGREGATE MARKET VALUE HELD BY NON-AFFILIATES ON MARCH 19, 1999 WAS APPROXIMATELY $37 MILLION.

DOCUMENTS INCORPORATED BY REFERENCE

CERTAIN INFORMATION IN THE REGISTRANT'S PROXY STATEMENT FOR THE ANNUAL MEETING TO BE HELD ON MAY 12, 1999 IS INCORPORATED BY REFERENCE INTO PART III HEREIN.

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Market share and product distribution data were obtained from Information Resources, Inc. ("IRI") a nationally recognized market research firm based in Chicago, Illinois, which provides the Company with scanner-based product movement data from U.S. grocery stores with annual all-commodity-volume of at least $1 million.

FORWARD LOOKING STATEMENTS:

STATEMENTS CONTAINED IN THIS ANNUAL REPORT ON FORM 10-K REGARDING THE COMPANY'S FUTURE PLANS AND PERFORMANCE ARE FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE FEDERAL SECURITIES LAWS. THESE STATEMENTS ARE BASED UPON MANAGEMENT'S CURRENT EXPECTATIONS AND BELIEFS ABOUT FUTURE EVENTS AND THEIR EFFECT UPON THE COMPANY. THERE CAN BE NO ASSURANCE THAT FUTURE DEVELOPMENTS AFFECTING THE COMPANY WILL MIRROR THOSE CURRENTLY ANTICIPATED BY MANAGEMENT. ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE INCLUDED IN THE FORWARD LOOKING STATEMENTS. THESE FORWARD LOOKING STATEMENTS INVOLVE RISKS AND UNCERTAINTIES, INCLUDING BUT NOT LIMITED TO, THE HIGHLY COMPETITIVE NATURE OF THE FROZEN DESSERT MARKET AND THE LEVEL OF CONSUMER INTEREST IN THE COMPANY'S PRODUCTS, PRODUCT COSTING, THE WEATHER, THE PERFORMANCE OF MANAGEMENT, THE COMPANY'S RELATIONSHIPS WITH ITS LICENSEES AND LICENSORS, THE IMPACT OF YEAR 2000 MATTERS AND GOVERNMENT REGULATION. FOR A MORE COMPLETE DISCUSSION OF THESE RISKS AND UNCERTAINTIES, SEE "OTHER FACTORS AFFECTING THE BUSINESS OF THE COMPANY" BEGINNING ON PAGE 3 HEREOF. THE COMPANY ASSUMES NO DUTY TO UPDATE ANY FORWARD LOOKING STATEMENTS.

PART I

ITEM 1. BUSINESS

INTRODUCTION

Eskimo Pie Corporation (the Company) created the frozen novelty industry in 1921 with the invention of the ESKIMO PIE ice cream bar. Today, the Company markets a broad range of frozen novelties, ice cream and sorbet products under the ESKIMO PIE, REALFRUIT, Welch's, Weight Watchers Smart Ones, SnackWell's and OREO brand names. These nationally branded products are generally manufactured by a select group of licensed dairies who purchase the necessary flavors, ingredients and packaging directly from the Company. The Company also sells a full line of quality flavors and ingredients for use in dairy and frozen dessert products outside of those used in its nationally licensed brands business and manufactures soft serve yogurt and premium ice cream products for sale to the foodservice industry.

The Company's strengths include national brand recognition, quality products and the management of complex sales and distribution networks. The Company's growth has come primarily as a result of the development and introduction of ESKIMO PIE brand frozen dessert products, the sublicensing of frozen dessert products under other well-known national brands and the use of a select group of quality-oriented licensee manufacturers who provide a cost effective means to manufacture and distribute the Company's products.

The Company is a Virginia corporation with executive offices at 901 Moorefield Park Drive, Richmond, Virginia 23236.

LICENSING STRATEGY

The Company has granted licenses to eight dairies who purchase packaging and ingredients from the Company for use in the manufacture and distribution of the ESKIMO PIE and other branded novelties and ice cream products. Licensees are selected based upon their reputation for product quality and manufacturing and distribution capabilities. The licensees produce, store and distribute products in accordance with specific quality control standards which ensure uniform formulations, taste and appearance across all licensee territories. The Company

regularly inspects the licensee's production and storage facilities and monitors finished products for adherence to the Company's quality standards.

Each licensee operates within geographic territorial boundaries under agreements which generally include three year terms subject to termination by the Company for quality control violations, failure to meet minimum volume requirements or material changes in the Company's ownership or the licensee's business. These agreements provide for six to twelve month transition periods in the event of termination. Beginning in 1999, licensees are required to contribute to trade promotion spending and make separate quarterly payments to the Company for licensing fees which are expected to aggregate to $840,000 annually, through 2001.

Certain key ingredients (such as chocolate coatings and powders) and wrappers used by the Company's licensees in the manufacture of ESKIMO PIE and other licensed frozen novelties and ice cream products are produced at Company owned facilities located in New Berlin, Wisconsin and Bloomfield, New Jersey. Other products sold within the licensing system are purchased from approved vendors and "drop shipped" directly to licensee production facilities. Products sold under "drop shipped" arrangements include cartons, ice cream sandwich wafers and proprietary ingredients used in the manufacture of sub-licensed brand products.

As a result of its licensing strategy, the eight licensee dairies account for approximately 67% of the Company's net sales. The licensing strategy allows the Company to select a strong customer base which it actively monitors to minimize the impact of an unforeseen loss of any of its licensee customers. The loss of one or more licensees could cause some disruption in the Company's operations, although, based upon prior experience with replacing licensees, management believes it could find a suitable replacement within a short period of time and, as a result, such customer loss would not have a significant impact on the Company's operations, liquidity or capital resources.

The licensing strategy also allows the Company to operate with relatively low capital requirements. The Company's working capital requirements are limited to that necessary to support advertising, sales promotion and administrative activities rather than the much larger amounts that would be required to support the self-manufacture of finished consumer goods.

The Company provides significant marketing support for the ESKIMO PIE and other licensed brands manufactured and distributed by its licensees. The Company's advertising and sales promotion expense generally includes trade promotion and introductory costs, price-off and feature price promotions, regional consumer promotion, couponing and other trial purchase generating programs and broker commissions.

The Company has 20 sales personnel including a national sales manager in each operating division and engages broker representatives in each major U.S. market. Distribution of the Company's finished consumer products is handled by the licensees and distributors in their respective territories.

SUBLICENSING EFFORTS

The Company leverages its licensee relationships and marketing presence by securing the limited rights for nationally recognized brand names such as Welch's, Weight Watchers Smart Ones, SnackWell's and OREO. These rights allow the Company to manage the product development, manufacture, distribution and marketing of branded frozen novelties and ice cream products in exchange for royalty payments to the owners of the brand names.

Welch's. Since 1980, the Company has managed the manufacture and marketing of Welch's brand frozen fruit juice bars under an exclusive agreement with Welch Foods Inc. (Welch's). Under the Company's management, the four varieties of Welch's frozen juice bars have become the leading products in the "All Family" fruit and juice bar category according to IRI. The Company is introducing two new products in 1999, in selected test markets, which are targeted to attract the attention of a more youthful audience.

Weight Watchers. In January 1995, the Company entered into an agreement

with Weight Watchers Food Company whereby it assumed the management of an existing line of frozen novelty products. During 1998, the Company transitioned the Weight Watchers brand to the Smart Ones trademark consistent with an overall brand repositioning led by Weight Watchers International, Inc. The Smart Ones repositioning has resulted in improved sales during 1998. There are currently six Weight Watchers Smart Ones products being distributed to retail groceries including the new Mocha Java bar which was introduced in the fourth quarter of 1998 in response to improved consumer acceptance of the Smart Ones brand.

Nabisco Brands. In December 1994, the Company entered into an agreement with Nabisco Brands Company under which it has developed and commenced to market frozen novelties and ice cream under the SnackWell's and OREO brand names. The Company currently manages six SnackWell's and three OREO novelty products which are currently distributed to both the retail grocery and single serve convenience markets. In addition to SnackWell's and OREO, the Company also has access to other Nabisco owned brands including Chips Ahoy!, Newtons and Teddy Grahams.

Master License Agreements between the Company and each respective licensor set forth the Company's rights and obligations in connection with the respective sub-licensed businesses. Although the specific terms vary, each of the Master License Agreements provides for royalty payments or license fees

(although the basis and rate are different under each agreement), the length of the agreement (5 to 20 years) and conditions for termination (which may be exercised by either party based on certain conditions). The agreements have been subjected to various renegotiations and amendments from time to time as business conditions have changed.

Although each agreement also includes certain threshold performance requirements (such as the requirement to develop a certain number of new products each year, reach certain distribution goals, etc.), there are no guaranteed payments required by any of the agreements. Failure to comply with the terms of the Master License Agreements may result in termination of the respective agreement (or as is more likely the case, some cure or other renegotiation of terms), but in no case would the Company be required to make specified payments if the Company does not continue to utilize the rights under the respective agreements.

NON-LICENSED PRODUCTS

In addition to products manufactured for use in its licensed and sub-licensed businesses, the Company sells various other ingredients to the dairy industry produced at its New Berlin, Wisconsin facility. This process involves blending, cooking and processing basic flavors and fruits to yield products which are used to flavor ice cream, milk and cultured dairy products. This business, which accounts for approximately 19% of the Company's sales, has grown in recent years and provides a positive gross margin contribution although at lower levels than the Company's licensing business.

The Company also manufactures soft serve yogurt and premium ice cream mix in a leased facility in Russellville, Arkansas. Soft serve mix is sold under the ESKIMO PIE brand name to broad- line foodservice distributors, yogurt shops and other foodservice establishments who, in turn, sell soft serve products to consumers. The sale of soft serve yogurt and ice cream mix, which accounts for approximately 13% of the Company's sales, is managed by a separate sales force working within the Company's wholly owned subsidiary, Sugar Creek Foods, Inc.

The Company also manufactures flexible packaging, such as foodservice bags and private label ice cream novelty wraps, at its Bloomfield, New Jersey plant. These products are sold to the dairy industry, including many of the Company's licensees, and to the foodservice industry.

OTHER FACTORS AFFECTING THE BUSINESS OF THE COMPANY

This document and other information or statements the Company may release from time to time, include forward looking statements, within the meaning of federal securities laws, about the Company's future plans and performance. Numerous factors, including but not limited to those discussed below, produce risks and uncertainties that may cause actual results to vary materially from

those included in the forward looking statements.

Competition. The principal outlet for the Company's licensed products is retail grocery stores which sell approximately $1.8 billion of frozen novelties annually according to the International Dairy Foods Association. The Company's branded frozen novelties compete with over 400 national, regional and local brands, including the brands of two of the world's largest food conglomerates. The Company also competes with national, regional and local brands of soft serve frozen yogurt and premium ice cream, packaged ice cream and sorbet products.

Management believes that the Company has a number of competitive advantages in the frozen dessert market. The ESKIMO PIE brand name is one of the most widely recognized names in this market and it is management's belief that consumers identify the ESKIMO PIE name with a consistently high quality product. The Company has been a leader in new product introductions, as evidenced by

ESKIMO PIE SWEETENED WITH NUTRASWEET and the numerous sub-licensed products developed in recent years. In addition, the Company's licensing strategy enables it to operate with relatively low capital requirements.

Product Costing. The Company purchases raw materials such as sugar and coconut oil from a number of suppliers. Other materials used by the Company include paper, cartons and chocolate liquor. With the exception of ice cream sandwich wafers and the proprietary items required to be purchased from the owners of the sublicensed brands, the Company believes that its raw materials are readily available from a number of sources. Raw material costs may be influenced by fluctuations in the commodity markets.

Seasonality. The frozen dessert market is seasonal with sales concentrated in the summer months. Because the Company supplies packaging and ingredients to manufacturers of its licensed and sublicensed products, the Company has a higher level of sales preceding and during the summer months and a lower level of sales in the first and fourth quarters. Annual sales can be adversely affected by unseasonably cool weather during the summer months.

Management. The Company is reliant on the abilities of the management team led by David B. Kewer, the Company's President and Chief Executive Officer. These personnel have significant experience in their respective industries and functional areas and the loss of these individuals or others could have an adverse effect on the Company's ability to implement its future plans.

Licensee Relationships. The nature and extent of the Company's relationships with its licensees are discussed under "Licensing Strategy" above.

Licensor Relationships. The Company derives approximately 28% of its revenues from sub-licensed products which, in general, are governed by contractual agreements between the licensor and the Company (as discussed under "Sublicensing Efforts" above). The loss of these sub-licensed brands could have an adverse effect on the Company's business.

Year 2000 Matters. Considerable public attention has been given to the Year 2000 (Y2K) Problem which stems from the inability of certain computerized applications and devices (hardware, software and equipment) to process dates after December 31, 1999. The Company's efforts to address the Y2K Problem consist of three main components; the implementation of a new management information system, review of other internal systems and equipment, and inquiries of external trading partners (key licensees, customers, suppliers and service providers). The Company believes its approach to the Y2K Problem is adequate to maintain the continuation of its business operations with limited financial or operational impact. However, the Y2K Problem has many aspects and potential consequences, some of which may not be reasonably anticipated, and there can be no assurance that unforeseen consequences will not arise. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Impact of Year 2000" for a more detailed discussion of this issue.

Government Regulation. Like other companies in the food industry, the

Company and its licensees are subject to extensive regulation by various local, state and federal governmental agencies. Pursuant to a wide range of statutes, rules and regulations, such agencies prescribe requirements governing product quality, purity, manufacturing, advertising and labeling. Food products are often subject to "standard of identity" requirements, which are promulgated at both the federal and state level to control the permissible qualitative and quantitative ingredient content of foods, and information that must be provided on food product labels. The Federal Food and Drug Administration ("FDA"), the Federal Trade Commission ("FTC") and many states review product labels and advertising to assure compliance with applicable statutes and regulations.

The Company cannot predict the impact of the changes that it may be required to make in the future as a result of other legislation, rules or governmental review. FDA regulations may, in certain instances, affect the ability of the Company, as well as others in the industry, to develop and market new products and to utilize technological innovations in the manufacturing of existing products. Nevertheless, the Company does not currently believe these rules and regulations will have a significant impact on its operations.

Trademarks. The licensing of trademarks owned and licensed by the Company, especially for the ESKIMO PIE brand, is central to the business of the Company. The Company has exclusive rights with respect to these trademarks in the U.S. and, for ESKIMO PIE and REALFRUIT, in Canada and certain European countries. The Company has made federal and various international filings with respect to its material trademarks and intends to keep these filings current. The Company is not aware of any challenge to the validity of any trademark material to its business in areas where the Company and its licensees are currently conducting operations.

Environmental. The Company's operations are subject to rules and regulations governing air quality, waste disposal and other environmental related matters, as well as other general employee health and safety laws and regulations. Other than as set forth below with respect to the Bloomfield plant, the Company believes that it is in substantial compliance with all such applicable laws and rules.

In the third quarter of 1991, the Company learned that small quantities of cleanup solvents, solvent inks and oil were disposed of at its Bloomfield, New Jersey plant. The Company promptly notified regulatory authorities and undertook testing to determine the extent of any contamination. In connection with consummation of the Company's public offering in March, 1992, the Company's former parent, Reynolds Metals Company ("Reynolds"), entered into an agreement with the Company under which Reynolds will continue to manage testing and cleanup activities at the Bloomfield plant. Under the agreement, Reynolds will reimburse the Company for all cleanup costs (as defined in the agreement), relating to the Bloomfield plant, that may be incurred by the Company in excess of $300,000. The Company recorded a $300,000 liability for these costs in 1991 of which approximately $94,000 remains unused at December 31, 1998. Except as provided for in the agreement, Reynolds has not otherwise undertaken any responsibility or assumed liability for environmental obligations of the Company.

Employees. At December 31, 1998, the Company employed approximately 150 persons. No employees are currently covered by collective bargaining agreements. The Company believes that its employee relations are good.

ITEM 2. PROPERTIES

In 1992, the Company acquired an office building in the Moorefield Office Park in Richmond, Virginia. The building consists of 32,496 square feet on 3.4 acres which serves as the Company's executive and administrative offices and new product development/quality control facility. Approximately 6,000 square feet of the headquarters building is leased to outside parties at rates consistent with local market conditions.

The Company owns its ingredients manufacturing plant in New Berlin, Wisconsin which consists of 73,820 square feet on 4.0 acres. The Company expanded its New Berlin plant by 18,000 square feet in 1990 and purchased certain new equipment at that time. The Company completed $800,000 of capital improvements in the New Berlin facility during 1998 (consisting primarily of

equipment additions) in order to meet the requirements of the 1997 flavors production consolidation.

The Company also owns its printing and packaging plant in Bloomfield, New Jersey, which consists of 71,583 square feet on 2.0 acres. The Bloomfield plant was expanded and modernized in 1985 with a 35,000 square foot addition.

In connection with the March 1, 1994 acquisition of Sugar Creek Foods of Russellville, Inc., the Company's subsidiary, Sugar Creek Foods, Inc., is leasing from the former owner of the business a soft serve yogurt and ice cream production facility, consisting of approximately 23,805 square feet, and a packaging facility, consisting of approximately 16,000 square feet, both located in Russellville, Arkansas. In addition, Sugar Creek Foods, Inc. owns a freezer facility, consisting of 5,013 square feet, adjacent to the production facility in Russellville.

The Company owns virtually all of its equipment and replacement parts for all manufacturing equipment are readily available.

ITEM 3. LEGAL PROCEEDINGS

The Company is party to ordinary routine litigation incidental to its business, the disposition of which is not expected to have a significant effect on the Company's financial condition or operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

EXECUTIVE OFFICERS OF THE REGISTRANT

<TABLE>
<CAPTION>

NAME (AGE)	PRESENT POSITION AND LENGTH OF SERVICE	OTHER BUSINESS EXPERIENCE DURING PAST FIVE YEARS
<S>	<C>	<C>
Arnold H. Dreyfuss (70)	Chairman of the Board since September 1996.	Director since 1992; Chief Executive Officer from September 1996 to February 1998; President of Jupiter Ocean and Racquet Club of Jupiter, Florida; formerly (1982 until 1991) Chairman of the Board and Chief Executive Officer of Hamilton Beach/Proctor-Silex, Inc.
Kimberly P. Ferryman (42)	Vice President, Quality Assurance and Product Development since February 1995.	Corporate Director, Quality Assurance and Product Development from March 1994 to February 1995; Senior Product Development Technologist from November 1988 to February 1994. (All were positions with the Company)
Craig L. Hettrich (39)	Vice President and General Manager, Foodservice Division since February 1998.	Formerly, Vice President, Sales and Marketing for Frionor USA from March 1996 to January 1998; Director of National Sales and various other sales and marketing positions with General Mills - Yoplait/Columbo Division from September 1991 to February 1996.
V. Stephen Kangisser (47)	Vice President, Sales since August 1998.	Vice President, Marketing, May 1996 to July 1998, formerly, Vice President, Sales and Marketing for H.P. Hood, Inc., Boston, Massachusetts from 1993 to 1996; Director of Sales and Marketing and various other positions with Kraft, Inc. from 1974 through 1993.
David B. Kewer (44)	President and Chief Executive Officer	Director since May 1997; President and Chief Operating Officer from March 1997 to February

	since March 1998.	1998; formerly, President, Willy Wonka Candy Factory, a division of Nestle' USA, Inc., from August 1993 to February 1996; Senior Vice President Marketing and Strategic Planning and various other marketing and sales positions with Nestle' Ice Cream Company from 1988 to 1993.
Thomas M. Mishoe, Jr. (46)	Chief Financial Officer, Vice President, Treasurer and Corporate Secretary since February 1996.	Independent Consultant, from August 1995 to February 1996; Chief Financial and Administrative Officer, Goldome Credit Corporation from May 1993 to May 1995; Senior Manager with Ernst & Young LLP, Capital Markets Group, from 1987 to May 1993.
William J. Weiskopf (38)	Vice President and General Manager, Flavors Division since August 1997.	National Sales Manager - Flavors, November 1995 to August 1997, Regional Sales Manager from May 1994 to November 1995; formerly Account Manager, Food Group for E. T. Horn Company from 1987 to 1994.

</TABLE>

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The Company's Common Stock trades on the Nasdaq National Market tier of The Nasdaq Stock Market under the symbol "EPIE". As of March 22, 1999, there were approximately 650 Shareholders of Record of the Company's Common Stock (including brokers, dealers, banks and other nominees participating in The Depository Trust Company).

The high and low sales prices for shares of the Company's Common Stock as reported on The Nasdaq Stock Market and dividends declared per share during the periods indicated are set forth below:

		High	Low	Dividends
1998				
FIRST	QUARTER	$ 14 1/4	$ 10 1/8	$ 0.05
SECOND	QUARTER	16 1/4	11 9/16	0.05
THIRD	QUARTER	13 5/16	7 3/4	0.05
FOURTH	QUARTER	14	7 1/8	0.05
1997				
First	Quarter	$ 14 1/4	$ 10 1/2	$ 0.05
Second	Quarter	12 3/4	10 3/4	0.05
Third	Quarter	14	11 1/2	0.05
Fourth	Quarter	13 3/8	9 1/16	0.05

On February 26, 1999, the Board of Directors declared a quarterly cash dividend of $.05 per share, payable April 2, 1999, to Shareholders of Record on March 12, 1999. While the Company anticipates a regular quarterly dividend, the amount and timing of any future dividends will depend on the general business conditions encountered by the Company, as well as the financial condition, earnings and capital requirements of the Company and other factors deemed relevant by the Board of Directors.

ITEM 6. SELECTED FINANCIAL DATA

<TABLE>
<CAPTION>

For the year ended and as of December 31,	1998 (1)	1997 (2)	1996 (3)	1995	1994 (4)

<S>	<C>	<C>	<C>	<C>	<C>
(IN THOUSANDS, EXCEPT PER SHARE DATA)					
INCOME STATEMENT DATA:					
Net sales	$ 63,492	$ 66,392	$ 74,084	$ 83,975	$ 70,893
Operating income (loss)	1,755	498	(2,009)	8,804	8,289
Net income (loss)	$ 795	$ 108	$ (2,046)	$ 5,076	$ 4,850
Per Share Data:					
Basic:					
Weighted average number of common shares outstanding	3,458,394	3,456,180	3,460,729	3,475,119	3,541,419
Net income (loss)	$ 0.23	$ 0.03	$ (0.59)	$ 1.46	$ 1.37
Assuming dilution:					
Weighted average number of common shares outstanding	3,462,677	3,461,867	3,460,729	3,642,624	3,709,050
Net income (loss)	$ 0.23	$ 0.03	$ (0.59)	$ 1.42	$ 1.33
Cash dividends	$ 0.20	$ 0.20	$ 0.20	$ 0.20	$ 0.20
BALANCE SHEET DATA:					
Cash and cash equivalents	$ 530	$ 3,353	$ 2,143	$ 717	$ 5,142
Working capital	6,345	6,732	6,002	9,193	9,175
Total assets	40,088	41,580	44,440	45,872	41,913
Total debt	9,018	10,335	9,800	9,800	9,844
Shareholders' equity	22,226	22,081	22,470	25,687	21,284

</TABLE>

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(1) The 1998 results of operations include the recovery of $600,000 of past due rent associated with equipment leased to one of the Company's licensees and $80,000 of incremental expenses associated with the Company's consideration of strategic alternatives which aggregate to a net gain of $520,000 ($325,000 after related income tax expense). Additional discussion is provided in Management's Discussion and Analysis of Financial Condition and Results of Operations and the Notes to Consolidated Financial Statements.

(2) The 1997 results of operations include income and expenses associated with restructuring activities which aggregate to a net gain of $272,000 ($169,000 after related income tax expense). Additional discussion is provided in Management's Discussion and Analysis of Financial Condition and Results of Operations and the Notes to Consolidated Financial Statements.

(3) The 1996 results of operations include special charges relating to executive severance accruals ($593,000), a loss on the disposal of fixed assets ($725,000) and the disposal of licensee and Company held inventories ($920,000); aggregating to $1,482,000 after related income tax benefits.

(4) The financial data includes the results of the Sugar Creek Foods acquisition beginning March 1, 1994.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

For the year ended December 31, 1998, the Company recorded sales of $63.5 million which resulted in net income of $795,000 or $0.23 per share. These results compare with net income of $108,000 ($0.03 per share) in 1997 and a net loss of $2,046,000 ($0.59 per share) in 1996. The increased profitability reflects an improved sales mix towards more profitable business, improved second half sales volume in 1998 and a continued emphasis on expense control. Management has placed considerable attention on each of these objectives contributing to the improved results as it has sought to build on the turn-around initiatives begun in 1997.

The 1998 results also include the recovery of $600,000 of past due rent associated with ice cream making equipment leased to one of the Company's licensee customers as well as approximately $80,000 of incremental expenses associated with the Company's previously announced decision to explore strategic alternatives. Combined, these two items accounted for additional net income of approximately $325,000 ($0.09 per share) after related tax effects.

The 1997 results include income (offset by certain expenses) associated with restructuring activities which aggregate to a net gain of $272,000 ($169,000 or $0.05 per share after related tax effects.) The 1996 loss was attributable to a softening of sales in the Company's principal markets, related third quarter inventory and equipment write-offs and a severance accrual, which totaled $1,482,000 ($0.43 per share) after related tax benefits. Additional details regarding all of these items are provided below.

NET SALES AND GROSS PROFIT

Net sales consist of the following:

<TABLE>
<CAPTION>

For the year ended December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
ESKIMO PIE brand	$ 22,038	$ 23,380	$ 21,483
Other licensed brands	19,610	21,048	29,685
Total licensed brands	41,648	44,428	51,168
Flavors and ingredients	12,040	12,319	12,570
Foodservice	8,127	8,164	8,763
Packaging and other revenues	1,677	1,481	1,583
	$ 63,492	$ 66,392	$ 74,084

</TABLE>

The Company's primary ice cream and frozen novelty business competes in a mature category which is dominated by two of the world's largest food conglomerates who together account for over one third of the category's sales. There has also been reduced consumer demand for ice cream and frozen novelty products in recent years. According to IRI, consumer purchases within the frozen novelty category were flat in 1998 following two years of 3% declines. Packaged ice cream producers continue to seek consumer attention with retail price promotions thus providing a less expensive alternative to the Company's novelty products. The competitive environment and recent consumption trends have provided challenges to management's attempts to return the Company to its former profitability.

1998 COMPARED WITH 1997, ESKIMO PIE BRAND

ESKIMO PIE brand sales decreased 5.8% for the year due to significant sales declines during the first half of the year which was affected by unseasonably cool and wet weather in some of the Company's strongest (West Coast) markets.

However, ESKIMO PIE brand sales increased by 16.9% in the second half of 1998, as compared with 1997, as a result of increased distribution into the populous Northeast markets and increased promotional activity during the later part of the 1998 summer selling season. Although the second half improvements were not large enough to fully mitigate the declines during the first half of 1998, management believes the improved performance is encouraging for the long term prospects of the Company's own ESKIMO PIE brand.

1998 COMPARED WITH 1997, OTHER LICENSED BRANDS

Sales of other licensed brand products (REALFRUIT, Welch's, Weight Watchers Smart Ones, OREO and SnackWell's brands) decreased 6.8% in 1998. As is similar to the trends noted with the ESKIMO PIE brand, these sales were much stronger in the second half of 1998 (actually showing an 11.3% improvement over 1997) but not enough to offset declines from the first half of the year.

Welch's brand sales declined in the first half of 1998 due largely to El Nino effects in the West Coast markets where the Welch's brand has its strongest consumer acceptance. Second half Welch's brand sales returned to prior year levels consistent with expectations.

Weight Watchers brand sales increased 17.8% during 1998 due largely to the successful repositioning of this line of products under the Smart Ones trademark. Weight Watchers International, Inc., the owner of the Weight Watchers and Smart Ones trademarks, converted its entire line of products to the Smart Ones brand and contributed part of their 1998 earned royalties to the Company's cost of converting to the new trademark. This conversion is credited for much of the improved consumer acceptance of these products.

Sales of OREO and SnackWell's brands decreased 13.3% during 1998 as compared with 1997. The decrease is due to the discontinuance of the packaged ice cream products sold under these brands and the continued consumer retreat from "good-for-you" products. However, test market introduction of two new OREO brand novelties provided additional sales volume that reduced the overall decline in these brands. There was strong consumer and trade acceptance of the new OREO novelties and as such, distribution will be expanded in 1999 along with a test market introduction of a third OREO novelty.

Sales of REALFRUIT brand sorbet continued to decline in 1998 consistent with category trends.

Other licensed brands also include approximately $850,000 of 1998 sales from the single serve impulse market. The Company entered the single serve market during 1998 with a range of ESKIMO PIE, Welch's and OREO brand novelty products created specifically for this retail channel. The Company was pleased with the results of this initiative and expects to expand distribution and sales in 1999.

1997 COMPARED WITH 1996

ESKIMO PIE brand sales increased 8.8% in 1997 primarily as a result of the Company's focus on increasing the distribution of the traditional ESKIMO PIE DARK AND MILK CHOCOLATE ice cream bars in the southeastern part of the United States. Company sales of related component packaging, flavors and ingredients reflect the trends noted in consumer purchases of ESKIMO PIE brand products which, according to IRI, achieved its first increase since 1993.

Sales of other licensed brand products decreased 29.0% in 1997 primarily due to a $6.2 million decline in SnackWell's brand sales. Limited repeat sales

occurred within the SnackWell's half gallon line, introduced in the first quarter of 1996, as a result of the reduced consumer demand for "good-for-you" products. Weight Watchers novelties and RealFruit sorbet products experienced decreased sales in 1997 as a result of reduced consumer demand and increased competition for similar "good-for-you" products. Sales of Welch's brand products increased by 1.4% in 1997 and helped to mitigate the decline in other brands. The Welch's improvement occurred in spite of a declining category and a major national competitive introduction within the fruit juice bar category.

FLAVORS AND INGREDIENTS

The annual sales of private label flavors and ingredients declined slightly during 1998 and 1997, but as is similar to the trend seen in the licensed business, increased during the second half of 1998. These trends follow the loss of several large customers (in 1997) following the previously announced closure of the Los Angeles production facility and improvements from focused emphasis by dedicated flavors personnel assigned to this division as part of the 1997 corporate restructuring.

FOODSERVICE

Foodservice division sales were stable in 1998 after decreasing by 6.8% in 1997. Second half 1998 sales increased by 12.0% over the 1997 levels due to a new high volume foodservice customer who signed on with the Company in June 1998. The division's ability to offer foodservice operators a choice between branded ice cream and yogurt products has provided opportunities that management believes is unavailable to the Company's primary competitors. The Company will expand its promotion of this "Right Choice" approach as a key to meeting 1999 Foodservice division objectives.

GROSS PROFIT

Gross profit, as a percent of sales, was stable in 1998 (40.1% verses 40.2% in 1997) exclusive of the fourth quarter benefit of the recovery of $600,000 in past due rental income discussed below. Gross profit remains strong due to the improved product mix (which includes a higher percentage of ESKIMO PIE and other National Brands products), the favorable impact of the third quarter 1997 Flavors consolidation and the full year benefit of 1997's initiatives to obtain more favorable pricing on key materials and ingredients.

Gross margins increased in 1997 to 40.2% (from 35.6% in 1996) due largely to changes in the sales mix which included more high margin ESKIMO PIE business than in 1996. The remaining improvement in gross margins resulted from negotiated savings in material costs and reduced costs from inventory obsolescence (there was approximately $920,000 in special third quarter charges in 1996 relating to the disposal of licensee and Company owned inventories).

Regarding the $600,000 of rental income recorded in 1998, one of the Company's licensee customers had leased ice cream making equipment from the Company which provided rental income based on the "units of production" manufactured on the equipment. Since 1992, the Company has received annual rental payments that, in the aggregate, were less than that required to fully amortize the Company's original investment. The customer acknowledged its past due obligation and agreed to pay $600,000 to bring the lease current at December 31, 1998. As collectibility of the lease payments was not reasonably predictable, no contingent rent had been previously recorded and the $600,000 recovery was recognized in the fourth quarter 1998 results as a reduction of cost of goods sold (consistent with the previous rent received on this equipment).

Significant attention has been focused on the ice cream industry based on 1998 butterfat prices which increased by approximately 150% from 1997 levels. As a licensing company which does not actually produce finished novelties and

packaged ice cream products, the Company is not directly impacted by the increased cost of this commodity. However, some of the Company's licensees have increased the price of the Company's licensed ice cream and novelty products they produce as a result of the butterfat cost increases which may ultimately affect consumer demand and the Company's sale of related components and packaging. The Company is also affected by butterfat pricing in connection with premium soft serve ice cream products sold to the foodservice industry. Butterfat purchases within the Foodservice division traditionally account for less than 1% of consolidated cost of goods sold. Butterfat pricing has begun to return to lower levels during the first quarter of 1999.

EXPENSES AND OTHER INCOME

In absolute dollars, advertising and sales promotion expenses decreased

6.2% in 1998 and 2.2% in 1997. A large portion of the Company's promotional spending is volume based trade support and as sales decline, spending against promotional commitments declines as well. However, as a percent of sales, promotional spending remained fairly constant in 1998 at 25.3% after increasing to 25.8% in 1997 as compared with 23.6% in 1996. The increased spending, as a percent of sales, reflects the Company's stated plans to reinvest in its core ESKIMO PIE and other nationally branded novelty business.

Selling, general and administrative expenses decreased $1,095,000 or 11.7% in 1998 after a decrease of $960,000 or 9.3% in 1997. These expenses continue to decline as a result of management's cost control initiatives and restructuring activities. Savings continue to be realized throughout all divisions and categories of spending.

During the third quarter of 1997, the Company consolidated its flavors production in New Berlin, Wisconsin. In connection with the consolidation, the Company discontinued flavors operations in Los Angeles, California, terminated the employment of the plant's 14 employees and sold the plant facility. Included in income from restructuring activities is an approximate $1,000,000 gain from the sale of plant assets offset primarily by approximately $300,000 of employee severances. The Company used a portion of the proceeds from the sale of the Los Angeles facility to complete an expansion of the New Berlin facility. The New Berlin expansion, which cost approximately $800,000, provides the necessary capacity to serve the Company's current and expected business requirements at costs which are lower than operating two plants.

During the fourth quarter of 1997, the Company completed a restructuring of its operations into a divisional operating unit alignment. In connection with this restructuring, two senior level employees were terminated with severance benefits of approximately $215,000. In addition, $200,000 of previously incurred severance and other non-recurring costs associated with the Company's 1997 restructuring activities were offset against the income recognized from the flavors consolidation. The Company also recorded $593,000 of restructuring charges during the third quarter of 1996, relating to severance commitments associated with a change in executive management. All severance commitments associated with the above restructuring activities have been paid as of December 31, 1998.

In the third quarter of 1996, the Company also recorded losses on the disposal of fixed assets of $725,000 relating to equipment leased to one of the Company's licensees. The licensee had asked to have the equipment removed and no alternate use appeared available. During 1997, the Company identified buyers for certain components of the equipment written off in 1996. The 1997 gains on disposal of fixed assets of $184,000 equals the proceeds received from the sale of the equipment which had no book value at the beginning of 1997.

SEASONALITY

The frozen novelty industry is highly seasonal with sales concentrated in the summer months. Because the Company supplies packaging and ingredients to manufacturers of its licensed and sublicensed products, the Company has a higher level of sales preceding and during the summer months.

The following table provides two years of unaudited quarterly financial data:

<TABLE>
<CAPTION>

FOR THE 1998 QUARTER ENDED	MARCH 31	JUNE 30	SEPT 30	DEC 31
<S>	<C>	<C>	<C>	<C>
(IN THOUSANDS, EXCEPT PER SHARE DATA)				
NET SALES	$16,031	$20,114	$15,179	$12,168
GROSS PROFIT	6,530	9,062	6,154	4,336
NET INCOME (LOSS)	201	1,049	65	(520)
PER SHARE				
BASIC	0.06	0.30	0.02	(0.15)
ASSUMING DILUTION	0.06	0.30	0.02	(0.15)

For the 1997 quarter ended	March 31	June 30	Sept 30	Dec 31
(IN THOUSANDS, EXCEPT PER SHARE DATA)				
Net sales	$18,078	$23,837	$13,124	$11,354
Gross profit	7,489	10,295	5,160	3,767
Net income (loss)	53	1,013	164	(1,121)
Per share				
Basic	0.02	0.29	0.05	(0.32)
Assuming dilution	0.02	0.29	0.05	(0.32)

</TABLE>

As discussed under the caption Net Sales and Gross Profit above, the Company recorded $600,000 of past due rental income in the fourth quarter of 1998. There was also approximately $80,000 of incremental expenses associated with the previously announced decision to explore strategic alternatives. Combined, these two items provided additional net income of $325,000 ($0.09 per share) after related tax effects.

Third and fourth quarter 1997 results include the effects of restructuring activities as discussed under the caption Expenses and Other Income.

During the third quarter of 1996, the Company recorded special charges relating to the previously discussed executive severance ($593,000), the loss on disposal of fixed assets ($725,000) and the disposal of licensee and Company held inventories ($920,000). After related tax benefits, the special charges reduced third quarter 1996 net income by approximately $1,482,000 ($0.43 per share).

LIQUIDITY, CAPITAL RESOURCES AND OTHER MATTERS

The Company's utilization of licensees in its national branded novelty business allows it to operate with relatively low capital requirements. The Company's licensing strategy reduces working capital requirements to that necessary to support advertising, sales promotion and administrative activities rather than the much larger amounts that would be required to support the self-manufacture of finished consumer goods. Working capital requirements generally precede the seasonal pattern of the Company's sales. The Company believes that the cash generated from operations and funds available under its credit agreements provide the Company with sufficient funds and the financial flexibility to support its ongoing business.

The Company's principal customers are eight licensee dairies, who account for approximately 67% of the Company's net sales. Each licensee operates within geographic territorial boundaries under agreements which generally include three

year terms subject to termination by the Company for quality control violations, failure to meet minimum volume requirements or material changes in the Company's ownership or the licensee's business. These agreements provide for six to twelve month transition periods in the event of termination. Beginning in 1999, licensees are required to contribute to trade promotion spending and make separate quarterly payments to the Company for licensing fees which are expected to aggregate to $840,000 annually through 2001.

The Company's licensing strategy allows it to select a stronger customer base which it can actively monitor to minimize the impact of an unforeseen loss of any of its licensee customers. The loss of one or more of these major licensees could cause some disruption in the Company's operations, although, based upon prior experience with replacing major licensees, management believes it could locate a suitable replacement within a short period of time and, as a result, such customer loss would not have a significant impact on the Company's operations, liquidity or capital resources.

During the third quarter of 1998, the Company extended its licensing agreement with Welch Foods, Inc. (Welch's). Under the agreement, the Company will continue to provide product development, sales, marketing and production

support for the Welch's Fruit Juice Bars which the Company has managed since 1980. The extended licensing agreement continues through the year 2008 and provides for enhanced opportunities for new product development under the Welch's trademark. The Company paid Welch's approximately $800,000 in August 1998 as partial payment against a total $1,500,000 of license fees payable over the term of the license. There are no guaranteed or required payments under the license and certain termination clauses exist which would preclude payment of the balance of the license fees.

As partial consideration in connection with the 1994 acquisition of Sugar Creek Foods, the Company issued $3,800,000 in convertible subordinated notes payable to the former Sugar Creek Foods shareholders. These notes became due in February 1999 and are classified with long term debt as the Company refinanced the notes on a long term basis (through April 2000) under a committed line of credit available to the Company. The line of credit imposes, among other things, certain requirements on the ratio of total debt to net worth, the maintenance of minimum shareholders' equity and minimum interest coverage. No assets are pledged as security under this or any other credit.

During 1996, the Company's Board of Directors increased management's authorization to repurchase the Company's Common Stock. The additional 112,000 shares authorized, when combined with previously approved authorizations, will allow the Company to repurchase up to 348,000 shares or approximately 10% of the then outstanding Common Stock. Pursuant to this renewed authorization, management repurchased 35,000 shares in 1996 at a cost of approximately $611,000.

On February 26, 1999, the Board of Directors declared a quarterly cash dividend of $.05 per share, payable April 2, 1999, to Shareholders of Record on March 12, 1999. While the Company anticipates a regular quarterly dividend, the amount and timing of any future dividends will depend on the general business conditions encountered by the Company, as well as the financial condition, earnings and capital requirements of the Company and other factors deemed relevant by the Board of Directors.

As previously announced, the Company received, on November 17, 1998, an unsolicited offer from Yogen Fruz World-Wide Incorporated (Yogen Fruz) to acquire 100% of the outstanding shares of the Company, at a cash price of $10.25 per share, in a negotiated transaction, which the Board of Directors rejected. On December 2, 1998, the Company rejected a similar, but somewhat more conditional, proposal by Yogen Fruz at $13.00 per share and announced that its Board of Directors had requested its financial advisors to work with the Company's management in exploring the full range of strategies available to enhance shareholder value. The Company's Board and management, with assistance from its financial advisors, continues to devote significant attention to this process.

IMPACT OF YEAR 2000

Recently, considerable attention has been given to the Year 2000 (Y2K) Problem which stems from the inability of certain computerized applications and devices (hardware, software and equipment) to process dates after December 31, 1999. The Company's efforts to address the Y2K Problem consists of three main components; the implementation of a new management information system, review of other internal systems and equipment, and inquires of external trading partners (key licensees, customers, suppliers, service providers).

The Company is in the process of implementing a new management information system that will, among other benefits which extend well beyond Y2K Problems, address the Company's Y2K Problems relating to financial and operational management information. The new information system is installed and implementation is complete in over half of the Company's operations. The remaining operations are expected to be implemented by mid-1999. Project expenditures relating to the new management information system approximate $1,500,000 through December 31, 1998 and the Company expects to incur an additional $250,000 to complete the project. The costs of the new management information system have been capitalized under the provisions of the AICPA's Statement of Position 98-1 and will be amortized to expense over the expected useful life of the system.

The Company is also in the process of reviewing other internal systems and equipment to assess their exposure to the Y2K Problem. Most of the Company's plant and office equipment is mechanical in nature and therefore, may not be subject to the Y2K Problem. The Company has begun its review of operations and will develop remedies and contingency plans to address problems if and when they are identified. The Company expects to complete its review of other internal systems and equipment during the second quarter of 1999. At this time, management does not believe that the costs to remedy Y2K Problems associated with other internal systems and equipment will be material, however, no guarantee can be made that problems will not be identified that require material costs to remedy.

Finally, the Company has begun to make inquires with its external trading partners. Such inquiries will result in the collection and appraisal of voluntary statements made by external parties with limited opportunity for independent factual verification. Although the Company will undertake reasonable efforts to determine the readiness of its trading partners, no assurance can be given to the validity or reliability of information obtained. Prior to June 30, 1999, the Company expects to develop initial contingency plans to address the potential failure of its key trading partners to be Y2K compliant. Management believes, based on past experience, that it could locate suitable replacements if any partners were lost due to Y2K Problems. However, the Company can not reliably predict the readiness of all of its partners (as well as the readiness of their respective external trading partners) and as such, the Company could be affected by the disruption of other business interests outside of the Company's control.

The Company believes its approach to the Y2K Problem is adequate to maintain the continuation of its business operation with limited financial or operational impact. However, the Y2K Problem has many aspects and potential consequences, some of which may not be reasonably anticipated, and there can be no assurance that unforeseen consequences will not arise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company believes that its exposure to market risks is not material.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

For the year ended December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
(IN THOUSANDS, EXCEPT PER SHARE DATA)			
Net sales	$ 63,492	$ 66,392	$ 74,084
Cost of products sold	37,410	39,682	47,674
Gross profit	26,082	26,710	26,410
Advertising and sales promotion expenses	16,074	17,136	17,518
Selling, general and administrative expenses	8,253	9,348	10,308
Income (expense) from restructuring activities	-	272	(593)
Operating income (loss)	1,755	498	(2,009)
Interest income	172	221	217
Interest expense and other - net	665	(729)	(714)
Gain (loss) on disposal of fixed assets	-	184	(777)

Income (loss) before income taxes	1,262	174	(3,283)
Income tax expense (benefit)	467	66	(1,237)
Net income (loss)	$ 795	$ 108	$ (2,046)
Per Share Data			
Basic:			
Weighted average number of common shares outstanding	3,458,394	3,456,180	3,460,729
Net income (loss)	$ 0.23	$ 0.03	$ (0.59)
Assuming dilution:			
Weighted average number of common shares outstanding	3,462,677	3,461,867	3,460,729
Net income (loss)	$ 0.23	$ 0.03	$ (0.59)

</TABLE>

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

(IN THOUSANDS, EXCEPT SHARE DATA)	Common Stock Shares	Common Stock Amount	Additional Capital	Retained Earnings	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 1996	3,475,003	$ 3,475	$ 4,620	$ 17,592	$ 25,687
Net (loss)				(2,046)	(2,046)
Cash dividends ($0.20 per share)				(692)	(692)
Issuance of common stock	7,570	8	124		132
Purchase of common stock	(35,000)	(35)	(576)		(611)
Balance at December 31, 1996	3,447,573	3,448	4,168	14,854	22,470
Net income				108	108
Cash dividends ($0.20 per share)				(692)	(692)
Issuance of common stock	10,429	10	115		125
Compensation from stock option grant			70		70
Balance at December 31, 1997	3,458,002	3,458	4,353	14,270	22,081
NET INCOME				795	795
CASH DIVIDENDS ($0.20 PER SHARE)				(691)	(691)
ISSUANCE OF COMMON STOCK	595	1	7		8
COMPENSATION FROM STOCK OPTION GRANT			33		33
BALANCE AT DECEMBER 31, 1998	3,458,597	$ 3,459	$ 4,393	$ 14,374	$ 22,226

</TABLE>

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

As of December 31, (IN THOUSANDS, EXCEPT SHARE DATA)	1998	1997
<S>	<C>	<C>
ASSETS		

Current assets:		
Cash and cash equivalents	$ 530	$ 3,353
Receivables	6,817	5,321
Inventories	4,897	4,342
Prepaid expenses	889	1,036
Total current assets	13,133	14,052
Property, plant and equipment - net	7,665	7,892
Goodwill and other intangibles	17,645	17,588
Other assets	1,645	2,048
Total assets	$ 40,088	$ 41,580
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,875	$ 3,386
Accrued advertising and promotion	1,728	1,389
Accrued compensation and related amounts	211	530
Other accrued expenses	657	698
Current portion of long term debt	1,317	1,317
Total current liabilities	6,788	7,320
Long term debt	3,901	5,218
Convertible subordinated notes	3,800	3,800
Postretirement benefits and other liabilities	3,373	3,161
Shareholders' equity:		
Preferred stock, $1.00 par value; 1,000,000 shares authorized, none issued and outstanding	-	-
Common stock, $1.00 par value; 10,000,000 shares authorized, 3,458,597 issued and outstanding in 1998 and 3,458,002 in 1997	3,459	3,458
Additional capital	4,393	4,353
Retained earnings	14,374	14,270
Total shareholders' equity	22,226	22,081
Total liabilities and shareholders' equity	$ 40,088	$ 41,580

</TABLE>

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

For the year ended December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
(IN THOUSANDS)			
Operating activities			
Net income (loss)	$ 795	$ 108	$ (2,046)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	2,657	2,512	2,530
(Gain) loss on disposal of fixed assets	-	(1,183)	777
Compensation from stock option grant	33	70	-
Change in deferred income taxes and other assets	451	(69)	(1,090)

Change in postretirement benefits and other liabilities	136	(333)	(177)
Change in receivables	(1,496)	(1,270)	4,644
Change in inventories and prepaid expenses	(729)	3,836	(2,007)
Change in accounts payable and accrued expenses	(531)	(2,762)	3,047
Net cash provided by operating activities	1,316	909	5,678
Investing activities			
Acquisition of intangible assets	(975)	(587)	(269)
Capital expenditures	(1,334)	(1,413)	(1,674)
Proceeds from disposal of fixed assets	-	1,994	-
Other	178	464	165
Net cash (used in) provided by investing activities	(2,131)	458	(1,778)
Financing activities			
Short term borrowings and (repayments) - net	-	-	(1,200)
Borrowings under long term credit facility	-	1,150	-
Principal payments on long term debt	(1,317)	(615)	-
Issuance of common stock	-	-	29
Repurchase of common stock	-	-	(611)
Cash dividends	(691)	(692)	(692)
Net cash used in financing activities	(2,008)	(157)	(2,474)
Change in cash and cash equivalents	(2,823)	1,210	1,426
Cash and cash equivalents at beginning of year	3,353	2,143	717
Cash and cash equivalents at end of year	$ 530	$ 3,353	$ 2,143
Income tax payments (recoveries)	$ 150	$ (1,632)	$ 1,878
Interest payments	$ 567	$ 636	$ 715

</TABLE>

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The Company, which operates primarily in the United States, markets and manufactures through its own plants and licensed dairies a broad range of frozen novelties, frozen yogurt, ice cream and sorbet products under the ESKIMO PIE, REALFRUIT, Welch's, Weight Watchers, Smart Ones, SnackWell's and OREO brand names. The Company also continues to manufacture ingredients and packaging for sale to the dairy industry.

PRINCIPLES OF CONSOLIDATION: The accounts of the Company and its wholly-owned subsidiaries are included in the consolidated financial statements after elimination of all material intercompany balances and transactions.

USE OF ESTIMATES: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS: The Company considers all highly liquid investments

with a maturity of three months or less when purchased to be cash equivalents. The carrying amount of cash equivalents approximates fair value because of the short maturity of those investments.

INVENTORIES: Inventories are stated at the lower of cost or market. The cost of inventories is determined by the last-in, first-out (LIFO) method except for approximately $625,000 of inventories at December 31, 1998 and $700,000 in 1997 which were determined by the first-in, first-out (FIFO) method. If the FIFO method was applied to LIFO inventories, total inventories would increase by approximately $1,039,000 at December 31, 1998 and $931,000 in 1997. LIFO liquidations reduced cost of goods sold by $120,000 in 1997 and $59,000 in 1996.

Inventories are classified as follows:

<TABLE>
<CAPTION>

As of December 31,	1998	1997
<S>	<C>	<C>
(IN THOUSANDS)		
Finished goods	$ 3,294	$ 2,943
Raw materials and packaging supplies	2,642	2,330
Total FIFO inventories	5,936	5,273
Reserve to adjust inventories to LIFO	(1,039)	(931)
	$ 4,897	$ 4,342

</TABLE>

PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION: Property, plant and equipment is stated at cost. Depreciation is provided by the straight line method over the estimated useful lives of the assets which is generally 30 years for buildings and six to ten years for machinery and equipment.

Property, plant and equipment is classified as follows:

<TABLE>
<CAPTION>

As of December 31,	1998	1997
<S>	<C>	<C>
(IN THOUSANDS)		
Land	$ 630	$ 630
Buildings	5,304	5,136
Machinery and equipment	10,789	8,718
Equipment leased or loaned to customers	3,727	3,665
Projects in progress	-	966
	20,450	19,115
Less accumulated depreciation	(12,785)	(11,223)
	$ 7,665	$ 7,892

</TABLE>

GOODWILL AND OTHER INTANGIBLES: Goodwill, which represents the excess of the purchase price of acquired companies over the fair value of the net assets acquired, is amortized on a straight line basis over 40 years. Other intangibles

include costs associated primarily with trademarks, sub-licensed brand names and

carton development and are amortized on a straight line basis over periods which range from four to twenty years. Accumulated amortization at December 31, 1998 and 1997 was approximately $2,831,000 and $2,060,000, respectively.

The Company periodically evaluates the recoverability of material components of goodwill and other intangibles based on expected undiscounted cash flows. Any impairment in value would be charged to earnings in the year recognized. The Company believes that no impairment of value exists as of December 31, 1998.

REVENUE RECOGNITION: The Company records sales when products are shipped from its manufacturing facilities or those of its "drop ship" vendors. No right of return exists. The Company also accrues licensing fees as they are earned based upon the terms of the respective licensing agreements.

ADVERTISING AND SALES PROMOTION EXPENSES: The Company generally expenses advertising and sales promotion costs in the period incurred. There were no material capitalized advertising and sales promotion costs as of December 31, 1998 and 1997.

PRODUCT DEVELOPMENT AND QUALITY CONTROL COSTS: Costs for product development and quality control, which are performed by the same personnel, are expensed as incurred and were approximately $1,300,000 in 1998, $1,350,000 in 1997 and $1,250,000 in 1996.

STOCK OPTIONS: The Company accounts for stock options granted under incentive stock plans in accordance with Accounting Principles Board Opinion No. 25 (APB 25), "ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES" and related interpretations.

NEW ACCOUNTING STANDARDS: In June 1997, the Financial Accounting Standards Board (FASB) issued Statement No. 131, "DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION", which redefines how operating segments are determined and requires disclosure of certain descriptive and financial information about a company's operating segments. In February 1998, the FASB issued Statement No. 132, "EMPLOYERS' DISCLOSURES ABOUT PENSIONS AND OTHER POSTRETIREMENT BENEFITS", which changes the disclosure requirements relating to pension and other postretirements benefit obligations. The adoption of these new standards will not affect the Company's financial position, results of operations or cash flows as their impact is limited to the form and content of financial statement disclosure which has been adopted herein.

In March 1998, the American Institute of Certified Public Accountants (AICPA) issued Statement of Position (SOP) 98-1, "ACCOUNTING FOR THE COSTS OF COMPUTER SOFTWARE DEVELOPED OR OBTAINED FOR INTERNAL USE". SOP 98-1 requires the capitalization of certain software development costs when purchasing and developing computer software for internal use. The Company has followed the guidance of SOP 98-1 to account for the costs associated with the implementation of its new management information system.

RECLASSIFICATIONS: Certain amounts in the prior year financial statements have been reclassified to conform with current presentation.

NOTE B - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. At December 31,

1998, the Company had $272,000 ($593,000 in 1997) of current deferred tax assets included in prepaid expenses and $567,000 ($739,000 in 1997) of long term deferred tax assets included in other assets.

The significant components of deferred taxes are as follows:

<TABLE>
<CAPTION>

As of December 31,	1998	1997

<S>	<C>	<C>
(IN THOUSANDS)		
CURRENT:		
Accrued severance benefits	$ -	$ 163
Inventory	86	251
Other current amounts	186	179
	272	593
NON-CURRENT:		
Accrued postretirement benefits	1,277	1,207
Net operating loss carryforwards	429	581
Depreciation and amortization	(1,137)	(1,026)
Other non-current amounts	(2)	(23)
	567	739
Total deferred tax assets	$ 839	$ 1,332

</TABLE>

At December 31, 1998, there is approximately $429,000 of tax benefits associated with approximately $1,200,000 of net operating loss (NOL) carryforwards which expire in 2011. No valuation allowance has been recorded against the benefits associated with the NOL as the Company believes it will generate sufficient taxable income in the future to ensure realization of the tax benefit.

Significant components of the provision for income taxes are as follows:

<TABLE>
<CAPTION>

For the year ended December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
(IN THOUSANDS)			
CURRENT:			
Federal	$ (23)	$ 165	$ (678)
State	(3)	33	(143)
Foreign	-	3	11
	(26)	201	(810)
DEFERRED:			
Federal	436	(111)	(353)
State	57	(24)	(74)
	493	(135)	(427)
Total income tax provision	$ 467	$ 66	$(1,237)

</TABLE>

A reconciliation of federal statutory and effective income tax rates is as follows:

<TABLE>
<CAPTION>

For the year ended December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
Federal statutory rate	34.0%	34.0%	(34.0)%
Effect of			
State taxes	4.6	4.4	(4.3)
Permanent differences and other	(1.6)	(.5)	.6

Effective income tax rate	37.0%	37.9%	(37.7)%

</TABLE>

NOTE C - FINANCING ARRANGEMENTS

<TABLE>
<CAPTION>

LONG TERM DEBT As of December 31,	CARRYING AMOUNT 1998	 1997
<S>	<C>	<C>
(IN THOUSANDS)		
Revolving credit facility (variable interest rate, currently 5.9%)	$ 4,643	$ 5,500
Long term line of credit (variable interest rate, currently 6.1%)	575	1,035
Convertible subordinated notes (4.5% interest rate)	3,800	3,800
	9,018	10,335
Less current maturities	(1,317)	(1,317)
	$ 7,701	$ 9,018

</TABLE>

Based upon prevailing interest rates and after consideration of credit risk, the carrying value of the Company's long term debt is a fair approximation of market value.

In 1994, the Company entered into a $6,000,000, ten year revolving credit facility with a commercial bank which provided for renewable loans with required principal reductions beginning in June 1997. Under the terms of the agreement, the Company will retire the loan over the seven year period ending June 2004. Except for the amounts due in 1999, the Company has classified all of this loan as long term debt based upon its ability and intention to defer payment past 1999.

During 1997, the Company borrowed $1,150,000 under an existing long term line of credit to finance the acquisition of computer hardware and software. Borrowings under the line bear interest at the 30 day LIBOR rate plus 100 basis points and will be repaid in equal monthly installments through April 2000.

As partial consideration in connection with the 1994 acquisition of Sugar Creek Foods, the Company issued $3,800,000 in convertible subordinated notes to the former Sugar Creek Foods' shareholders. These notes became due in February 1999 and are classified with long term debt as the Company refinanced the notes on a long term basis (through April 2000) under the committed line of credit discussed below. The Company had previously reserved 162,567 shares of its common stock for conversion of the notes (at $23 3/8 per share).

During 1998, the Company renewed its $10,000,000 committed line of credit which is available for general corporate purposes through April 2000. Borrowings under the line bear interest at the bank's overnight money market rate plus 75 basis points. Although there were no borrowings under the line at December 31, 1998, the Company used this committed line of credit to refinance the February 1999 maturity of the convertible subordinated notes discussed above.

The revolving and committed credit agreements impose, among other things, certain requirements on the ratio of total debt to net worth, the maintenance of minimum shareholders' equity and minimum interest coverage. No assets are pledged as security under these agreements.

The combined aggregate amount of the scheduled maturites for all long term debt is as follows:

1999	2000	2001	2002	2003	2004
$1,317	$ 4,772	$ 857	$ 857	$ 857	$ 358

NOTE D - SHAREHOLDERS' EQUITY

STOCK OPTIONS

Under the Company's Incentive Stock Plans (the Plans), key employees and non-employee directors of the Company may receive grants and awards of up to a total of 425,000 shares of stock options, stock appreciation rights and restricted stock.

Stock options are generally granted at a price not less than the fair market value on the date the options are granted, become exercisable at various intervals which generally range from six months to four years after the date of the grant and expire after ten years. Effective January 7, 1999, the Board of Directors authorized that all outstanding option agreements be amended to provide for immediate exercise upon a corporate change of control (as defined).

The details of stock option activity are as follows:

<TABLE>
<CAPTION>

	Number of Shares	Range of Exercise Prices	Weighted Average Exercise Price
<S>	<C>	<C>	<C>
1996			
Outstanding, beginning of year	59,025	$ 17.00-19.75	
Granted	142,711	18.75-21.25	$ 18.80
Exercised	1,667	17.25	17.25
Cancelled	161,274	17.00-20.50	18.67
Outstanding, end of year	138,227	17.00-21.25	18.60
Exercisable, end of year	60,609	17.00-21.25	17.87
1997			
Granted at fair market value	125,986	10.88 - 12.50	12.49
Granted at less than fair market value	50,000	10.00	10.00
Cancelled	92,874	12.50 - 20.50	17.53
Outstanding, end of year	221,339	10.00 - 21.25	13.63
Exercisable, end of year	61,236	10.00 - 21.25	15.57
1998			
GRANTED	81,000	13.38 - 14.50	13.39
CANCELLED	58,233	10.88 - 21.25	16.45
OUTSTANDING, END OF YEAR	244,106	10.00 - 21.25	12.87
EXERCISABLE, END OF YEAR	55,569	10.00 - 21.25	13.25

</TABLE>

Included in the amounts shown above is the effect of certain modifications made to prior year awards during 1997. On March 4, 1997, the Board of Directors approved a plan whereby employee stock options on a total of 48,100 shares with a weighted average exercise price of $18.51 were exchanged for 37,486 shares of repriced options with an exercise price of $12.50 per share. The repriced and forfeited options, which had an equivalent value under the Black-Scholes Option Pricing Model, are included in the 1997 "Granted at fair market value" and "Cancelled" captions, respectively, in the above table.

On March 4, 1997, the Company also awarded 50,000 shares of stock options at a $2.50 discount to the then fair market value of $12.50 per share.

This discount-to-market is being expensed over a three year graded scale consistent with the terms upon which the options become exercisable. Approximately $33,000 was charged to expense in 1998 ($70,000 in 1997) as a result of this award.

As permitted by the provisions of Statement of Financial Accounting Standards No. 123 (SFAS 123), "ACCOUNTING FOR STOCK BASED COMPENSATION", the Company continues to follow APB 25 and related interpretations in accounting for its stock based awards. As stock options are generally issued at the fair market value on the date of grant, the Company does not recognize compensation cost related to its stock option plans except as discussed above as it relates to stock option grants with exercise prices which were less than the fair market value on the date of the grant.

The following information is provided solely in connection with the disclosure requirements of SFAS 123. If the Company had elected to recognize

compensation expense related to its stock options in accordance with the provisions of SFAS 123, the additional costs from options granted since 1995 would have resulted in a pro forma net income of $564,000 in 1998 ($0.16 per share), a pro forma loss of $119,000 in 1997 ($0.03 per share) and a pro forma loss of $2,343,000 in 1996 ($0.68 per share). These pro forma amounts are not indicative of the future effects of applying the provisions of SFAS 123 since the respective vesting periods are used to measure each respective period's pro forma compensation expense.

The weighted average fair value of options granted in 1998, 1997 and 1996 was $5.16, $5.47 and $9.64 per share, respectively. The fair values were estimated at the date of grant using the Black-Scholes Option Pricing Model with the following weighted-average assumptions:

<TABLE>
<CAPTION>

For the year ended December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
Volatility factor	.319	.333	.292
Risk free interest rate	5.69%	6.49%	6.53%
Dividend yields	1.5%	1.6%	1.0%
Expected life (years)	7.2	7.1	8.5

</TABLE>

As of December 31, 1998, the weighted average remaining contractual life of all outstanding stock options was 8.4 years.

The Company has also granted the following restricted stock awards in accordance with the Plans:

For the year ended December 31,	1998	1997	1996
Number of shares issued	1,000	11,000	6,416
Weighted average fair value	$14.13	$ 12.35	$17.58

At December 31, 1998, approximately 137,000 shares were available for future grants under the Plans.

EARNINGS PER SHARE

The following table sets forth the computation of earnings per share:

<TABLE>
<CAPTION>

For the year ended December 31,	1998	1997	1996
<S>	<C>	<C>	<C>
Net income (loss)	$ 795,000	$ 108,000	$ (2,046,000)
Weighted average number of common shares outstanding	3,458,394	3,456,180	3,460,729
Dilutive effect of stock options	4,283	5,687	-
Weighted average number of common shares outstanding assuming potential dilution	3,462,677	3,461,867	3,460,729
Basic earnings per share	$0.23	$0.03	$(0.59)
Earnings per share - assuming dilution	$0.23	$0.03	$(0.59)

</TABLE>

Options to purchase 193,000 shares in 1998, 170,000 shares in 1997 and 138,000 shares in 1996 were not considered for their dilutive effect because the exercise price of the options exceeded the average market price for the respective year, and as such, the effect would be anti-dilutive.

Additional disclosure concerning the convertible subordinated notes is provided in Note C to the Consolidated Financial Statements. The effect of the assumed conversion was not considered for its dilutive effect in any of the years presented as the conversion would have been anti-dilutive.

SHAREHOLDER RIGHTS PLAN

In January 1993, the Board of Directors approved the adoption of the Shareholder Rights Agreement wherein, effective February 5, 1993, one Right attaches to and trades with each share of Common Stock. Each Right entitles the registered holder to purchase from the Company one one-hundredth of a share (Unit) of Series A Junior Participating Preferred Stock, par value $1.00 per share. The Company has designated 100,000 shares of its Preferred Stock as Series A Junior Participating Preferred Stock. The exercise price per Right is $75.00, subject to adjustment. Each Unit of Preferred Stock is structured to be the equivalent of one share of Common Stock.

The Rights are initially exercisable to purchase one Unit of Preferred Stock at the exercise price only if a person or group (Acquiring Person) acquires 20% or more of the Company's Common Stock or announces a tender offer for 20% or more of the outstanding Common Stock at which time the Rights detach and trade separately from the Common Stock. At any time thereafter, the Company may issue 1.5 shares of Common Stock in exchange for each Right other than those held by the Acquiring Person. Generally, if an Acquiring Person acquires 30% or more of the Company's Common Stock or an Acquiring Person merges into or combines with the Company, or if the Company is acquired in a merger or other business combination in which it does not survive, or if 50% of its earnings power or assets is sold, each Rights holder other than the Acquiring Person may be entitled, upon payment of the exercise price, to purchase securities of the Company or the surviving company having a market value equal to twice the exercise price. The Rights, which do not have voting privileges, expire in 2003, but may be redeemed under certain circumstances by the Board prior to that time for $.01 per Right.

NOTE E - RETIREMENT PLANS

The Company currently maintains two defined benefit pension plans covering substantially all salaried employees. These plans provide retirement benefits based primarily on employee compensation and years of service. In addition, the Company entered into an agreement to indemnify the cost of retiree

health care and life insurance benefits for salaried employees of the Company who had retired prior to April 1992. Under the agreement, the Company may elect to prepay the Company's remaining obligation. The Company does not provide postretirement health and life insurance benefits for employees who retire subsequent to April 1992. The above mentioned plans are collectively referred to as the "Plans."

The Company has adopted SFAS No. 132, "EMPLOYERS' DISCLOSURES ABOUT PENSIONS AND OTHER POSTRETIREMENT BENEFITS" which was issued in February 1998. The following information was prepared in accordance with the new standard.

The following table provides a reconciliation of Plan obligations, assets and the net funded status:

<TABLE>
<CAPTION>

For the year ended December 31,	PENSION BENEFITS 1998	1997	Other Benefits 1998	1997
<S>	<C>	<C>	<C>	<C>
(IN THOUSANDS)				
CHANGE IN BENEFIT OBLIGATION:				
Benefit obligation at beginning of year	$1,672	$1,428	$2,397	$2,407
Service cost	268	294	-	-
Interest cost	116	100	116	126
Actuarial (gain)/loss	13	(141)	29	(136)
Benefit payments	(17)	(9)	-	-
Benefit obligation at end of year	2,052	1,672	2,542	2,397
CHANGE IN PLAN ASSETS:				
Fair value of Plan assets at beginning of year	1,592	1,163	-	-
Actual return on Plan assets	196	225	-	-
Employer contributions	92	213	-	-
Benefit payments	(17)	(9)	-	-
Fair value of Plan assets at end of year	1,863	1,592	-	-
FUNDED STATUS:				
Benefit obligations in excess of Plan assets	189	80	2,542	2,397
Unrecognized actuarial gains	285	232	300	412
Accrued benefit cost	$474	$ 312	$2,842	$2,809

</TABLE>

The Company funds its ERISA qualified defined benefit plan in accordance with guidelines established by the U.S. Department of Labor and limitations under federal income tax regulations. Other benefit plans are funded as benefit payments are required. The projected and accumulated benefit obligation for the Company's unfunded, non-qualified, defined benefit pension plan were $400,000 and $245,000, respectively, as of December 31, 1998 ($293,000 and $256,000, respectively, in 1997).

The following table provides the components of the net periodic benefit cost:

<TABLE>
<CAPTION>

For the year ended December 31,	Pension Benefits 1998	1997	1996	Other Benefits 1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
(IN THOUSANDS)						
Service cost	$ 268	$ 294	$ 311	$ -	$ -	$ -

Interest cost	116	100	76	116	126	127
Expected return on Plan assets	(127)	(101)	(61)	-	-	-
Recognized net actuarial gain	(2)	(2)	-	(83)	(69)	(124)
Net period benefit cost	$ 255	$ 291	$ 326	$ 33	$ 57	$ 3

</TABLE>

The assumptions used in the measurement of the Company's benefit obligations are as follows:

	PENSION BENEFITS		Other Benefits	
As of December 31,	1998	1997	1998	1997
Benefit obligation at beginning of year	7%	7%	7.25%	7%
Rate of compensation increase	5%	5%		
Expected return on plan assets	8%	8%		

The weighted average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) is 5.75% for 1999 and is assumed to decrease to 5% in 2002 and remain at that level thereafter. A one percentage point increase or decrease in the assumed health care cost trend rate would change the accumulated postretirement benefit obligation by approximately $100,000 and the net periodic postretirement benefit cost by approximately $10,000. The Company recognizes 20% of deferred postretirement gains or losses annually.

The Company also sponsors a defined contribution plan which covers substantially all salaried and hourly employees. Company contributions are generally determined as a percentage of the covered employees' contributions up to 3% of the employees' annual salary. Amounts expensed under this plan were approximately $129,000 in 1998, $140,000 in 1997 and $142,000 in 1996.

NOTE F - BUSINESS SEGMENTS

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 131, "DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION," which the Company has adopted in the current year.

Effective January 1, 1998, the Company began operating under a divisional structure aligned with the separate lines of business based on the types of products sold. Prior to 1998, the Company was operated as a single business segment under a functional management structure (i.e. sales, production). Under the former alignment, sales were reported and reviewed by product line but costs and assets were aggregated on a corporate basis without reference to the respective products. SFAS No. 131 segment information is provided for 1998 however, only sales is provided for 1997 and 1996 as other financial data was not previously captured with adequate detail to allow for accurate restatement.

The Company's reportable segments are separate divisions that offer different products although customers are often served by more than one segment (primarily as it relates to the National Brands and Flavors division customers). The National Brands division sells proprietary flavorings, ingredients and packaging used in the licensed production of the Company's nationally branded frozen novelties and other ice cream products. The Flavors division sells flavors and ingredients to dairies for use in non-licensed dairy products (such as private label ice cream, flavored milk and cultured dairy products). The Foodservice division sells soft serve yogurt and premium ice cream mix to foodservice distributors. The Other segment consists primarily of amounts relating to the Company's Packaging division.

Management measures divisional operating performance based on operating profit before selling, general and administrative expenses. Operating profit for the National Brands and Flavors divisions include the effect of $600,000 of

inter-segment cost allocations associated with the Flavors division's production of National Brands flavors and ingredients. This inter-segment charge, which has no net effect on consolidated profitability, increases Flavors' profitability with an offsetting decrease in the National Brands profitability.

Segment assets include inventories; property, plant and equipment; and goodwill and other intangibles. All other assets are managed on a corporate basis and are not considered in divisional analysis. The accounting policies for each of the business segments are the same as those described in the summary of significant accounting policies.

<TABLE>
<CAPTION>

BUSINESS SEGMENTS	NATIONAL BRANDS	FLAVORS	FOODSERVICE	OTHER	TOTALS
<S>	<C>	<C>	<C>	<C>	<C>
(IN THOUSANDS)					
1998 SEGMENT DATA					
Sales	$41,648	$12,040	$ 8,127	$ 1,677	$ 63,492
Depreciation and amortization expense	1,045	363	742	122	2,272
Corporate expense					385
Total depreciation and amortization expenses					$ 2,657
Segment profitability	$ 7,054	$ 1,559	$ 1,848	$ (453)	$ 10,008
Selling, general and administrative expenses					8,253
Interest income & expenses - net					493
Income before income taxes					$ 1,262
Identifiable assets	$ 9,767	$ 4,773	$ 12,379	$ 991	$ 27,910
Corporate assets					12,178
Total assets					40,088
Capital Expenditures	$ 145	$ 639	$ 256	$ 95	1,135
Corporate expenditures					199
Total capital expenditures					$ 1,334
1997 SEGMENT DATA					
Sales	$44,428	$12,319	$ 8,164	$ 1,481	$ 66,392
1996 SEGMENT DATA					
Sales	$51,168	$12,570	$ 8,763	$ 1,583	$ 74,084

</TABLE>

Due to the nature of the Company's licensing operations, four of the licensee dairies individually account for over 10% of the Company's total net sales. These four customers, in the aggregate, account for approximately 50% of annual net sales, most of which occur within the National Brands division. Based upon prior experience, management believes it could find a suitable replacement for the loss of any of its licensees and, as a result, such loss would not have a significant effect on the Company's operations, liquidity or capital resources.

NOTE G - INCOME (EXPENSE) FROM RESTRUCTURING ACTIVITIES

During the third quarter of 1997, the Company consolidated its flavors

production in New Berlin, Wisconsin. In connection with the consolidation, the Company discontinued flavors operations in Los Angeles, California, terminated the employment of the plant's 14 employees and sold the plant facility. The Company recorded third quarter 1997 income of $689,000 which included a $1,000,000 gain from the sale of the Los Angeles plant offset primarily by employee severances.

During the fourth quarter of 1997, the Company completed a restructuring of its operations into a divisional operating unit alignment. In connection with this restructuring, two senior level employees were terminated with severance benefits of approximately $215,000. In addition, $200,000 of previously incurred severance and other non-recurring costs associated with the Company's 1997 restructuring activities were offset against the income recognized from the Flavors consolidation. During the third quarter of 1996, the Company recorded $593,000 of restructuring charges relating to severance commitments associated with a change in executive management. All severance commitments associated with the restructuring activities have been paid as of December 31, 1998.

NOTE H - OTHER INFORMATION

The Company is subject to litigation incidental to the conduct of its business, the disposition of which is not expected to have a significant effect on the Company's financial condition or operations. The Company is also subject to government agency regulations relating to food products, environmental matters and other aspects of its business. The Company is involved in environmental testing activities resulting from past operations. The Company has recorded amounts which, in management's best estimate, will be sufficient to satisfy the anticipated cost of such activities.

In 1991, the Company sold, at its cost, approximately $1,000,000 of machinery and equipment purchased for resale. As a result of the sale, the Company received a ten year note, payable annually, from its customer. The long term portion of the note receivable amounts to approximately $275,000 at December 31, 1998 ($400,000 in 1997), which is included in other assets, and is net of an unamortized discount of approximately $58,000 ($100,000 in 1997). The note bears imputed interest at approximately 10% and is collateralized by the machinery and equipment. Based upon prevailing interest rates, and after consideration of credit risk, the carrying value is a fair approximation of market value.

During the fourth quarter of 1998, the Company entered into negotiations and reached a settlement of terms relating to past due rental income owed to the Company in connection with ice cream making equipment leased to one of the Company's licensee customers. The Company had previously received rental income based on the "units of production" manufactured on the equipment since 1992 but at amounts less than that required to fully amortize the Company's original investment. The customer acknowledged its past due obligation and agreed to pay $600,000 to bring the lease current at December 31, 1998. As collectibility of the lease payments was not reasonably predictable, no contingent rent had been previously recorded and the $600,000 recovery was recognized in the fourth quarter 1998 as a reduction of cost of goods sold (consistent with the previous rent received on this equipment). In January 1999, the Company sold the leased equipment to the licensee customer at the Company's net carrying value which, management believes, approximated the fair market value.

<TABLE>
<CAPTION>
REPORT OF INDEPENDENT AUDITORS, ERNST & YOUNG LLP

SHAREHOLDERS AND BOARD OF DIRECTORS
ESKIMO PIE CORPORATION

<S>

We have audited the accompanying consolidated

REPORT OF MANAGEMENT

ESKIMO PIE CORPORATION

<C>

The consolidated financial statements and other financial information of Eskimo Pie Corporation have

balance sheets of Eskimo Pie Corporation as of December 31, 1998 and 1997, and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Eskimo Pie Corporation at December 31, 1998 and 1997, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

Richmond, Virginia
February 26, 1999

been prepared by management, which is responsible for their integrity and objectivity. These statements have been prepared in accordance with generally accepted accounting principles and, where appropriate, reflect estimates based on judgements of management.

The Company maintains a system of internal financial controls which considers the expected costs and benefits of specific control procedures and provides reasonable assurance that Company assets are protected against loss or misuse, that transactions are executed in accordance with management's authorization and that the financial records can be relied upon to produce financial statements in accordance with generally accepted accounting principles. The internal financial controls system is supported by the management of the Company through the establishment and communication of business and accounting policies, the division of responsibility in organizational matters, and the careful selection and training of management personnel.

The consolidated financial statements have been audited by the Company's independent auditors, Ernst & Young LLP. Their audit was conducted in accordance with generally accepted auditing standards and their report is included elsewhere herein. As a part of their audit, Ernst & Young LLP develops and maintains an understanding of the Company's internal accounting controls and conducts such tests and employs such procedures as they consider necessary to render their opinion on the financial statements.

The Board of Directors exercises its oversight role with respect to the Company's system of internal financial controls primarily through its Audit Committee which consists of outside directors. The Board of Directors, upon the recommendation of the Audit Committee, selects the independent auditors subject to ratification by the shareholders. The Audit Committee meets periodically with representatives of management. Ernst & Young LLP has full and free access to meet with the Audit Committee, with or without the presence of management representatives.

/s/ David B. Kewer

DAVID B. KEWER
President
and Chief Executive Officer

/s/ Thomas M. Mishoe, Jr.

THOMAS M. MISHOE, JR.
Chief Financial Officer,
Vice President, Treasurer
and Corporate Secretary

</TABLE>

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information on the Company's Board of Directors is included under the

caption "Election of Directors" in the Registrant's Proxy Statement for the Annual Meeting to be held on May 12, 1999 (Proxy Statement) and is incorporated herein by reference. Information on Section 16(a) compliance is included under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information on compensation is included under the captions "Compensation Committee Interlocks and Insider Participation", "Compensation of Directors" and "Executive Compensation" in the Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information on security ownership of certain beneficial owners and management is included under the caption "Security Ownership of Certain Beneficial Owners and Management" in the Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information on certain relationships and related transactions is included under the caption "Certain Relationships" in the Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) The following financial statements of Eskimo Pie Corporation are included in Item 8:

Consolidated Statements of Income for the years ended December 31, 1998, 1997 and 1996

Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 1998, 1997 and 1996

Consolidated Balance Sheets at December 31, 1998 and 1997

Consolidated Statements of Cash Flows for the years ended December 31, 1998, 1997 and 1996

Notes to Consolidated Financial Statements

Report of Independent Auditors, Ernst & Young LLP

(2) FINANCIAL STATEMENTS SCHEDULES

No financial statement schedules are required because the required information is not present in amounts sufficient to warrant submission of the schedules or the required information is included in the consolidated financial statements or notes to consolidated financial statements.

(b) REPORTS ON FORM 8-K

Current Report on Form 8-K dated November 18, 1998 - Item 5. Other Events, to file the Company's press release response to an unsolicited proposal to acquire the Company.

Current Report on form 8-K dated December 2, 1998 - Item 5. Other Events, to file the Company's press release reponse to an unsolicited proposal to acquire the Company.

(c) EXHIBITS

The exhibits listed in the accompanying "Index of Exhibits" are filed as part of this Annual Report and each management contract or compensatory plan or arrangement included therein is identified as such.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, as of the 25th day of March, 1999.

ESKIMO PIE CORPORATION

/s/ David B. Kewer

David B. Kewer
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities as of the 25th day of March 1999.

<TABLE>
<CAPTION>

Signature	Title
<S>	<C>
/s/ David B. Kewer --- David B. Kewer	President and Chief Executive Officer (Principal Executive Officer)
/s/ Thomas M. Mishoe, Jr. --- Thomas M. Mishoe, Jr.	Chief Financial Officer, Vice President, Treasurer and Corporate Secretary (Principal Financial and Accounting Officer)
/s/ William T. Berry, Jr. --- William T. Berry, Jr.	Assistant Vice President, Controller
*/s/ Arnold H. Dreyfuss, Jr. --- Arnold H. Dreyfuss, Jr.	Chairman of the Board
*/s/ Wilson H. Flohr, Jr. --- Wilson H. Flohr, Jr.	Director
*/s/ F. Claiborne Johnston, Jr. --- F. Claiborne Johnston, Jr.	Director
*/s/ Daniel J. Ludeman --- Daniel J. Ludeman	Director
*/s/ Judith B. McBee --- Judith B. McBee	Director
*/s/ Robert C. Sledd ---	Director

Robert C. Sledd

*By /s/ David B. Kewer

David B. Kewer
Attorney-in-fact
</TABLE>

INDEX OF EXHIBITS

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation incorporated herein by reference to Exhibit C to the Company's Proxy Statement for its 1996 Annual Meeting of Shareholders.
3.2	Amended and Restated Bylaws incorporated herein by reference to Exhibit 3.2 to the Company's Report on Form 10-Q for the quarter ended June 30, 1996.
4.1	(a) Rights Agreement dated as of January 21, 1993, between the Company and Mellon Securities Trust Company, incorporated herein by reference to Exhibit 28.1 to the Company's Current Report on Form 8-K dated January 21, 1993.
	(b) Amendment No. 1, dated as of November 23, 1998, between Eskimo Pie Corporation and First Union National Bank, as successor Rights Agent, to Rights Agreement dated as of January 21, 1993, between the Company and Mellon Securities Trust Company, filed herewith.
4.2	The Company agrees to furnish to the Commission upon request any instrument with respect to long-term debt as to which the total amount of securities authorized thereunder does not exceed 10% of the Company's total consolidated assets.
10.1*	(a) Executive Severance Agreement between the Company and Thomas M. Mishoe, Jr. dated February 19, 1996, incorporated herein by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
	(b) Amendment No. 1, effective as of January 7, 1999, to the Executive Severance Agreement between the Company and Thomas M. Mishoe, Jr., dated February 19, 1996, filed herewith.
10.2*	(a) Executive Severance Agreement between the Company and William J. Weiskopf, dated September 1, 1997, incorporated herein by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997.
	(b) Amendment No. 1, effective as of January 7, 1999, to the Executive Severance Agreement between the Company and William J. Weiskopf, dated September 1, 1997, filed herewith.
10.3*	(a) Executive Severance Agreement between the Company and K. P. Ferryman dated August 21, 1995, incorporated herein by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
	(b) Amendment No. 1, effective as of January 7, 1999, to the Executive Severance Agreement between the Company and K. P. Ferryman, dated August 21, 1995, filed herewith.
10.4*	(a) Executive Severance Agreement between the Company and Craig L. Hettrich dated December 18, 1998, amending and superseding the Executive Severance Agreement dated February 2, 1998, filed herewith.
	(b) Amendment No. 1, effective as of January 7, 1999, to the Executive Severance Agreement between the Company and Craig L. Hettrich, dated December 18, 1998, filed herewith.

10.5* (a) Executive Severance Agreement between the Company and V. Stephen Kangisser dated May 15, 1996, incorporated herein by reference to Exhibit 10.6 to the Company's Report on Form 10-Q for the quarter ended June 30, 1996.

(b) Amendment No. 1, effective as of January 7, 1999, to the Executive Severance Agreement between the Company and V. Stephen Kangisser, dated May 15, 1996, filed herewith.

10.6* (a) Executive Severance Agreement between the Company and David B. Kewer dated March 1, 1997, incorporated herein by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

(b) Amendment No. 1, effective as of January 7, 1999, to the Executive Severance Agreement between the Company and David B. Kewer, dated March 1, 1997, filed herewith.

10.7* Incentive Stock Plan dated February 17, 1992, incorporated herein by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1 (Registration No.33-45852).

10.8* 1996 Incentive Stock Plan, as amended effective March 6, 1998, incorporated herein by reference to Exhibit 10.1 to the Company's Report on Form 10-Q for the quarter ended March 31, 1998.

10.9* Senior Management Annual Incentive Plan, dated as of January 1, 1993, incorporated herein by reference to Exhibit 10.7 of the Company's Annual Report on Form 10-K for the year ended December 31, 1992.

10.10* Salaried Retirement Plan dated as of April 6, 1992, as amended, filed herewith.

10.11* Executive Retirement Plan and Trust dated as of April 6, 1992, as amended, filed herewith.

10.12* Letter Agreement dated October 9, 1997 between the Company and Carl D. Hornbeak, incorporated herein by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997.

10.13* Letter Agreement dated September 19, 1996 between the Company and David V. Clark, incorporated herein by reference to Exhibit 10.15 to the Company's Report on Form 10-Q for the quarter ended September 30, 1996.

10.14 Master License Agreement between the Company and Welch Foods Inc. dated as of August 1, 1998, incorporated herein by reference to Exhibit 10.1 to the Company's Report on Form 10-Q for the quarter ended September 30, 1998.

10.15 Letter Agreement; dated March 20, 1998, for a $10,000,000 revolving line of credit between the Company and Crestar Bank, filed herewith.

10.16 (a) Credit Agreement, dated as of May 5, 1994, between the Company and First Union National Bank of Virginia, incorporated herein by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.

(b) Amendment No. 1, dated as of April 18, 1997, to the Credit Agreement, dated as of May 5, 1994, between the Company and First Union National Bank of Virginia, filed herewith.

(c) Amendment No. 2, dated as of April 28, 1998, to the Credit Agreement, dated as of May 5, 1994, between the Company and First Union National Bank of Virginia, filed herewith.

10.17 Agreement dated February 17, 1992 between the Company and Reynolds Metals Company, incorporated herein by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-1 (Registration No. 33-45852).

10.18 Form of Reimbursement Agreement dated as of February 17, 1992 between the Company and Reynolds Metals Company, incorporated herein by reference to Exhibit 10.18 to the Company's Registration Statement on Form S-1 (Registration No. 33-45852).

10.19* (a) Eskimo Pie Corporation Savings Plan and Trust, as amended, filed herewith.

10.20* Eskimo Pie Corporation Employee Stock Purchase Plan, as amended, filed herewith.

21. Subsidiaries of the Registrant.

23. Consent of Independent Auditors, Ernst & Young LLP.

24. Powers of Attorney.

27. Financial Data Schedules.

* Exhibits are Management Contracts or Compensatory Plans or Arrangements.

In accordance with the Securities and Exchange Commission's requirements, we will furnish copies of the exhibits listed for a copying fee of 10 cents per page. Please direct your request to:

Corporate Secretary
Eskimo Pie Corporation
P.O. Box 26906
Richmond, Virginia 23261-6906
Phone No. (804) 560-8400

EXHIBIT 4.1(b)

AMENDMENT NO. 1 TO RIGHTS AGREEMENT

This Amendment No. 1, dated as of November 23, 1998, between Eskimo Pie Corporation, a Virginia corporation (the "Company"), and First Union National Bank, as successor Rights Agent (the "Bank").

WHEREAS, the Company and Mellon Securities Trust Company entered into a Rights Agreement dated as of January 21, 1993 (the "Rights Agreement");

WHEREAS, pursuant to Section 21 of the Rights Agreement, the Company appointed the Bank as successor Rights Agent under the Rights Agreement;

WHEREAS, at the time of the execution of the Rights Agreement, the Company was a Delaware corporation;

WHEREAS, the Company reincorporated under the laws of the Commonwealth of Virginia effective June 30, 1996;

WHEREAS, pursuant to Section 27 of the Rights Agreement, the Company has directed the Bank as successor Rights Agent to execute this Amendment No. 1 in order to amend the Rights Agreement as set forth below;

NOW, THEREFORE, the Rights Agreement is hereby amended as follows:

1. All references to the Rights Agent in the Rights Agreement shall be deemed to be references to the Bank until such time as a successor is appointed by the Company in accordance with Section 21 of the Rights Agreement. Until modified in accordance with Section 26 of the Agreement, notices sent to the Rights Agent shall be addressed to:

FIRST UNION NATIONAL BANK
Corporate Trust Division
1525 West W.T. Harris Blvd. 3C3
Charlotte, North Carolina 28288
Attn: Shareholder Services Group

2. Section 32 of the Rights Agreement shall be deleted in its entirety and the following is substituted therefore:

> Section 32. Governing Law. This Agreement, each Right and each Rights Certificate issued hereunder shall be deemed to be a contract made under the laws of the Commonwealth of Virginia and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts made and to be performed entirely within such State.

3. Except as amended hereby, the Rights Agreement remains unchanged and in full force and effect and is ratified and confirmed in all respects.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to the Rights Agreement to be duly executed, all as of the day and year first written above.

ESKIMO PIE CORPORATION

By /s/ David B. Kewer

David B. Kewer
President and Chief Executive Officer

FIRST UNION NATIONAL BANK

By /s/ Patricia M. McCool

EXHIBIT 10.1(b)

FIRST AMENDMENT TO
EXECUTIVE SEVERANCE AGREEMENT

This Amendment ("Amendment Agreement") is entered into as of 28th day of January, 1999 between ESKIMO PIE CORPORATION, a Virginia corporation ("Eskimo Pie"), and Thomas M. Mishoe, Jr. ("Executive").

WHEREAS, Eskimo Pie and Executive previously entered into a Severance Agreement dated February 19, 1996 (the "Severance Agreement") for the purposes of maintaining strong and experienced management for Eskimo Pie; and

WHEREAS, the Compensation Committee and the Board of Directors of Eskimo Pie have each determined that certain revisions should be made to said Severance Agreement; and

WHEREAS, the Compensation Committee and the Board have each carefully reviewed the information presented to them and have determined that the anticipated benefits to Eskimo Pie from entering into this Amendment Agreement with Executive, thereby encouraging his continued attention and dedication to his duties, exceed the anticipated costs to Eskimo Pie of entering into such Amendment Agreement; and

WHEREAS, the Compensation Committee and the Board have each concluded this Amendment Agreement is in the best interests of Eskimo Pie and its stockholders;

NOW, THEREFORE, to assure Eskimo Pie that it will have the continued dedication of Executive and the availability of his advice and counsel notwithstanding the possibility or occurrence of a change in control of Eskimo Pie, and to induce Executive to remain in the employ of Eskimo Pie, and for other good and valuable consideration, Eskimo Pie and Executive agree as follows:

THE FOLLOWING NEW SECTION 2(e) IS ADDED TO THE SEVERANCE AGREEMENT:

(e) Interest on Delayed Payments. If payment of any benefit due to Executive under this Section 2 is not timely made, Executive shall be entitled to interest on the amount not timely paid at 120% of the applicable federal rate, compounded semi-annually, under Section 1274(d) of the Code determined at the time the Change in Control occurs, such interest to accrue from the date such payment is due through the date of payment thereof.

SECTION 8 OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

8. Adjudication and Expenses.

(a) If a dispute or controversy arises under or in connection with this Agreement, Executive shall be entitled to an adjudication in an appropriate court of the State of Virginia, or in any other court of competent jurisdiction. Alternatively, Executive, at Executive's option, may seek an award in arbitration to be conducted by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association.

(b) If any contest or dispute shall arise under this Agreement involving the failure or refusal of Eskimo Pie to perform fully in accordance with the terms hereof, Eskimo Pie shall reimburse Executive, on a current basis, for all legal fees and expenses, if any, incurred by Executive in connection with such contest or dispute (regardless of the result thereof), together with interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof. Such reimbursement shall include the cost of attorney's fees in reviewing this Agreement in connection with such contest or dispute and in negotiating or attempting to negotiate a settlement of such contest or dispute prior to Executive's making such claim or commencing any action or proceeding and in settling any matter relating to this Agreement

(c) If any claim, action or proceeding (including without limitation a claim, action or proceeding by Executive against Eskimo Pie) occurs with respect to this Agreement other than one described in Section 8(b), Eskimo Pie shall pay or reimburse Executive for all costs and expenses, including without limitation court costs and attorneys' fees, incurred by Executive as a result thereof, provided that if the claim, action or proceeding is by Executive against Eskimo Pie, Executive is successful in whole or in part on the merits or otherwise in such claim, action or proceeding. Such reimbursement shall include interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof.

SECTION 10(i) OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

(i) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Virginia.

THIS AMENDMENT AGREEMENT IS EFFECTIVE AS OF JANUARY 7, 1999.

EXCEPT AS HEREINABOVE MODIFIED, THE SEVERANCE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

Each of the parties has therefore caused this Agreement to be executed on its or his behalf as of the date first written above.

ESKIMO PIE CORPORATION

By /s/ David B. Kewer

David B. Kewer

EXECUTIVE

/s/ Thomas M. Mishoe, Jr.

Thomas M. Mishoe, Jr.

EXHIBIT 10.2(b)

FIRST AMENDMENT TO
EXECUTIVE SEVERANCE AGREEMENT

This Amendment ("Amendment Agreement") is entered into as of 28th day of January, 1999 between ESKIMO PIE CORPORATION, a Virginia corporation ("Eskimo Pie"), and William J. Weiskopf ("Executive").

WHEREAS, Eskimo Pie and Executive previously entered into a Severance Agreement dated September 01, 1997 (the "Severance Agreement") for the purposes of maintaining strong and experienced management for Eskimo Pie; and

WHEREAS, the Compensation Committee and the Board of Directors of Eskimo Pie have each determined that certain revisions should be made to said Severance Agreement; and

WHEREAS, the Compensation Committee and the Board have each carefully reviewed the information presented to them and have determined that the anticipated benefits to Eskimo Pie from entering into this Amendment Agreement with Executive, thereby encouraging his continued attention and dedication to his duties, exceed the anticipated costs to Eskimo Pie of entering into such Amendment Agreement; and

WHEREAS, the Compensation Committee and the Board have each concluded this Amendment Agreement is in the best interests of Eskimo Pie and its stockholders;

NOW, THEREFORE, to assure Eskimo Pie that it will have the continued dedication of Executive and the availability of his advice and counsel notwithstanding the possibility or occurrence of a change in control of Eskimo Pie, and to induce Executive to remain in the employ of Eskimo Pie, and for other good and valuable consideration, Eskimo Pie and Executive agree as follows:

THE FOLLOWING NEW SECTION 2(e) IS ADDED TO THE SEVERANCE AGREEMENT:

> (e) Interest on Delayed Payments. If payment of any benefit due to Executive under this Section 2 is not timely made, Executive shall be entitled to interest on the amount not timely paid at 120% of the applicable federal rate, compounded semi-annually, under Section 1274(d) of the Code determined at the time the Change in Control occurs, such interest to accrue from the date such payment is due through the date of payment thereof.

SECTION 8 OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

8. Adjudication and Expenses.

(a) If a dispute or controversy arises under or in connection with this Agreement, Executive shall be entitled to an adjudication in an appropriate court of the State of Virginia, or in any other court of competent jurisdiction. Alternatively, Executive, at Executive's option, may seek an award in arbitration to be conducted by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association.

(b) If any contest or dispute shall arise under this Agreement involving the failure or refusal of Eskimo Pie to perform fully in accordance with the terms hereof, Eskimo Pie shall reimburse Executive, on a current basis, for all legal fees and expenses, if any, incurred by Executive in connection with such contest or dispute (regardless of the result thereof), together with interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof. Such reimbursement shall include the cost of attorney's fees in reviewing this Agreement in connection with such contest or dispute and in negotiating or attempting to negotiate a settlement of such contest or dispute prior to Executive's making such claim or commencing any action or proceeding and in settling any matter relating to this Agreement

(c) If any claim, action or proceeding (including without limitation a claim, action or proceeding by Executive against Eskimo Pie) occurs with respect to this Agreement other than one described in Section 8(b), Eskimo Pie shall pay or reimburse Executive for all costs and expenses, including without limitation court costs and attorneys' fees, incurred by Executive as a result thereof, provided that if the claim, action or proceeding is by Executive against Eskimo Pie, Executive is successful in whole or in part on the merits or otherwise in such claim, action or proceeding. Such reimbursement shall include interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof.

SECTION 10(i) OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

(i) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Virginia.

THIS AMENDMENT AGREEMENT IS EFFECTIVE AS OF JANUARY 7, 1999.

EXCEPT AS HEREINABOVE MODIFIED, THE SEVERANCE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

Each of the parties has therefore caused this Agreement to be executed on its or his behalf as of the date first written above.

ESKIMO PIE CORPORATION

By /s/ David B. Kewer

David B. Kewer

EXECUTIVE

/s/ William J. Weiskopf

William J. Weiskopf

EXHIBIT 10.3(b)

FIRST AMENDMENT TO
EXECUTIVE SEVERANCE AGREEMENT

This Amendment ("Amendment Agreement") is entered into as of 28th day of January, 1999 between ESKIMO PIE CORPORATION, a Virginia corporation ("Eskimo Pie"), and Kimberly P. Ferryman ("Executive").

WHEREAS, Eskimo Pie and Executive previously entered into a Severance Agreement dated August 21, 1995 (the "Severance Agreement") for the purposes of maintaining strong and experienced management for Eskimo Pie; and

WHEREAS, the Compensation Committee and the Board of Directors of Eskimo Pie have each determined that certain revisions should be made to said Severance Agreement; and

WHEREAS, the Compensation Committee and the Board have each carefully reviewed the information presented to them and have determined that the anticipated benefits to Eskimo Pie from entering into this Amendment Agreement with Executive, thereby encouraging his continued attention and dedication to his duties, exceed the anticipated costs to Eskimo Pie of entering into such Amendment Agreement; and

WHEREAS, the Compensation Committee and the Board have each concluded this Amendment Agreement is in the best interests of Eskimo Pie and its stockholders;

NOW, THEREFORE, to assure Eskimo Pie that it will have the continued dedication of Executive and the availability of his advice and counsel notwithstanding the possibility or occurrence of a change in control of Eskimo Pie, and to induce Executive to remain in the employ of Eskimo Pie, and for other good and valuable consideration, Eskimo Pie and Executive agree as follows:

THE FOLLOWING NEW SECTION 2(e) IS ADDED TO THE SEVERANCE AGREEMENT:

> (e) Interest on Delayed Payments. If payment of any benefit due to Executive under this Section 2 is not timely made, Executive shall be entitled to interest on the amount not timely paid at 120% of the applicable federal rate, compounded semi-annually, under Section 1274(d) of the Code determined at the time the Change in Control occurs, such interest to accrue from the date such payment is due through the date of payment thereof.

SECTION 8 OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

8. Adjudication and Expenses.

(a) If a dispute or controversy arises under or in connection with this Agreement, Executive shall be entitled to an adjudication in an appropriate court of the State of Virginia, or in any other court of competent jurisdiction. Alternatively, Executive, at Executive's option, may seek an award in arbitration to be conducted by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association.

(b) If any contest or dispute shall arise under this Agreement involving the failure or refusal of Eskimo Pie to perform fully in accordance with the terms hereof, Eskimo Pie shall reimburse Executive, on a current basis, for all legal fees and expenses, if any, incurred by Executive in connection with such contest or dispute (regardless of the result thereof), together with interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof. Such reimbursement shall include the cost of attorney's fees in reviewing this Agreement in connection with such contest or dispute and in negotiating or attempting to negotiate a settlement of such contest or dispute prior to Executive's making such claim or commencing any action or proceeding and in settling any matter relating to this Agreement

(c) If any claim, action or proceeding (including without limitation a claim, action or proceeding by Executive against Eskimo Pie) occurs with respect to this Agreement other than one described in Section 8(b), Eskimo Pie shall pay or reimburse Executive for all costs and expenses, including without limitation court costs and attorneys' fees, incurred by Executive as a result thereof, provided that if the claim, action or proceeding is by Executive against Eskimo Pie, Executive is successful in whole or in part on the merits or otherwise in such claim, action or proceeding. Such reimbursement shall include interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof.

SECTION 10(i) OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

(i) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Virginia.

THIS AMENDMENT AGREEMENT IS EFFECTIVE AS OF JANUARY 7, 1999.

EXCEPT AS HEREINABOVE MODIFIED, THE SEVERANCE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

Each of the parties has therefore caused this Agreement to be executed on its or his behalf as of the date first written above.

ESKIMO PIE CORPORATION

By /s/ David B. Kewer

David B. Kewer

EXECUTIVE

/s/ Kimberly P. Ferryman

Kimberly P. Ferryman

EXHIBIT 10.4(a)

EXECUTIVE SEVERANCE AGREEMENT

This Agreement ("Agreement") is entered into as of December 18, 1998 between ESKIMO PIE CORPORATION, a Virginia corporation ("Eskimo Pie"), and Craig L. Hettrich ("Executive") for purposes of amending and superseding the Executive Severance Agreement dated February 2, 1998 between the parties.

WHEREAS, the maintenance of a strong and experienced management is essential in protecting and enhancing the best interests of Eskimo Pie and its stockholders, and in this connection Eskimo Pie recognizes that the possibility of a change in control may result in the departure or distraction of management personnel to the detriment of Eskimo Pie and its stockholders; and

WHEREAS, the Compensation Committee and the Board of Directors of Eskimo Pie have each determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of key members of management to their regular duties without distraction arising from a possible change in control of Eskimo Pie; and

WHEREAS, the Compensation Committee and the Board have each carefully reviewed the information presented to them and have determined that the anticipated benefits to Eskimo Pie from entering into this Agreement with Executive, thereby encouraging his continued attention and dedication to his duties, exceed the anticipated costs to Eskimo Pie of entering into such Agreement; and

WHEREAS, the Compensation Committee and the Board have each concluded this Agreement is in the best interests of Eskimo Pie and its stockholders; and

WHEREAS, Executive is a key executive of Eskimo Pie and has been selected by the Compensation Committee to enter into such an agreement with Eskimo Pie;

NOW, THEREFORE, to assure Eskimo Pie that it will have the continued dedication of Executive and the availability of his advice and counsel notwithstanding the possibility or occurrence of a change in control of Eskimo Pie, and to induce Executive to remain in the employ of Eskimo Pie, and for other good and valuable consideration, Eskimo Pie and Executive agree as follows:

1. Definitions of Certain Terms. For purposes of this Agreement,

(a) a "Termination" shall occur if Executive's employment by Eskimo Pie is terminated by Eskimo Pie at any time within three years following a Change in

Control for reasons other than:

(i) for Cause (as defined in Section 3(a);

(ii) as a result of Executive's death, permanent disability, or retirement at or after the first day of the month following the month in which Executive attains age 65 ("Normal Retirement Date");

(b) a "Termination" shall also occur if Executive's employment by Eskimo Pie is terminated by Executive for Good Reason (as defined in Section 4) within three years following a Change in Control; and

(c) "Change in Control" shall mean:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13 (d) (3) or 14 (d) (2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then outstanding shares of common stock of Eskimo Pie (the "Outstanding Common Stock") or (B) the combined voting power of the then outstanding voting securities of Eskimo Pie entitled to vote generally in the selection of directors (the "Outstanding Voting Securities"). Notwithstanding the foregoing, the following acquisitions shall not constitute a Change in control: (A) any acquisition directly from Eskimo Pie, (B) any acquisition by Eskimo Pie, (C) any acquisition by, or benefit distribution from, any employee benefit plan (or related trust) sponsored or maintained by Eskimo Pie or any Corporation controlled by Eskimo Pie, (D) any acquisition pursuant to any compensatory stock option or stock purchase plan for employees, or (E) any acquisition pursuant to a reorganization, merger or consolidation, if, following such reorganization, merger or consolidation, the conditions described in clauses (A), (B), and (C) of Subsection (iii) of this Section 1(c) are satisfied; or

(ii) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election or nomination for election was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board (with his predecessor thereafter ceasing to be a member); or

(iii) Approval by the shareholders of Eskimo Pie of the reorganization, merger, or consolidation of Eskimo Pie unless, following such

reorganization, merger, or consolidation, (A) more than 60% of the then outstanding shares of common stock and the then outstanding voting securities of the resulting corporation is then beneficially owned by all or substantially all of the beneficial owners, respectively, of the Outstanding Common Stock and Outstanding Securities immediately prior to such reorganization, merger, or consolidation, (B) no Person (excluding (I) Eskimo Pie, (II) any employee benefit plan (or related trust) of Eskimo Pie or such corporation resulting from such reorganization, merger, or consolidation, and (III) any Person beneficially owning, immediately prior to such reorganization, merger, or consolidation, 20% or more of the Outstanding Common Stock or Outstanding Voting Securities, (as the case may be) beneficially owns 20% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the resulting corporation, and (C) at least a majority of the members of the board of directors of the resulting corporation were members of the Incumbent Board at the time of the execution of the initial agreement providing for such reorganization, merger, or consolidation; or

(iv) Approval by the shareholders of Eskimo Pie of (A) a complete liquidation or dissolution of Eskimo Pie, or (B) the sale or other disposition of all or substantially all of the assets of Eskimo Pie other than to a corporation with respect to which, following such sale or other disposition, (I) more than 60% of the outstanding shares of common stock and the then outstanding voting securities of such corporation is beneficially owned by all or substantially all of the beneficial owners, respectively, of the Outstanding Common Stock and Outstanding Voting Securities immediately prior to such sale or disposition; (II) no Person (excluding (x) Eskimo Pie, (y) any employee benefit plan (or related trust) of Eskimo Pie or such corporation, and (z) any Person beneficially owning, immediately prior to such sale or other disposition, 20% or more of the Outstanding Common Stock or Outstanding Voting Securities, as the case maybe, beneficially owns 20% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of such corporation, and (III) at least a majority of the members of the board of directors of such corporation were members of the Incumbent Board at the time of the execution of the initial agreement providing for such sale or other disposition of the assets of the corporation.

2. Benefit upon Termination. Except as provided in Section 3, upon Termination, Eskimo Pie agrees to provide or cause to be provided to Executive the benefits described in Section 2(a) below, subject to the limitations set forth in Sections 2(b) and (c) below:

(a) Benefit Payment. Executive shall receive within five business days of Termination a lump sum payment in cash in an amount equal to 2.99 times

Executive's Earnings (as defined in this Section 2(a)); provided, however, that if there are fewer than 36 months remaining from the date of Termination to Executive's Normal Retirement Date, the amount calculated pursuant to this Section 2(a) shall be reduced by multiplying such amount by a fraction, the numerator of which is the number of months (including any fraction of a month) remaining to Executive's Normal Retirement Date and the denominator of which is 36.

For purposes of this Section 2(a), "Earnings" shall mean the average annual compensation payable by Eskimo Pie and includible in the gross income of Executive for the taxable years during the period consisting of the most recent three taxable years ending before the date on which the Change in Control occurs (or such portion of such period during which Executive performed personal services for Eskimo Pie).

(b) Other Benefit Plans and Perquisites. The benefit payable upon Termination in accordance with this Section 2 is not intended to exclude Executive's participation in any benefit plans or enjoyment of other perquisites which are available to executive personnel generally in the class or category of Executive or to preclude such other compensation or benefits as may be authorized from time to time by the Board of Directors of Eskimo Pie or by its Compensation Committee; provided, however, that any amount otherwise payable in accordance with Section 2(a) above shall be reduced by any amounts payable to Executive upon termination of employment pursuant to any termination allowance policy or other severance pay plan covering Eskimo Pie employees.

(c) Excise Taxes. If Executive becomes entitled to a payment under this Section 2 ("Severance Payment"), and if any part or all of the Severance Payment will be subject to the tax ("Excise Tax") imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the amount otherwise payable to Executive in accordance with Section 2(a) above shall be reduced as necessary so that no part of such payment shall be subject to the Excise Tax.

(d) No Duty to Mitigate. Executive's entitlement to benefits hereunder shall not be governed by any duty to mitigate his damages by seeking further employment nor offset by any compensation which he may receive from future employment.

3. Conditions to the Obligations of Eskimo Pie. Eskimo Pie shall have no obligation to provide or cause to be provided to Executive the benefit described in Section 2 hereof if either of the following events shall occur:

(a) Termination for Cause. Eskimo Pie shall terminate Executive's employment for Cause. For purposes of this Agreement, termination of employment for "Cause" shall mean termination solely for dishonesty, conviction of a felony, or willful unauthorized disclosure of confidential information of Eskimo Pie.

(b) Resignation as Director and/or Officer. Executive shall not, promptly after Termination and upon receiving a written request to do so, resign

as a director and/or officer of Eskimo Pie and of each subsidiary and affiliate of Eskimo Pie for which he is then serving as a director and/or officer.

4. Termination for Good Reason. Executive may terminate his employment with Eskimo Pie following a Change in Control for Good Reason and shall be entitled to receive the benefit described in Section 2 hereof. For purposes of this Agreement, "Good Reason" shall mean:

(a) the assignment to Executive of any duties inconsistent with the position (including status, offices, titles, and reporting requirements) or authority in Eskimo Pie that Executive held immediately prior to the Change in Control, or a significant adverse alteration in the nature or status of Executive's responsibilities or the conditions of Executive's employment from those in effect immediately prior to such Change in Control;

(b) reduction by Eskimo Pie in Executive's annual base salary as in effect on the date hereof or as the same may be increased from time to time;

(c) the relocation of Eskimo Pie's principal executive offices to a location outside the Richmond Metropolitan Area or Eskimo Pie's requiring Executive to be based anywhere other than Eskimo Pie's principal executive offices except for required travel on Eskimo Pie's business to an extent substantially consistent with Executive's present business travel obligations;

(d) except in the event of reasonable administrative delay, the failure by Eskimo Pie to pay to Executive any portion of Executive's current compensation or to pay to Executive any portion of an installment of deferred compensation under any deferred compensation program of Eskimo Pie within seven (7) days of the date such compensation is due;

(e) the failure by Eskimo Pie to continue in effect any compensation plan in which Executive participates immediately prior to the Change in Control that is material to Executive's total compensation or any substitute plans adopted prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by Eskimo Pie to continue Executive's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of Executive's participation relative to other participants, as it existed at the time of the Change in Control;

(f) the failure by Eskimo Pie to continue to provide Executive with benefits substantially similar to those enjoyed by Executive under any of Eskimo Pie's life insurance, medical, health and accident, disability plans, or other welfare and defined benefit plans (qualified and non-qualified) in which Executive was participating at the time of the Change in Control, the taking of any action by Eskimo Pie which would directly or indirectly materially reduce any of such benefits or deprive Executive of any material fringe benefit enjoyed by Executive at the time of the Change in Control, or the failure by Eskimo Pie

to provide Executive with the number of paid vacation days to which Executive is entitled on the basis of years of service with Eskimo Pie in accordance with Eskimo Pie's normal vacation policy in effect at the time of the Change in Control; or

(g) the failure of Eskimo Pie to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 10 hereof.

5. Other Covenants. Upon Termination, if Executive is entitled to receive the benefit described in Section 2, then:

(a) If a leased automobile is assigned to Executive at the time of his Termination, Executive shall have the right to purchase such automobile, free and clear of any liens and encumbrances, at its fair market value (as determined by the leasing company). If Executive wishes to exercise this right, he shall (i) give Eskimo Pie notice to such effect within 10 days following the date of Termination, (ii) tender the purchase price within 10 days after he is given notice of the fair market value, and (iii) be solely responsible for maintaining and insuring the automobile effective from the date of Termination.

(b) At Executive's request, Eskimo Pie shall arrange outplacement services for Executive, at Eskimo Pie's expense, for a period of one year following Termination.

(c) Executive and/or his qualified dependents shall be provided coverage, at his/their expense, under any medical benefit plans covering him and/or them at the time of Termination in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time.

6. Confidentiality: Non-Solicitation: Cooperation.

(a) Confidentiality. At all times following Termination, Executive will not, without the prior written consent of Eskimo Pie, disclose to any person, firm or corporation any confidential information of Eskimo Pie or its subsidiaries or affiliates which is now known to him or which hereafter may become known to him as a result of his employment or association with Eskimo Pie and which could be helpful to a competitor; provided, however, that the foregoing shall not apply to confidential information which becomes publicly disseminated by means other than a breach of this Agreement.

(b) Non-Solicitation. For a period of three years following the date of Termination (or until Executive's Normal retirement Date, whichever is sooner), Executive will not induce or attempt to induce, either directly or indirectly, any management or executive employee of Eskimo Pie or of any of its subsidiaries or affiliates to terminate his or her employment.

(c) Cooperation. At all times following Termination, Executive will furnish such information and render such assistance and cooperation as may reasonably be requested in connection with any litigation or legal proceedings concerning Eskimo Pie or any of its subsidiaries or affiliates (other than any legal proceedings concerning Executive's employment). In connection with such cooperation, Eskimo Pie will pay or reimburse Executive for reasonable expenses actually incurred.

(d) Remedies for Breach. It is recognized that damages in the event of breach of Sections 6(a) and (b) above by Executive would be difficult, if not impossible, to ascertain, and it is therefore specifically agreed that Eskimo Pie, in addition to and without limiting any other remedy or right it may have, shall have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach. The existence of this right shall not preclude Eskimo Pie from pursuing any other rights and remedies at law or in equity which Eskimo Pie may have.

7. Term of Agreement. This agreement shall commence on the date hereof and shall remain in force until December 31, 1998; provided, however, that on each anniversary of such date, the term of this Agreement shall be automatically renewed for successive one year terms, unless at least 60 days prior to the expiration of the then current term, Eskimo Pie shall give notice to Executive that the Agreement shall not be renewed; and further provided, however, that if a Change in Control occurs during the term of this Agreement, this Agreement shall continue in effect for a period of 36 months beyond the month in which the Change in Control occurred. Notwithstanding the foregoing, this Agreement shall terminate if either Eskimo Pie or Executive terminates the employment of Executive before a Change in Control occurs. Except as otherwise provided in Section 9(b), this Agreement shall also terminate upon the Executive's death or permanent disability or his Normal Retirement Date.

8. Adjudication and Expenses.

(a) If a dispute or controversy arises under or in connection with this Agreement, Executive shall be entitled to an adjudication in an appropriate court of the State of Virginia, or in any other court of competent jurisdiction. Alternatively, Executive, at Executive's option, may seek an award in arbitration to be conducted by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association.

(b) Eskimo Pie shall pay or reimburse Executive for all costs and expenses, including without limitation court costs and attorneys' fees, incurred by Executive as a result of any claim, action or proceeding (including without limitation a claim, action or proceeding by Executive against Eskimo Pie) arising out of, or challenging the validity or enforceability of, this Agreement or any provision hereof, if Executive is successful on the merits or otherwise

in such claim, action or proceeding.

9. Successors; Binding Agreement.

(a) This Agreement shall inure to the benefit of and be binding upon Eskimo Pie and its successors and assigns. Eskimo Pie will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Eskimo Pie to assume expressly and agree to perform this Agreement in the same manner and to the same extent that Eskimo Pie would be required to perform it if no such succession had taken place. As used in this Agreement, "Eskimo Pie" shall mean Eskimo Pie as herein before defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(b) This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amount would still be payable hereunder if Executive had continued to live, any such amount, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee or other designee or, if there is no such designee, Executive's estate.

10. Miscellaneous.

(a) Assignment. No right, benefit or interest here-under shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, except by will or the laws of descent and distribution, and any attempt thereat shall be void; and no right, benefit or interest hereunder shall, prior to receipt of payment, be in any manner liable for or subject to the recipient's debts, contracts, liabilities, engagements or torts.

(b) Construction of Agreement. Nothing in this Agreement shall be construed to amend any provision of any plan or policy of Eskimo Pie. This Agreement is not, and nothing herein shall be deemed to create, a commitment of continued employment of Executive by Eskimo Pie or by any of its subsidiaries and affiliates.

(c) Statutory References. Any reference in this Agreement to a specific statutory provision shall include that provision and any comparable provision or provisions of future legislation amending, modifying, supplementing or superseding the referenced provision.

(d) Amendment. This Agreement may not be amended, modified or terminated except by written agreement of both parties.

(e) Waiver. No provision of this Agreement may be waived except by a writing signed by the party to be bound thereby.

Executive may at any time or from time to time waive any or all of the benefits provided for herein which have not been received by Executive at the time of such waiver. In addition, prior to the last day of the calendar year in which Executive's Termination occurs, Executive may waive any or all rights and benefits provided for herein which have been received by Executive; provided that Executive repays to Eskimo Pie the amount of the benefits received (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code). Any waiver of benefits pursuant to this section shall be irrevocable.

(f) Severability. If any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, the remaining provisions of this Agreement shall remain in full force and effect to the fullest extent permitted by law.

(g) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original and all of which together shall constitute one agreement.

(h) Taxes. Any payment required under this Agreement shall be subject to all requirements of the law with regard to withholding of taxes, filing, making of reports and the like, and Eskimo Pie shall use its best efforts to satisfy promptly all such requirements.

(i) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Virginia.

(j) Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties hereto with respect to the matters covered hereby.

Each of the parties has therefore caused this Agreement to be executed on its or his behalf as of the date first written above.

ESKIMO PIE CORPORATION	EXECUTIVE
By /s/ David B. Kewer	By /s/ Craig L. Hettrich
David B. Kewer	Craig L. Hettrich

EXHIBIT 10.4(b)

FIRST AMENDMENT TO
EXECUTIVE SEVERANCE AGREEMENT

This Amendment ("Amendment Agreement") is entered into as of 28th day of January, 1999 between ESKIMO PIE CORPORATION, a Virginia corporation ("Eskimo Pie"), and Craig L. Hetrich ("Executive").

WHEREAS, Eskimo Pie and Executive previously entered into a Severance Agreement dated December 18, 1998 (the "Severance Agreement") for the purposes of maintaining strong and experienced management for Eskimo Pie; and

WHEREAS, the Compensation Committee and the Board of Directors of Eskimo Pie have each determined that certain revisions should be made to said Severance Agreement; and

WHEREAS, the Compensation Committee and the Board have each carefully reviewed the information presented to them and have determined that the anticipated benefits to Eskimo Pie from entering into this Amendment Agreement with Executive, thereby encouraging his continued attention and dedication to his duties, exceed the anticipated costs to Eskimo Pie of entering into such Amendment Agreement; and

WHEREAS, the Compensation Committee and the Board have each concluded this Amendment Agreement is in the best interests of Eskimo Pie and its stockholders;

NOW, THEREFORE, to assure Eskimo Pie that it will have the continued dedication of Executive and the availability of his advice and counsel notwithstanding the possibility or occurrence of a change in control of Eskimo Pie, and to induce Executive to remain in the employ of Eskimo Pie, and for other good and valuable consideration, Eskimo Pie and Executive agree as follows:

THE FOLLOWING NEW SECTION 2(e) IS ADDED TO THE SEVERANCE AGREEMENT:

> (e) Interest on Delayed Payments. If payment of any benefit due to Executive under this Section 2 is not timely made, Executive shall be entitled to interest on the amount not timely paid at 120% of the applicable federal rate, compounded semi-annually, under Section 1274(d) of the Code determined at the time the Change in Control occurs, such interest to accrue from the date such payment is due through the date of payment thereof.

SECTION 8 OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

8. Adjudication and Expenses.

(a) If a dispute or controversy arises under or in connection with this Agreement, Executive shall be entitled to an adjudication in an appropriate court of the State of Virginia, or in any other court of competent jurisdiction. Alternatively, Executive, at Executive's option, may seek an award in arbitration to be conducted by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association.

(b) If any contest or dispute shall arise under this Agreement involving the failure or refusal of Eskimo Pie to perform fully in accordance with the terms hereof, Eskimo Pie shall reimburse Executive, on a current basis, for all legal fees and expenses, if any, incurred by Executive in connection with such contest or dispute (regardless of the result thereof), together with interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof. Such reimbursement shall include the cost of attorney's fees in reviewing this Agreement in connection with such contest or dispute and in negotiating or attempting to negotiate a settlement of such contest or dispute prior to Executive's making such claim or commencing any action or proceeding and in settling any matter relating to this Agreement

(c) If any claim, action or proceeding (including without limitation a claim, action or proceeding by Executive against Eskimo Pie) occurs with respect to this Agreement other than one described in Section 8(b), Eskimo Pie shall pay or reimburse Executive for all costs and expenses, including without limitation court costs and attorneys' fees, incurred by Executive as a result thereof, provided that if the claim, action or proceeding is by Executive against Eskimo Pie, Executive is successful in whole or in part on the merits or otherwise in such claim, action or proceeding. Such reimbursement shall include interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof.

SECTION 10(i) OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

(i) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Virginia.

THIS AMENDMENT AGREEMENT IS EFFECTIVE AS OF JANUARY 7, 1999.

EXCEPT AS HEREINABOVE MODIFIED, THE SEVERANCE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

Each of the parties has therefore caused this Agreement to be executed on its or his behalf as of the date first written above.

ESKIMO PIE CORPORATION

By /s/ David B. Kewer

David B. Kewer

EXECUTIVE

/s/ Craig L. Hettrich

Craig L. Hettrich

EXHIBIT 10.5(b)

FIRST AMENDMENT TO
EXECUTIVE SEVERANCE AGREEMENT

This Amendment ("Amendment Agreement") is entered into as of 28th day of January, 1999 between ESKIMO PIE CORPORATION, a Virginia corporation ("Eskimo Pie"), and V. Stephen Kangisser ("Executive").

WHEREAS, Eskimo Pie and Executive previously entered into a Severance Agreement dated May 15, 1996 (the "Severance Agreement") for the purposes of maintaining strong and experienced management for Eskimo Pie; and

WHEREAS, the Compensation Committee and the Board of Directors of Eskimo Pie have each determined that certain revisions should be made to said Severance Agreement; and

WHEREAS, the Compensation Committee and the Board have each carefully reviewed the information presented to them and have determined that the anticipated benefits to Eskimo Pie from entering into this Amendment Agreement with Executive, thereby encouraging his continued attention and dedication to his duties, exceed the anticipated costs to Eskimo Pie of entering into such Amendment Agreement; and

WHEREAS, the Compensation Committee and the Board have each concluded this Amendment Agreement is in the best interests of Eskimo Pie and its stockholders;

NOW, THEREFORE, to assure Eskimo Pie that it will have the continued dedication of Executive and the availability of his advice and counsel notwithstanding the possibility or occurrence of a change in control of Eskimo Pie, and to induce Executive to remain in the employ of Eskimo Pie, and for other good and valuable consideration, Eskimo Pie and Executive agree as follows:

THE FOLLOWING NEW SECTION 2(e) IS ADDED TO THE SEVERANCE AGREEMENT:

> (e) Interest on Delayed Payments. If payment of any benefit due to Executive under this Section 2 is not timely made, Executive shall be entitled to interest on the amount not timely paid at 120% of the applicable federal rate, compounded semi-annually, under Section 1274(d) of the Code determined at the time the Change in Control occurs, such interest to accrue from the date such payment is due through the date of payment thereof.

SECTION 8 OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

8. Adjudication and Expenses.

(a) If a dispute or controversy arises under or in connection with this Agreement, Executive shall be entitled to an adjudication in an appropriate court of the State of Virginia, or in any other court of competent jurisdiction. Alternatively, Executive, at Executive's option, may seek an award in arbitration to be conducted by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association.

(b) If any contest or dispute shall arise under this Agreement involving the failure or refusal of Eskimo Pie to perform fully in accordance with the terms hereof, Eskimo Pie shall reimburse Executive, on a current basis, for all legal fees and expenses, if any, incurred by Executive in connection with such contest or dispute (regardless of the result thereof), together with interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof. Such reimbursement shall include the cost of attorney's fees in reviewing this Agreement in connection with such contest or dispute and in negotiating or attempting to negotiate a settlement of such contest or dispute prior to Executive's making such claim or commencing any action or proceeding and in settling any matter relating to this Agreement

(c) If any claim, action or proceeding (including without limitation a claim, action or proceeding by Executive against Eskimo Pie) occurs with respect to this Agreement other than one described in Section 8(b), Eskimo Pie shall pay or reimburse Executive for all costs and expenses, including without limitation court costs and attorneys' fees, incurred by Executive as a result thereof, provided that if the claim, action or proceeding is by Executive against Eskimo Pie, Executive is successful in whole or in part on the merits or otherwise in such claim, action or proceeding. Such reimbursement shall include interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof.

SECTION 10(i) OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

(i) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Virginia.

THIS AMENDMENT AGREEMENT IS EFFECTIVE AS OF JANUARY 7, 1999.

EXCEPT AS HEREINABOVE MODIFIED, THE SEVERANCE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

Each of the parties has therefore caused this Agreement to be executed on its or his behalf as of the date first written above.

ESKIMO PIE CORPORATION

By /s/ David B. Kewer

David B. Kewer

EXECUTIVE

/s/ V. Stephen Kangisser

V. Stephen Kangisser

EXHIBIT 10.6(b)

FIRST AMENDMENT TO
EXECUTIVE SEVERANCE AGREEMENT

This Amendment ("Amendment Agreement") is entered into as of 28th day of January, 1999 between ESKIMO PIE CORPORATION, a Virginia corporation ("Eskimo Pie"), and David B. Kewer ("Executive").

WHEREAS, Eskimo Pie and Executive previously entered into a Severance Agreement dated March 01, 1997 (the "Severance Agreement") for the purposes of maintaining strong and experienced management for Eskimo Pie; and

WHEREAS, the Compensation Committee and the Board of Directors of Eskimo Pie have each determined that certain revisions should be made to said Severance Agreement; and

WHEREAS, the Compensation Committee and the Board have each carefully reviewed the information presented to them and have determined that the anticipated benefits to Eskimo Pie from entering into this Amendment Agreement with Executive, thereby encouraging his continued attention and dedication to his duties, exceed the anticipated costs to Eskimo Pie of entering into such Amendment Agreement; and

WHEREAS, the Compensation Committee and the Board have each concluded this Amendment Agreement is in the best interests of Eskimo Pie and its stockholders;

NOW, THEREFORE, to assure Eskimo Pie that it will have the continued dedication of Executive and the availability of his advice and counsel notwithstanding the possibility or occurrence of a change in control of Eskimo Pie, and to induce Executive to remain in the employ of Eskimo Pie, and for other good and valuable consideration, Eskimo Pie and Executive agree as follows:

THE FOLLOWING NEW SECTION 2(e) IS ADDED TO THE SEVERANCE AGREEMENT:

> (e) Interest on Delayed Payments. If payment of any benefit due to Executive under this Section 2 is not timely made, Executive shall be entitled to interest on the amount not timely paid at 120% of the applicable federal rate, compounded semi-annually, under Section 1274(d) of the Code determined at the time the Change in Control occurs, such interest to accrue from the date such payment is due through the date of payment thereof.

SECTION 8 OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

8. Adjudication and Expenses.

(a) If a dispute or controversy arises under or in connection with this Agreement, Executive shall be entitled to an adjudication in an appropriate court of the State of Virginia, or in any other court of competent jurisdiction. Alternatively, Executive, at Executive's option, may seek an award in arbitration to be conducted by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association.

(b) If any contest or dispute shall arise under this Agreement involving the failure or refusal of Eskimo Pie to perform fully in accordance with the terms hereof, Eskimo Pie shall reimburse Executive, on a current basis, for all legal fees and expenses, if any, incurred by Executive in connection with such contest or dispute (regardless of the result thereof), together with interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof. Such reimbursement shall include the cost of attorney's fees in reviewing this Agreement in connection with such contest or dispute and in negotiating or attempting to negotiate a settlement of such contest or dispute prior to Executive's making such claim or commencing any action or proceeding and in settling any matter relating to this Agreement

(c) If any claim, action or proceeding (including without limitation a claim, action or proceeding by Executive against Eskimo Pie) occurs with respect to this Agreement other than one described in Section 8(b), Eskimo Pie shall pay or reimburse Executive for all costs and expenses, including without limitation court costs and attorneys' fees, incurred by Executive as a result thereof, provided that if the claim, action or proceeding is by Executive against Eskimo Pie, Executive is successful in whole or in part on the merits or otherwise in such claim, action or proceeding. Such reimbursement shall include interest in an amount equal to the prime rate of BankAmerica from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date Eskimo Pie receives Executive's statement for such fees and expenses through the date of payment thereof.

SECTION 10(i) OF THE SEVERANCE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

(i) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Virginia.

THIS AMENDMENT AGREEMENT IS EFFECTIVE AS OF JANUARY 7, 1999.

EXCEPT AS HEREINABOVE MODIFIED, THE SEVERANCE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

Each of the parties has therefore caused this Agreement to be executed on its or his behalf as of the date first written above.

ESKIMO PIE CORPORATION

/s/ Thomas M. Mishoe, Jr.

Thomas M. Mishoe, Jr.

EXECUTIVE

/s/ David B. Kewer

David B. Kewer

EXHIBIT 10.10

WORKING COPY OF
ESKIMO PIE CORPORATION
SALARIED RETIREMENT PLAN
(AS ADOPTED EFFECTIVE APRIL 6, 1992)

Including:

1. First Amendment
2. Second Amendment
3. Third Amendment
4. Fourth Amendment
5. Adoption Agreement for Eskimo Inc. - Attached to Appendix C
6. Adoption Agreement for Sugar Creek Foods, Inc. - Attached to Appendix C
7. Acknowledgment of Appointment of Trustee by Thomas M. Mishoe, Jr.

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THIS PLAN AND TRUST AGREEMENT, made and entered into this day of December, 1992, by and between ESKIMO PIE CORPORATION, a Delaware corporation, and other participating employers who may adopt this agreement as provided herein (hereinafter called the "Employer") and WILLIAM M. FARISS, JR. of Richmond, Virginia (hereinafter called the "Trustee").

WITNESSETH:

THAT WHEREAS, the Employer by due corporate action has approved and authorized the execution of this defined benefit pension plan and its related trust provisions for its employees; and

WHEREAS, it is deemed desirable that money or other property contributed for the payment of benefits hereunder be segregated and held pursuant hereto for the exclusive benefit of such employees as shall be included hereunder; and

WHEREAS, the Trustee has consented to act as Trustee and to hold the assets contributed to effectuate the trust provisions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto declare and agree as follows:

ARTICLE I
DEFINITION OF TERMS

The following words and terms as used herein shall have the meaning set forth below, unless a different meaning is clearly required by the context:

1.1 "ACCRUED BENEFIT": That benefit determined under the provisions of paragraph 4.1 to which a Participant is entitled.

1.2 "ACT": The Employee Retirement Income Security Act of 1974, as the same may be amended from time to time, or the corresponding sections of any subsequent legislation which replaces it, and, to the extent not inconsistent therewith, the regulations issued thereunder.

1.3 "ACTIVE PARTICIPANT": A Participant who is an Eligible Employee.

1.4 "ACTUARIAL EQUIVALENT" or "ACTUARIAL VALUE":

(i) In the case of actual or deemed benefit payments to a Participant, a benefit of equivalent value to his Accrued Benefit commencing on the Participant's Normal Retirement Date (or as otherwise provided in subparagraph 4.1(a)),

(ii) In the case of a Pre-Retirement Spouse's Death Benefit commencing to a Participant's Spouse, a benefit of equivalent value to such Death Benefit commencing on such Spouse's Earliest Commencement Date (as determined pursuant to paragraph 7.3), and

(iii) For any other purpose, an amount or benefit of equivalent value to another benefit or amount, based on the form(s) (which term is intended to include the time(s)) of payment involved,

all as determined pursuant to Appendix D and the applicable sections of the Plan.

1.5 "ADJUSTMENT FACTOR": The cost of living adjustment factor prescribed by the Secretary of the Treasury or his delegate under Section 415(d) of the Code for years beginning after December 31, 1987, applied to such items and in such manner as the Secretary of the Treasury or his delegate shall prescribe.

1.6 "ADMINISTRATOR": The Plan Administrator provided for in ARTICLE XIII hereof.

1.7 "AFFILIATE": The Employer and each of the following business entities or other organizations (whether or not incorporated) which during the relevant period is treated (but only for the portion of the period so treated and for the purpose and to the extent required to be so treated) together with the Employer as a single employer pursuant to the following sections of the Code (as modified where applicable by Section 415(h) of the Code):

(i) Any corporation which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which includes the Employer,

(ii) Any trade or business (whether or not incorporated) which is under common control (as defined in Section 414(c) of the Code) with the Employer,

(iii) Any organization (whether or not incorporated) which is a member of an affiliated service group as defined in Section 414(m) of the Code) which includes the Employer, and

(iv) Any other entity required to be aggregated with the Employer pursuant to regulations under Section 414(o) of the Code.

1.8 "ANNUITY STARTING DATE": The first day of the first period for which a benefit is paid as an annuity or in any other form (as opposed to the actual date of payment). Notwithstanding the foregoing, the Annuity Starting Date shall not be considered delayed because actual benefit payment is delayed for reasonable administrative reasons as long as all benefits due are actually made. Further, the Administrator may consider the Annuity Starting Date delayed for notice, election and consent purposes but not for payment purposes (which means that payment may be made retroactively to the Annuity Starting Date once the notice, election and consent requirements are satisfied).

1.9 "BENEFICIARY": The person or persons designated by a Participant or otherwise entitled pursuant to paragraph 7.4 to receive benefits under the Plan attributable to such Participant after the death of such Participant.

1.10 "BOARD": The present and any succeeding Board of Directors of the Plan Sponsor, unless such term is used with respect to a particular Employer and its Employees, in which event it shall mean the present and any succeeding Board of Directors of that Employer.

1.11 "CODE": The Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding section of any subsequent Internal Revenue Code, and, to the extent not inconsistent therewith, regulations issued thereunder.

1.12 "COMPENSATION":

1.12(a) The sum of:

(i) An Employee's earnings, exclusive of all awards or payments

under any stock bonus, stock option, or stock purchase plan, or any plan involving stock appreciation rights, prizes, expense reimbursements and allowances, severance pay, imputed income, amounts contributed for the Employee pursuant to and benefits under the Plan or any other employee benefit plan or program of the Employer, or any other similar remuneration, as reportable in the Wages, Tips and Other Compensation Box (currently Box 10) on I.R.S. Form W-2 pursuant to Sections 6041, 6051 and 6052 of the Code received by or made available to him as an Eligible Employee directly from the Employer (but not from any Affiliate which is not a participating employer unless otherwise expressly provided) for a Plan Year, and

(ii) The Employee's elective salary reduction or similar contributions excluded from such earnings by reason of Sections 125, 402(a)(8) (or effective January 1, 1993, 402(e)(3)) and 402(h) of the Code and contributed as an Eligible Employee.

Any such compensation in excess of the Compensation Limit for a Plan Year shall be disregarded. Compensation for a Plan Year shall be rounded to the nearest whole dollar.

1.12(b) For purposes of determining the Accrued Benefit of a Participant who is Disabled (as provided in paragraph 5.4) as an Eligible Employee, such Participant shall be deemed to have received Compensation during periods for which he is considered to be Disabled, as determined pursuant to paragraph 5.4, at his most recent actual or equivalent annual rate of Compensation in effect prior to his becoming Disabled. A Participant's "actual or equivalent hourly rate of Compensation" means his Compensation for the twelve (12) consecutive calendar month period ending prior to the calendar month in which his Disability commenced.

1.12(c) If a Participant becomes an Executive (as defined in paragraph 1.16) and thereafter ceases to be an Executive and thereupon or later becomes a Salaried Employee who is not an Executive, his compensation and service as an Executive shall be taken into account as compensation and service as an Eligible Employee solely for purposes for determining his Compensation and Average Compensation until such time, if ever, as he again becomes an Executive. This operating rule may apply more than once.

1.13 "COMPENSATION LIMIT":$200,000 (as adjusted by the Adjustment Factor).

1.13(a) In determining the Compensation (or other amounts which may refer to the Compensation Limit) of any Employee who is a Highly Compensated Employee for purposes of applying the Compensation Limit in Plan Years beginning after December 31, 1988, the Compensation (or other amounts which may refer to the Compensation Limit) of his Family Members who are his spouse or any of his lineal descendants who have not attained the age of nineteen (19) by the end of the Plan Year (or other stated computation period) shall be aggregated with and treated as part of the Employee's Compensation (or any other amounts which may refer to the Compensation Limit). When Compensation (or any other amount which may refer to the Compensation Limit) is limited by the Compensation Limit, it shall be disregarded in the following order, determined on a Plan Year by Plan Year basis:

(i) First, Compensation (or other amounts which may refer to the Compensation Limit) of Employees who are not participants in any qualified retirement plan maintained by any Affiliate shall be disregarded; and

(ii) Then, Compensation (or other amounts which may refer to the Compensation Limit) shall be disregarded proportionately based on the applicable amount determined without regard to the Compensation Limit.

1.13(b) For purposes of applying the Compensation Limit:

(i) The Compensation Limit applicable to each Plan Year (or other applicable computation period) beginning after December 31, 1988 shall be the Compensation Limit in effect for each such Plan Year (or other

applicable computation period), determined without increases in the Compensation Limit for subsequent periods.

(ii) The Compensation Limit applicable to each Plan Year (or other applicable computation period) beginning before January 1, 1989 shall be the Compensation Limit in effect for the first Plan Year (or other applicable computation period) beginning after December 31, 1988.

1.13(c) In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the annual compensation of each employee taken into account under the Plan shall not exceed the OBRA '93 annual compensation limit. The OBRA '93 annual compensation limit is $150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

For Plan Years beginning on or after January 1, 1994, any reference in this Plan to the limitation under Section 401(a)(17) of the Code shall mean the OBRA '93 annual compensation limit set forth in this provision.

If compensation for any prior determination period is taken into account in determining an employee's benefits accruing in the current Plan Year, the compensation for that prior determination period is subject to the OBRA '93 annual compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first Plan Year beginning on or after January 1, 1994, the OBRA '93 annual compensation limit is $150,000.

1.14 "CONTRACT": A group annuity contract, deposit administration contract, immediate participation guarantee contract, or other investment-oriented or funding contract or agreement issued by an Insurer to hold the assets of the Plan.

1.15 "EFFECTIVE DATE": April 6, 1992, except that with respect to any Employer thereafter adopting the Plan as a participating employer, such date as may be set forth in its adoption agreement or in the Plan. The Administrator shall maintain as Appendix C to the Plan a list of the Effective Dates of participation of all Employers participating in the Plan.

1.16 "ELIGIBLE EMPLOYEE":

1.16(a) A Salaried Employee who is not an Executive. In no event shall Leased Employees be considered as Eligible Employees or be eligible to actively participate in the Plan.

1.16(b) For purposes hereof, the term "Executive" means a person (i) who is the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, a Vice President, the Treasurer, the Secretary, or a General Manager of the Plan Sponsor or (ii) who holds a position described in Appendix B to the Plan, which Appendix and job descriptions may be modified or amended at any time by the Chief Executive Officer of the Plan Sponsor without Board approval and which exclusions shall be effective from the later of January 1, 1993, the effective date(s) of the addition of the exclusion(s) or the date an Employee holds any such position.

1.17 "EMPLOYEE": Any individual employed in the service of the Employer as a common law employee, any sole proprietor or partner of a partnership constituting an Affiliate, and any Leased Employee (but only for the purpose and to the extent treated under Section 414(n) of the Code as an employee of the Employer).

1.18 "EMPLOYER":

1.18(a) The Plan Sponsor and each other employer heretofore or hereafter executing or adopting the Plan as a participating employer, collectively unless the context otherwise indicates, for as long as it remains a participating employer; and with respect to any Employee, any one or more of such Employers by which he is at any time employed (unless or to the extent otherwise specified by resolution of the Board or in a merger or acquisition agreement or plan approved by the Board or in any applicable asset transfer, plan merger or consolidation or adoption agreement). The Administrator shall maintain as Appendix C to the Plan a list of all such Employers who are, from time to time, participating employers in the Plan.

1.18(b) For purposes of determining:

(i) Service for all purposes of the Plan (other than for purposes of determining non-Top Heavy Plan benefit accrual, Eligible Employees and Years of Benefit Service unless otherwise specifically provided) and commencement of service and termination of employment with the Employer,

(ii) Employees, Family Members, Highly Compensated Employees, Key Employees, and Leased Employees,

(iii) Top Heavy Plan status, contributions and benefits,

(iv) Statutory Compensation and Total Compensation, and

(v) Any limitations of Accrued Benefits hereunder,

the term "Employer" shall include each Affiliate which during any year commencing after September 2, 1974 is treated as an Affiliate and each predecessor employer which maintained this Plan (but not beyond the time it ceased to maintain the Plan) within the meaning of Section 414(a) of the Code, but only for the portion of any such year or years so treated and for the purpose and to the extent required to be so treated.

1.18(c) For purposes of determining compensation and service with any business entity, or predecessor thereto, which is merged into an Employer, or a predecessor thereto, or all or substantially all the assets or the operating assets acquired by an Employer, or predecessor thereto, compensation from and service with such business entity and predecessor thereto shall be treated as compensation from and service with an Employer to the extent provided by resolution of the Board or in any corporation or plan merger, consolidation or asset transfer agreement or any adoption agreement approved by the Board.

1.18(d) For purposes of determining service and compensation under the Plan, service with and compensation from Reynolds Metals Company, a Delaware corporation, and any of its "affiliates" (determined on the same basis as Affiliates are determined, but substituting Reynolds Metals Company for the Plan Sponsor) which was rendered or payable for service before April 6, 1992 shall be considered as service with the Employer for all purposes of the Plan.

1.18(e) Notwithstanding any other provision of the Plan:

(i) Service with Sugar Creek Foods of Russellville, Inc., which was the predecessor by asset acquisition on February 28, 1994 to Sugar Creek Foods, Inc., shall not be considered service for any purpose of the Plan.

(ii) Service with Sugar Creek Foods, Inc. prior to the January 1, 1996 Effective Date of the Plan with respect to it shall not be considered service for purposes of determining Years of Benefit Service under the Plan.

(iii) Compensation from Sugar Creek Foods, Inc. for periods prior to the January 1, 1996 Effective Date of the Plan with respect to it shall not be considered Compensation for purposes of determining Accrued Benefits under subparagraph 4.1(a) of the Plan.

1.19 "FAMILY MEMBER":

1.19(a) With respect to a Plan Year, an individual (whether or not himself a Highly Compensated Employee) who is considered a family member described in Section 414(q)(6)(A) of the Code with respect to the Employer; and, to the extent not inconsistent therewith, an individual who is a member of the family (consisting, with respect to an Employee, of such Employee's spouse and lineal ascendants and descendants and the spouses of lineal ascendants and descendants) on any day of the Determination Year or Look-Back Year with respect to such Plan Year of a Highly Compensated Employee who is either (i) a more than five percent (5%) owner of the Employer or (ii) in the group consisting of the ten (10) Highly Compensated Employees with the greatest Statutory Compensation for the relevant Determination Year or Look-Back Year.

1.19(b) For purposes hereof, the terms "Determination Year", "Look-Back Year", and "more than five percent (5%) owner of the Employer" have the same meaning provided herein for purposes of determining Highly Compensated Employees.

1.20 "FUND": The trust fund, including any separate trusts, created under and subject to the Plan, which shall be known as the "Eskimo Pie Corporation Salaried Retirement Trust".

1.21 "HIGHLY COMPENSATED EMPLOYEE":

1.21(a) With respect to a Plan Year, an individual who is considered a "highly compensated employee" with respect to the Employer within the meaning of Section 414(q) of the Code; and, to the extent not inconsistent therewith, any Employee who is considered a Highly Compensated Active Employee or a Highly Compensated Former Employee for the Determination Year ending with or within such Plan Year, defined as follows:

(i) The term "Highly Compensated Active Employee" means, with respect to a Determination Year, an Employee who is an Active Employee during the Determination Year and who during the Determination Year or the Look-Back Year either:

(A) Was at any time a more than five percent (5%) owner of the Employer (as defined for purposes of determining Key Employees);

(B) Received Statutory Compensation in excess of $75,000 (as adjusted by the Adjustment Factor);

(C) Received Statutory Compensation in excess of $50,000 (as adjusted by the Adjustment Factor), and was a member of the twenty percent (20%) top-paid group of Employees; or

(D) Was one of the fifty (50) (or if less, the greater of three (3) or ten percent (10%) of total Employees) officers of the Employer having the largest annual Statutory Compensation and having Statutory Compensation in excess of $45,000 (or fifty percent (50%) of any other amount, as adjusted by the Adjustment Factor, in effect under Section 415(b)(1)(A) of the Code), provided, however, that if no officers received Statutory Compensation for either such Plan Year in excess of such dollar amount, then the officer receiving the largest annual Statutory Compensation shall be a Highly Compensated Active Employee.

Notwithstanding the foregoing, an Employee shall not be considered described in clauses (i)(B), (C) and (D) of this subparagraph for a Determination Year (although he may for a Look-Back Year) unless he also is one of the one hundred (100) Active Employees who receive the greatest Statutory Compensation for the Determination Year.

(ii) The term "Highly Compensated Former Employee" means:

(A) With respect to a Determination Year, a Former Employee who has had a Separation Year prior to the Determination Year and who was a Highly Compensated Active Employee for either such Separation Year or any Determination Year ending on or after his attainment of the age of fifty-five (55).

(B) Notwithstanding the foregoing, an Employee shall not be treated as a Highly Compensated Former Employee by reason of having a Deemed Separation Year after such Employee actually separates from service with the Employer if, after such Deemed Separation Year and before his Actual Separation Year, his services for the Employer and Statutory Compensation for a Determination Year increase significantly so that the Employee is treated as having a Deemed Resumption of Employment.

(C) Notwithstanding the foregoing, a Former Employee who separated from service with the Employer before the beginning of the first Determination Year beginning on or after January 1, 1987 shall not be treated as a Highly Compensated Former Employee unless he is described in one or more of the following groups during either his Actual Separation Year (or the year immediately preceding his Actual Separation Year) or any Determination Year ending on or after his attainment of the age of fifty-five (55) (or the last Determination Year ending before his attainment of the age of fifty-five (55)):

(I) He was at any time a more than five percent (5%) owner of the Employer (as defined for purposes of determining Key Employees); or

(II) His Statutory Compensation was in excess of $50,000.

1.21(b) For purposes hereof:

(i) The term "Active Employee" means, with respect to a Determination Year, a current Employee who performs services for the Employer as an Employee at any time during the Determination Year.

(ii) The term "Deemed Resumption of Employment" means an increase in both services performed for the Employer as an Employee and Statutory Compensation, based on the facts and circumstances, and at a minimum shall include an increase in Statutory Compensation to the extent that such increased Statutory Compensation would not result in a Deemed Separation Year.

(iii) The term "Determination Year" means the Plan Year.

(iv) The term "Former Employee" means, with respect to a Determination Year, a current or former Employee who performs no services for the Employer as an Employee during the Determination Year.

(v) The term "Look-Back Year" means, with respect to a Determination Year, the immediately preceding year to the Determination Year in question.

(vi) The term "Separation Year" means:

(A) An "Actual Separation Year" which is a Determination Year in which a Former Employee last performed services for the Employer as an Employee prior to becoming a Highly Compensated Former Employee; or

(B) A "Deemed Separation Year" which is a Determination Year prior to the Employee's attainment of the age of fifty-five (55) in which he is an Active Employee and in which his Statutory Compensation is less than fifty percent (50%) of his average

annual Statutory Compensation for the three (3) consecutive calendar years preceding the Determination Year during which his Statutory Compensation was the highest (or the total period of the Employee's service with the Employer if less). A Deemed Separation Year is relevant for purposes of determining whether an Employee is a Highly Compensated Former Employee after he has an Actual Separation Year, but is not relevant for purposes of identifying him as an Active or Former Employee.

1.21(c) For purposes hereof:

(i) The Adjustment Factor for a Determination Year or a Look-Back Year shall be applied on the basis of the calendar year in which such Determination Year or Look-Back Year begins.

(ii) The Administrator may adopt any rounding or tie-breaking rules it desires in making relevant determinations so long as such rules are reasonable, non-discriminatory and uniformly and consistently applied.

(iii) An Employee is a member of the twenty percent (20%) top-paid group for a year if he is one of the top twenty percent (20%) of Active Employees for the year when ranked on the basis of descending Statutory Compensation for such year (whether or not the Employee in question is excluded in determining the number of Employees in the twenty percent (20%) top-paid group). For this purpose, if bargaining unit Employees are not taken into account in determining the number of Employees in the twenty percent (20%) top-paid group pursuant to clause (iv)(E) of this subparagraph, they also shall not be taken into account in determining other Employees who are in twenty percent (20%) top-paid group.

(iv) For purposes of determining the number of persons in the twenty percent (20%) top-paid group and the number of persons who may be considered officers for a year, the following rules shall apply:

(A) The number of Employees who are in the twenty percent (20%) top-paid group for a year is twenty percent (20%), rounded to the nearest integer, of the total number of Active Employees who are not excluded Employees for such year.

(B) The number of Employees equal to ten percent (10%) of total Employees for a year is ten percent (10%), rounded to the nearest integer, of the total number of Active Employees who are not excluded Employees for such year.

(C) All Former Employees for the year are excluded.

(D) Employees who are non-resident aliens and who receive no earned income (within the meaning of Section 911(d)(2) of the Code) from the Employer that constitutes income from sources within the United States for the year are excluded.

(E) Employees who are in a unit of employees covered by a collective bargaining agreement between the Employer and employee representatives for the year are excluded if and only if ninety percent (90%) or more of the total Employees for the year are covered by a collective bargaining agreement with the Employer and the Active Participants in the Plan do not include any such bargaining unit Employees.

(F) Employees shall not be excluded on the basis of age or length of prior service.

1.22 "HOUR OF SERVICE": An hour for which an Employee is paid by the Employer, or entitled to payment, for the performance of duties, including each hour for which credit has not theretofore been given and for which back pay, irrespective of mitigation of damages, has either been awarded or agreed to by the Employer.

1.23 "INACTIVE PARTICIPANT": A Participant who is not an Eligible Employee.

1.24 "INSURER": Any insurance company which issues a Contract to hold assets of the Plan or a Policy to provide for payment of benefits under the Plan or to provide life insurance pursuant to the Plan.

1.25 "INVESTMENT MANAGER": A fiduciary of the Plan appointed to manage all or part of the assets of the Fund and serving pursuant to ARTICLE X and qualifying as an "investment manager" within the meaning of Section 3(38) of the Act.

1.26 "KEY EMPLOYEE":

1.26(a) With respect to a Plan Year, any Employee or former Employee (or his Beneficiary if he is deceased) considered to be a "key employee" with respect to the Employer at the time in question within the meaning of Section 416(i)(1) of the Code; and to the extent not inconsistent therewith, any Employee or former Employee (or his Beneficiary if he is deceased) who at any time during such Plan Year, or any of the preceding four (4) Plan Years, is either:

(i) One of the fifty (50) (or if less, the greater of three (3) or ten percent (10%) of total Employees, as determined for purposes of determining Highly Compensated Employees) officers of the Employer having the largest annual Statutory Compensation during any such Plan Year and having Statutory Compensation in excess of $45,000 (or fifty percent (50%) of any other amount, as adjusted by the Adjustment Factor, in effect for the relevant Plan Year under Section 415(b)(1)(A) of the Code);

(ii) One of the ten (10) Employees having Statutory Compensation in excess of $30,000 (or any other amount, as adjusted by the Adjustment Factor, in effect for the relevant Plan Year under Section 415(c)(1)(A) of the Code) and owning more than a one-half percent (.5%) interest in the Employer, who owns the largest interests in the Employer, provided that if two such Employees have the same interest in the Employer, the Employee having the greater Statutory Compensation shall be treated as having a larger interest;

(iii) A more than five percent (5%) owner of the Employer; or

(iv) A more than one percent (1%) owner of the Employer having an annual Statutory Compensation of more than $150,000.

1.26(b) In determining ownership in the Employer for purposes hereof the constructive ownership rules of Section 318 of the Code (as modified by Section 416(i)(1)(B)(iii) of the Code) shall apply, and the rules of Sections 414(b), (c), (m) and (o) of the Code shall not apply.

1.27 "LEASED EMPLOYEE":

1.27(a) An individual who is considered a leased employee of the Employer within the meaning of Section 414(n)(2) of the Code and, to the extent not inconsistent therewith, any person:

(i) Who, pursuant to an agreement between the recipient Employer and any other person (the "leasing organization"), has performed services for the recipient Employer or for the recipient Employer and related persons (determined in accordance with Section 414(n)(6) of the Code),

(ii) Whose services are performed on a substantially full-time basis for a period of at least one year, and

(iii) Whose services are of a type historically performed by employees in the business field of the recipient Employer.

1.27(b) Notwithstanding the foregoing, if such leased employees constitute less than twenty percent (20%) of the Employer's non-highly compensated work force within the meaning of Section 414(n)(1)(C)(ii) of the Code, individuals otherwise considered to be Leased Employees shall not include those leased employees covered by a plan described in Section 414(n)(5) of the Code (unless otherwise provided by the terms of the Plan) and, to the extent not inconsistent therewith, which:

(i) Is maintained by the leasing organization,

(ii) Is a money purchase pension plan with a non-integrated employer contribution rate of at least seven and one-half percent (7-1/2%) of compensation in the case of services performed before January 1, 1987 or ten percent (10%) of compensation in the case of services performed after December 31, 1986,

(iii) Provides full and immediate vesting, and

(iv) Provides for immediate participation by each employee of the leasing organization (other than employees who perform substantially all their services for the leasing organization or whose compensation from the leasing organization in each of the four (4) Plan Years ending with the Plan Year in question is less than $1,000).

For purposes hereof, "compensation" means compensation as defined in Section 415(c)(3) of the Code but without regard to Sections 125, 402(a)(8) (or effective January 1, 1993, 402(e)(3)) and 402(h)(1)(B) of the Code and without regard to employer contributions made pursuant to salary reduction agreements under Section 403(b) of the Code.

1.28 "NON-HIGHLY COMPENSATED EMPLOYEE": Any Employee who is not a Highly Compensated Employee.

1.29 "NON-KEY EMPLOYEE": Any Employee (including the Beneficiary of such Employee) who is not a Key Employee.

1.30 "NORMAL RETIREMENT AGE": With respect to a Participant, the later of:

(i) The age of sixty-five (65), or

(ii) The Participant's attained age on the fifth anniversary of his first becoming an Employee.

1.31 "PARTICIPANT": An Eligible Employee or other person qualified to participate in the Plan for so long as he is considered a Participant as provided in ARTICLE II hereof.

1.32 "PLAN": This Agreement, including the Appendices hereto, as contained herein or duly amended. The defined benefit plan maintained pursuant hereto shall be known as the "Eskimo Pie Corporation Salaried Retirement Plan".

1.33 "PLAN SPONSOR": Eskimo Pie Corporation, a Delaware corporation (or its corporate successor).

1.34 "PLAN YEAR": A year commencing upon the first day of January of each year.

1.35 "POLICY": A group or individual policy, contract or other agreement (including a certificate) issued by an Insurer which is not a Contract and which is obtained to provide for the accumulation and/or payment of benefits under the Plan or to provide life insurance pursuant to the Plan.

1.36 "QDRO": A qualified domestic relations order within the meaning of Section 206(d)(3) of the Act and Section 414(p) of the Code and as determined by the Administrator pursuant to the Plan.

1.37 "SALARIED EMPLOYEE": Any common law employee of the Employer

(exclusive of any Affiliate which is not a participating employer unless otherwise expressly provided) who is employed on a salaried basis.

1.38 "SPOUSE": For the purpose of qualifying to receive survivor annuity benefits under the Plan, an individual to whom a Participant was married:

(i) On his Annuity Starting Date, or

(ii) If he has not reached his Annuity Starting Date, throughout the one year period ending on his date of death.

The determination of the marital status of a Participant shall be made pursuant to applicable local law; provided, however, that a Participant's former spouse shall continue to be considered married to the Participant, and a Participant's current spouse shall be considered not married to the Participant, to the extent provided under a QDRO.

1.39 "STATUTORY COMPENSATION": An Employee's Total Compensation plus employee elective salary reduction or similar contributions excluded from Total Compensation by reason of Sections 125, 402(a)(8) (or effective January 1, 1993, 402(e)(3)) and 402(h) of the Code and employer contributions made pursuant to salary reduction agreements under Sections 403(b) of the Code. Statutory Compensation for a Plan Year (or such other applicable computation period) shall be limited by the Compensation Limit for all purposes other than determining Family Members, Highly Compensated Employees and Key Employees.

1.40 "SUPER TOP HEAVY PLAN": The Plan, if it would still be considered a Top Heavy Plan if ninety percent (90%) were substituted for sixty percent (60%) in each place it appears in the definition of a Top Heavy Plan.

1.41 "TOP HEAVY PLAN": The Plan, for any Plan Year beginning after December 31, 1983, if the sum of the present values of the cumulative Accrued Benefits of Key Employees under the Plan, and the present values of the cumulative accrued benefits of Key Employees under all plans aggregated with it, exceeds sixty percent (60%) of the aggregate of the present value of the cumulative Accrued Benefits under this Plan and accrued benefits under such plan(s) at the applicable determination date. For purposes hereof, aggregation, accrued benefits (including Accrued Benefits) taken into account, the determination date and all other standards and criteria for determining top-heaviness under this Plan and such other plan(s) shall be determined under Section 416 of the Code. Subject to the foregoing, more specific rules for determining whether the Plan is a Top Heavy Plan are provided in Appendix B.

1.42 "TOTAL COMPENSATION": The total earnings from the Employer reportable in the Wages, Tips and Other Compensation Box (currently Box 10) on I.R.S. Form W-2 pursuant to Sections 6041, 6051 and 6052 of the Code received by or made available to an Employee during any Plan Year or, for purposes of the limitations imposed by Section 415 of the Code, any Limitation Year (as defined in paragraph 4.5).

1.43 "TRUSTEE": William M. Fariss, Jr.; and any successor or additional Trustee or Trustees, including any Co-Trustee or Separate Trustee as provided in ARTICLE XII, appointed and serving in accordance herewith.

1.44 "YEAR OF BENEFIT SERVICE":

1.44(a) A Period of Service (as defined in Appendix A) as an Eligible Employee of one year, excluding all service before April 6, 1992. For purposes hereof, where a Period of Service as an Eligible Employee is longer than one year, it shall be treated as that number of Years of Benefit Service (and fractional part thereof) equal to the whole number of years (and fractional part thereof) in such Period of Service.

1.44(b) Notwithstanding anything to the contrary herein, if a Salaried Employee is an Executive (as defined in paragraph 1.16) during a Plan Year, no part of such Plan Year shall be taken into account in determining such person's Years of Benefit Service.

1.45 "YEAR OF BROKEN SERVICE": A Break in Service (as defined in Appendix A) of one year. For purposes hereof, where a Break in Service is longer than one year, it shall be treated as that number of Years of Broken Service (and fractional part thereof) equal to the whole consecutive number of years (and fractional part thereof) in the Period of Severance.

1.46 "YEAR OF SERVICE": A year, based on the applicable computation period stated when used in the Plan and expressed in terms of a whole and partial year, which is included in a Period of Service (as defined in Appendix A).

1.47 "YEAR OF VESTING SERVICE": A Period of Service (as defined in Appendix A) of one year. For purposes hereof, when a Period of Service is longer than one year, it shall be treated as that number of Years of Vesting Service (and fractional parts thereof) equal to the whole number of years (and fractional parts thereof) in the Period of Service.

ARTICLE II
ELIGIBILITY AND PARTICIPATION

2.1 ELIGIBILITY AND DATE OF PARTICIPATION.

2.1(a) Each Eligible Employee who has attained the age of twenty-one (21) years prior to an Entry Date shall become a Participant on the earlier of the following dates, provided he is then credited with at least one Year of Eligibility Service:

(i) On the first Entry Date on which he is an Eligible Employee following his completion of such age and service requirements.

(ii) If he is not an Eligible Employee on the first Entry Date following his completion of such age and service requirements, on the first day he thereafter becomes an Eligible Employee.

Notwithstanding the foregoing, each Employee who is an Eligible Employee at the time of a "change in control" of the Plan Sponsor shall become a Participant in the Plan as of the date for such change in control. For purposes hereof, the term "change in control" means "Change in Control" as defined in the Plan Sponsor's 1996 Incentive Stock Plan.

2.1(b) An individual who was, but ceased to be, a Participant shall again be a Participant at the first to occur of the following:

(i) If and when he again becomes an Eligible Employee,

(ii) If all or part of his Accrued Benefit is considered cashed-out and forfeited pursuant to paragraph 4.6, if and when the cashed-out amount is reinstated pursuant thereto, or

(iii) If his forfeited Accrued Benefit is restored pursuant to paragraph 6.4, if and when he again becomes an Employee.

2.1(c) An individual who becomes a Participant shall be or remain a Participant for so long as he remains an Eligible Employee and thereafter while he is entitled to future benefits under the terms of the Plan.

2.2 ELIGIBILITY SERVICE DEFINITIONS AND RULES. For purposes of this ARTICLE II, the following terms shall have the following meanings:

2.2(a) The term "Entry Date" means the Effective Date of the Plan and thereafter the first day of each calendar month of each Plan Year. Notwithstanding the foregoing, the first Entry Date with respect to an Employee of an Employer which adopts the Plan as a participating employer as of a date after the Effective Date of the Plan shall be the Effective Date of the adoption of the Plan as to such Employer. Additional Entry Dates may be provided in a participating employer's adoption agreement.

2.2(b) The term "Year of Eligibility Service" means a Period of Service (as defined in Appendix A) of one year. For purposes hereof, when a Period of Service is longer than one year, it shall be treated as that number of Years of Eligibility Service (and fractional parts thereof) equal to the whole number of years (and fractional parts thereof) in the Period of Service.

ARTICLE III
FUNDING

3.1 FUNDING.

3.1(a) All costs of benefits under the Plan shall be borne by contributions by the Employer and any assets transferred to the Plan. Such contributions by the Employer shall equal amounts actuarially determined to be sufficient to satisfy the requirements of Section 302 of the Act and Section 412 of the Code, but shall not exceed amounts deductible by the Employer under Section 404 of the Code. Each contribution shall be conditioned upon such deductibility. Funds released through the forfeiture of Accrued Benefits shall be applied first to pay administrative expenses of the Plan and Fund, if so directed by the Plan Sponsor, and then to reduce the Employer's contributions. Each Employer's contribution shall be in such amount as the Plan Sponsor shall determine.

3.1(b) In the event that any Employer is unable to make all or any part of any contribution to the Fund, the Plan Sponsor shall direct that one or more other Employers (including itself) contribute to the Fund on behalf of such Employer the amount prohibited by such limitation, and for purposes of administering the Plan such contribution shall be deemed made by the Employer on whose behalf it was made.

3.2 TIMING OF CONTRIBUTIONS BY THE EMPLOYER. The contribution by the Employer for any Plan Year shall be made in quarterly payments and as otherwise required under Section 302 of the Act and Section 412 of the Code, provided that the total amount of the contribution with respect to any taxable year of the Employer shall be paid not later than the date, including extensions thereof, on which the Employer's federal income tax return for such taxable year is due to be filed.

3.3 DETERMINATION OF FUNDING REQUIREMENTS. The amount of the Employer's contribution for any Plan Year shall be determined by the enrolled actuary for the Plan who shall be selected by, and may from time to time be changed by, the Plan Sponsor. The Trustee shall provide to the Plan's enrolled actuary and the Plan Sponsor, or to its duly appointed representative, such information regarding the income, disbursements and value of the Fund as may be reasonably required for the purpose of making such determination. The Plan Sponsor and the Plan's enrolled actuary shall select the appropriate funding method and assumptions for determining the amount of the Employer's contribution.

3.4 NO DUTY OF TRUSTEE TO DETERMINE OR ENFORCE CONTRIBUTIONS. The Trustee shall not be required to determine the amount of the Employer's contribution for any Plan Year or to enforce the duty of the Employer to make such contributions; but the Trustee shall provide the Employer with such information as it may reasonably require to determine the amount of its contribution.

ARTICLE IV
DETERMINATION OF ACCRUED BENEFIT

4.1 ACCRUED BENEFIT.

4.1(a) The Accrued Benefit of a Participant shall be an amount, expressed in the form of a single life annuity payable monthly for the life of the Participant, commencing upon his Normal Retirement Date or as otherwise provided in this subparagraph 4.1(a), and equal to the amount determined under the Benefit Formula, calculated as follows:

(i) A Participant who retires on his Normal Retirement Date shall be entitled to his Accrued Benefit calculated under the Benefit Formula to his Normal Retirement Date.

(ii) A Participant whose employment with the Employer terminates after his Normal Retirement Date shall be entitled to an Accrued Benefit commencing on his Delayed Retirement Date (or, where applicable, his other benefit commencement date determined as though he had separated from service and had a Delayed Retirement Date) equal to the sum of:

(A) His Accrued Benefit calculated under the Benefit Formula to his Normal Retirement Date, and

(B) The sum of the greater, determined for each Plan Year (or portion thereof) ending after his Normal Retirement Date, of:

(I) The excess, if any, of (a) his Accrued Benefit calculated under the Benefit Formula as of the end of such Plan Year (or if earlier and as applicable, his Delayed Retirement Date or his other benefit commencement date determined as though he had separated from service and had a Delayed Retirement Date) over (b) his Accrued Benefit calculated as of the end of the immediately preceding Plan Year (or his Normal Retirement Date, if later), or

(II) The excess, if any, of (a) the Actuarial Equivalent of his Accrued Benefit calculated under the Benefit Formula as of the end of the immediately preceding Plan Year (or his Normal Retirement Date, if later), where the Actuarial Equivalent adjustment is determined as of the end of such Plan Year (or, where applicable, his Delayed Retirement Date or his other benefit commencement date determined as though he had separated from service and had a Delayed Retirement Date) over (b) his Accrued Benefit calculated as of the end of the immediately preceding Plan Year (or his Normal Retirement Date, if later).

(iii) A Participant who retires on his Early Retirement Date shall be entitled to his Accrued Benefit calculated under the Benefit Formula to his Early Retirement Date.

(iv) The Accrued Benefit of each other Participant shall be calculated under the Benefit Formula as of the applicable date for which such determination is made.

4.1(b) Notwithstanding the foregoing, the amount of a Participant's Accrued Benefit derived from contributions by the Employer, expressed in the form of a single life annuity payable monthly for his life and commencing on his Normal Retirement Date, shall not be less than the Actuarial Equivalent of any Top Heavy Minimum Benefit required to be provided by the Plan to him under paragraph 4.3.

4.1(c) For purposes hereof:

(i) A Participant's "Average Compensation" is the average of his Compensation for the five (5) consecutive Plan Years within the last ten (10) Plan Years prior to the date as of which his Accrued Benefit is determined (or if earlier, when he last is an Eligible Employee), during each of which he has Compensation and is credited with a full Year of Service as an Eligible Employee (with the Plan Year as the computation period) and which produce the highest average or, if they are less than five (5) such consecutive Plan Years, for all Plan Years during each of which he has Compensation and is credited with a full Year of Service as an Eligible Employee (based on the Plan Year). Plan Years shall be deemed to be consecutive even though interrupted by one or more Plan Years for each of which the Employee had no Compensation or was not credited with a full Year of Service as an Eligible Employee (based on the Plan Year). For

purposes hereof:

(A) Average Compensation shall be rounded to the nearest whole dollar.

(B) If a Participant becomes an Executive (as defined in paragraph 1.16) and thereafter ceases to be an Executive and thereupon or later becomes a Salaried Employee who is not an Executive, his compensation and service as an Executive shall be taken into account as compensation and service as an Eligible Employee solely for purposes for determining his Compensation and Average Compensation until such time, if ever, as he again becomes an Executive. This operating rule may apply more than once.

(ii) The "Benefit Formula" is the greater of:

(A) One-twelfth (1/12) of the product obtained by multiplying one and one-half percent (1-1/2%) of a Participant's Average Compensation by his Years of Benefit Service, or

(B) The product obtained by multiplying Thirty-Six Dollars ($36) by the Participant's Years of Benefit Service.

4.2 ACCRUED BENEFIT SERVICE RULES. For purposes of determining the Accrued Benefit of a Participant under subparagraph 4.1(a), all Years of Benefit Service shall be included.

4.3 TOP HEAVY MINIMUM BENEFIT.

4.3(a) If the Plan is or has been a Top Heavy Plan, each Participant who is credited with at least one Year of Service (determined on the basis of a Plan Year as the computation period), who is not covered by a collective bargaining agreement under which retirement benefits were the subject of good faith bargaining with the Employer and who is a Non-Key Employee during the period the Plan is a Top Heavy Plan shall be entitled to a Top Heavy Minimum Benefit. For purposes hereof:

(i) The Top Heavy Minimum Benefit is an amount, expressed in the form of a single life annuity payable monthly for the life of the Participant (with no ancillary benefits) commencing at his Normal Retirement Date, equal to one-twelfth (1/12) of the product obtained by multiplying:

(A) His Top Heavy Average Compensation, by

(B) The product (not in excess of twenty percent (20%)) obtained by multiplying his aggregate full Years of Top Heavy Service by two percent (2%).

(ii) If such a Participant's employment with the Employer terminates after his Normal Retirement Date, he shall be entitled to the greater of:

(A) His Top Heavy Minimum Benefit calculated under clause (i) of this subparagraph to and commencing at his termination of employment with the Employer, or

(B) The Actuarial Equivalent his Top Heavy Minimum Benefit commencing upon his termination of employment and calculated to his Normal Retirement Date or, if later, the end of the Plan Year immediately preceding the determination date.

(iii) If the Plan is a Top Heavy Plan during more than one continuous period of time, the rules of this paragraph 4.3 shall be applied separately to each such period of time, but the maximum aggregate Top Heavy Minimum Benefit provided hereunder shall not exceed twenty percent (20%) of his highest Top Heavy Average Compensation in such periods of

time.

4.3(b) For purposes of determining a Participant's Top Heavy Minimum Benefit, the term "Top Heavy Average Compensation" means the average of an Employee's Total Compensation for the five (5) consecutive Plan Years (or all consecutive Plan Years if there are not five (5) such Plan Years) during which he has Total Compensation and is credited with a full Year of Service (with the Plan Year as the computation period) and which produce the highest average, computed as of the end of any Plan Year during which the Plan is a Top Heavy Plan (but not thereafter) and without taking into account Total Compensation for any Plan Year to the extent that it exceeds the Compensation Limit. Plan Years shall be deemed to be consecutive even though interrupted by one or more Plan Years for each of which the Employee had no Total Compensation or was not credited with a full Year of Service (based on the Plan Year).

4.3(c) For purposes of determining a Participant's Top Heavy Minimum Benefit, the term "Year of Top Heavy Service" means each Plan Year for which the Participant is credited with a Year of Service determined on the basis of the Plan Year as the computation period, counting only Hours of Service as an Eligible Employee, and excluding the following service, to the extent not inconsistent with Section 416 of the Code:

(i) Any Year of Service credited for Plan Years beginning before January 1, 1984.

(ii) Any Year of Service credited for a Plan Year for which the Plan is not a Top Heavy Plan.

(iii) Any Year of Service credited for a Plan Year for which the Participant is a Key Employee.

(iv) Any Year of Service credited for a Plan Year for which the Participant is not an Active Participant (or does not accrue a benefit under the Plan) for reasons other than because his compensation is less than a stated amount or because of his failure to make mandatory contributions to the Plan.

4.3(d) It is the specific intent of this paragraph that only the minimum required benefit under Section 416 of the Code be provided and, notwithstanding any other provision hereof, the aggregate benefits provided for a Participant by this paragraph and the corresponding provisions of all other qualified retirement plans maintained by the Employer shall not exceed such minimum required for such Participant. For purposes hereof:

(i) In the event such minimum for such Participant would otherwise be exceeded, the minimum benefit provided by this paragraph and such other corresponding provisions of a defined benefit plan shall be reduced pro rata until only the minimum required for such Participant is provided.

(ii) In applying this subparagraph to the accrued benefit provided by a defined contribution plan, the following rules shall apply:

(A) No such accrued benefit attributable to salary reduction contributions under Section 401(k) of the Code considered made by the Employer or matching contributions within the meaning of Section 401(m)(4)(A) of the Code shall be taken into account.

(B) No such accrued benefit under a plan which does not provide payment of benefits in the form of a life annuity as the normal form of payment or which is not subject to the survivor annuity requirements of Section 417 of the Code shall be taken into account.

(C) Otherwise, any minimum required benefit under this paragraph shall be reduced under a floor offset approach by the Actuarial Value of such accrued benefit attributable to contributions by the Employer under such plans by applying the

Actuarial Equivalent factors hereunder for cash-outs to convert the amount of such accrued benefit determined at the earlier of the commencement of benefits under this Plan or under such other plan into a Top Heavy Minimum Benefit.

4.4 ACCRUED BENEFIT LIMITATION.

4.4(a) To the extent not otherwise provided herein or to the extent inconsistent with the provisions hereof and except as prohibited by applicable regulations under the Code, the applicable limitations on contributions and benefits under Section 415, as modified where applicable by Section 416 of the Code, are incorporated by reference and shall control over any contrary or omitted provisions in the Plan. As applicable to this Plan, the limitations on benefit of Section 415 of the Code generally limit a Participant's annual benefit (as defined in Section 415 of the Code) to the lesser of $90,000 (as adjusted by the Adjustment Factor) or 100% of his highest three consecutive year average Total Compensation.

4.4(b) To the extent a death benefit with respect to a Participant is determined on the basis of his Accrued Benefit, or a projection thereof, such death benefit shall be determined on a basis which appropriately reflects the limitations imposed by Section 415 of the Code.

4.4(c) Notwithstanding the foregoing, adjustments in the $90,000 limit under Section 415 of the Code shall only be applicable to benefits provided by this Plan with respect to a Participant who is an Employee or Disabled (as provided in paragraph 5.4) at the time the adjustment is effective.

4.4(d) In complying with the limitations of Section 415 of the Code, all other transitional rules under any law enacting or amending Section 415, or Section 416 as applicable to Section 415, of the Code shall be applicable as determined by the Plan Sponsor.

4.5 ADDITIONAL ACCRUED BENEFIT LIMITATIONS WHEN EMPLOYER MAINTAINS MORE THAN ONE PLAN.

4.5(a) If any Participant is or has been a participant in more than one Qualified Defined Benefit Plans (whether or not terminated), the limitations contained in paragraph 4.4 and this paragraph shall apply as if all such plans were one plan. In such case, the annual benefits (as defined in Section 415 of the Code) payable to the Participant under this Plan and such other plan(s) shall be reduced proportionately so that the total annual benefits payable to the Participant under this Plan (if a Qualified Defined Benefit Plan) and such other plan(s) do not exceed the Maximum Permissible Benefit.

4.5(b) If any Participant is or has been a Participant in both a Qualified Defined Benefit Plan and a Qualified Defined Contribution Plan, then the annual additions (as defined in Section 415 of the Code) for such Participant shall be reduced (after the accrued benefit, the annual benefit, the projected annual benefit and the rate of accrual under all Qualified Defined Benefit Plans are reduced) to the extent necessary so that the sum of the defined benefit plan fraction (as defined in Section 415 of the Code) and the defined contribution plan fraction (as defined in Section 415 of the Code) shall not exceed 1.0 for such Participant for any Plan Year and in order to achieve the objective of compliance with the applicable rules of limitation contained in Section 415(e) of the Code and, if the Plan is a Top Heavy Plan or a Super Top Heavy Plan, in Section 416(h) of the Code.

4.5(c) Solely for purposes of paragraphs 4.4 and 4.5, the following words and terms shall have the meaning set forth below in this subparagraph:

(i) The term "Limitation Year" means the calendar year and is the year used to apply the limitations of section 415 of the Code.

(ii) The term "Qualified Defined Contribution Plan" shall mean any plan maintained by the Employer or portion thereof described or treated as a defined contribution plan within the meaning of Sections 414(i) and

415(k) of the Code, including, but not limited to, defined contribution plans qualified under Section 401(a) of the Code, tax sheltered annuity contracts described in Section 403(b) of the Code, simplified employee pension plans described in Section 408(k) of the Code, any employee contribution portion of and any cost-of-living protection arrangement under a defined benefit plan qualified under Section 401(a) of the Code, any individual medical account under a pension or annuity plan within the meaning of Section 415(l) of the Code, and any welfare benefit fund within the meaning of Section 419(e) of the Code.

(iii) The term "Qualified Defined Benefit Plan" shall mean any plan maintained by the Employer or portion thereof described or treated as a defined benefit plan within the meaning of Sections 414(j) and 415(k) of the Code.

4.6 EFFECT OF CERTAIN CASH-OUTS ON ACCRUED BENEFIT.

4.6(a) In the case of a Participant who has ceased to be an Employee and who has received not later than one year after he incurs a Year of Broken Service either:

(i) A distribution of the Actuarial Value of his entire non-forfeitable Accrued Benefit which includes an amount not exceeding $3,500 and representing the Actuarial Value of his entire non-forfeitable Accrued Benefit derived from contributions by the Employer at the time of such distribution, or

(ii) A distribution which he voluntarily elects to receive and which represents all or a portion of the Actuarial Value of his non-forfeitable Accrued Benefit at the time of such distribution,

the Accrued Benefit (including any Top Heavy Minimum Benefit) of such Participant which is derived from contributions by the Employer shall be determined at any time thereafter without regard to his service with respect to which such distribution was made.

4.6(b) If a Participant who has no non-forfeitable interest in his Accrued Benefit ceases to be an Employee, he shall be deemed to have had his Accrued Benefit cashed-out pursuant to the provisions of subparagraph 4.6(a) and his Accrued Benefit shall be forfeited. If a Participant who is affected by the provisions of this subparagraph again becomes an Employee before he incurs five (5) consecutive Years of Broken Service commencing after the date of the deemed distribution and forfeiture (but in no event after the date of termination of the Plan), his forfeited Accrued Benefit shall be restored.

4.7 NO DUPLICATION OF BENEFITS. Notwithstanding any other provision of the Plan, the total Actuarial Value of the Accrued Benefit which may be earned by any Participant shall not exceed the Actuarial Value of his Accrued Benefit under the Plan, calculated without regard to any prior distributions of his Accrued Benefit, and then reduced by the Actuarial Value of any prior distributions not repaid to the Plan.

ARTICLE V
RETIREMENT DATES

5.1 NORMAL RETIREMENT DATE. The Normal Retirement Date of a Participant shall be the first day of the calendar month coinciding with or next following the date on which the Participant attains his Normal Retirement Age.

5.2 DELAYED RETIREMENT DATE. A Participant who continues in the active employment of the Employer beyond his Normal Retirement Date shall continue to participate in the Plan, and his Delayed Retirement Date shall be the first day of the calendar month coinciding with or next following the date of termination of his employment with the Employer.

5.3 EARLY RETIREMENT DATE. A Participant who has attained the age of

fifty-five (55) years or more while a Salaried Employee or Disabled (as provided in paragraph 5.4) and has completed at least ten (10) Years of Vesting Service as determined for vesting purposes under paragraph 6.3 may retire from the employment of the Employer prior to his Normal Retirement Date and his Early Retirement Date shall be the first day of the calendar month coinciding with or next following the date of such retirement.

5.4 DISABILITY AND RETIREMENT, DEATH OR SEPARATION AFTER DISABILITY.

5.4(a) If a Participant becomes Disabled while a Salaried Employee with at least one Year of Vesting Service, the determination of the Participant's Accrued benefit and Death Benefit, as applicable, shall be subject to the special rules contained in this paragraph.

5.4(b) For purposes hereof:

(i) With respect to a Participant, the existence of a "Disability" or the status of being "Disabled":

(A) Shall begin and be considered present during the period for which an Employee or former Employee is determined by the applicable fiduciary to be disabled for purposes of entitlement to disability benefits under any long term disability plan which is maintained by the Employer and under which he is covered, and for which he receives such benefits prior to his Normal Retirement Date, provided the cause of such disability occurred when the Employee was both a Salaried Employee and credited with one Year of Vesting Service, but

(B) Shall end in any event on the earlier of (I) the date he ceases to be Disabled (as determined above), whether by death or otherwise, or (II) his Normal Retirement Date.

(ii) The Administrator shall have the right to require proof of continuing Disability.

(iii) Failure by the Participant to provide such evidence as may from time to time be required by the Administrator prior to such Participant's attainment of his Normal Retirement Date shall result in the discontinuance of his Disability status and the termination of his status as Disabled under the Plan.

(iv) The determination of Disability shall be made by the Administrator in accordance with standards uniformly applied to all Participants, on the advice of one or more physicians appointed or approved by the Plan Sponsor if deemed necessary or advisable by the Administrator, and the Administrator shall have the right to require further medical examinations from time to time to determine whether there has been any change in the Participant's physical condition.

5.4(c) If the period of a Participant's Disability continues until his Normal Retirement Date, the Participant shall be considered for purposes of the Plan to have retired on such date and to be entitled to his Accrued Benefit determined in accordance with paragraph 4.1 as a Participant who retires on his Normal Retirement Date.

5.4(d) If the period of a Participant's Disability ceases before the Participant's Normal Retirement Date but after the later of the Participant's attainment of the age of fifty-five (55) years or completion of ten (10) Years of Vesting Service as determined for vesting purposes under paragraph 6.3, other than by reason of the Participant's death, and the Participant does not return to active employment with the Employer, the Participant shall be considered for purposes of the Plan to have retired with the first day of the month thereafter as his Early Retirement Date and to be entitled to his Accrued Benefit determined in accordance with paragraph 4.1 as a Participant who retires on his Early Retirement Date.

5.4(e) If the period of a Participant's Disability ceases before the later of the Participant's attainment of the age of fifty-five (55) years or completion of ten (10) Years of Vesting Service as determined for vesting purposes under paragraph 6.3, and the Participant does not return to active employment with the Employer, the Participant's entitlement to his Accrued Benefit shall be determined as though he terminated employment with the Employer at such time.

5.4(f) If the period of a Participant's Disability ceases by reason of his death, the only benefit payable under the Plan shall be the Pre-Retirement Spouse's Death Benefit, if any, to which his Spouse is entitled.

ARTICLE VI
VESTING

6.1 VESTING AT ATTAINMENT OF NORMAL RETIREMENT AGE. The Accrued Benefit of a Participant shall be fully vested and non-forfeitable upon the Participant's having attained his Normal Retirement Age while employed by the Employer or while Disabled (as provided in paragraph 5.4).

6.2 VESTING IN ACCRUED BENEFIT AT OTHER TIMES.

6.2(a) At any time when a Participant is not fully vested in his Accrued Benefit under paragraph 6.1, he shall have a non-forfeitable interest in a percentage of his Accrued Benefit derived from contributions by the Employer depending upon the number of Years of Vesting Service with which he is credited at such time in accordance with the schedule below:

YEARS OF VESTING SERVICE	NON-FORFEITABLE PERCENTAGE
Less than 5	0%
5 or more	100%

6.2(b) In addition to the vesting provisions provided in subparagraph 6.2(a), for each Plan Year the Plan is a Top Heavy Plan, the following schedule shall also apply with respect to each Participant's Accrued Benefit derived from contributions by the Employer, and each Participant to whom such schedule applies shall be entitled to the greater of the non-forfeitable interest in such Accrued Benefit determined under subparagraph 6.2(a) or the following schedule:

(i) A Participant who is credited with an Hour of Service during the period that the Plan is a Top Heavy Plan and who is not covered by a collective bargaining agreement under which retirement benefits were the subject of good faith bargaining with the Employer shall have a non-forfeitable interest in his Accrued Benefit derived from contributions by the Employer and the percentage of such non-forfeitable interest shall depend upon the number of Years of Vesting Service with which he is credited in accordance with the schedule below:

YEARS OF VESTING SERVICE	NON-FORFEITABLE PERCENTAGE
Less than 3	0%
3 or more	100%

(ii) In the event the Plan is a Top Heavy Plan for a Plan Year or Years and subsequently ceases to be a Top Heavy Plan, the vesting provisions of this subparagraph as applicable to the last such Plan Year the Plan is a Top Heavy Plan during such period shall continue to apply only to such Participants who were credited with at least three (3) Years of Vesting Service at the end of the last such Plan Year.

6.2(c) Notwithstanding the foregoing, a Participant (including those for whom immediate commencement of participation in the Plan is provided under subparagraph 2.1(a) as a result of a "change in control" of the Plan Sponsor) who is an Employee at the time of a "change in control" of the Plan Sponsor

shall have a 100% non-forfeitable interest in his Accrued Benefit. For purposes hereof, the term "change in control" means "Change in Control" as defined in the Plan Sponsor's 1996 Incentive Stock Plan.

6.3 VESTING SERVICE RULES. For the purpose of computing a Participant's non-forfeitable right to a percentage of his Accrued Benefit derived from contributions by the Employer, all Years of Vesting Service shall be included.

6.4 FORFEITURE AND RESTORATION OF ACCRUED BENEFITS. A Participant's Accrued Benefit in excess of his non-forfeitable Accrued Benefit shall be forfeited by such Participant upon the first to occur of his ceasing to be an Employee (or, if applicable, Disabled as provided in paragraph 5.4) or his death; provided, however, that, subject to the provisions of the Plan requiring prior service to be disregarded, any such forfeited Accrued Benefit of a Participant shall be restored upon such individual's thereafter again becoming an Employee prior to the date of any termination of the Plan with respect to such Participant or Employee. In no event shall forfeited Accrued Benefits or assets of the Fund released as a result of any forfeiture of Accrued Benefits be applied or used to increase the Accrued Benefit of any Participant.

6.5 NO REDUCTION IN CERTAIN VESTED ACCRUED BENEFITS BY REASON OF RE-EMPLOYMENT. Notwithstanding any provisions hereof to the contrary, in the case of a Participant who has a non-forfeitable interest in his Accrued Benefit under the Plan and who separates from the service of the Employer whether by retirement, disability or other termination, the dollar amount of his non-forfeitable interest in his Accrued Benefit at the time of his separation from service and the commencement of his benefit payments thereafter shall not be reduced by reason of his re-employment (except as may be provided in the event of a suspension or deferral of benefit payments pursuant to paragraph 8.7 hereof).

ARTICLE VII
DEATH BENEFITS

7.1 DEATH AFTER ANNUITY STARTING DATE. If a Participant dies after his Annuity Starting Date, the only benefits payable under the Plan after his death shall be those, if any, provided under the form of payment being made to him at his death.

7.2 DEATH BEFORE ANNUITY STARTING DATE. If a Participant dies before his Annuity Starting Date, no benefit shall be paid under the Plan except any Death Benefit which may be provided under this ARTICLE VII.

7.3 PRE-RETIREMENT SPOUSE'S DEATH BENEFIT.

7.3(a) In the event that a Participant has a Spouse and dies before his Annuity Starting Date at a time when he has a non-forfeitable interest in his Accrued Benefit, then the Spouse of such Participant shall be entitled to receive as a Death Benefit under the Plan (referred to as the "Pre-Retirement Spouse's Death Benefit") a survivor annuity, expressed in the form of a single life annuity payable monthly for the life of such Spouse commencing on the Spouse's Earliest Commencement Date, equal to the Pre-Retirement Spouse's Annuity if the Participant had died on the day following his Annuity Starting Date under the appropriate one of the following assumptions:

(i) If the Participant dies after attaining his Earliest Retirement Age, it shall be assumed both that he retired and that his Annuity Starting Date occurred as of the first day of the month in which he died, but the benefit payment amount of the Pre-Retirement Spouse's Death Benefit shall be calculated as first day of the month immediately following the month in which he died, or

(ii) If the Participant dies on or before attaining his Earliest Retirement Age, it shall be assumed that he merely separated from the service of the Employer on the date of his death but survived until his Earliest Retirement Age which was also his Annuity Starting Date.

If the Participant was actually separated from the service of the Employer at his death, such assumption shall not increase his or her Spouse's benefit entitlement or accelerate the time of payment or the date which is the Participant's Earliest Retirement Age.

7.3(b) For purposes hereof:

(i) A Participant's "Earliest Retirement Age" is the earliest date under the Plan as of which he could elect to commence receiving his Accrued Benefit, on the assumption that he had merely separated from the service of the Employer on the date of his death and had continued to survive.

(ii) A Spouse's "Earliest Commencement Date" is the first day of the first month in which the Participant would have reached his Earliest Retirement Age or, if he has already reached that date at his death, the first day of the month immediately following the month in which the Participant died.

(iii) The "Pre-Retirement Spouse's Annuity" means the survivor annuity to which the Spouse would have been entitled under the Joint and 50% Spouse Survivor Annuity form of payment described in subparagraph 8.2(a).

7.4 BENEFICIARY DESIGNATION.

7.4(a) Subject to the rights of his Spouse to receive a survivor life annuity under paragraph 8.2 or a Pre-Retirement Spouse's Death Benefit under subparagraph 7.3 (for which purposes the Participant's Spouse shall be considered a Beneficiary) and the right of his Spouse to consent to specific non-spouse Beneficiaries, if any, under subparagraph 8.6(b), each Participant shall have the right to notify the Administrator in writing of any designation of a Beneficiary to receive, if alive, benefits under the Plan in the event of his death. Such designation may be changed from time to time by notice in writing to the Administrator, subject where specifically required to consent by his Spouse.

7.4(b) If a Participant dies without having designated a Beneficiary, or if the Beneficiary so designated has predeceased the Participant or, except when his Beneficiary is his Spouse entitled to a survivor life annuity or Pre-Retirement Spouse's Death Benefit, cannot be located by the Administrator within one year after the date when the Administrator commenced making a reasonable effort to locate such Beneficiary, then his surviving spouse, or if none, then his descendants, per stirpes, or if none, then the executor or the administrator of his estate shall be deemed to be his Beneficiary.

7.4(c) Any Beneficiary designation may include multiple, contingent or successive Beneficiaries and may specify the proportionate distribution to each Beneficiary. If a Beneficiary shall survive the Participant, but shall die before the entire benefit payable to such Beneficiary has been distributed, then absent any other provision by the Participant, the unpaid amount of such benefit shall be distributed to the estate of the deceased Beneficiary. If multiple Beneficiaries are designated, absent provisions by the Participant, those named or the survivors of them shall share equally any benefits payable under the Plan. Any Beneficiary, including the Participant's spouse, shall be entitled to disclaim any benefit otherwise payable to him under the Plan.

ARTICLE VIII
PAYMENT OF BENEFITS

8.1 TIME OF PAYMENT.

8.1(a) The non-forfeitable Accrued Benefit of a Participant shall become payable to the Participant, if then alive, at the earliest of the following applicable times:

(i) The Participant's Normal or Delayed Retirement Date on which he retires under the Plan.

(ii) The Participant's Normal Retirement Date if he is not then an Employee for reasons other than death.

(iii) The April 1 immediately following the calendar year in which occurs the date on which the Participant attains the age of seventy and one-half (70-1/2). Thereafter, such Participant's Accrued Benefit attributable to active participation in the Plan for Plan Years ending after the calendar year in which he attains the age of seventy and one-half (70-1/2) shall commence as of the January immediately following each such Plan Year.

(iv) The first day of any calendar month designated by the Participant if he is neither an Employee nor Disabled (as provided in paragraph 5.4), which date shall not be earlier than:

(A) His Early Retirement Date, nor later than his Normal Retirement Date, if the Participant retires on his Early Retirement Date, or

(B) The date on which the Participant attains the age required for Early Retirement, nor later than his Normal Retirement Date, if the Participant has satisfied the service requirement for Early Retirement.

In order for payment to begin, the Participant must file a written application therefor with the Administrator no later than thirty (30) days (or such other date as the Administrator may determine or permit on a uniform and non-discriminatory basis) before such designated date.

(v) The sixtieth (60th) day after the end of the Plan Year in which occurs the later of:

(A) The date on which the Participant attains his Normal Retirement Age, or

(B) The date on which he ceases to be an Employee.

8.1(b) The Pre-Retirement Spouse's Death Benefit with respect to a Participant shall become payable to his Spouse at the following applicable time:

(i) The date which would have been the Participant's Normal Retirement Date, if he dies before then.

(ii) The date which would have been the Participant's next available Delayed Retirement Date, if he dies on or after his Normal Retirement Date.

(iii) The first day of any calendar month coinciding with or following the Participant's Spouse's Earliest Commencement Date (as determined pursuant to subparagraph 7.3(b)), if his Spouse requests in writing payment in annuity form at that time and if earlier than the time for payment otherwise provided under this subparagraph. Any such request shall be filed with the Administrator at least thirty (30) days (or such other date as the Administrator may determine or permit on a uniform and non-discriminatory basis) before the date such Death Benefit is requested to be paid.

8.1(c) Notwithstanding the foregoing provisions of this paragraph, payment may be delayed for a reasonable period of time in the event the recipient cannot be located or is not competent to receive the benefit payment, there is a dispute as to the proper recipient of such benefit payment, additional time is needed to calculate the Accrued Benefit or Death Benefit, or additional time is necessary to properly explain the recipient's options.

8.2 FORM OF ACCRUED BENEFIT PAYMENT. A Participant shall be paid the non-forfeitable Accrued Benefit to which he is entitled in one of the forms hereafter provided in this paragraph 8.2, commencing as provided in paragraph 8.1, and having the same Actuarial Value as the form stated in subparagraph 4.1(a).

8.2(a) Accrued Benefit payments to a Participant who has a Spouse shall be in the form of a joint and survivor annuity which provides for the payment to the Participant entitled thereto of equal monthly amounts on the first day of each calendar month during his lifetime and continuing thereafter for the lifetime of his Spouse at the rate of fifty percent (50%) of such monthly amounts payable to the Participant. This annuity is sometimes referred to herein as a "Joint and 50% Spouse Survivor Annuity".

8.2(b) Accrued Benefit payments to a Participant who does not have a Spouse shall be in the form of a single annuity for the life of the Participant, payable in equal monthly amounts on the first day of each calendar month during the lifetime of such Participant. This annuity is sometimes referred to herein as a "Single Life Annuity".

8.2(c) Each Participant shall have the right to elect in accordance with the provisions of subparagraph 8.6(c) and, except in the case of a Joint and 75% or 100% Spouse Survivor Annuity described in clause (iii) below, with the consent of his Spouse (where necessary as determined under subparagraph 8.6(b)), in lieu of the normal form of benefit provided in subparagraph 8.2(a) or (b), to receive his non-forfeitable Accrued Benefit in one of the following optional forms:

(i) The Single Life Annuity for the life of the Participant described in subparagraph 8.2(b).

(ii) A single annuity for the life of the Participant payable in equal monthly amounts on the first day of each calendar month during the lifetime of the Participant, but with one hundred twenty (120) monthly payments guaranteed and with any portion of the unpaid guaranteed payments at the Participant's death payable as a continuing term certain annuity to his Beneficiary. This annuity is sometimes referred to herein as a "Ten-Year Certain and Life Annuity".

(iii) A joint and survivor annuity in the form described in subparagraph 8.2(a), but continuing as a survivor annuity for the life of the Participant's Spouse at (A) seventy-five percent (75%) or (B) one hundred percent (100%) of the amount of each monthly payment to the Participant. These annuities are sometimes referred to herein as a "Joint and 75% Spouse Survivor Annuity" and a "Joint and 100% Spouse Survivor Annuity", respectively.

8.2(d) If payment commences to a Participant pursuant to the requirements of clause (iii) of subparagraph 8.1(a) on account of the Participant's attainment of the age of seventy and one-half (70-1/2), the following rules shall apply:

(i) If the Participant has terminated employment with the Employer by such April 1, the amount payable shall be calculated as of the Participant's termination of employment.

(ii) If the Participant has not terminated employment with the Employer by such April 1, the amount payable shall be calculated as of the immediately preceding December 31.

(iii) Thereafter, such Participant's additional Accrued Benefit attributable to active participation in the Plan for Plan Years ending in or after the calendar year in which the Participant's benefit payment begins shall be calculated as of the December 31 immediately preceding the January 1 as of which such additional benefit will commence to be paid.

8.2(e) To the extent the payment provisions of the Plan are inconsistent with and violative of the requirements of Section 401(a)(9) of the Code, the provisions of Section 401(a)(9) of the Code are hereby incorporated by reference and shall control.

8.3 FORM OF DEATH BENEFIT PAYMENT. The Pre-Retirement Spouse's Death Benefit shall be paid in the form of a single annuity for the life of the Spouse entitled thereto payable in equal monthly amounts on the first day of each calendar month during the lifetime of the Spouse, commencing as provided in paragraph 8.1 and having the same Actuarial Value as the form stated in subparagraph 7.3(a).

8.4 BENEFIT CASH-OUT.

8.4(a) Notwithstanding the time and form of payment provided for elsewhere in this ARTICLE VIII and in lieu of payment pursuant to paragraph 8.2 (but only at or prior to the time the benefit would otherwise commence to be paid thereunder), the Actuarial Value of the non-forfeitable Accrued Benefit of a Participant (determined as of the date of termination of employment or required benefit commencement) shall be paid in the form of a lump sum in cash (a "cash-out") as soon as reasonably practicable (generally during the last month of each Plan Year) after the Participant's termination of employment with the Employer or, if earlier, any required time for benefit commencement under subparagraph 8.1(a) if the Actuarial Value of such Participant's entire non-forfeitable Accrued Benefit does not, and did not at the time of any prior payment thereof, exceed $3,500.

8.4(b) Notwithstanding the time and form of payment provided for elsewhere in this ARTICLE VIII and in lieu of payment pursuant to paragraph 8.3 (but only at or prior to the time the benefit would otherwise commence to be paid thereunder), the Actuarial Value of the Pre-Retirement Spouse's Death Benefit with respect to a Participant (determined as of the date of the Participant's death) shall be paid in the form of a lump sum in cash (a "cash-out") as soon as reasonably practicable (generally during the last month of each Plan Year) after the Participant's death if the Actuarial Value of the Pre-Retirement Spouse's Death Benefit with respect to such Participant does not exceed $3,500.

8.5 PLAN TO PLAN DIRECT ROLLOVER AS A DISTRIBUTION OPTION.

8.5(a) Notwithstanding any contrary provision of the Plan, but subject to any de minimis or other exceptions or limitations provided for under Section 401(a)(31) of the Code, effective for distributions made from the Plan after December 31, 1992, any prospective recipient of a distribution from the Plan which constitutes an "eligible rollover distribution" (to the extent otherwise includible in the recipient's gross income) may direct the Trustee to pay the distribution directly to an individual retirement plan or another "eligible retirement plan" as defined in Section 401(a)(31)(D) of the Code. The term "eligible rollover distribution" has the meaning assigned to it in Section 401(a)(31)(C) of the Code and, to the extent not inconsistent therewith, means any distribution other than:

(i) A distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made either for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and his Beneficiary who is an individual or for a specified period of ten (10) or more years, or

(ii) A distribution to the extent it is required under the minimum distribution requirement of Section 401(a)(9) of the Code.

8.5(b) Any such direction shall be filed with the Administrator in such form and at such time as the Administrator may require and shall adequately specify the eligible retirement plan to which the payment shall be made.

8.5(c) The Trustee shall make payment as directed only if the proposed transferee plan will accept the payment.

8.5(d) Any such plan to plan transfer shall be considered a distribution option under this Plan and shall be subject to all the usual distribution rules of this Plan (including but not limited to the requirement of spousal consent, where applicable, and an advance explanation of the option).

8.5(e) Within a reasonable time (generally not more than ninety (90) nor less than thirty (30) days) before the Annuity Starting Date of a prospective recipient of an eligible rollover distribution from the Plan, the Administrator shall by mail or personal delivery provide the prospective recipient with a written explanation of the rollover and tax rules required by Section 402(f) of the Code.

8.6 NOTICE, ELECTION AND CONSENT REGARDING ACCRUED BENEFIT PAYMENT. Any election authorized by subparagraph 8.2(c) and any designation or consent to a date for payment by a Participant shall be in writing, shall clearly indicate the election or designation being made or the consent being given, and shall be filed with the Administrator within the time and in accordance with the procedures provided in the following subparagraphs to this paragraph.

8.6(a) Within a reasonable time (generally not more than ninety (90) nor less than thirty (30) days) before a Participant's Annuity Starting Date, the Administrator shall by mail or personal delivery provide the Participant with a written explanation of:

(i) The terms and conditions of the applicable forms of payment, including his normal form of payment under subparagraph 8.2(a) or (b), as the case may be, and including the relative financial effects of the applicable forms of payment,

(ii) The Participant's right to make, and the effect of, an election to waive his normal form of payment under subparagraph 8.2(a) or (b), as the case may be, by electing another form of payment for his Accrued Benefit,

(iii) The rights of the Participant's Spouse regarding any such election as provided in subparagraph 8.6(b),

(iv) The Participant's right to make, and the effect of, a revocation of an election to waive his normal form of payment under subparagraph 8.2(a) or (b), as the case may be, and

(v) The Participant's right to delay receipt of his non-forfeitable Accrued Benefit until such later date allowed under paragraph 8.1, including the right to modify or revoke any election thereunder.

8.6(b) Any election by a Participant regarding the form of his benefit payment where consent by his Spouse is specifically required shall be subject to the following rules:

(i) Such election shall not be given effect unless either:

(A) The Participant's Spouse consents in writing thereto and the Spouse's consent acknowledges the effect of such election and is witnessed by a representative of the Plan or a notary public (or the equivalent) or both if required by the Administrator, or

(B) It is established to the satisfaction of the Administrator that such consent may not be obtained because there is no Spouse, because the Spouse cannot be located, because the Participant has been abandoned by the Spouse (which fact shall be determined under applicable law and evidenced by a court order so specifying), or because of such other circumstances as may be provided under Section 417(a)(2)(B) of the Code.

For purposes hereof, a representative of the Plan is any officer of the Employer, the Administrator or any other person designated as such in writing by any of the foregoing.

(ii) If a Spouse consents to a Participant's election, such consent regarding a form of payment under which benefits could be paid to the Participant's Beneficiary shall either be in the form of:

(A) A limited consent which acknowledges the specific non-spouse Beneficiary or class of non-spouse Beneficiaries (including any multiple, contingent or successive Beneficiary or class of Beneficiaries), if any, and the applicable form(s) of payment under the Plan (including the form of payment to the Beneficiary), or

(B) If permitted by the Administrator on a uniform and non-discriminatory basis, a general consent which acknowledges the Spouse's right (and awareness thereof) to limit consent only to a specific Beneficiary or class of Beneficiaries or a specific form of payment (if there is more than one) and in which the Spouse voluntarily elects to relinquish one or both of such rights.

(iii) If a Spouse consents to a Participant's election, any change (other than a timely revocation by the Participant of an election regarding the form of payment of his Accrued Benefit or a change to a form of payment that does not require a spousal consent) by the Participant to his Beneficiary designation or the form of payment to his Beneficiary shall require the further consent of his Spouse in accordance with the applicable provisions of this subparagraph (unless the Spouse has given a general consent which expressly permits changes therein by the Participant without any requirement of further consent by the Spouse).

(iv) Any such consent by a Spouse may not be revoked by such Spouse but shall be automatically revoked in connection with a revocation or election or consent change by the Participant.

(v) Any such consent by a Spouse, or the establishment that the consent of a Spouse need not be obtained, shall be effective only with respect to such Spouse.

8.6(c) A Participant's designation of, consent to or election of payment before his Normal Retirement Date under paragraph 8.1 and his election authorized by subparagraph 8.2(c) (together with any necessary consent by his Spouse) must be filed with the Administrator during the ninety (90) day period ending on his Annuity Starting Date. If the written explanation required by subparagraph 8.6(a) is not provided to the Participant at least thirty (30) days before the scheduled Annuity Starting Date, the Annuity Starting Date may be deferred by the Administrator until at least thirty (30) days after the written explanation is provided. Such election may be revoked in writing during such election period, and another election may be made during such election period, at any time and any number of times.

8.6(d) If a Participant elects an optional form of payment under subparagraph 8.2(c) and dies before his Annuity Starting Date, the elected form of payment shall not be given effect and no benefit under the Plan shall be payable with respect to the Participant except the Death Benefit as may be provided under ARTICLE VII.

8.6(e) If a Participant elects an optional form of payment under subparagraph 8.2(c) which provides for a life annuity to a contingent annuitant after his death and if the contingent annuitant dies before the Participant's Annuity Starting Date, such optional form of payment shall not be given effect and such Participant's Accrued Benefit shall be paid in the form otherwise applicable to or subsequently elected by him.

8.7 SPECIAL RULES FOR BENEFITS ON RE-EMPLOYMENT OR CONTINUED EMPLOYMENT AFTER NORMAL RETIREMENT AGE.

8.7(a) Notwithstanding any other provision of the Plan:

(i) If a Participant is re-employed by the Employer during any Plan Year, benefit payments to which he is then entitled and being paid shall continue to be paid as if he were not so re-employed. Such Participant shall be considered to become a new Participant in the Plan immediately on his re-employment as an Eligible Employee and shall be treated as a new Participant with respect to any additional Accrued benefit he earns. Upon such Participant's subsequent death, retirement, other termination of employment with the Employer or required commencement of benefits while employed by the Employer, such Participant's additional non-forfeitable Accrued Benefit or Death Benefit, as the case may be, shall be determined and paid as though he were a new Participant with respect to such period of re-employment.

(ii) If a Participant is re-employed by the Employer during any Plan Year, benefit payments to which he is not then being paid shall not commence to be paid until his subsequent cessation of employment or as otherwise required under clause (iii) of subparagraph 8.1(a).

(iii) If a Participant continues in the employment of the Employer at a time when his benefits under the Plan are required to be in pay status by reason of clause (iii) of subparagraph 8.1(a), his benefits under the Plan with respect to his prior employment and payment thereof shall not be affected by such continued employment, but any additional benefit under the Plan to which he may be entitled by reason of such continued employment shall be added to his previously earned benefits as of the end of each Plan Year in which the same is accrued and shall thereafter be paid in the same manner and at the same time as his benefits earned with respect to his prior employment.

8.7(b) Notwithstanding any other provision of the Plan, if a Participant continues in the employment of the Employer after his Normal Retirement Date, his benefit entitlement shall be subject to the following rules:

(i) Benefit payments to which such Participant is entitled under the Plan if he had terminated employment with the Employer and which are not then in pay status shall be deferred, and the amounts otherwise payable during such continued employment shall be forfeited, during the period of such employment, subject, however, to the benefit commencement requirements of subparagraph 8.1(a). In connection with this deferral:

(A) The Administrator shall deliver to the Participant a Notice of Benefit Deferral, which shall be delivered by first class mail or by personal delivery.

(B) If a Participant's benefit payments are deferred pursuant to this subparagraph, such benefit payments shall commence no later than the first day of the third calendar month following the calendar month in which the Participant ceases to be employed by the Employer or, if earlier, the required time for payment under subparagraph 8.1(a). The initial payment upon such commencement shall include the payment scheduled to occur in the calendar month of such commencement and, if applicable, any amounts withheld during the period between the Participant's cessation of employment and the calendar month of such commencement.

(ii) Upon such Participant's subsequent death, retirement, other termination of employment with the Employer or commencement of benefits while employed by the Employer, such Participant's non-forfeitable Accrued Benefit or Death Benefit, as the case may be, shall be commenced in the form then applicable or elected (subject to appropriate actuarial adjustment, if any, and to increase in the same for any additional benefits earned under the Plan).

(iii) Each Participant shall have the right to request a determination under the claims procedure set forth in paragraph 8.9 hereof whether specific contemplated employment constitutes service subject to the rules of this subparagraph.

(iv) For purposes hereof, the term "Notice of Benefit Deferral" means either:

(A) A written notice which states that the Participant's benefit payments are deferred and which contains (I) the reason and a general description of the authority for the deferral, together with a copy of the applicable Plan provisions containing the benefit deferral rules, (II) the method by which a deferral may be reviewed, which shall be the claims procedure set forth in paragraph 8.9 hereof, and (III) a statement that the applicable Department of Labor regulations may be found in Section 2530.203-3 of the Code of Federal Regulations, or

(B) A written notice which refers the Participant to the relevant pages of the Plan's summary plan description concerning deferral of benefit rules if (I) the summary plan description contains information which substantially is the same as that required under clause (A) above, (II) the Participant is informed how to obtain a copy of the summary plan description, or the relevant pages thereof, and (III) any request by the Participant for referenced information is fulfilled within a reasonable period of time, not to exceed thirty (30) days.

8.8 BENEFIT DETERMINATION AND PAYMENT PROCEDURE.

8.8(a) The Administrator shall make all determinations concerning eligibility for benefits under the Plan, the time or terms of payment, and the forms or manner of payment to the Participant or the Participant's Beneficiary, in the event of the death of a Participant. The Administrator shall promptly notify the Trustee of each such determination that benefit payments are due or should cease to be made and provide to the Trustee all other information necessary to allow the Trustee to carry out said determination, whereupon the Trustee shall pay or cease to pay such benefits from the Fund in accordance with the Administrator's determination.

8.8(b) Benefit payment due to the Participant or his Beneficiary, in the event of the death of the Participant, shall be determined as of the Annuity Starting Date. Any payments actually commencing more than two (2) months after the Annuity Starting Date shall bear interest for each whole month during which not paid at the applicable interest rate used for determining the Actuarial Equivalent of the Accrued Benefit under the Plan.

8.8(c) In making the determinations described in subparagraph 8.8(a), the Administrator shall take into account the terms of any QDRO received with respect to the non-forfeitable Accrued Benefit of the Participant or any Death Benefit with respect to the Participant. The time and form of payment with respect to the QDRO and the time and form of payment chosen by the Participant or his Beneficiary or required by the Plan shall not be altered by the terms of the QDRO (except as required under Section 414(p)(4) of the Code). The Administrator shall make all determinations regarding benefit payments to be made pursuant to a QDRO. Any benefit payment which may be subject to the terms of a domestic relations order received by the Administrator shall be suspended during the period the Administrator is considering whether the order is a QDRO. In the event that benefits are in pay status at the time that a domestic relations order is received, the Administrator shall promptly notify the Trustee of the amount, if any, of the benefit payments that must be suspended for the period required by the Administrator to determine the status of the order. Upon the completion of the Administrator's review or other determination of the status of the order, the Administrator shall promptly notify the Trustee of the time benefit payments are to commence or resume, and of the identity of, and the amount and form of benefits to be paid to the person or persons to whom payment is to be made.

8.8(d) The Administrator shall have the right to direct the Trustee to purchase from an Insurer and either hold in the Fund or distribute to any Participant or his Beneficiary entitled thereto a Policy which will provide the annuity or other benefits under the Plan to which such Participant or his

Beneficiary is entitled or elects to receive, provided proper application therefor is delivered to the Trustee. In the event such Policy provides for a deferred, as opposed to an immediate, annuity, it shall provide annuity or other benefits at the time and in the form required under the Plan, and in the event such Policy is distributed to a Participant or his Beneficiary, it shall provide for an election as to each time and form of payment provided in the Plan (unless otherwise determined by the Administrator), which election shall be subject where applicable to the requirement of spousal consent described in subparagraph 8.6(b) and shall be consistent with the other applicable requirements of paragraph 8.1, 8.4 and 8.6 determined as of the annuity starting date under the Policy. Each such Policy shall be owned by and transferable only by the Trustee and, if distributed, shall provide that the Participant or his Beneficiary entitled thereto is the retirement payee and death beneficiary thereunder. Any such Policy may contain such feature or features, including, but not limited to, whether guaranteed or not guaranteed or participating or not participating, as the Administrator deems advisable in its discretion.

8.9 CLAIMS PROCEDURE.

8.9(a) A Participant or Beneficiary (the "claimant") shall have the right to request any benefit under the Plan by filing a written claim for any such benefit with the Administrator on a form provided by the Administrator for such purpose. The Administrator shall give such claim due consideration and shall either approve or deny it in whole or in part. Within ninety (90) days following receipt of such claim by the Administrator, notice of any approval or denial thereof, in whole or in part, shall be delivered to the claimant or his duly authorized representative or such notice of denial shall be sent by mail to the claimant or his duly authorized representative at the address shown on the claim form or such individual's last known address. The aforesaid ninety (90) day response period may be extended to one hundred eighty (180) days after receipt of the claimant's claim if special circumstances exist and if written notice of the extension to one hundred eighty (180) days indicating the special circumstances involved and the date by which a decision is expected to be made is furnished to the claimant within ninety (90) days after receipt of the claimant's claim. Any notice of denial shall be written in a manner calculated to be understood by the claimant and shall:

(i) Set forth a specific reason or reasons for the denial,

(ii) Make specific reference to the pertinent provisions of the Plan on which any denial of benefits is based,

(iii) Describe any additional material or information necessary for the claimant to perfect the claim and explain why such material or information is necessary, and

(iv) Explain the claim review procedure of subparagraph 8.9(b).

If a notice of approval or denial is not provided to the claimant within the applicable ninety (90) day or one hundred eighty (180) day period, the claimant's claim shall be considered denied for purposes of the claim review procedure of subparagraph 8.9(b).

8.9(b) A Participant or Beneficiary whose claim filed pursuant to subparagraph 8.9(a) has been denied, in whole or in part, may, within sixty (60) days following receipt of notice of such denial, or following the expiration of the applicable period provided for in subparagraph 8.9(a) for notifying the claimant of the decision on the claim if no notice of denial is provided, make written application to the Administrator for a review of such claim, which application shall be filed with the Administrator. For purposes of such review, the claimant or his duly authorized representative may review Plan documents pertinent to such claim and may submit to the Administrator written issues and comments respecting such claim. The Administrator may schedule and hold a hearing. The Administrator shall make a full and fair review of any denial of a claim for benefits and issue its decision thereon promptly, but no later than sixty (60) days after receipt by the Administrator of the claimant's request for review, or one hundred twenty (120) days after such receipt if a hearing is to

be held or if other special circumstances exist and if written notice of the extension to one hundred twenty (120) days is furnished to the claimant within sixty (60) days after the receipt of the claimant's request for a review. Such decision shall be in writing, shall be delivered or mailed by the Administrator to the claimant or his duly authorized representative in the manner prescribed in subparagraph 8.9(a) for notices of approval or denial of claims, and shall:

(i) Include specific reasons for the decision,

(ii) Be written in a manner calculated to be understood by the claimant, and

(iii) Contain specific references to the pertinent Plan provisions on which the decision is based.

The Administrator's decision made in good faith shall be final.

8.10 PAYMENTS TO MINORS AND INCOMPETENTS. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

8.11 DISTRIBUTION OF BENEFIT WHEN DISTRIBUTEE CANNOT BE LOCATED. The Administrator shall make all reasonable attempts to determine the identity and/or whereabouts of a Participant or Participant's spouse entitled to a survivor life annuity or Pre-Retirement Spouse's Death Benefit under the Plan or a Participant's Beneficiary entitled to any other benefit under the Plan, including the mailing by certified mail of a notice to the last known address shown on the Employer's, the Administrator's or the Trustee's records. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Trustee shall continue to hold the benefit due such person, subject to any applicable statute of escheats.

8.12 MINIMUM AMOUNT PAID MONTHLY. Notwithstanding any other provisions of this ARTICLE VIII, monthly benefits equal to Ten Dollars ($10.00) or less need not be paid monthly, but may be accumulated and paid annually on the last day of each Plan Year.

ARTICLE IX
ADDITIONAL RESTRICTIONS AND LIMITATIONS ON PAYMENTS AND BENEFITS

9.1 PRE-TERMINATION LIMITATIONS ON ANNUAL PAYMENTS TO CERTAIN HIGHLY COMPENSATED EMPLOYEES. In the event of the payment of benefits prior to the termination of the Plan, the Annual Payment to each Participant who is among the twenty-five (25) Highly Compensated Employees who have the greatest Statutory Compensation and his Beneficiary shall be limited as follows:

9.1(a) No Annual Payment may exceed the sum of:

(i) An amount determined as if payments had been made in the form of a Single Life Annuity (as defined in subparagraph 8.2(b)) which is the Actuarial Equivalent of the sum of the Participant's Accrued Benefit and any other Restricted Benefit under the Plan (other than a Social Security Supplement), and

(ii) The amount of the payments to which the Participant is entitled to receive for the Plan Year under a Social Security Supplement.

9.1(b) The limitation described in subparagraph 9.1(a) shall not apply if one of the following conditions is met:

(i) The value of the assets of the Plan equals or exceeds one hundred ten percent (110%) of the value of Current Liabilities of the Plan after the payment to such Participant or Beneficiary of all Restricted Benefits otherwise due under the Plan,

(ii) The Actuarial Value of such individual's Restricted Benefit is less than one percent (1%) of the Current Liabilities of the Plan, or

(iii) The Actuarial Value of such individual's Restricted Benefit does not, and did not at the time of any prior payment thereof, exceed $3,500.

9.1(c) For purposes of this paragraph:

(i) "Annual Payment" means the sum of the value of all distributions of Restricted Benefits, whether in cash or in assets, made with respect to a Plan Year to or on behalf of a Participant.

(ii) "Current Liabilities" shall be determined pursuant to Section 412(l)(7) of the Code for purposes of determining the required and/or permissible contributions under Section 302 of the Act and Sections 412 and 404 of the Code and in a manner consistent with Inc. Tax Reg. Section 1.401(a)(4)-5(b).

(iii) "Restricted Benefit" means all benefits due under the Plan (whether vested Accrued Benefits, Death Benefits or other benefits), including loans in excess of the amount set forth in Section 72(p)(2)(A) of the Code, any periodic income, any withdrawal values payable to a living Participant and any death benefits not provided for by insurance on the life of the Participant but excluding Death Benefits provided for by insurance on the life of the Participant and the value of current life insurance protection provided under the Plan to a Participant.

(iv) "Social Security Supplement" means a Participant's benefit which both commences and terminates before the Participant's Social Security Retirement Age and does not exceed the old age insurance benefit under the Federal Social Security Act to which the Participant is entitled. For purposes hereof, "Social Security Retirement Age" means the age used as the retirement age for the Participant under Section 216(l) of the Federal Social Security Act, except that such section shall be applied without regard to the age increase factor, and as if the early retirement age under Section 216(l)(2) of such Act were sixty-two (62). As of the Effective Date of this Restatement of the Plan, the Social Security Retirement Age is determined on the basis of a Participant's calendar year of birth as follows:

SOCIAL SECURITY RETIREMENT AGE	CALENDAR YEAR OF BIRTH
65	Before 1938
66	After 1937, but before 1955
67	After 1954

(v) The value of the assets of the Plan and the Current Liabilities shall be determined as of the same date for purposes of applying this paragraph.

9.2 RESTRICTIONS ON BENEFITS AT PLAN TERMINATION. In the event of the termination of the Plan, the Restricted Benefits (as defined in paragraph 9.1) of the Highly Compensated Employees shall be limited to a benefit which is non-discriminatory as determined under Section 401(a)(4) of the Code.

ARTICLE X
THE FUND

10.1 TRUST FUND AND EXCLUSIVE BENEFIT. The Trustee shall receive all contributions under and all assets transferred to the Plan and shall invest and administer them as a trust fund (the "Fund") for the exclusive benefit of the Participants and Beneficiaries hereunder in accordance with the Plan. Except as otherwise expressly provided herein, no part of the corpus or income of the Fund shall revert to or be used or enjoyed by the Employer or be used for, or diverted to, purposes other than the exclusive benefit of the Participants or their Beneficiaries and the defrayal of reasonable expenses of the Plan and Fund. The rights of all persons hereunder are subject to the terms of the Plan.

10.2 PLAN AND FUND EXPENSES. Unless or to the extent not paid by the Employer without being advanced subject to reimbursement (which shall make such payments as directed by the Plan Sponsor) or unless prohibited by the Act or the Code, all expenses of the Plan and the Fund, including reasonable legal, accounting, actuarial, custodial, brokerage, consulting and other fees and expenses incurred in the establishment, amendment, administration and termination of the Plan or the Fund and/or the compensation of the Trustee and other fiduciaries of the Plan to the extent provided under the Plan, and all taxes of any nature whatsoever, including interest and penalties, assessed against or imposed upon the Fund or the income thereof shall be paid out of the Fund and shall constitute a charge upon the Fund. The Plan Sponsor may cause the Employer to advance any or all such expenses and/or taxes on behalf of the Fund, subject to the Employer's right of reimbursement from the Fund if so directed by the Plan Sponsor and to the applicable prohibited transaction provisions of the Act and the Code.

10.3 REVERSIONS TO THE EMPLOYER.

10.3(a) If a contribution by the Employer is made under a mistake of fact, upon written direction by the Plan Sponsor, the Trustee shall return to the Employer an amount equal to such mistaken contribution, less any losses attributable to such mistaken contribution, within one year after payment of such contribution. If a contribution by the Employer is made conditioned upon its deductibility for federal income tax purposes and there is a final determination of the disallowance of a deduction under Section 404 of the Code for such contribution or portion thereof, upon written direction by the Plan Sponsor, the Trustee shall return to the Employer an amount equal to the amount of such contribution or portion thereof so disallowed, less any losses attributable to such contribution, within one year after such final determination.

10.3(b) If it is finally determined by the Internal Revenue Service or a court of competent jurisdiction on review of the Internal Revenue Service's determination that the Plan as initially adopted (if an application for a determination is timely filed with the Internal Revenue Service by the date, including extensions thereof, on which the Employer's federal income tax return for its taxable year in which the Plan was adopted is due to be filed) does not qualify under Section 401 of the Code, the Trustee shall return to the Employer within one year after the date of notice of such disqualification all assets attributable to its contributions to the Plan received by the Trustee and made since the date the Plan was adopted, except to the extent otherwise directed by the Plan Sponsor.

10.3(c) After the termination of the Plan as a whole and after all fixed and contingent liabilities of the Fund to Participants and their Beneficiaries have been satisfied, any remaining assets of the Fund shall be distributed to the Employer as the Plan Sponsor may direct.

10.4 NO INTEREST OTHER THAN PLAN BENEFIT. Nothing contained herein shall be deemed to give any Participant or Beneficiary any interest in any specific part of the Fund or any interest other than his right to receive benefits in accordance with the provisions of the Plan.

10.5 PROVISIONS RELATING TO INSURER.

10.5(a) No Insurer shall be deemed a party to the Plan or responsible for the validity thereof.

10.5(b) No Insurer shall be required to determine either:

(i) That a person for whom the Trustee applies for a Policy is, in fact, eligible for participation or entitled to benefits under the Plan,

(ii) Any fact necessary for the proper issuance of any Policy or Contract, or

(iii) The proper distributions or further application of any moneys paid by it to the Trustee in accordance with the written direction of the Trustee;

and with respect to each of the foregoing, the Insurer shall be fully indemnified and protected in relying upon the advice and direction of the Trustee.

10.5(c) Any notice, direction, application or other communication whatsoever shall be accepted by the Insurer as duly authorized and executed if signed by the Trustee. The Insurer shall be fully protected in assuming that the Trustee is as shown in the latest notification received by it at its home office.

10.5(d) Except as may be otherwise provided in any binding receipt issued by the Insurer, there shall be no coverage and no annuity or death benefit payable under any Policy to be purchased from any Insurer until such Policy shall have been issued and the premium therefor shall have been paid.

10.6 PAYMENTS FROM THE FUND. The Trustee shall make all payments from the Fund which become due hereunder in accordance with the written instructions or directions of the Administrator. In directing the Trustee to make any payments or deliveries out of the Fund, the Administrator shall follow the provisions of the Plan. The Trustee acting in accordance with such instructions or directions shall be fully protected and indemnified by the Employer in relying upon any such written instruction or direction which the Trustee reasonably and in good faith believes to be proper.

ARTICLE XI
FIDUCIARIES

11.1 NAMED FIDUCIARIES AND DUTIES AND RESPONSIBILITIES.

11.1(a) Authority to control and manage the operation and administration of the Plan shall be vested in the following, who, together with their membership, if any, shall be the Named Fiduciaries under the Plan with those powers, duties, and responsibilities specifically allocated to them by the Plan:

(i) TRUSTEE - The Trustee in connection with its fiduciary obligations relating to the Plan and the Fund.

(ii) PLAN SPONSOR - The Plan Sponsor in connection with its fiduciary obligations and rights relating to the Plan and the Fund.

(iii) PLAN ADMINISTRATOR - The Plan Administrator in connection with its fiduciary obligations and rights relating to the Plan and the Fund.

11.1(b) In addition, the Board shall be a Named Fiduciary for the sole purpose of appointing, or terminating the appointment of, an Investment Manager.

11.2 LIMITATION OF DUTIES AND RESPONSIBILITIES OF NAMED FIDUCIARIES. The duties and responsibilities, and any liability therefor, of the Named Fiduciaries provided for in paragraph 11.1 shall be severally limited to the duties and responsibilities specifically allocated to each such Named Fiduciary in accordance with the terms of the Plan, and there shall be no joint duty, responsibility, or liability among any such groups of Named Fiduciaries in the control and management of the operation and administration of the Plan.

11.3 SERVICE BY NAMED FIDUCIARIES IN MORE THAN ONE CAPACITY. Any person or group of persons may serve in more than one Named Fiduciary capacity with respect to the Plan (including both service as Trustee and Plan Administrator).

11.4 ALLOCATION OR DELEGATION OF DUTIES AND RESPONSIBILITIES BY NAMED FIDUCIARIES. By written agreement filed with the Plan Administrator and the Plan Sponsor, the duties and responsibilities of the Trustee with respect to the management and control of the assets of the Fund may, with the written consent of the Plan Sponsor, be allocated among the Trustees (if there are two or more persons so serving) and any other duties and responsibilities of any Named Fiduciary may be allocated among Named Fiduciaries or may, with the consent of the Plan Sponsor, be delegated to persons other than Named Fiduciaries. The delegation permitted under this paragraph includes the Trustee's right to select a custodian to hold the assets of the Fund. Any written agreement shall specifically set forth the duties and responsibilities so allocated or delegated, shall contain reasonable provisions for termination, and shall be executed by the parties thereto.

11.5 INVESTMENT MANAGER. The Board may appoint one or more Investment Managers to manage all or any portion of the Fund. The appointment of any such Investment Manager shall be by written agreement, which shall specify the scope of the powers and duties of such Investment Manager, shall contain reasonable provisions for the termination of such appointment, may require or allow any Investment Manager to perform asset custodial services for all or part of the Fund, and shall be executed by the parties thereto and acknowledged by the Trustee. An Investment Manager appointed pursuant to any such agreement shall acknowledge therein its status as a fiduciary with respect to the Plan.

11.6 ASSISTANCE AND CONSULTATION. A Named Fiduciary, and any delegate named pursuant to paragraph 11.4, may engage agents to assist in its duties and may consult with counsel, who may be counsel for the Employer, with respect to any matter affecting the Plan or its obligations and responsibilities hereunder, or with respect to any action or proceeding affecting the Plan. All compensation and expenses of such agents and counsel shall be paid or reimbursed from the Fund, except to the extent prohibited by the Act or the Code and except to the extent paid or reimbursed by the Employer.

11.7 INDEMNIFICATION. The Employer shall indemnify and hold harmless any individual who is a Named Fiduciary or a member of a Named Fiduciary under the Plan and any other individual to whom duties of a Named Fiduciary are delegated pursuant to paragraph 11.4, to the extent permitted by law, from and against any liability, loss, cost or expense arising from their good faith action or inaction in connection with their responsibilities under the Plan.

ARTICLE XII
POWERS AND DUTIES OF TRUSTEE

12.1 TRUSTEE POWERS AND DUTIES. Subject to the following provisions of this ARTICLE XII, the Trustee shall commingle and jointly invest, or where specifically provided herein shall segregate and separately invest, the assets of the Fund, without distinction between corpus and income.

12.1(a) The Trustee shall hold the Fund in trust, shall have the following general powers granted in this paragraph, subject to the directions, limitations, restrictions or prohibitions imposed hereunder, and, except as otherwise specifically provided herein, shall have exclusive authority and discretion in its management and control of the Fund.

(i) The Trustee shall invest and reinvest the Fund in such stocks, stock options (whether or not covered), warrants and rights, puts, calls, stock-index futures, bonds, securities, commodities, commodity futures and options, real estate mortgages, real estate investment trusts or funds, real estate, partnership interests, mutual funds, closed-end investment companies, regulated investment companies or trusts, common, collective or group trust funds (except as otherwise limited hereunder) and other

investments, and in such proportion, as may be deemed suitable for the purposes and the funding policy hereof.

(ii) Such investments shall not be restricted to property and securities of the character authorized for investment by trustees under any present or future laws, with the exception of the Act.

(iii) To the extent permitted by law, the Trustee is expressly authorized to invest and reinvest the Fund and to execute any joinder or similar agreement therefor on behalf of the Plan:

(A) In any general common trust fund qualifying under Section 584 of the Code and maintained by any person, including but not limited to the Trustee or any affiliate of the Trustee in the same bank holding system affiliated group, as defined in Section 1504 of the Code, as the Trustee (if the Trustee and any such affiliate are banks or trust companies supervised by a state or federal agency) and/or the Investment Manager or any affiliate of the Investment Manager;

(B) In any other collective or group trust fund maintained by any person, including but not limited to any such bank or trust company and/or the Investment Manager or any affiliate of the Investment Manager, and consisting solely of assets of qualified retirement trusts and/or individual retirement accounts exempt from federal income taxation under the Code, as the Trustee or, where applicable, the Investment Manager in its discretion may determine (whether or not the Trustee or, where applicable, the Investment Manager is such a bank or trust company), provided such collective or group trust is so qualified and exempt under the Code;

(C) In qualifying employer securities, qualifying employer real property, or both, as defined by Section 407(d)(4) and (5) of the Act, the aggregate fair market value of which does not exceed ten percent (10%) of the fair market value of the assets of the Fund;

(D) In Contracts or Policies (not containing or providing life insurance) issued to provide or fund benefits under the Plan, and in Policies of life insurance on the lives of Participants if the Plan expressly provides for the purchase of such Policies and the Administrator so directs, (whether or not the Insurer is the Plan Sponsor or any affiliate of the Plan Sponsor, or the Investment Manager or any affiliate of the Investment Manager, if an insurance company); or

(E) In whole or in part in deposits with any bank or similar financial institution supervised by the United States or a State, regardless of whether such bank or other institution is a Trustee or other fiduciary hereunder, provided such deposits shall bear a reasonable rate of interest, except that funds may be deposited in non-interest bearing accounts to such extent and for such time as may be reasonably required for the orderly administration of the Plan.

(iv) If an investment is made in a common, collective or group trust, the Trustee is expressly authorized to incorporate the terms thereof as an investment medium under and as a part of the Plan, and the terms of such trust shall govern the investment, disposition and distribution of the assets of such trust.

12.1(b) Subject to the requirements imposed by law, and in furtherance and not in limitation of the Trustee's investment authority, the Trustee shall have all powers and authority necessary or advisable to carry out the provisions of the Plan, and all inherent, implied and statutory powers now or subsequently provided by law, including specifically the power to do any of the following:

(i) To deal with all or any part of the Fund, including, without limitation, to invest, reinvest and change investment;

(ii) To acquire any property by purchase, subscription, lease or other means;

(iii) To sell for cash or on credit, convey, lease for long or short terms, or convert, redeem or exchange all or any part of the Fund;

(iv) To borrow money for the purpose of the Fund, and for any sum so borrowed to issue its promissory note as Trustee and to secure the repayment thereof by pledging all or any part of the Fund;

(v) To enforce by suit or otherwise, or to waive its rights on behalf of the Fund, and to defend claims asserted against him or the Fund;

(vi) To compromise, adjust and settle any and all claims against or in favor of it or the Fund;

(vii) To renew, extend or foreclose any mortgage or other security;

(viii) To bid in property on foreclosure;

(ix) To take deeds in lieu of foreclosure, with or without paying a consideration therefor;

(x) To vote, or give proxies to vote, any stock or other security, and to oppose, participate in and consent to the reorganization, merger, consolidation or readjustment of the finances of any enterprise, to pay assessments and expenses in connection therewith, and to deposit securities under deposit agreements;

(xi) To hold Plan assets unregistered (including in bearer form), or to register them in its own name, in street name or in the names of nominees who are within the jurisdiction of the district courts of the United States and are either banks or trust companies that are subject to supervision by the United States or a state thereof, brokers or dealers registered under the Securities Exchange Act of 1934, clearing agencies as defined in Section 3(a)(23) of the Securities Exchange Act of 1934, permissible nominees of any of the foregoing, or any other persons or entities permitted to act as nominee for the Trustee under Section 403 of the Act, provided the books and records of the Fund shall at all times reflect that the Fund is the beneficial owner of such securities;

(xii) To make, execute, acknowledge and deliver any and all instruments that it shall deem necessary or appropriate to carry out the powers herein granted; and generally to exercise any of the powers of an owner with respect to all or any part of the Fund; and

(xiii) Generally to exercise any of the powers of an owner with respect to all or any portion of the Fund.

Except as provided in the Act, no person dealing with the Trustee shall be bound to see to the application of any money or property paid or delivered to the Trustee or to inquire into the validity or propriety of any transaction.

12.1(c) The Trustee shall not have the power or duty to inquire into the correctness of the amount tendered to it as required by the Plan nor to enforce the payment of contributions thereunder by the Employer. The Trustee shall be responsible only for such sums and assets that it actually receives as Trustee.

12.1(d) In the exercise of its authority under this paragraph 12.1, the Trustee shall take cognizance of and be inhibited by those limitations and prohibitions contained in Section 406 of the Act and the prohibited transaction provisions of Section 4975 of the Code, for which no exemption is applicable.

12.2 ACCOUNTS. The Trustee shall keep true and accurate accounts of all

investments, receipts, and disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person or persons designated by the Plan Sponsor. Within sixty (60) days after the removal or resignation of the Trustee and as of each Valuation Date, the Trustee shall file with the Plan Sponsor a valuation of the assets of the Trust, and an accounting of its transactions since the last previous such accounting. In addition, the Plan Sponsor may require an accounting from the Trustee at any other reasonable time. No employee and no person other than those designated by the Plan Sponsor shall have the right to demand or be entitled to any accounting by the Trustee except as otherwise provided by law.

12.3 TWO OR MORE TRUSTEES. Except in the case of the appointment of a Separate Trustee pursuant to paragraph 12.8, in the event two or more persons are at any time serving as Trustee hereunder, such Trustees shall jointly manage and control the Fund; provided, however, that pursuant to paragraph 11.4 such Trustees may enter into an agreement in writing with respect to the allocation of specific responsibilities, obligations or duties among themselves. Any written agreement entered into pursuant to this paragraph shall be attached to and made a part of the Plan.

12.4 MANAGEMENT OF FUND BY INVESTMENT MANAGER. In the event an Investment Manager is appointed for all or part of the assets of the Fund, the Trustee shall follow the directions of the Investment Manager in managing and controlling the assets of the Fund subject to the direction and control of the Investment Manager. The Investment Manager shall be governed by the powers and restrictions imposed on the Trustee in its management and control of the Fund.

12.5 TRUSTEE COMPENSATION AND EXPENSES. The Trustee shall be paid such reasonable compensation and shall be reimbursed for its reasonable expenses as shall from time to time be agreed upon by the Plan Sponsor and the Trustee.

12.6 BOND. Except as may be provided under Section 412 of the Act, the Trustee shall not otherwise be required to give any bond or other security for the faithful performance of its duties hereunder.

12.7 TRUSTEE RESIGNATION, REMOVAL OR DEATH AND APPOINTMENT OF SUCCESSOR OR ADDITIONAL TRUSTEE.

12.7(a) In the event the Trustee or Trustees serving hereunder have been named Trustee by virtue of any office they may hold in connection with their employment by the Plan Sponsor or any other Employer, upon leaving any such office, such Trustee shall at once cease to be a Trustee and shall be discharged from all further duties and responsibilities as Trustee. Upon acceptance in writing of its status as Trustee hereunder by the successor in office of any such Trustee, he shall become a Trustee hereunder.

12.7(b) The Trustee may resign at any time upon delivering to the Plan Sponsor a written notice of such resignation to take effect not less than sixty (60) days after the delivery thereof unless the Plan Sponsor shall accept as adequate a shorter notice. The Trustee may be removed by the Plan Sponsor, by mailing notice by registered mail addressed to the Trustee at his last known address, or by delivery of same to the Trustee to take effect not less than sixty (60) days after mailing or delivery of such notification unless notice of a shorter duration shall be accepted as adequate. The Administrator shall be notified by the Plan Sponsor of any such resignation or removal.

12.7(c) In case of the resignation or removal of a Trustee, such Trustee shall transfer, assign, convey and deliver to the successor or other Trustee the trust estate as it may then be constituted and shall execute all documents necessary for transferring the trust estate.

12.7(d) The Plan Sponsor shall forthwith appoint a successor Trustee in case of resignation, removal or death of all Trustees appointed and then serving. Any successor Trustee shall qualify as such by executing, acknowledging, and delivering to the Plan Sponsor an instrument accepting such appointment hereunder in such form as may be satisfactory to the Plan Sponsor,

which form shall become a part of this Trust document, and thereupon such successor Trustee shall become vested with the rights, powers, discretion, duties and obligation of its predecessor Trustee. The Administrator shall be notified by the Plan Sponsor of any such successor Trustee.

12.7(e) In the event of the resignation, removal or death of a Trustee, the surviving Trustee shall continue to be a Trustee hereunder.

12.7(f) The Plan Sponsor may at any time and from time to time appoint one or more additional Trustees. The Administrator shall be notified by the Plan Sponsor of any such additional Trustee or Trustees.

12.7(g) The Trustee may, with the written consent of the Plan Sponsor, or shall, at the written direction of the Plan Sponsor, or the Plan Sponsor may by written direction, appoint a bank with trust powers or a trust company (including any Trustee) as a Co-Trustee for the custody and/or investment of all or a portion of the assets of the Fund and enter into a trust agreement with such bank, and the Trustee shall thereafter deliver assets of the Fund to such bank or trust company for such custody and/or investment in accordance with such written consent or direction of the Plan Sponsor. Any such trust agreement shall be attached to the Plan. For purposes hereof and except as otherwise required by Section 405(b)(2) of the Act with respect to co-fiduciary responsibility and liability:

(i) The duties and responsibilities with respect to the assets of the Fund held by any Co-Trustee appointed pursuant to this subparagraph shall be allocated solely to such Co-Trustee, and such Co-Trustee shall have no duties or responsibilities with respect to the other assets of the Fund by reason of its appointment pursuant to this subparagraph; and

(ii) Conversely, any Trustee which is not appointed as such Co-Trustee for such assets of the Fund shall have no duties and responsibilities with respect to the assets of the Fund held by such Co-Trustee pursuant to this subparagraph.

Any appointment of a Co-Trustee pursuant to this subparagraph shall automatically be considered an allocation of duties and responsibilities under paragraph 4.4 without further action being required and is intended to be an allocation described in Section 405(b)(1) of the Act. The Administrator shall be notified by the Plan Sponsor of any appointment of a Co-Trustee pursuant to this subparagraph.

12.8 ESTABLISHMENT OF SEPARATE TRUSTS.

12.8(a) The Plan Sponsor may establish one or more separate trusts and appoint a bank with trust powers or a trust company (including any Trustee) as a Separate Trustee for the custody and/or investment of all or a portion of the assets of the Fund and enter into a separate trust agreement with such bank or trust company and the Trustee shall thereafter deliver assets of the Fund to such bank or trust company for such custody and/or investment in accordance with such separate trust agreement and any written directions of the Plan Sponsor. If agreed to by the parties, this Agreement shall be considered a separate trust agreement for the purpose of establishing one or more separate trusts pursuant to this paragraph. Otherwise, any such trust agreement shall be attached to the Plan.

12.8(b) For purposes hereof:

(i) The duties and responsibilities of the Separate Trustee with respect to the assets of the Fund held pursuant to the separate trust agreement shall be allocated solely to such Separate Trustee, and such Separate Trustee shall have no duties or responsibilities with respect to the other assets of the Fund by reason of its appointment pursuant to this subparagraph; and

(ii) Conversely, any Trustee which is not appointed as such Separate Trustee for such assets of the Fund shall have no duties and

responsibilities with respect to the assets of the Fund held by such Separate Trustee pursuant to this subparagraph.

12.8(c) Any appointment of a Separate Trustee pursuant to this subparagraph is intended to be an establishment of a separate trust as described in Section 405(b)(3) of the Act. Upon the establishment of such a separate trust, any Trustee currently serving as a sole Trustee shall automatically become a Separate Trustee in accordance with the provisions of this paragraph.

12.8(d) The Administrator shall be notified by the Plan Sponsor of any appointment of a Separate Trustee pursuant to this paragraph.

12.9 AUTOMATIC SUCCESSOR TRUSTEE BY CORPORATE TRANSACTION. If any corporate Trustee at any time shall be merged, or consolidated with, or shall sell or transfer substantially all of its assets and business to another employer, domestic or foreign, or shall be in any manner reorganized or reincorporated, then the resulting or acquiring employer shall be substituted ipso facto for such corporate Trustee without the execution of any instrument and without any action upon the part of the Plan Sponsor, any Participant or Beneficiary, or any other person having or claiming to have an interest in the Fund.

ARTICLE XIII
PLAN ADMINISTRATION

13.1 APPOINTMENT OF PLAN ADMINISTRATOR. The Plan Sponsor may appoint one or more persons to serve as the Plan Administrator (the "Administrator") for the purpose of carrying out the duties specifically imposed on the Administrator by the Plan, the Act and the Code. In the event more than one person is appointed, the persons shall form an administrative committee for the Plan. The person or committeemen serving as Administrator shall serve for indefinite terms at the pleasure of the Plan Sponsor, and may, by sixty (60) days prior written notice to the Plan Sponsor, terminate such appointment. The Plan Sponsor shall inform the Trustee of any such appointment or termination and the Trustee may assume that any person appointed continues in office until notified of any change.

13.2 PLAN SPONSOR AS PLAN ADMINISTRATOR. In the event that no Administrator is appointed or in office pursuant to paragraph 13.1, the Plan Sponsor shall be the Administrator.

13.3 COMPENSATION AND EXPENSES. Unless otherwise determined and paid by the Employer (as directed by the Plan Sponsor), the person or committeemen serving as the Administrator shall serve without compensation for service as such. All expenses of the Administrator shall be paid as provided in paragraph 10.2, provided no compensation shall be paid the Administrator from the Fund to the extent prohibited by the Code or the Act.

13.4 PROCEDURE IF A COMMITTEE. If the Administrator is a committee, it shall appoint from its members a Chairman and a Secretary. The Secretary shall keep records as may be necessary of the acts and resolutions of such committee and be prepared to furnish reports thereof to the Trustee. Except as otherwise provided, all instruments executed on behalf of such committee may be executed by its Chairman or Secretary and the Trustee may assume that such committee, its Chairman or Secretary are the persons who were last designated as such to the Trustee in writing by the Plan Sponsor.

13.5 ACTION BY MAJORITY VOTE IF A COMMITTEE. If the Administrator is a committee, its action in all matters, questions and decisions shall be determined by a majority vote of its members qualified to act thereon. They may meet informally or take any action without the necessity of meeting as a group.

13.6 APPOINTMENT OF SUCCESSORS. Upon the death, resignation or removal of a person serving as, or on a committee which is, the Administrator, the Plan Sponsor may, but need not, appoint a successor.

13.7 ADDITIONAL DUTIES AND RESPONSIBILITIES. The Administrator shall have

the following duties and responsibilities in addition to those expressly provided elsewhere in the Plan:

13.7(a) The Administrator shall be responsible for the fulfillment of all relevant reporting and disclosure requirements set forth in the Act and the Code, including but not limited to the preparation of necessary plan descriptions, summary plan descriptions, annual reports, summary annual reports, employee benefit statements, notice of forfeitability of benefits, notice of special tax treatment (rollover, five-year or ten-year averaging and capital gains) for distributions, and other statements or reports, the distribution thereof to Participants and their Beneficiaries and the filing thereof with the appropriate governmental officials and agencies.

13.7(b) The Administrator shall maintain and retain necessary records respecting administration of the Plan and matters upon which disclosure is required under the Act and the Code.

13.7(c) The Administrator shall make any elections for the Plan under the Act or the Code.

13.7(d) The Administrator shall provide to Participants and Beneficiaries such notices, including but not limited to the notice to interested parties, and information as are required by the Plan, the Act and the Code.

13.7(e) The Administrator shall make all determinations regarding eligibility for participation in and benefits under the Plan.

13.7(f) The Administrator shall establish and communicate to the Trustee a funding policy consistent with the current and long-term financial needs of the Plan with respect to the ages of the Participants in the Plan and other such relevant information; provided, however, that nothing in this subparagraph shall be construed as granting to the Plan Administrator any power or authority with respect to the control and management of the Fund.

13.7(g) The Administrator shall have the right to settle claims against the Plan and to make such equitable adjustments in a Participant's or Beneficiary's rights or entitlements under the Plan as it deems appropriate in the event an error or omission is discovered or claimed in the operation or administration of the Plan.

13.8 POWER AND AUTHORITY.

13.8(a) The Administrator is hereby vested with all the power and authority necessary in order to carry out its duties and responsibilities in connection with the administration of the Plan, including the power to interpret the provisions of the Plan. For such purpose, the Administrator shall have the power to adopt rules and regulations consistent with the terms of the Plan.

13.8(b) The Administrator shall exercise its power and authority in its discretion. It is intended that a court review of the Administrator's exercise of its power and authority with respect to matters relating to claims for benefits by, and to eligibility for participation in and benefits of, Participants and Beneficiaries shall be made only on an arbitrary and capricious standard.

13.9 AVAILABILITY OF RECORDS. The Employer and the Trustee shall, at the request of the Administrator, make available necessary records or other information they possess which may be required by the Administrator in order to carry out its duties hereunder.

13.10 NO ACTION WITH RESPECT TO OWN BENEFIT. No Administrator who is a Participant shall take any part as the Administrator in any discretionary action in connection with his participation as an individual. Such action shall be taken by the remaining Administrator, if any, or otherwise by the Plan Sponsor.

13.11 LIMITATION ON POWERS AND AUTHORITY. The Administrator shall have no power in any way to modify, alter, add to or subtract from any provisions of the

Plan.

ARTICLE XIV
AMENDMENT AND TERMINATION OF PLAN

14.1 AMENDMENT. The Plan may be amended in whole or in part at any time by action of the Board; provided, however, that:

(i) Except to the extent permitted or required by the Act or the Code, neither the Accrued Benefit (nor any subsidy, early retirement benefit, optional form of payment or any other benefit considered to be an accrued benefit for purposes of Section 411(d)(6)(B) of the Code) of a Participant, nor the percentage thereof which is non-forfeitable, at the time of any such amendment shall be adversely affected thereby.

(ii) Except to the extent permitted or required by the Act or the Code, no such amendment shall have the effect of revesting in the Employers any part of the Fund prior to the termination of the Plan and the satisfaction of all fixed and contingent liabilities thereunder with respect to Participants and their Beneficiaries.

(iii) The duties and obligations of the Trustee hereunder shall not be increased nor its compensation decreased without its written consent.

14.2 MERGER, CONSOLIDATION OR TRANSFER OF ASSETS. The merger or consolidation of or transfer of assets or liabilities between this Plan and any other plan shall be permitted upon action by the Board or as expressly provided elsewhere in the Plan so long as, immediately after such merger, consolidation or transfer of assets or liabilities, each Participant who is or may become eligible to receive an accrued benefit of any type from this Plan (or whose Beneficiaries may be eligible to receive any such benefit) would, if such surviving or transferee plan was then terminated, be entitled to receive an accrued benefit at least equal to the accrued benefit to which such Participant (and each such Beneficiary) would have been entitled had this Plan terminated immediately prior to such merger, consolidation or transfer of assets or liabilities.

14.3 PLAN PERMANENCE AND TERMINATION. The Employers have established the Plan with the intention and expectation that they will be able to make their contributions indefinitely, but none of the Employers are or shall be under any obligation or liability to any Participant or Employee to continue their contributions or to maintain the Plan for any given length the time, and each may in its sole and absolute discretion discontinue its contributions or otherwise terminate its participation in the Plan at any time without any such liability for such discontinuance or termination.

14.4 LAPSE IN CONTRIBUTIONS. Failure by any Employer to make contributions to the Fund in any year or years, unless the same shall be coupled with any other event causing a termination of its participation in the Plan, shall not terminate the Plan or operate to vest the rights of any Participants or to accelerate any payments or distributions to or for the benefit of any Participants or their Beneficiaries.

14.5 TERMINATION EVENTS.

14.5(a) The Plan shall terminate in whole or in part as the case may be upon the happening of any of the following events:

(i) With respect to any Employer, action by its Board terminating the Plan as to it and specifying the date of such termination. Notice of such termination shall be delivered to the Trustee and the Administrator.

(ii) With respect to any Employer other than the Plan Sponsor, upon its ceasing to be an Affiliate of the Plan Sponsor.

(iii) With respect to any Employer, its adjudication as a bankrupt or

its general assignment to or for the benefit of its creditors or its dissolution, unless within sixty (60) days after such event a successor employer shall assume the terms and conditions hereof in writing.

(iv) Termination of the Plan pursuant to Section 4042 of the Act.

(v) Termination or partial termination of the Plan within the meaning of Section 411(d)(3) of the Code, provided, however, that in the case of a partial termination, paragraphs 14.5 through 14.8 shall only apply to that part of the Plan which is partially terminated.

(vi) Action by the Board of the Plan Sponsor terminating the Plan as a whole and specifying the date of such termination. Notice of such termination shall be delivered to the Trustee, the Administrator and all Employers.

14.5(b) For purposes of paragraphs 14.6 through 14.8 hereof, any action by the Board terminating the Plan shall also specify whether the Plan is thereafter to be operated as a "terminated plan" or a "frozen plan". Such terms are defined as follows:

(i) A "terminated plan" is one that has been formally terminated, has ceased crediting service for benefit accrual purposes and vesting, and has been or is distributing Plan assets to Participants and Beneficiaries entitled thereto as soon as administratively possible. For purposes hereof, a Plan will be considered a terminated plan when Plan assets are required to be distributed pursuant to paragraph 14.8 hereof.

(ii) A "frozen plan" is one in which benefit accruals have ceased but all Plan assets are not being distributed to Participants or Beneficiaries entitled thereto as soon as administratively possible. For purposes hereof, a Plan will be considered a frozen plan when Plan assets are not required to be distributed pursuant to paragraph 14.8 hereof.

If a Plan is a frozen plan, it must continue to provide for accrual of Top Heavy Minimum Benefits as required under Section 416 of the Code.

14.6 BENEFITS AND VESTING UPON TERMINATION.

14.6(a) In the event of a termination or a partial termination of the Plan, so much of the Plan as has been terminated shall be automatically amended without any action required by the Plan Sponsor or any other person as of and immediately prior to the effective time of such termination by reducing or eliminating the incidental and ancillary benefits, other than Pre-Retirement Spouse's Death Benefits, of Participants and their Beneficiaries under so much of the Plan as has terminated, but only if payment thereof has not commenced or is not subject only to the expiration of a waiting period, to the fullest extent permitted by paragraph 14.1.

14.6(b) Under no circumstances shall all or any portion of the Accrued Benefit of any such Participant under the Plan to the extent terminated (except Top Heavy Minimum Benefits required by Section 416 of the Code) be increased by reason of continued service as an Employee with any Employer with respect to which the Plan has been terminated.

14.6(c) Each affected Participant's Accrued Benefit shall be non-forfeitable upon the effective date of any termination or partial termination of the Plan within the meaning of Section 411(d)(3) of the Code or, if the Board so resolves, after any other termination. However, no Participant or Beneficiary shall have any recourse toward payment or satisfaction of an Accrued Benefit or any Death Benefit or other benefit liability under so much of the Plan as has terminated from any source other than assets of the Fund or the Pension Benefit Guaranty Corporation.

14.7 ADMINISTRATION OF PLAN AFTER TERMINATION. Upon the effective date of the complete or partial termination of the Plan, the Trustee shall continue to administer the assets used to fund the Accrued Benefits of all Participants and

Beneficiaries as part of the Fund, and, where an allocation of assets is required under paragraph 14.8, shall pay or provide for all accrued expenses of the Plan and the Fund and shall value the assets held by the Fund, both as of such date. Where applicable, the Administrator shall suspend benefit payments and take all reasonable efforts to recoup overpaid benefits to the extent required by or permitted under the Act, including Section 4044 thereof if applicable, and shall use the assets of the Plan to fund the Accrued Benefits and any Death Benefits or other benefit liabilities under the Plan in the manner provided in, but only if required by, Section 4044 of the Act.

14.8 DISTRIBUTION OF ASSETS AFTER TERMINATION.

14.8(a) In the event the Plan is considered a terminated plan, the Administrator shall forthwith allocate the assets of the Fund to fund the Accrued Benefits and any Death Benefits or other benefit liabilities which may thereafter be payable under the Plan in the manner provided in Section 4044 of the Act if applicable, or otherwise on the basis of the relative Actuarial Values of such benefits.

14.8(b) After the allocation referred to in subparagraph 14.8(a), the Trustee shall then distribute or pay to the Participants or their Beneficiaries entitled thereto, in accordance with such allocation of assets, but subject to the applicable time and form of benefit payment provisions in ARTICLE VIII (which if the Board so directs shall include for such purpose a lump sum payment option conditioned upon any spousal consent thereto required by the Code or the Act), and subject to such action as may be taken by the Pension Benefit Guaranty Corporation pursuant to the Act, either a lump sum amount equal to their respective allocations (in cash or in assets valued at current fair market value, or both) or Policies to provide such Accrued Benefits or Death Benefits, purchased as provided in the Plan, or a combination of the foregoing, upon the happening of any of the following events which occur on or after or result in the termination of the Plan:

(i) Delivery to the Trustee of a notice executed on behalf of the Employer by authority of the Board directing that such distribution or payment be made, which direction may be made with respect to the entire Fund or with respect to assets needed to fund the benefits of Participants affected by a partial termination of the Plan.

(ii) Adjudication of the Plan Sponsor as a bankrupt or general assignment by the Plan Sponsor to or for the benefit of creditors or dissolution of the Plan Sponsor, unless, within sixty (60) days after such event, either a successor or other employer shall assume the terms and conditions hereof in writing, or the Trustee (or a successor Trustee appointed within such sixty (60) day period) shall agree to continue to hold and administer the Fund as provided in paragraph 14.7 and additionally, unless otherwise agreed with or directed by the Plan Sponsor, to assume all the powers and duties imposed upon the Named Fiduciaries under the Plan. In assuming such powers and duties, the Trustee (or any successor Trustee) shall be vested with all authority granted by the Plan without any limitation imposed upon such authority by the Plan except the requirement that its actions shall be governed by the other provisions of the Plan and by the Act and the Code. If the Trustee (or any successor Trustee) shall so agree to continue the trust, all expenses of the Plan and the Fund and reasonable compensation to the Trustee (or any successor Trustee) and any successor shall be paid from the Fund. In the event of the death, resignation or removal of the Trustee (or any successor Trustee) who shall have so agreed to continue the trust, a court of competent jurisdiction over the Fund shall appoint a successor or the benefits payable under the Plan shall forthwith be distributed as hereinabove provided at the direction of such court.

14.9 EFFECTS OF EMPLOYER MERGER, CONSOLIDATION OR LIQUIDATION. Notwithstanding the foregoing provisions of this ARTICLE XIV, the merger or liquidation of any Employer into any other Employer or the consolidation of two (2) or more of the Employers shall not cause the Plan to terminate with respect to the merging, liquidating or consolidating Employers, provided that the Plan

has been adopted or is continued by and has not terminated with respect to the surviving or continuing Employer.

ARTICLE XV
MISCELLANEOUS

15.1 HEADINGS. The headings in the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

15.2 GENDER AND NUMBER. In the construction of the Plan, the masculine shall include the feminine or neuter and the singular shall include the plural and vice-versa in all cases where such meanings would be appropriate.

15.3 GOVERNING LAW. The Plan and the Fund created hereunder shall be construed, enforced and administered in accordance with the laws of the Commonwealth of Virginia, and any federal law pre-empting the same. Unless federal law specifically addresses the issue, federal law shall not pre-empt applicable state law preventing an individual or person claiming through him from acquiring property or receiving benefits as a result of the death of a decedent where such individual caused the death.

15.4 EMPLOYMENT RIGHTS. Participation in the Plan shall not give any employee the right to be retained in the Employer's employ nor, upon dismissal or upon his voluntary termination of employment, to have any right or interest in the Fund other than as herein provided.

15.5 CONCLUSIVENESS OF EMPLOYER RECORDS. The records of the Employer with respect to age, service, employment history, compensation, absences, illnesses and all other relevant matters shall be conclusive for purposes of the administration of the Plan.

15.6 RIGHT TO REQUIRE INFORMATION AND RELIANCE THEREON. The Employer, Administrator and Trustee shall have the right to require any Participant, Beneficiary or other person receiving benefit payments to provide it with such information, in writing, and in such form as it may deem necessary to the administration of the Plan and may rely thereon in carrying out its duties hereunder. Any payment to or on behalf of a Participant or Beneficiary in accordance with the provisions of the Plan in good faith reliance upon any such written information provided by a Participant or any other person to whom such payment is made shall be in full satisfaction of all claims by such Participant and his Beneficiary; and any payment to or on behalf of a Beneficiary in accordance with the provisions of the Plan in good faith reliance upon any such written information provided by such Beneficiary or any other person to whom such payment is made shall be in full satisfaction of all claims by such Beneficiary.

15.7 ALIENATION AND ASSIGNMENT. Except as otherwise permitted by the Act and the Code and as expressly permitted by the Plan or the Administrator, no benefit hereunder shall be subject in any manner to alienation, sale, anticipation, transfer, assignment, pledge, encumbrance, garnishment, attachment, execution or levy of any kind. As provided in the Act and the Code, this prohibition shall not apply to any QDRO entered on or after January 1, 1985, and the Administrator shall have all rights granted thereunder in determining the existence of such an order, in establishing and following procedures therefor and in complying with any such order. The Administrator shall treat any domestic relations order entered before January 1, 1985 as a QDRO entered on January 1, 1985 if the Plan is paying benefits pursuant to such order on January 1, 1985 or if the Administrator in its discretion deems such treatment warranted.

15.8 NOTICES AND ELECTIONS. All notices required to be given in writing and all elections required to be made in writing, under any provision of the Plan, shall be invalid unless made on such forms as may be provided or approved by the Administrator and, in the case of a notice or election by a Participant or Beneficiary, unless executed by the Participant or Beneficiary giving such

notice or making such election.

15.9 DELEGATION OF AUTHORITY. Whenever the Plan Sponsor or any Employer is permitted or required to perform any act, such act may be performed by any of its officers or any other person duly authorized by its Chief Executive Officer, its President or its Board of Directors.

15.10 SERVICE OF PROCESS. The Administrator, as well as the Trustee, shall be the agent for service of process on the Plan.

15.11 CONSTRUCTION. This Plan is created for the exclusive benefit of Employees of the Employer and their Beneficiaries and shall be interpreted and administered in a non-discriminatory manner consistent with its being an employees' defined benefit pension plan and trust as defined in Sections 401 and 414 of the Code.

ARTICLE XVI
ADOPTION OF THE PLAN

16.1 INITIAL ADOPTION AND FAILURE TO OBTAIN QUALIFICATION. If it is finally determined by the Internal Revenue Service or by a court of competent jurisdiction on review of the Internal Revenue Service's determination that the Plan does not qualify initially under Section 401 of the Code, the Plan shall have no force or effect and the Trustee shall return to the Employer all assets attributable to its contribution received by the Trustee as provided in ARTICLE III. Upon return of such contributions, the Plan shall terminate and the Trustee shall be discharged from all obligations under the Plan.

16.2 ADOPTION BY ADDITIONAL EMPLOYERS. Any employer which is an Affiliate and which, with the consent of the Board, desires to adopt the Plan, may do so by executing the Plan or an adoption agreement in a form authorized and approved by such employer's Board of Directors and the Board. In the event that such Affiliate has established and has been maintaining a defined benefit plan for the benefit of its employees which qualifies under Section 401 or 404(a)(2) of the Code, an adoption or other agreement may provide, subject to the requirements of paragraph 14.2, that such plan is amended and restated by the provisions of this Plan (such prior plan being deemed a predecessor plan to this Plan) or that such plan is to be merged or consolidated with this plan; and, in such event, the assets of such plan shall be paid over to the Trustee to be administered as a part of the Fund pursuant to the provisions of this Plan.

IN WITNESS WHEREOF, the Employer, pursuant to the resolution duly adopted by its Board of Directors, has caused its name to be signed to this Plan and Trust Agreement by its duly authorized officer with its corporate seal hereunto affixed and attested by its Secretary or Assistant Secretary, and the Trustee has caused his name to be signed and his seal hereunto affixed as of the day and year above written.

ESKIMO PIE CORPORATION,
Plan Sponsor and participating Employer

By: _____ (SEAL)
Its _____

Attest:

_____

Its _____

_____ (SEAL)
WILLIAM M. FARISS, JR., Trustee

ESKIMO PIE CORPORATION
SALARIED RETIREMENT PLAN
APPENDIX A
ELAPSED TIME METHOD OF DETERMINING SERVICE

A-1.1 ELAPSED TIME METHOD OF DETERMINING SERVICE. The following definitions and rules shall apply in determining service under the "Elapsed Time" method of determining service:

A-1.1(a) For purposes hereof, the following terms have the following meanings:

(i) "Break in Service": The period of time commencing on an Employee's Severance Date and ending on his first Re-employment Commencement Date thereafter. In the case of an individual who is absent from work on a Maternity or Paternity Absence, the 12-consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a Break in Service for purposes of eligibility to participate or vesting under the Plan.

(ii) "Employment Commencement Date": The date on which an Employee first completes an Hour of Service for the performance of duties.

(iii) "Leave of Absence": Any absence authorized by a participating Employer under rules established by the participating Employer and uniformly applied to all persons similarly situated, provided, however, that the Employee resumes active employment with the participating Employer within the period specified in the authorization for the leave of absence.

(iv) "Maternity or Paternity Absence": An absence commencing on or after the first day of the first Plan Year beginning after December 31, 1984:

(A) By reason of pregnancy of the individual,

(B) By reason of the birth of a child of the individual,

(C) By reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or

(D) For the purpose of caring for such child for a period beginning immediately following such birth or placement.

Notwithstanding the foregoing, no Maternity or Paternity Absence shall be considered to exist unless the Employee furnishes to the Administrator such timely information as the Administrator may reasonably require to establish that the absence from work is for one of the foregoing reasons or purposes and the number of days for which there was such an absence.

(v) "Period of Service": The period of time beginning on an Employee's Employment Commencement Date or Re-employment Commencement Date, as the case may be, and ending on his first Severance Date thereafter.

(vi) "Re-employment Commencement Date": The date on which an

Employee first completes an Hour of Service for the performance of duties after a Break in Service.

(vii) "Severance Date": The earlier of (A) or (B) as set forth below, except as otherwise provided below:

(A) The date on which an Employee ceases to be employed by the Employer by reason of resignation, discharge, retirement, or death; or

(B) The first anniversary of the first day of a period during which the Employee is continuously absent from service with the Employer (with or without pay) for any reason other than resignation, discharge, retirement, or death, such as vacation, holiday, sickness, Disability (as provided in paragraph 5.4) or other disability, layoff, or Leave of Absence.

(C) In no event shall a Severance Date occur during a period of absence described below:

(I) Leave of Absence, provided the Employee returns to employment with the Employer at the expiration of such leave;

(II) Temporary layoff for the convenience of the Employer, provided the Employee is recalled to employment with the Employer and returns to such employment when recalled; or

(III) Any period during which the Employee is Disabled (as provided in paragraph 5.4).

Notwithstanding the foregoing definitions, if an Employee's Period of Service ends, and a Break in Service begins, and if such Employee is re-employed before incurring a one year Break in Service, no Break in Service shall be considered to have occurred, and the period of time otherwise treated as a Break in Service shall be considered a Period of Service, for eligibility, vesting and forfeiture purposes (e.g., Years of Eligibility Service, Years of Vesting Service, and Years of Broken Service). However, the period which otherwise would be considered a Break in Service shall not be considered a Period of Service for benefit accrual purposes (e.g., Years of Benefit Service).

A-1.1(b) The following rules shall apply in determining service:

(i) A stated Break in Service (such as "one year" or "five years") means a continuous Break in Service of the stated required time.

(ii) Separate Periods of Service not disregarded under the break in service rules of the Plan shall be aggregated in determining completion of any stated required Period of Service, and such aggregation shall be calculated on the basis that three hundred sixty-five (365) days equals a whole year.

(iii) When comparing the length of a Period of Service to a Break in Service for purposes of the Plan, whole and partial years shall be compared, with partial years being based on days in the period.

(iv) Partial or fractional years shall be calculated to three (3) decimal places.

(v) A "full" or "whole" year means a complete year, every day of which constitutes a Period of Service.

(vi) Nothing contained in the service counting provisions of this paragraph shall be construed to alter, amend, modify, invalidate, impair or supersede any law of the United States or any valid rule or regulation

issued under any such law so as to deny an individual credit for service in the employment of the Employer where such credit is required by any federal law other than the Act.

(vii) Periods for which severance pay (including any termination allowance which is severance pay) is paid shall not be considered service under the Plan unless the payee's employment relationship has not been ended, and in no event shall any such period be taken into account for benefit accrual purposes (e.g., Years of Benefit Service).

ESKIMO PIE CORPORATION
SALARIED RETIREMENT PLAN
APPENDIX B
DETERMINATION OF TOP HEAVY PLAN STATUS

B-1.1 INTRODUCTION. The Plan will be a Top Heavy Plan for any Plan Year beginning after December 31, 1983 if the sum of the present values of the cumulative accrued benefits of Key Employees under the Plan, and the present values of the cumulative accrued benefits of Key Employees under all plans aggregated with it, exceeds sixty percent (60%) of the aggregate of the present value of the cumulative Accrued Benefits under the Plan and accrued benefits under such plan(s) at the applicable determination date. For purposes hereof, aggregation, accrued benefits (including Accrued Benefits) taken into account, the determination date and all other standards and criteria for determining top-heaviness under this Plan and such other plan(s) shall be determined under Section 416 of the Code. Subject to the foregoing, the determination of Top Heavy Plan status shall be made each Plan Year in accordance with the rules and definitions contained in this Appendix.

B-1.2 DETERMINATION DATE. The determination date with respect to a plan means the last day of its preceding plan year or, in the case of the first plan year of a plan, the last day of such first plan year.

B-1.3 VALUE OF ACCRUED BENEFITS.

B-1.3(a) The value of an accrued benefit at a determination date is the value thereof at the most recent valuation date occurring within the twelve (12) month period ending on the determination date, plus, in the case of a defined contribution plan, an appropriate adjustment for contributions made or due thereafter and on or before the determination date.

B-1.3(b) If the plan is a defined benefit plan, the present value of accrued benefits thereunder shall be determined on the basis of the actuarial assumptions stated in such plan for such purpose or, if none are stated, on the basis of the applicable actuarial equivalent benefit payment factors of such plan, in any case taking into account post-retirement mortality, interest, non-proportional subsidies (the benefits of which are assumed to commence at the age when the benefit is most valuable), pre-retirement mortality and future increases in cost of living, but not taking into account proportional subsidies, future withdrawals or salary increases, future increases in the maximum dollar limitation of Section 415 of the Code, and benefits not relating to retirement.

B-1.3(c) If the plan is a defined contribution plan, the value of an accrued benefit shall be determined as follows:

(i) An individual's account balance in a plan not subject to Section 412 of the Code is the sum of his actual account balance on the applicable valuation date and all contributions actually made after the applicable valuation date but on or before the determination date; provided, however, for such a plan's first plan year, the amount determined in the preceding sentence shall be added to the amount of any contributions made after the determination date that are allocated as of a date in that first plan year.

(ii) An individual's account balance in a defined contribution plan that is subject to Section 412 of the Code is the sum of his account balance on the applicable valuation date, all contributions due as of the determination date (that is, contributions that would be allocated as of a date not later than the determination date, even though those amount are not yet required to be contributed), and, for the plan year that contains the determination date, all amounts actually contributed (or due to be contributed) after the extended payment period in Section 412(c)(10) of the Code.

B-1.3(d) The accrued benefit of a Non-Key Employee shall be determined (i) under the method which is uniformly used for accrual purposes for all plans of the Employer or (ii) if there is no method described in clause (i), as if such benefit accrued not more rapidly than the slowest applicable accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

B-1.4 ACCRUED BENEFITS EXCLUDED FROM DETERMINATION. In determining the value of accrued benefits, there shall be excluded:

(i) Any rollover contribution or plan-to-plan transfer initiated by the participant and made after December 31, 1983 so long as the rollover contribution or transfer was not derived from a plan maintained by the Employer,

(ii) Any accumulated deductible employee contributions,

(iii) The accrued benefit of any individual who was a Key Employee for a prior plan year but who is no longer a Key Employee, and

(iv) For plan years beginning after December 31, 1984, the accrued benefit of any individual who has not performed service for any Employer maintaining the plan at any time during the five (5) plan year period ending on the determination date.

B-1.5 DISTRIBUTIONS AND TRANSFERS TAKEN INTO ACCOUNT IN DETERMINATION. In determining the value of accrued benefits, there shall be included any distributions made under the plan at any time during the five (5) plan year period ending on the determination date:

(i) Including distributions from any terminated plan which if it had not been terminated would have been required to be aggregated with this Plan under clause (i) or (ii) of subparagraph 1.6(b) of this Appendix, but

(ii) Excluding:

(A) Distributions made on account of death, to the extent the benefits do not exceed the present value of accrued benefits existing immediately prior to death (in the case of a defined contribution plan, a distribution made on account of death is the participant's accrued account balance (including the cash value of life insurance policies)), and

(B) Distributions and plan-to-plan transfers which are rolled over into a plan maintained by the Employer or initiated by the participant.

B-1.6 AGGREGATION OF PLANS.

B-1.6(a) When aggregating plans, the value of accrued benefits shall be calculated with reference to the determination dates of such aggregated plans that fall within the same calendar year. When aggregating defined benefit plans the same actuarial assumptions shall be used with respect to all such plans and, if the stated assumptions of such plans are not the same, the plan sponsor(s) of such plans shall select and agree on one plan's assumptions.

B-1.6(b) The plans to be aggregated with this Plan for purposes hereof for

a plan year are:

(i) Each other plan intended to meet the applicable requirements of Section 401(a)(10)(B) of the Code and maintained by the Employer and each simplified employee pension plan maintained by the Employer in which a Key Employee participates for the plan year containing the determination date with respect to such plan year or for any of the preceding four (4) plan years,

(ii) Each other qualified or simplified employee pension plan of the Employer which, during the applicable five (5) plan year period described in clause (i) of this subparagraph, enables any such plan described in clause (i) of this subparagraph to meet the requirements of Section 401(a)(4) or 410 of the Code, and

(iii) Solely in the discretion of the Employer, any additional qualified or simplified employee pension plan(s) of the Employer if the plans described in clauses (i) and (ii) of this subparagraph would continue to meet the requirements of Sections 401(a)(4) and 410 of the Code with such plan(s) being included in the aggregation group.

ESKIMO PIE CORPORATION
SALARIED RETIREMENT PLAN
APPENDIX C
(AS OF JANUARY 1, 1996)
LIST OF PARTICIPATING EMPLOYERS

<TABLE>
<CAPTION>

NAME	PLACE OF INCORPORATION	EFFECTIVE DATE OF COMMENCEMENT OF PARTICIPATION	EFFECTIVE DATE OF TERMINATION OF PARTICIPATION
<S>	<C>	<C>	<C>
Eskimo Pie Corporation	Delaware	April 6, 1992	----
Eskimo Inc.	Virginia	January 1, 1995	----
Sugar Creek Foods, Inc.	Virginia	January 1, 1996	----

</TABLE>

ESKIMO PIE CORPORATION
SALARIED RETIREMENT PLAN
ADOPTION AGREEMENT

This ADOPTION AGREEMENT, executed the __day of ____, 1994 by ESKIMO INC., a Virginia corporation, (hereinafter referred to as the "Adopting Employer") with the consent of the Board of Directors (the "Board") of ESKIMO PIE CORPORATION ("Eskimo Pie"), a Delaware corporation, provides:

WHEREAS, Eskimo Pie maintains a defined benefit pension plan and trust in the form of the Eskimo Pie Corporation Salaried Retirement Plan under agreement dated December 29, 1992, as amended, (the "Plan"), which Plan permits participation therein by other corporations with the approval of the Board; and

WHEREAS, the Adopting Employer is an affiliate of Eskimo Pie, is eligible to adopt the Plan with the consent of the Board, and desires to evidence its adoption of and participation in the Plan and the consent of the Board thereto.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings contained in the Plan, which are hereby incorporated herein by reference:

1. Adoption of the Plan. The Adopting Employer does hereby evidence its adoption of the Plan as a participating employer for the benefit of its employees who are or from time to time will be eligible under the provisions of the Plan to participate therein, commencing with the Plan Year containing the Effective Date of the Plan as to the Adopting Employer.

2. Agreement to Be Governed by the Plan. The Adopting Employer agrees that it shall be an "Employer" and a participating employer, as defined in the Plan, commencing January 1, 1995, and as such it shall henceforth comply with and be governed by the provisions of the Plan as they pertain to an Employer, as now contained in the Plan or as hereafter altered or added by amendment to the Plan.

3. Effective Date of Adoption as to the Adopting Employer. The Adopting Employer agrees that this adoption of the Plan shall be effective for all purposes of the Plan as of and from January 1, 1995; and that wherever in the Plan the term "Effective Date of the Plan" is now used, it shall with respect to the Adopting Employer mean January 1, 1995.

4. Updated Appendix C. An updated Appendix C to the Plan, listing the Adopting Employer as a participating employer, is attached hereto and is hereby made a part of the Plan.

IN WITNESS WHEREOF, the Adopting Employer has caused its name to be signed and its seal affixed hereto by its duly authorized officers; and the consent hereto by the Board is evidenced by the signature of its duly authorized representative.

ESKIMO INC., Adopting Employer

By: _____ (SEAL)
Its _____

ATTEST:

_____
Its _____

The Board of Directors of ESKIMO PIE CORPORATION consents.

_____
Title: _____

ESKIMO PIE CORPORATION
SALARIED RETIREMENT PLAN
ADOPTION AGREEMENT

This ADOPTION AGREEMENT, executed the __ day of _____, 1995 by SUGAR CREEK FOODS, INC., a Virginia corporation, (hereinafter referred to as the "Adopting Employer") with the consent of the Board of Directors (the "Board") of ESKIMO PIE CORPORATION ("Eskimo Pie"), a Delaware corporation, provides:

WHEREAS, Eskimo Pie maintains a defined benefit pension plan and trust in the form of the Eskimo Pie Corporation Salaried Retirement Plan under agreement

dated December 29, 1992, as amended (the "Plan"), which Plan permits participation therein by other corporations with the approval of the Board; and

WHEREAS, the Adopting Employer is an affiliate of Eskimo Pie, is eligible to adopt the Plan with the consent of the Board, and desires to evidence its adoption of and participation in the Plan and the consent of the Board thereto.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings contained in the Plan, which are hereby incorporated herein by reference:

1. Adoption of the Plan. The Adopting Employer does hereby evidence its adoption of the Plan as a participating employer for the benefit of its employees who are or from time to time will be eligible under the provisions of the Plan to participate therein, commencing with the Plan Year containing the Effective Date of the Plan as to the Adopting Employer.

2. Agreement to Be Governed by the Plan. The Adopting Employer agrees that it shall be an "Employer" and a participating employer, as defined in the Plan, commencing January 1, 1996, and as such it shall henceforth comply with and be governed by the provisions of the Plan as they pertain to an Employer, as now contained in the Plan or as hereafter altered or added by amendment to the Plan.

3. Effective Date of Adoption as to the Adopting Employer. The Adopting Employer agrees that this adoption of the Plan shall be effective for all purposes of the Plan as of and from January 1, 1996; and that wherever in the Plan the term "Effective Date of the Plan" is now used, it shall with respect to the Adopting Employer mean January 1, 1996.

4. Pre-March 1, 1994 Service. Service with Sugar Creek Foods of Russellville, Inc., which was the predecessor by asset acquisition on February 28, 1994 to the Adopting Employer, shall not be considered service for any purpose of the Plan.

5. Pre-January 1, 1996 Benefit Accrual Service. Notwithstanding any other provision of the Plan, service with the Adopting Employer prior to the January 1, 1996 Effective Date of the Plan with respect to it shall not be considered service for purposes of determining Years of Benefit Service under the Plan.

6. Pre-January 1, 1996 Compensation. Notwithstanding any other provision of the Plan, compensation from the Adopting Employer for periods prior to the January 1, 1996 Effective Date of the Plan with respect to it shall not be considered Compensation for purposes of determining Accrued Benefits under subparagraph 4.1(a) of the Plan.

7. Exclusion of President and General Manager from Participation. The President and the General Manager of the Adopting Employer shall be listed on Appendix B of the Plan as being excluded from being considered Eligible Employees and shall be excluded from participation in the Plan.

8. Updated Appendix C. An updated Appendix C to the Plan, listing the Adopting Employer as a participating employer, is attached hereto and is hereby made a part of the Plan.

IN WITNESS WHEREOF, the Adopting Employer has caused its name to be signed and its seal affixed hereto by its duly authorized officers; and the consent hereto by the Board is evidenced by the signature of its duly authorized representative.

SUGAR CREEK FOODS, INC.,
Adopting Employer

By: _____ (SEAL)
Its _____

ATTEST:

_____
Its _____

The Board of Directors of ESKIMO PIE CORPORATION consents.

_____
Title: _____

ESKIMO PIE CORPORATION
SALARIED RETIREMENT PLAN
APPENDIX D
ACTUARIAL EQUIVALENTS AND VALUES

D-1.1 GENERAL FACTORS AND DEFINITIONS.

D-1.1(a) Actuarial Equivalents and Values, and all actuarial calculations regarding benefit equivalencies under the Plan (except as expressly otherwise provided), shall be determined on the basis of:

(i) Interest at an assumed rate of eight and one-half percent (8.5%), compounded annually, and

(ii) The 1984 Unisex Pension Mortality Table,

which factors are sometimes referred to herein as the "actuarial factors" or separately as the "interest factor" or the "mortality factor", respectively.

D-1.1(b) For purposes hereof, the term "Applicable Interest Rate" means the applicable interest rate or rates (deferred or immediate whichever is appropriate) which would be used as of the first day of the Plan Year in which the distribution occurs or commences by the Pension Benefit Guaranty Corporation for purposes of determining the present value of the Participant's benefit under the Plan pursuant to Part 2619 of 29 Code of Federal Regulations if the Plan had terminated on the date distribution commences with insufficient assets to provide benefits guaranteed by the Pension Benefit Guaranty Corporation on that date.

D-1.1(c) For purposes hereof, the term "Maximum Interest Rate" means:

(i) The Applicable Interest Rate if the Actuarial Value of the benefit (using such rate or rates) is not in excess of $25,000; or

(ii) One hundred twenty percent (120%) of the Applicable Interest Rate if the Actuarial Value of the benefit exceeds $25,000 (as determined under clause (i)).

D-1.2 DEVELOPMENT AND USE OF TABLES. The Administrator is authorized to develop, and utilize on a uniform basis consistently applied, tables for determinations of Actuarial Equivalents and Values. Any such table or tables may include more than one age for a factor, shall round factors to the nearest decimal, shall provide for linear proration based on either nearest or completed months of age or any other reasonable determination of age, shall provide factors based on either nearest or attained age or any other reasonable determination of age, and may include such other interpolations and variables, all as determined by the Administrator in its discretion. Any such table or tables shall produce substantially consistent results applied in a non-discriminatory manner.

D-1.3 CORRECTION OF ERRORS. In determining Actuarial Equivalents or Values for the purpose of correcting or recouping erroneous payments, the amount to be paid or recouped may be determined on a uniform and non-discriminatory basis consistently applied either by application of the appropriate factors to provide

an amount as of the actual date of payment or recoupment or by application of the appropriate factors to provide a value as of the date of the erroneous underpayment or overpayment, to which shall be added interest at the applicable rate to the date of payment or recoupment, as determined in the discretion of and on a uniform and non-discriminatory basis by the fiduciary of the Plan determining how the error should be corrected.

D-1.4 SPECIAL ACTUARIAL FACTORS AND RULES. Notwithstanding the provisions of subparagraph 1.1(a) of this Appendix, the rules and factors set forth in this paragraph shall be used to determine Actuarial Equivalents and Values under the circumstances described herein.

D-1.4(a) In the case of the valuation of a benefit for purposes of paragraph 4.6 of the Plan, in the case of the cash-out of a benefit in a lump sum payment pursuant to paragraph 8.4 of the Plan and in the case of the determination and payment of benefits on termination of the Plan (except to the extent any otherwise applicable special actuarial adjustment factor hereunder is considered an accrued benefit under Section 411(d)(6)(B) of the Code, in which case the special actuarial factor otherwise applicable at such times shall apply and, if directed by the Plan Sponsor, any special actuarial factor hereunder otherwise available, but not then applicable at such time, shall apply), the Actuarial Equivalent or Value shall be based on the appropriate mortality factor determined pursuant to subparagraph 1.1(a) of this Appendix and the Maximum Interest Rate.

D-1.4(b) In the case of the valuation or payment of an Accrued Benefit or a Pre-Retirement Spouse's Death Benefit which is not covered by subparagraph 1.4(a) of this Appendix and which is paid in a form other than a Single Life Annuity, a Joint and 50% (or more) Spouse Survivor Annuity, a Ten-Year Certain and Life Annuity, or any non-decreasing annuity (determined without regard to decreases on account of Social Security supplements or qualified disability payments as defined in Section 411(a)(9) of the Code) payable for a period not less than the life of the Participant or, in the case of a Pre-Retirement Spouse's Death Benefit, the life of the Participant's Spouse, the interest rate used in determining the Actuarial Equivalent or Value adjustment shall not be higher than the Maximum Interest Rate.

D-1.4(c) There shall be no actuarial increase in a Participant's Accrued Benefit determined under subparagraph 4.1(a) of the Plan for the commencement or re-commencement of the Participant's benefit after his Normal Retirement Date except in the following instances:

(i) There shall be an appropriate actuarial increase in any required Top Heavy Minimum Benefit under paragraph 4.3 of the Plan.

(ii) There shall be an appropriate actuarial increase in the case of a Participant whose benefit payment is deferred while employed after his Normal Retirement Date (as provided in subparagraph 8.7(b) of the Plan) for each and any calendar month of such deferral for which he is not credited with forty (40) or more Hours of Service for which he is directly or indirectly paid or entitled to payment. For this purpose, the term "Hour of Service" shall include each hour for which an Employee is paid by the Employer, or entitled to payment, for the performance of duties for the Employer or for periods during which no duties are required to be performed, including each hour for which credit has not theretofore been given and for which back pay, irrespective of mitigation of damages, has either been awarded or agreed to by the Employer. Hours of Service shall be determined for this purpose without regard to the 501 hour limit on any single continuous period of absence. Otherwise, the hour of service calculation and crediting rules of ss. 2530.200b-2 of the U.S. Department of Labor Regulations are incorporated herein by this reference for this purpose.

In the event, an actuarial increase is required hereunder in connection with the suspension, commencement or re-commencement of a Member's benefit after his Normal Retirement Date, the Actuarial Equivalent adjustment or Value shall be determined on the basis of an increase in the Member's Accrued Benefit of

five-twelfths of one percent (5/12%) for each month for which an adjustment is due during the first fifteen (15) years after the Member's Normal Retirement Date and thereafter shall be determined on the basis of the interest and mortality factors in subparagraph 1.1(a) of this Appendix.

D-1.4(d) In the case of a benefit commencing in annuity form before a Participant's Normal Retirement Date, the Actuarial Equivalent or Value thereof shall be determined by reducing the benefit to which the Participant would be entitled at his Normal Retirement Date by five-twelfths of one percent (5/12%) for each month by which his Annuity Starting Date precedes his Normal Retirement Date.

D-1.5 APPLICATION TO PRE-RETIREMENT SPOUSE'S DEATH BENEFIT. The Pre-Retirement Spouse's Death Benefit shall be calculated to the Spouse's Earliest Commencement Date pursuant to paragraph 7.3 of the Plan as though the Participant had commenced to receive his Accrued Benefit as an annuity prior to his death. After the dollar amount of the Pre-Retirement Spouse's Death Benefit is determined, any actuarial adjustment or determination shall be made by applying the appropriate actuarial factors to the dollar amount of such Death Benefit commencing at the Spouse's Earliest Commencement Date based on the form of payment as hereinabove provided in the case of payment to a Participant.

ESKIMO PIE CORPORATION
SALARIED RETIREMENT PLAN
APPENDIX E
(AS OF JANUARY 1, 1996)
LIST OF ADDITIONAL EXCLUDED POSITIONS

DESCRIPTION OF POSITION	EFFECTIVE DATE OF EXCLUSION
President of Sugar Creek Foods, Inc.	January 1, 1996
General Manager of Sugar Creek Foods, Inc.	January 1, 1996

ESKIMO PIE CORPORATION SALARIED RETIREMENT PLAN

ACKNOWLEDGMENT OF APPOINTMENT OF TRUSTEE

Eskimo Pie Corporation, as the plan sponsor of the following named employee benefit plan and related trust fund maintained for the benefit of its employees, hereby evidences its appointment of the following person to serve as trustee (sometimes referred to as the "Trustee") of the trust fund for the plan:

1. NAME OF PLAN: Eskimo Pie Corporation Salaried Retirement Plan

2. NAME OF TRUST FUND: Eskimo Pie Corporation Salaried Retirement Trust

3. NAME OF TRUSTEE APPOINTED: Thomas M. Mishoe, Jr.

4. EFFECTIVE DATE: This acknowledgment evidences the appointed person's appointment effective as of July 31, 1996. The appointment shall automatically terminate if and when the appointed person ceases to be employed by the plan sponsor or any of its affiliates.

IN WITNESS WHEREOF, the plan sponsor of the plan, by its duly authorized representative, has executed this instrument.

Dated:

ESKIMO PIE CORPORATION

By _____
David B. Kewer
Its President and Chief Executive Officer

ATTEST:

_____
Its _____

By execution hereof, the above named person acknowledges his acceptance of his appointment as trustee of the plan and the trust fund.

_____
Thomas M. Mishoe, Jr.

EXHIBIT 10.11

WORKING COPY OF
ESKIMO PIE CORPORATION
EXECUTIVE RETIREMENT PLAN
(AS ADOPTED EFFECTIVE APRIL 6, 1992)

Including:

1. First Amendment
2. Second Amendment
3. Third Amendment
4. Adoption Agreement for Sugar Creek Foods, Inc. - Attached to Appendix A
5 Acknowledgment of Appointment of Trustee by Thomas M. Mishoe, Jr.

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Appendix A - List of Participating Employers

Appendix B - List of Additional Included Positions

THIS PLAN is adopted this __ day of December, 1992 by Eskimo Pie Corporation, a Delaware corporation, and other participating employers who now or hereafter may adopt this agreement as provided herein (hereinafter called the "Employer").

WITNESSETH:

THAT, WHEREAS, Eskimo Pie Corporation deems it desirable to adopt an Executive Retirement Plan for certain of its employees; and

WHEREAS, the Employer by due corporate action has approved and authorized the execution of this non-qualified defined benefit pension plan for its employees;

NOW, THEREFORE, in consideration of the premises, the Plan is hereby adopted and provides as follows:

ARTICLE I
DEFINITION OF TERMS

The following words and terms as used herein shall have the meaning set forth below, unless a different meaning is clearly required by the context:

1.1 "ACCRUED BENEFIT": That benefit determined under the provisions of paragraph 4.1 to which a Participant is entitled.

1.2 "ACT": The Employee Retirement Income Security Act of 1974, as the same may be amended from time to time, or the corresponding sections of any subsequent legislation which replaces it, and, to the extent not inconsistent therewith, the regulations issued thereunder.

1.3 "ACTUARIAL EQUIVALENT" or "ACTUARIAL VALUE":

(i) In the case of actual or deemed benefit payments to a Participant, a benefit of equivalent value to his Accrued Benefit commencing on the Participant's Normal Retirement Date (or as otherwise provided in paragraph 4.1),

(ii) In the case of a Pre-Retirement Spouse's Death Benefit commencing to a Participant's Spouse, a benefit of equivalent value to such Death Benefit commencing on such Spouse's Earliest Commencement Date (as determined pursuant to paragraph 7.3), and

(iii) For any other purpose, an amount or benefit of equivalent value to another benefit or amount, based on the form(s) (which term is intended to include the time(s)) of payment involved,

all as determined pursuant to the applicable sections of the Salaried Retirement Plan except as otherwise expressly provided in this Plan.

1.4 "ADMINISTRATOR": The Plan Administrator provided for in ARTICLE X hereof.

1.5 "AFFILIATE": An "Affiliate" as defined in the Salaried Retirement Plan.

1.6 "ANNUITY STARTING DATE": The first day of the first period for which a benefit is paid as an annuity or in any other form (as opposed to the actual date of payment). Notwithstanding the foregoing, the Annuity Starting Date shall not be considered delayed because actual benefit payment is delayed for

reasonable administrative reasons as long as all benefits due are actually made. Further, the Administrator may consider the Annuity Starting Date delayed for notice, election and consent purposes but not for payment purposes (which means that payment may be made retroactively to the Annuity Starting Date once the notice, election and consent requirements are satisfied).

1.7 "BENEFICIARY": The person or persons designated by a Participant or otherwise entitled pursuant to paragraph 7.4 to receive benefits under the Plan attributable to such Participant after the death of such Participant.

1.8 "BOARD": The present and any succeeding Board of Directors of the Plan Sponsor, unless such term is used with respect to a particular Employer and its Employees, in which event it shall mean the present and any succeeding Board of Directors of that Employer.

1.9 "CODE": The Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding section of any subsequent Internal Revenue Code, and, to the extent not inconsistent therewith, regulations issued thereunder.

1.10 "COMPENSATION":

1.10(a) The sum of:

(i) An Employee's earnings, exclusive of all awards or payments under any stock bonus, stock option, or stock purchase plan, or any plan involving stock appreciation rights, prizes, expense reimbursements and allowances, severance pay, imputed income, amounts contributed for the Employee pursuant to and benefits under the Plan or any other employee benefit plan or program of the Employer, or any other similar remuneration, as reportable in the Wages, Tips and Other Compensation Box (currently Box 10) on I.R.S. Form W-2 pursuant to Sections 6041, 6051 and 6052 of the Code received by or made available to him as a Salaried Employee directly from the Employer (but not from any Affiliate which is not a participating employer unless otherwise expressly provided) for a Plan Year, and

(ii) The Employee's elective salary reduction or similar contributions excluded from such earnings by reason of Sections 125, 402(a)(8) (or effective January 1, 1993, 402(e)(3)) and 402(h) of the Code and contributed as a Salaried Employee.

Compensation for a Plan Year shall be rounded to the nearest whole dollar.

1.10(b) For purposes of determining the Accrued Benefit of a Participant who is Disabled, such Participant shall be deemed to have received Compensation during periods for which he is considered to be Disabled at his most recent actual or equivalent annual rate of Compensation in effect prior to his becoming Disabled. A Participant's "actual or equivalent hourly rate of Compensation" means his Compensation for the twelve (12) consecutive calendar month period ending prior to the calendar month in which his Disability commenced.

1.10(c) If a Participant ceases to be an Eligible Employee but remains or later becomes a Salaried Employee, his Compensation taken into account in applying the Benefit Formula shall include his earnings as a Salaried Employee after he ceases to be an Eligible Employee.

1.11 "EFFECTIVE DATE": April 6, 1992, except that with respect to any Employer thereafter adopting the Plan as a participating employer, such date as may be set forth in its adoption agreement or in the Plan. The Administrator shall maintain as Appendix A to the Plan a list of the Effective Dates of participation of all Employers participating in the Plan.

1.12 "ELIGIBLE EMPLOYEE":

1.12(a) A Salaried Employee who is an Executive.

1.12(b) For purposes hereof, the term "Executive" means a person (i) who is the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, a Vice President, the Treasurer, the Secretary, or a General Manager of the Plan Sponsor or (ii) who holds a position described in Appendix B to the Plan, which Appendix and job descriptions may be modified or amended at any time by the Chief Executive Officer of the Plan Sponsor without Board approval and which designations shall be effective from the later of January 1, 1993, the effective date(s) of the designation or the date an Employee holds any such position.

1.12(c) If an Eligible Employee ceases to be an Executive, he shall thereupon cease to be an Eligible Employee.

1.13 "EMPLOYEE": Any person considered an "Employee" as defined in the Salaried Retirement Plan.

1.14 "EMPLOYER":

1.14(a) The Plan Sponsor and each other employer heretofore or hereafter executing or adopting the Plan with the consent of the Board as a participating Employer, collectively unless the context otherwise indicates, for as long as it remains a participating Employer; and with respect to any Employee, any one or more of such Employers by which he is at any time employed (unless or to the extent otherwise specified by resolution of the Board or in a merger or acquisition agreement or plan approved by the Board or in any applicable asset transfer, plan merger or consolidation or adoption agreement). The Administrator shall maintain as Appendix A to the Plan a list of all such Employers who are, from time to time, participating Employers in the Plan.

1.14(b) For purposes of determining compensation and service with any business entity, or predecessor thereto, which is merged into a Employer, or a predecessor thereto, or all or substantially all the assets or the operating assets are acquired by a Employer, or a predecessor thereto, compensation from and service with such business entity and predecessor thereto shall be treated as compensation from and service with a Employer to the extent provided by resolution of the Board or in any corporate or plan merger, consolidation or asset transfer agreement or any adoption agreement approved by the Board.

1.14(c) Notwithstanding any other provision of the Plan:

(i) Service with Sugar Creek Foods of Russellville, Inc., which was the predecessor by asset acquisition on February 28, 1994 to Sugar Creek Foods, Inc., shall not be considered service for any purpose of the Plan.

(ii) Service with Sugar Creek Foods, Inc. prior to the January 1, 1996 Effective Date of the Plan with respect to it shall not be considered service for purposes of determining Years of Benefit Service under the Plan.

(iii) Compensation from Sugar Creek Foods, Inc. for periods prior to the January 1, 1996 Effective Date of the Plan with respect to it shall not be considered Compensation for purposes of determining Accrued Benefits under paragraph 4.1 of the Plan.

1.15 "NORMAL RETIREMENT AGE": With respect to a Participant, the later of:

(i) The age of sixty-five (65), or

(ii) The Participant's attained age on the fifth anniversary of his first becoming an Employee.

1.16 "PARTICIPANT": An Eligible Employee selected to participate in the Plan for so long as he is considered a Participant as provided in ARTICLE II hereof.

1.17 "PERIOD OF SERVICE": A "Period of Service" as defined the Salaried Retirement Plan. The operating rules provided in Appendix A to the Salaried Retirement Plan shall apply for purposes of this Plan, except to the extent this Plan expressly provides otherwise.

1.18 "PLAN": The Plan as contained herein or duly amended which shall be known as the "Eskimo Pie Corporation Executive Retirement Plan".

1.19 "PLAN SPONSOR": Eskimo Pie Corporation, a Delaware corporation (or its corporate successor).

1.20 "PLAN YEAR": A year commencing upon the first day of January of each year.

1.21 "RABBI TRUST": A trust fund described in paragraph 3.4 and established or maintained in whole or in part for the Plan.

1.22 "SALARIED EMPLOYEE": Any common law employee of the Employer (exclusive of any Affiliate which is not a participating employer unless otherwise expressly provided) who is employed on a salaried basis.

1.23 "SALARIED RETIREMENT PLAN": The Eskimo Pie Corporation Salaried Retirement Plan, which a defined benefit pension plan maintained by the Plan Sponsor and intended to be qualified under Section 401 of the Code.

1.24 "SPOUSE": For the purpose of qualifying to receive survivor annuity benefits under the Plan, an individual to whom a Participant was married:

(i) On his Annuity Starting Date, or

(ii) If he has not reached his Annuity Starting Date, throughout the one year period ending on his date of death.

The determination of the marital status of a Participant shall be made pursuant to applicable local law.

1.25 "TRUSTEE": The trustee of a Rabbi Trust.

1.26 "YEAR OF BENEFIT SERVICE":

1.26(a) A Period of Service of one year as a Salaried Employee, excluding all service before April 6, 1992. For purposes hereof, where a Period of Service as a Salaried Employee is longer than one year, it shall be treated as that number of Years of Benefit Service (and fractional part thereof) equal to the whole number of years (and fractional part thereof) in such Period of Service.

1.26(b) If a Participant ceases to be an Eligible Employee but remains or later becomes a Salaried Employee, his Years of Benefit Service taken into account in applying the Benefit Formula shall include his service as a Salaried Employee after he ceases to be an Eligible Employee.

1.27 "YEAR OF BROKEN SERVICE": A "Year of Broken Service" as defined in the Salaried Retirement Plan.

1.28 "YEAR OF SERVICE": A "Year of Service" as defined in the Salaried Retirement Plan, based on the applicable computation period stated when used in the Plan.

1.29 "YEAR OF VESTING SERVICE": A "Year of Vesting Service" as defined in the Salaried Retirement Plan.

ARTICLE II
ELIGIBILITY AND PARTICIPATION

2.1 ELIGIBILITY AND DATE OF PARTICIPATION.

2.1(a) Each Eligible Employee who has attained the age of twenty-one (21) years prior to an Entry Date shall become a Participant on the earlier of the following dates, provided he is then credited with at least one Year of Eligibility Service:

(i) On the first Entry Date on which he is an Eligible Employee following his completion of such age and service requirements.

(ii) If he is not an Eligible Employee on the first Entry Date following his completion of such age and service requirements, on the first day he thereafter becomes an Eligible Employee.

Notwithstanding the foregoing, each Employee who is an Eligible Employee at the time of a "change in control" of the Plan Sponsor shall become a Participant in the Plan as of the date for such change in control. For purposes hereof, the term "change in control" means "Change in Control" as defined in the Plan Sponsor's 1996 Incentive Stock Plan.

2.1(b) An individual who was, but ceased to be, a Participant shall again be a Participant at the first to occur of the following:

(i) If and when he again becomes an Eligible Employee,

(ii) If all or part of his Accrued Benefit is considered cashed-out and forfeited pursuant to paragraph 4.3, if and when the cashed-out amount is reinstated pursuant thereto, or

(iii) If his forfeited Accrued Benefit is restored pursuant to paragraph 6.4, if and when he again becomes an Employee.

2.1(c) An individual who becomes a Participant shall be or remain a Participant for so long as he remains an Eligible Employee and thereafter while he is entitled to future benefits under the terms of the Plan.

2.2 ELIGIBILITY SERVICE DEFINITIONS AND RULES. For purposes of this ARTICLE II, the following terms shall have the following meanings:

2.2(a) The term "Entry Date" means the Effective Date of the Plan and thereafter the first day of each calendar month of each Plan Year. Notwithstanding the foregoing, the first Entry Date with respect to an Employee of an Employer which adopts the Plan as a participating employer as of a date after the Effective Date of the Plan shall be the Effective Date of the adoption of the Plan as to such Employer. Additional Entry Dates may be provided in a participating employer's adoption agreement.

2.2(b) The term "Year of Eligibility Service" means a Year of Eligibility Service (as defined in the Salaried Retirement Plan).

ARTICLE III
FUNDING

3.1 FUNDING.

3.1(a) The undertaking to pay benefits hereunder shall be an unfunded obligation payable solely from the general assets of the Employer and subject to the claims of the Employer creditors. Each Participant, his Beneficiary and any other person having or claiming a right to payment hereunder or to any interest under the Plan shall rely solely on the unsecured promise of the Employer to make payments due hereunder. Each Participant, his Beneficiary, and any other person having or claiming a right to payments under the Plan shall have the right to enforce such claim against the Employer in the same manner as an unsecured creditor of the Employer. Nothing contained in this subparagraph shall be deemed to create a trust of any kind.

3.1(b) Except as provided in a Rabbi Trust established as provided in paragraph 3.4, nothing contained in the Plan and no action taken pursuant to the

provisions of the Plan shall create or be construed to create a trust of any kind or a fiduciary relationship between the Employer and the Participant or his Beneficiary or any other person or to give any Participant or Beneficiary any right, title or interest in any specific asset or assets of the Employer. To the extent that any person acquires a right to receive payments from the Employer under the Plan, such rights shall be no greater than the right of any unsecured general creditor of the Employer.

3.2 PLAN COSTS AND EXPENSES. All costs of benefits under and expenses of the Plan, including reasonable legal, accounting, and other fees and expenses incurred in the establishment, amendment, administration and termination of the Plan and the compensation of the fiduciaries of the Plan to the extent provided under the Plan, shall be paid by the Employer, whether directly from their general assets or by contributions to a Rabbi Trust, in such manner and proportions as the Plan Sponsor shall determine.

3.3 NO INTEREST OR RIGHT OTHER THAN PLAN BENEFIT. Nothing contained herein shall be deemed to give any Participant or Beneficiary any interest in any specific part of the assets of the Employer, any rights to interest in the assets of a Rabbi Trust, or any legal or equitable rights other than his right to receive benefits in accordance with the provisions of the Plan.

3.4 RABBI TRUST.

3.4(a) Notwithstanding the foregoing provisions of this ARTICLE III, the Plan Sponsor may in its sole discretion establish or participate in and fund a Rabbi Trust for the purpose of providing benefits under the Plan. It is generally intended that the assets of any Rabbi Trust would be subject to the claims of the creditors of the Employer.

3.4(b) If a Rabbi Trust is established or maintained for the Plan, payments from the Rabbi Trust shall be made as directed by the Plan Sponsor or, if the Rabbi Trust so provides by the Administrator in accordance with the applicable terms and provisions of the Plan (in which latter case procedural provisions of the Plan, other than this subparagraph, pertaining to the giving of payment instructions by the Plan Sponsor shall be read to mean the giving of payment instructions by the Administrator).

ARTICLE IV
DETERMINATION OF ACCRUED BENEFIT

4.1 ACCRUED BENEFIT.

4.1(a) The Accrued Benefit of a Participant shall be an amount, expressed in the form of a single life annuity payable monthly for the life of the Participant, commencing upon his Normal Retirement Date or as otherwise provided in this paragraph 4.1, and equal to the amount determined under the Benefit Formula, calculated as follows:

(i) A Participant who retires on his Normal Retirement Date shall be entitled to his Accrued Benefit calculated under the Benefit Formula to his Normal Retirement Date.

(ii) A Participant whose employment with the Employer terminates after his Normal Retirement Date shall be entitled to an Accrued Benefit commencing on his Delayed Retirement Date (or, where applicable, his other benefit commencement date determined as though he had separated from service and had a Delayed Retirement Date) equal to the sum of:

(A) His Accrued Benefit calculated under the Benefit Formula to his Normal Retirement Date, and

(B) The sum of the greater, determined for each Plan Year (or portion thereof) ending after his Normal Retirement Date, of:

(I) The excess, if any, of (a) his Accrued Benefit

calculated under the Benefit Formula as of the end of such Plan Year (or if earlier and as applicable, his Delayed Retirement Date or his other benefit commencement date determined as though he had separated from service and had a Delayed Retirement Date) over (b) his Accrued Benefit calculated as of the end of the immediately preceding Plan Year (or his Normal Retirement Date, if later), or

(II) The excess, if any, of (a) the Actuarial Equivalent of his Accrued Benefit calculated under the Benefit Formula as of the end of the immediately preceding Plan Year (or his Normal Retirement Date, if later), where the Actuarial Equivalent adjustment is determined as of the end of such Plan Year (or, where applicable, his Delayed Retirement Date or his other benefit commencement date determined as though he had separated from service and had a Delayed Retirement Date) over (b) his Accrued Benefit calculated as of the end of the immediately preceding Plan Year (or his Normal Retirement Date, if later).

(iii) A Participant who retires on his Early Retirement Date shall be entitled to his Accrued Benefit calculated under the Benefit Formula to his Early Retirement Date.

(iv) The Accrued Benefit of each other Participant shall be calculated under the Benefit Formula as of the applicable date for which such determination is made.

4.1(b) For purposes hereof:

(i) An Participant's "Average Compensation" is the average of his Compensation for the five (5) consecutive Plan Years within the last ten (10) Plan Years prior to the date as of which his Accrued Benefit is determined (or if earlier, when he last is a Salaried Employee), during each of which he has Compensation and is credited with a full Year of Service as a Salaried Employee (with the Plan Year as the computation period) and which produce the highest average or, if they are less than five (5) such consecutive Plan Years, for all Plan Years during each of which he has Compensation and is credited with a full Year of Service as a Salaried Employee (based on the Plan Year). Plan Years shall be deemed to be consecutive even though interrupted by one or more Plan Years for each of which the Employee had no Compensation or was not credited as a Salaried Employee with a full Year of Service (based on the Plan Year). Average Compensation shall be rounded to the nearest whole dollar.

(ii) The "Benefit Formula" with respect to a Participant, is the excess, if any, of:

(A) The greater of:

(I) One-twelfth (1/12) of the product obtained by multiplying one and one-half percent (1-1/2%) of the Participant's Average Compensation by his Years of Benefit Service, or

(II) The product obtained by multiplying Thirty-Six Dollars ($36) by the Participant's Years of Benefit Service, over

(B) The Actuarial Value of the Participant's "Accrued Benefit" under the Salaried Retirement Plan.

4.2 ACCRUED BENEFIT SERVICE RULES. For purposes of determining the Accrued Benefit of a Participant under paragraph 4.1, all Years of Benefit Service shall be included.

4.3 EFFECT OF CERTAIN CASH-OUTS ON ACCRUED BENEFIT.

4.3(a) In the case of a Participant who has ceased to be an Employee and who has received not later than one year after he incurs a Year of Broken Service either:

(i) A distribution of the Actuarial Value of his entire non-forfeitable Accrued Benefit which includes an amount not exceeding $20,000 and representing the Actuarial Value of his entire non-forfeitable Accrued Benefit derived from contributions by the Employer at the time of such distribution, or

(ii) A distribution which he voluntarily elects to receive and which represents all or a portion of the Actuarial Value of his non-forfeitable Accrued Benefit at the time of such distribution,

the Accrued Benefit (including any Top Heavy Minimum Benefit) of such Participant which is derived from contributions by the Employer shall be determined at any time thereafter without regard to his service with respect to which such distribution was made.

4.3(b) If a Participant who has no non-forfeitable interest in his Accrued Benefit ceases to be an Employee, he shall be deemed to have had his Accrued Benefit cashed-out pursuant to the provisions of subparagraph 4.3(a) and his Accrued Benefit shall be forfeited. If a Participant who is affected by the provisions of this subparagraph again becomes an Employee before he incurs five (5) consecutive Years of Broken Service commencing after the date of the deemed distribution and forfeiture (but in no event after the date of termination of the Plan), his forfeited Accrued Benefit shall be restored.

4.4 NO DUPLICATION OF BENEFITS. Notwithstanding any other provision of the Plan, the total Actuarial Value of the Accrued Benefit which may be earned by any Participant shall not exceed the Actuarial Value of his Accrued Benefit under the Plan, calculated without regard to any prior distributions of his Accrued Benefit, and then reduced by the Actuarial Value of any prior distributions not repaid to the Plan.

ARTICLE V
RETIREMENT DATES

5.1 NORMAL RETIREMENT DATE. The Normal Retirement Date of a Participant shall be the first day of the calendar month coinciding with or next following the date on which the Participant attains his Normal Retirement Age.

5.2 DELAYED RETIREMENT DATE. A Participant who continues in the active employment of the Employer beyond his Normal Retirement Date shall continue to participate in the Plan, and his Delayed Retirement Date shall be the first day of the calendar month coinciding with or next following the date of termination of his employment with the Employer.

5.3 EARLY RETIREMENT DATE. A Participant who has attained the age of fifty-five (55) years or more while a Salaried Employee or Disabled (as provided in paragraph 5.4) and has completed at least ten (10) Years of Vesting Service as determined for vesting purposes under paragraph 6.3 may retire from the employment of the Employer prior to his Normal Retirement Date and his Early Retirement Date shall be the first day of the calendar month coinciding with or next following the date of such retirement.

5.4 DISABILITY AND RETIREMENT, DEATH OR SEPARATION AFTER DISABILITY.

5.4(a) If a Participant becomes Disabled, the determination of the Participant's Accrued benefit and Death Benefit, as applicable, shall be subject to the special rules contained in this paragraph.

5.4(b) For purposes hereof:

(i) With respect to a Participant, the existence of a "Disability"

or the status of being "Disabled" shall be determined by reference to the standards and definitions of the terms "Disability" and "Disabled" as used in the Salaried Retirement Plan.

(ii) The Administrator shall have the right to require proof of continuing Disability.

(iii) Failure by the Participant to provide such evidence as may from time to time be required by the Administrator prior to such Participant's attainment of his Normal Retirement Date shall result in the discontinuance of his Disability status and the termination of his status as Disabled under the Plan.

(iv) The determination of Disability shall be made by the Administrator in accordance with standards uniformly applied to all Participants, on the advice of one or more physicians appointed or approved by the Plan Sponsor if deemed necessary or advisable by the Administrator, and the Administrator shall have the right to require further medical examinations from time to time to determine whether there has been any change in the Participant's physical condition.

5.4(c) If the period of a Participant's Disability continues until his Normal Retirement Date, the Participant shall be considered for purposes of the Plan to have retired on such date and to be entitled to his Accrued Benefit determined in accordance with paragraph 4.1 as a Participant who retires on his Normal Retirement Date.

5.4(d) If the period of a Participant's Disability ceases before the Participant's Normal Retirement Date but after the later of the Participant's attainment of the age of fifty-five (55) years or completion of ten (10) Years of Vesting Service as determined for vesting purposes under paragraph 6.3, other than by reason of the Participant's death, and the Participant does not return to active employment with the Employer, the Participant shall be considered for purposes of the Plan to have retired with the first day of the month thereafter as his Early Retirement Date and to be entitled to his Accrued Benefit determined in accordance with paragraph 4.1 as a Participant who retires on his Early Retirement Date.

5.4(e) If the period of a Participant's Disability ceases before the later of the Participant's attainment of the age of fifty-five (55) years or completion of ten (10) Years of Vesting Service as determined for vesting purposes under paragraph 6.3, and the Participant does not return to active employment with the Employer, the Participant's entitlement to his Accrued Benefit shall be determined as though he terminated employment with the Employer at such time.

5.4(f) If the period of a Participant's Disability ceases by reason of his death, the only benefit payable under the Plan shall be the Pre-Retirement Spouse's Death Benefit, if any, to which his Spouse is entitled.

ARTICLE VI
VESTING

6.1 VESTING AT ATTAINMENT OF NORMAL RETIREMENT AGE. The Accrued Benefit of a Participant shall be fully vested and non-forfeitable upon the Participant's having attained his Normal Retirement Age while employed by the Employer or while Disabled (as provided in paragraph 5.4).

6.2 VESTING IN ACCRUED BENEFIT AT OTHER TIMES. At any time when a Participant is not fully vested in his Accrued Benefit under paragraph 6.1, he shall have a non-forfeitable interest in a percentage of his Accrued Benefit derived from contributions by the Employer depending upon the number of Years of Vesting Service with which he is credited at such time in accordance with the schedule below:

YEARS OF VESTING SERVICE	NON-FORFEITABLE PERCENTAGE

Less than 5	0%
5 or more	100%

Notwithstanding the foregoing, a Participant (including those for whom immediate commencement of participation in the Plan is provided under subparagraph 2.1(a) as a result of a "change in control" of the Plan Sponsor) who is an Employee at the time of a "change in control" of the Plan Sponsor shall have a 100% non-forfeitable interest in his Accrued Benefit. For purposes hereof, the term "change in control" means "Change in Control" as defined in the Plan Sponsor's 1996 Incentive Stock Plan.

6.3 VESTING SERVICE RULES. For the purpose of computing a Participant's non-forfeitable right to a percentage of his Accrued Benefit derived from contributions by the Employer, all Years of Vesting Service shall be included.

6.4 FORFEITURE AND RESTORATION OF ACCRUED BENEFITS. A Participant's Accrued Benefit in excess of his non-forfeitable Accrued Benefit shall be forfeited by such Participant upon the first to occur of his ceasing to be an Employee (or, if applicable, Disabled as provided in paragraph 5.4) or his death; provided, however, that, subject to the provisions of the Plan requiring prior service to be disregarded, any such forfeited Accrued Benefit of a Participant shall be restored upon such individual's thereafter again becoming an Employee prior to the date of any termination of the Plan with respect to such Participant or Employee. In no event shall forfeited Accrued Benefits be applied or used to increase the Accrued Benefit of any Participant.

6.5 NO REDUCTION IN CERTAIN VESTED ACCRUED BENEFITS BY REASON OF RE-EMPLOYMENT. Notwithstanding any provisions hereof to the contrary, in the case of a Participant who has a non-forfeitable interest in his Accrued Benefit under the Plan and who separates from the service of the Employer whether by retirement, disability or other termination, the dollar amount of his non-forfeitable interest in his Accrued Benefit at the time of his separation from service and the commencement of his benefit payments thereafter shall not be reduced by reason of his re-employment (except as may be provided in the event of a suspension or deferral of benefit payments pursuant to paragraph 8.6 hereof).

ARTICLE VII
DEATH BENEFITS

7.1 DEATH AFTER ANNUITY STARTING DATE. If a Participant dies after his Annuity Starting Date, the only benefits payable under the Plan after his death shall be those, if any, provided under the form of payment being made to him at his death.

7.2 DEATH BEFORE ANNUITY STARTING DATE. If a Participant dies before his Annuity Starting Date, no benefit shall be paid under the Plan except any Death Benefit which may be provided under this ARTICLE VII.

7.3 PRE-RETIREMENT SPOUSE'S DEATH BENEFIT.

7.3(a) In the event that a Participant has a Spouse and dies before his Annuity Starting Date at a time when he has a non-forfeitable interest in his Accrued Benefit, then the Spouse of such Participant shall be entitled to receive as a Death Benefit under the Plan (referred to as the "Pre-Retirement Spouse's Death Benefit") a survivor annuity, expressed in the form of a single life annuity payable monthly for the life of such Spouse commencing on the Spouse's Earliest Commencement Date, equal to the Pre-Retirement Spouse's Annuity if the Participant had died on the day following his Annuity Starting Date under the appropriate one of the following assumptions:

(i) If the Participant dies after attaining his Earliest Retirement Age, it shall be assumed both that he retired and that his Annuity Starting Date occurred as of the first day of the month in which he died, but the benefit payment amount of the Pre-Retirement Spouse's Death Benefit shall be calculated as first day of the month immediately

following the month in which he died, or

(ii) If the Participant dies on or before attaining his Earliest Retirement Age, it shall be assumed that he merely separated from the service of the Employer on the date of his death but survived until his Earliest Retirement Age which was also his Annuity Starting Date.

If the Participant was actually separated from the service of the Employer at his death, such assumption shall not increase his or her Spouse's benefit entitlement or accelerate the time of payment or the date which is the Participant's Earliest Retirement Age.

7.3(b) For purposes hereof:

(i) A Participant's "Earliest Retirement Age" is the earliest date under the Plan as of which he could elect to commence receiving his Accrued Benefit, on the assumption that he had merely separated from the service of the Employer on the date of his death and had continued to survive.

(ii) A Spouse's "Earliest Commencement Date" is the first day of the first month in which the Participant would have reached his Earliest Retirement Age or, if he has already reached that date at his death, the first day of the month immediately following the month in which the Participant died.

(iii) The "Pre-Retirement Spouse's Annuity" means the survivor annuity to which the Spouse would have been entitled under the Joint and 50% Spouse Survivor Annuity form of payment described in subparagraph 8.2(a).

7.4 BENEFICIARY DESIGNATION.

7.4(a) Subject to the rights of his Spouse to receive a survivor life annuity under paragraph 8.2 or a Pre-Retirement Spouse's Death Benefit under subparagraph 7.3 (for which purposes the Participant's Spouse shall be considered a Beneficiary) and the right of his Spouse to consent to specific non-spouse Beneficiaries, if any, under subparagraph 8.6(b), each Participant shall have the right to notify the Administrator in writing of any designation of a Beneficiary to receive, if alive, benefits under the Plan in the event of his death. Such designation may be changed from time to time by notice in writing to the Administrator, subject where specifically required to consent by his Spouse.

7.4(b) If a Participant dies without having designated a Beneficiary, or if the Beneficiary so designated has predeceased the Participant or, except when his Beneficiary is his Spouse entitled to a survivor life annuity or Pre-Retirement Spouse's Death Benefit, cannot be located by the Administrator within one year after the date when the Administrator commenced making a reasonable effort to locate such Beneficiary, then his surviving spouse, or if none, then his descendants, per stirpes, or if none, then the executor or the administrator of his estate shall be deemed to be his Beneficiary.

7.4(c) Any Beneficiary designation may include multiple, contingent or successive Beneficiaries and may specify the proportionate distribution to each Beneficiary. If a Beneficiary shall survive the Participant, but shall die before the entire benefit payable to such Beneficiary has been distributed, then absent any other provision by the Participant, the unpaid amount of such benefit shall be distributed to the estate of the deceased Beneficiary. If multiple Beneficiaries are designated, absent provisions by the Participant, those named or the survivors of them shall share equally any benefits payable under the Plan. Any Beneficiary, including the Participant's spouse, shall be entitled to disclaim any benefit otherwise payable to him under the Plan.

ARTICLE VIII

PAYMENT OF BENEFITS

8.1 TIME OF PAYMENT.

8.1(a) The non-forfeitable Accrued Benefit of a Participant shall become payable to the Participant, if then alive, at the earliest of the following applicable times:

(i) The Participant's Normal or Delayed Retirement Date on which he retires under the Plan.

(ii) The Participant's Normal Retirement Date if he is not then an Employee for reasons other than death.

(iii) The April 1 immediately following the calendar year in which occurs the date on which the Participant attains the age of seventy and one-half (70-1/2). Thereafter, such Participant's Accrued Benefit attributable to active participation in the Plan for Plan Years ending after the calendar year in which he attains the age of seventy and one-half (70-1/2) shall commence as of the January immediately following each such Plan Year.

(iv) The first day of any calendar month designated by the Participant if he is neither an Employee nor Disabled (as provided in paragraph 5.4), which date shall not be earlier than:

(A) His Early Retirement Date, nor later than his Normal Retirement Date, if the Participant retires on his Early Retirement Date, or

(B) The date on which the Participant attains the age required for Early Retirement, nor later than his Normal Retirement Date, if the Participant has satisfied the service requirement for Early Retirement.

In order for payment to begin, the Participant must file a written application therefor with the Administrator no later than thirty (30) days (or such other date as the Administrator may determine or permit on a uniform and non-discriminatory basis) before such designated date.

8.1(b) The Pre-Retirement Spouse's Death Benefit with respect to a Participant shall become payable to his Spouse at the following applicable time:

(i) The date which would have been the Participant's Normal Retirement Date, if he dies before then.

(ii) The date which would have been the Participant's next available Delayed Retirement Date, if he dies on or after his Normal Retirement Date.

(iii) The first day of any calendar month coinciding with or following the Participant's Spouse's Earliest Commencement Date (as determined pursuant to subparagraph 7.3(b)), if his Spouse requests in writing payment in annuity form at that time and if earlier than the time for payment otherwise provided under this subparagraph. Any such request shall be filed with the Administrator at least thirty (30) days (or such other date as the Administrator may determine or permit on a uniform and non-discriminatory basis) before the date such Death Benefit is requested to be paid.

8.1(c) Notwithstanding the foregoing provisions of this paragraph, payment may be delayed for a reasonable period of time in the event the recipient cannot be located or is not competent to receive the benefit payment, there is a dispute as to the proper recipient of such benefit payment, additional time is needed to calculate the Accrued Benefit or Death Benefit, or additional time is necessary to properly explain the recipient's options.

8.2 FORM OF ACCRUED BENEFIT PAYMENT. A Participant shall be paid the non-forfeitable Accrued Benefit to which he is entitled in one of the forms

hereafter provided in this paragraph 8.2, commencing as provided in paragraph 8.1, and having the same Actuarial Value as the form stated in subparagraph 4.1(a).

8.2(a) Accrued Benefit payments to a Participant who has a Spouse shall be in the form of a joint and survivor annuity which provides for the payment to the Participant entitled thereto of equal monthly amounts on the first day of each calendar month during his lifetime and continuing thereafter for the lifetime of his Spouse at the rate of fifty percent (50%) of such monthly amounts payable to the Participant. This annuity is sometimes referred to herein as a "Joint and 50% Spouse Survivor Annuity".

8.2(b) Accrued Benefit payments to a Participant who does not have a Spouse shall be in the form of a single annuity for the life of the Participant, payable in equal monthly amounts on the first day of each calendar month during the lifetime of such Participant. This annuity is sometimes referred to herein as a "Single Life Annuity".

8.2(c) Each Participant shall have the right to elect in accordance with the provisions of subparagraph 8.6(c) and, except in the case of a Joint and 75% or 100% Spouse Survivor Annuity described in clause (iii) below, with the consent of his Spouse (where necessary as determined under subparagraph 8.6(b)), in lieu of the normal form of benefit provided in subparagraph 8.2(a) or (b), to receive his non-forfeitable Accrued Benefit in one of the following optional forms:

(i) The Single Life Annuity for the life of the Participant described in subparagraph 8.2(b).

(ii) A single annuity for the life of the Participant payable in equal monthly amounts on the first day of each calendar month during the lifetime of the Participant, but with one hundred twenty (120) monthly payments guaranteed and with any portion of the unpaid guaranteed payments at the Participant's death payable as a continuing term certain annuity to his Beneficiary. This annuity is sometimes referred to herein as a "Ten-Year Certain and Life Annuity".

(iii) A joint and survivor annuity in the form described in subparagraph 8.2(a), but continuing as a survivor annuity for the life of the Participant's Spouse at (A) seventy-five percent (75%) or (B) one hundred percent (100%) of the amount of each monthly payment to the Participant. These annuities are sometimes referred to herein as a "Joint and 75% Spouse Survivor Annuity" and a "Joint and 100% Spouse Survivor Annuity", respectively.

8.2(d) If payment commences to a Participant pursuant to the requirements of clause (iii) of subparagraph 8.1(a) on account of the Participant's attainment of the age of seventy and one-half (70-1/2), the following rules shall apply:

(i) If the Participant has terminated employment with the Employer by such April 1, the amount payable shall be calculated as of the Participant's termination of employment.

(ii) If the Participant has not terminated employment with the Employer by such April 1, the amount payable shall be calculated as of the immediately preceding December 31.

(iii) Thereafter, such Participant's additional Accrued Benefit attributable to active participation in the Plan for Plan Years ending in or after the calendar year in which the Participant's benefit payment begins shall be calculated as of the December 31 immediately preceding the January 1 as of which such additional benefit will commence to be paid.

8.3 FORM OF DEATH BENEFIT PAYMENT. The Pre-Retirement Spouse's Death Benefit shall be paid in the form of a single annuity for the life of the Spouse entitled thereto payable in equal monthly amounts on the first day of each

calendar month during the lifetime of the Spouse, commencing as provided in paragraph 8.1 and having the same Actuarial Value as the form stated in subparagraph 7.3(a).

8.4 BENEFIT CASH-OUT.

8.4(a) Notwithstanding the time and form of payment provided for elsewhere in this ARTICLE VIII and in lieu of payment pursuant to paragraph 8.2 (but only at or prior to the time the benefit would otherwise commence to be paid thereunder), the Actuarial Value of the non-forfeitable Accrued Benefit of a Participant (determined as of the date of termination of employment or required benefit commencement) shall be paid in the form of a lump sum in cash (a "cash-out") as soon as reasonably practicable (generally during the last month of each Plan Year) after the Participant's termination of employment with the Employer or, if earlier, any required time for benefit commencement under subparagraph 8.1(a) if the Actuarial Value of such Participant's entire non-forfeitable Accrued Benefit does not, and did not at the time of any prior payment thereof, exceed $20,000.

8.4(b) Notwithstanding the time and form of payment provided for elsewhere in this ARTICLE VIII and in lieu of payment pursuant to paragraph 8.3 (but only at or prior to the time the benefit would otherwise commence to be paid thereunder), the Actuarial Value of the Pre-Retirement Spouse's Death Benefit with respect to a Participant (determined as of the date of the Participant's death) shall be paid in the form of a lump sum in cash (a "cash-out") as soon as reasonably practicable (generally during the last month of each Plan Year) after the Participant's death if the Actuarial Value of the Pre-Retirement Spouse's Death Benefit with respect to such Participant does not exceed $20,000.

8.5 NOTICE, ELECTION AND CONSENT REGARDING ACCRUED BENEFIT PAYMENT. Any election authorized by subparagraph 8.2(c) and any designation or consent to a date for payment by a Participant shall be in writing, shall clearly indicate the election or designation being made or the consent being given, and shall be filed with the Administrator within the time and in accordance with the procedures provided in the following subparagraphs to this paragraph.

8.5(a) Within a reasonable time (generally not more than ninety (90) nor less than thirty (30) days) before a Participant's Annuity Starting Date, the Administrator shall by mail or personal delivery provide the Participant with a written explanation of:

(i) The terms and conditions of the applicable forms of payment, including his normal form of payment under subparagraph 8.2(a) or (b), as the case may be, and including the relative financial effects of the applicable forms of payment,

(ii) The Participant's right to make, and the effect of, an election to waive his normal form of payment under subparagraph 8.2(a) or (b), as the case may be, by electing another form of payment for his Accrued Benefit,

(iii) The rights of the Participant's Spouse regarding any such election as provided in subparagraph 8.5(b),

(iv) The Participant's right to make, and the effect of, a revocation of an election to waive his normal form of payment under subparagraph 8.2(a) or (b), as the case may be, and

(v) The Participant's right to delay receipt of his non-forfeitable Accrued Benefit until such later date allowed under paragraph 8.1, including the right to modify or revoke any election thereunder.

8.5(b) Any election by a Participant regarding the form of his benefit payment where consent by his Spouse is specifically required shall be subject to the following rules:

(i) Such election shall not be given effect unless either:

(A) The Participant's Spouse consents in writing thereto and the Spouse's consent acknowledges the effect of such election and is witnessed by a representative of the Plan or a notary public (or the equivalent) or both if required by the Administrator, or

(B) It is established to the satisfaction of the Administrator that such consent may not be obtained because there is no Spouse, because the Spouse cannot be located, because the Participant has been abandoned by the Spouse (which fact shall be determined under applicable law and evidenced by a court order so specifying), or because of such other circumstances as may be provided under Section 417(a)(2)(B) of the Code.

For purposes hereof, a representative of the Plan is any officer of the Employer, the Administrator or any other person designated as such in writing by any of the foregoing.

(ii) If a Spouse consents to a Participant's election, such consent regarding a form of payment under which benefits could be paid to the Participant's Beneficiary shall either be in the form of:

(A) A limited consent which acknowledges the specific non-spouse Beneficiary or class of non-spouse Beneficiaries (including any multiple, contingent or successive Beneficiary or class of Beneficiaries), if any, and the applicable form(s) of payment under the Plan (including the form of payment to the Beneficiary), or

(B) If permitted by the Administrator on a uniform and non-discriminatory basis, a general consent which acknowledges the Spouse's right (and awareness thereof) to limit consent only to a specific Beneficiary or class of Beneficiaries or a specific form of payment (if there is more than one) and in which the Spouse voluntarily elects to relinquish one or both of such rights.

(iii) If a Spouse consents to a Participant's election, any change (other than a timely revocation by the Participant of an election regarding the form of payment of his Accrued Benefit or a change to a form of payment that does not require a spousal consent) by the Participant to his Beneficiary designation or the form of payment to his Beneficiary shall require the further consent of his Spouse in accordance with the applicable provisions of this subparagraph (unless the Spouse has given a general consent which expressly permits changes therein by the Participant without any requirement of further consent by the Spouse).

(iv) Any such consent by a Spouse may not be revoked by such Spouse but shall be automatically revoked in connection with a revocation or election or consent change by the Participant.

(v) Any such consent by a Spouse, or the establishment that the consent of a Spouse need not be obtained, shall be effective only with respect to such Spouse.

8.5(c) A Participant's designation of, consent to or election of payment before his Normal Retirement Date under paragraph 8.1 and his election authorized by subparagraph 8.2(c) (together with any necessary consent by his Spouse) must be filed with the Administrator during the ninety (90) day period ending on his Annuity Starting Date and no later than thirty (30) days (or such other date as the Administrator may determine or permit on a uniform and non-discriminatory basis) before his Annuity Starting Date. If the written explanation required by subparagraph 8.5(a) is not provided to the Participant at least thirty (30) days before the scheduled Annuity Starting Date, the Annuity Starting Date may be deferred by the Administrator until at least thirty (30) days after the written explanation is provided. Such election may be revoked in writing during such election period, and another election may be made during such election period, at any time and any number of times.

8.5(d) If a Participant elects an optional form of payment under subparagraph 8.2(c) and dies before his Annuity Starting Date, the elected form of payment shall not be given effect and no benefit under the Plan shall be payable with respect to the Participant except the Death Benefit as may be provided under ARTICLE VII.

8.5(e) If a Participant elects an optional form of payment under subparagraph 8.2(c) which provides for a life annuity to a contingent annuitant after his death and if the contingent annuitant dies before the Participant's Annuity Starting Date, such optional form of payment shall not be given effect and such Participant's Accrued Benefit shall be paid in the form otherwise applicable to or subsequently elected by him.

8.6 SPECIAL RULES FOR BENEFITS ON RE-EMPLOYMENT OR CONTINUED EMPLOYMENT AFTER NORMAL RETIREMENT AGE.

8.6(a) Notwithstanding any other provision of the Plan:

(i) If a Participant is re-employed by the Employer during any Plan Year, benefit payments to which he is then entitled and being paid shall continue to be paid as if he were not so re-employed. Such Participant shall be considered to become a new Participant in the Plan immediately on his re-employment as a Salaried Employee and shall be treated as a new Participant with respect to any additional Accrued benefit he earns. Upon such Participant's subsequent death, retirement, other termination of employment with the Employer or required commencement of benefits while employed by the Employer, such Participant's additional non-forfeitable Accrued Benefit or Death Benefit, as the case may be, shall be determined and paid as though he were a new Participant with respect to such period of re-employment.

(ii) If a Participant is re-employed by the Employer during any Plan Year, benefit payments to which he is not then being paid shall not commence to be paid until his subsequent cessation of employment or as otherwise required under clause (iii) of subparagraph 8.1(a).

(iii) If a Participant continues in the employment of the Employer at a time when his benefits under the Plan are required to be in pay status by reason of clause (iii) of subparagraph 8.1(a), his benefits under the Plan with respect to his prior employment and payment thereof shall not be affected by such continued employment, but any additional benefit under the Plan to which he may be entitled by reason of such continued employment shall be added to his previously earned benefits as of the end of each Plan Year in which the same is accrued and shall thereafter be paid in the same manner and at the same time as his benefits earned with respect to his prior employment.

8.6(b) Notwithstanding any other provision of the Plan, if a Participant continues in the employment of the Employer after his Normal Retirement Date, his benefit entitlement shall be subject to the following rules:

(i) Benefit payments to which such Participant is entitled under the Plan if he had terminated employment with the Employer and which are not then in pay status shall be deferred, and the amounts otherwise payable during such continued employment shall be forfeited, during the period of such employment.

(ii) Upon such Participant's subsequent death, retirement, other termination of employment with the Employer or commencement of benefits while employed by the Employer, such Participant's non-forfeitable Accrued Benefit or Death Benefit, as the case may be, shall be commenced in the form then applicable or elected (subject to appropriate actuarial adjustment, if any, and to increase in the same for any additional benefits earned under the Plan).

8.7 BENEFIT DETERMINATION AND PAYMENT PROCEDURE.

8.7(a) The Administrator shall promptly notify the Plan Sponsor and, where payments are to be made from a Rabbi Trust, the Trustee thereof of each such determination that benefit payments are due or should cease to be made and provide to the Plan Sponsor and, where applicable, such Trustee all other information necessary to allow the Employer or such Trustee, as the case may be, to carry out said determination, whereupon the Employer or such Trustee, as the case may be, shall pay or cease to pay or cause to be paid, or cause to cease to be paid, such benefits in accordance with the Administrator's determination.

8.7(b) Benefit payment due to the Participant or his Beneficiary, in the event of the death of the Participant, shall be determined as of the Annuity Starting Date. Any payments actually commencing more than two (2) months after the Annuity Starting Date shall bear interest for each whole month during which not paid at the applicable interest rate used for determining the Actuarial Equivalent of the Accrued Benefit under the Plan.

8.8 CLAIMS PROCEDURE.

8.8(a) A Participant or Beneficiary (the "claimant") shall have the right to request any benefit under the Plan by filing a written claim for any such benefit with the Administrator on a form provided by the Administrator for such purpose. The Administrator shall give such claim due consideration and shall either approve or deny it in whole or in part. Within ninety (90) days following receipt of such claim by the Administrator, notice of any approval or denial thereof, in whole or in part, shall be delivered to the claimant or his duly authorized representative or such notice of denial shall be sent by mail to the claimant or his duly authorized representative at the address shown on the claim form or such individual's last known address. The aforesaid ninety (90) day response period may be extended to one hundred eighty (180) days after receipt of the claimant's claim if special circumstances exist and if written notice of the extension to one hundred eighty (180) days indicating the special circumstances involved and the date by which a decision is expected to be made is furnished to the claimant within ninety (90) days after receipt of the claimant's claim. Any notice of denial shall be written in a manner calculated to be understood by the claimant and shall:

(i) Set forth a specific reason or reasons for the denial,

(ii) Make specific reference to the pertinent provisions of the Plan on which any denial of benefits is based,

(iii) Describe any additional material or information necessary for the claimant to perfect the claim and explain why such material or information is necessary, and

(iv) Explain the claim review procedure of subparagraph 8.8(b).

If a notice of approval or denial is not provided to the claimant within the applicable ninety (90) day or one hundred eighty (180) day period, the claimant's claim shall be considered denied for purposes of the claim review procedure of subparagraph 8.8(b).

8.8(b) A Participant or Beneficiary whose claim filed pursuant to subparagraph 8.8(a) has been denied, in whole or in part, may, within sixty (60) days following receipt of notice of such denial, or following the expiration of the applicable period provided for in subparagraph 8.8(a) for notifying the claimant of the decision on the claim if no notice of denial is provided, make written application to the Administrator for a review of such claim, which application shall be filed with the Administrator. For purposes of such review, the claimant or his duly authorized representative may review Plan documents pertinent to such claim and may submit to the Administrator written issues and comments respecting such claim. The Administrator may schedule and hold a hearing. The Administrator shall make a full and fair review of any denial of a claim for benefits and issue its decision thereon promptly, but no later than sixty (60) days after receipt by the Administrator of the claimant's request for review, or one hundred twenty (120) days after such receipt if a hearing is to

be held or if other special circumstances exist and if written notice of the extension to one hundred twenty (120) days is furnished to the claimant within sixty (60) days after the receipt of the claimant's request for a review. Such decision shall be in writing, shall be delivered or mailed by the Administrator to the claimant or his duly authorized representative in the manner prescribed in subparagraph 8.8(a) for notices of approval or denial of claims, and shall:

(i) Include specific reasons for the decision,

(ii) Be written in a manner calculated to be understood by the claimant, and

(iii) Contain specific references to the pertinent Plan provisions on which the decision is based.

The Administrator's decision made in good faith shall be final.

8.9 PAYMENTS TO MINORS AND INCOMPETENTS. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

8.10 DISTRIBUTION OF BENEFIT WHEN DISTRIBUTEE CANNOT BE LOCATED. The Administrator shall make all reasonable attempts to determine the identity and/or whereabouts of a Participant or Participant's spouse entitled to a survivor life annuity or Pre-Retirement Spouse's Death Benefit under the Plan or a Participant's Beneficiary entitled to any other benefit under the Plan, including the mailing by certified mail of a notice to the last known address shown on the Employer's or the Administrator's records. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Employer shall continue to hold the benefit due such person, subject to any applicable statute of escheats.

8.11 MINIMUM AMOUNT PAID MONTHLY. Notwithstanding any other provisions of this ARTICLE VIII, monthly benefits equal to Ten Dollars ($10.00) or less need not be paid monthly, but may be accumulated and paid annually on the last day of each Plan Year.

ARTICLE IX
FIDUCIARIES

9.1 NAMED FIDUCIARIES AND DUTIES AND RESPONSIBILITIES. Authority to control and manage the operation and administration of the Plan shall be vested in the following, who, together with their membership, if any, shall be the Named Fiduciaries under the Plan with those powers, duties, and responsibilities specifically allocated to them by the Plan:

9.1(a) PLAN SPONSOR - The Plan Sponsor in connection with its fiduciary obligations and rights under the Plan and any Rabbi Trust.

9.1(b) PLAN ADMINISTRATOR - The Plan Administrator named and serving as provided in ARTICLE X hereof in connection with its fiduciary obligations and rights under the Plan and any Rabbi Trust.

9.1(c) BOARD - The Board in connection with its fiduciary obligations and rights under the Plan and any Rabbi Trust.

9.1(d) TRUSTEE - The Trustee in connection with its fiduciary obligations and rights under the Plan and the Rabbi Trust.

9.2 LIMITATION OF DUTIES AND RESPONSIBILITIES OF NAMED FIDUCIARIES. The duties and responsibilities, and any liability therefor, of the Named

Fiduciaries provided for in paragraph 9.1 shall be severally limited to the duties and responsibilities specifically allocated to each such Named Fiduciary in accordance with the terms of the Plan, and there shall be no joint duty, responsibility, or liability among any such groups of Named Fiduciaries in the control and management of the operation and administration of the Plan.

9.3 SERVICE BY NAMED FIDUCIARIES IN MORE THAN ONE CAPACITY. Any person or group of persons may serve in more than one Named Fiduciary capacity with respect to the Plan.

9.4 ALLOCATION OR DELEGATION OF DUTIES AND RESPONSIBILITIES BY NAMED FIDUCIARIES. By written agreement filed with the Administrator and the Plan Sponsor, any duties and responsibilities of any Named Fiduciary may be allocated among Named Fiduciaries or may, with the consent of the Plan Sponsor, be delegated to persons other than Named Fiduciaries. Any written agreement shall specifically set forth the duties and responsibilities so allocated or delegated, shall contain reasonable provisions for termination, and shall be executed by the parties thereto.

9.5 ASSISTANCE AND CONSULTATION. A Named Fiduciary, and any delegate named pursuant to paragraph 9.4, may engage agents to assist in its duties and may consult with counsel, who may be counsel for the Employer, with respect to any matter affecting the Plan or its obligations and responsibilities here- under, or with respect to any action or proceeding affecting the Plan. All compensation and expenses of such agents and counsel shall be paid or reimbursed by the Employer.

9.6 INDEMNIFICATION. The Employer shall indemnify and hold harmless any individual who is a Named Fiduciary or a member of a Named Fiduciary under the Plan and any other individual to whom duties of a Named Fiduciary are delegated pursuant to paragraph 9.4, to the extent permitted by law, from and against any liability, loss, cost or expense arising from their good faith action or inaction in connection with their responsibilities under the Plan.

ARTICLE X
PLAN ADMINISTRATION

10.1 APPOINTMENT OF PLAN ADMINISTRATOR. The Plan Sponsor may appoint one or more persons to serve as the Plan Administrator (the "Administrator") for the purpose of carrying out the duties specifically imposed on the Administrator by the Plan, the Act and the Code. In the event more than one person is appointed, the persons shall form an administrative committee for the Plan. The person or committeemen serving as Administrator shall serve for indefinite terms at the pleasure of the Plan Sponsor, and may, by sixty (60) days prior written notice to the Plan Sponsor, terminate such appointment. The Plan Sponsor shall inform the Trustee of any such appointment or termination and the Trustee may assume that any person appointed continues in office until notified of any change.

10.2 PLAN SPONSOR AS PLAN ADMINISTRATOR. In the event that no Administrator is appointed or in office pursuant to paragraph 10.1, the Plan Sponsor shall be the Administrator.

10.3 COMPENSATION AND EXPENSES. Unless otherwise determined and paid by the Employer (as directed by the Plan Sponsor), the person or committeemen serving as the Administrator shall serve without compensation for service as such. All expenses of the Administrator be paid from the Rabbi Trust as provided therein or, if not paid from the Rabbi Trust, by the Employer (as directed by the Plan Sponsor), provided no compensation shall be paid the Administrator from the Rabbi Trust to the extent prohibited by the Code or the Act.

10.4 PROCEDURE IF A COMMITTEE. If the Administrator is a committee, it shall appoint from its members a Chairman and a Secretary. The Secretary shall keep records as may be necessary of the acts and resolutions of such committee and be prepared to furnish reports thereof to the Plan Sponsor and, as needed, to the Trustee. Except as otherwise provided, all instruments executed on behalf

of such committee may be executed by its Chairman or Secretary and the Trustee may assume that such committee, its Chairman or Secretary are the persons who were last designated as such to the Trustee in writing by the Plan Sponsor.

10.5 ACTION BY MAJORITY VOTE IF A COMMITTEE. If the Administrator is a committee, its action in all matters, questions and decisions shall be determined by a majority vote of its members qualified to act thereon. They may meet informally or take any action without the necessity of meeting as a group.

10.6 APPOINTMENT OF SUCCESSORS. Upon the death, resignation or removal of a person serving as, or on a committee which is, the Administrator, the Plan Sponsor may, but need not, appoint a successor.

10.7 ADDITIONAL DUTIES AND RESPONSIBILITIES. The Administrator shall have the following duties and responsibilities in addition to those expressly provided elsewhere in the Plan:

10.7(a) The Administrator shall be responsible for the fulfillment of all relevant reporting and disclosure requirements set forth in the Act and the Code.

10.7(b) The Administrator shall maintain and retain necessary records respecting administration of the Plan and matters upon which disclosure is required under the Act and the Code.

10.7(c) The Administrator shall make any elections for the Plan under the Act or the Code.

10.7(d) The Administrator shall provide to Participants and Beneficiaries such notices and information as are required by the Plan, the Act and the Code.

10.7(e) The Administrator shall make all determinations regarding eligibility for participation in and benefits under the Plan.

10.7(f) The Administrator shall have the right to settle claims against the Plan and to make such equitable adjustments in a Participant's or Beneficiary's rights or entitlements under the Plan as it deems appropriate in the event an error or omission is discovered or claimed in the operation or administration of the Plan.

10.8 POWER AND AUTHORITY.

10.8(a) The Administrator is hereby vested with all the power and authority necessary in order to carry out its duties and responsibilities in connection with the administration of the Plan, including the power to interpret the provisions of the Plan. For such purpose, the Administrator shall have the power to adopt rules and regulations consistent with the terms of the Plan.

10.8(b) The Administrator shall exercise its power and authority in its discretion. It is intended that a court review of the Administrator's exercise of its power and authority with respect to matters relating to claims for benefits by, and to eligibility for participation in and benefits of, Participants and Beneficiaries shall be made only on an arbitrary and capricious standard.

10.9 AVAILABILITY OF RECORDS. The Employer and the Trustee shall, at the request of the Administrator, make available necessary records or other information they possess which may be required by the Administrator in order to carry out its duties hereunder.

10.10 NO ACTION WITH RESPECT TO OWN BENEFIT. No Administrator who is a Participant shall take any part as the Administrator in any discretionary action in connection with his participation as an individual. Such action shall be taken by the remaining Administrator, if any, or otherwise by the Plan Sponsor.

10.11 LIMITATION ON POWERS AND AUTHORITY. The Administrator shall have no power in any way to modify, alter, add to or subtract from any provisions of the

Plan.

ARTICLE XI
AMENDMENT AND TERMINATION OF PLAN

11.1 AMENDMENT AND TERMINATION.

11.1(a) The Plan may be amended or terminated in whole or in part at any time by action of the Board; provided, however, that neither the amount of the non-forfeitable Accrued Benefit of a Participant nor the amount of any non-forfeitable Death Benefit with respect to a Participant at the time of any such amendment or termination shall be adversely affected thereby. Notice of every amendment or termination of the Plan shall be given to each Participant and Beneficiary of a deceased Participant, the Administrator and the Employer.

11.1(b) In the event of a termination or a partial termination of the Plan, so much of the Plan as has been terminated shall be automatically amended on the effective date of such termination by terminating additional benefit accrual and by reducing or eliminating any incidental benefits, other than non-forfeitable Death Benefits, of Participants and their Beneficiaries under so much of the Plan as has terminated, but only if payment thereof has not commenced or is not subject only to the expiration of a waiting period or occurrence of death, to the fullest extent permitted by paragraph 11.1. Under no circumstances shall all or any portion of the Accrued Benefit or Death Benefit of any such Participant under the Plan, or the non-forfeitable percentage thereof at the time of such termination, to the extent terminated be increased by reason of continued service as an Employee with any Employer with respect to which the Plan has been terminated, unless otherwise provided by the Board.

11.2 TERMINATION EVENTS WITH RESPECT TO EMPLOYERS OTHER THAN THE PLAN SPONSOR. The Plan shall terminate with respect to any Employer other than the Plan Sponsor, and such Employer shall automatically cease to be a participating Employer in the Plan, upon the happening of any of the following events:

(i) Action by its Board or the Board terminating the Plan as to it and specifying the date of such termination. Notice of such termination shall be delivered to the Administrator and the Plan Sponsor.

(ii) Its ceasing to be an Affiliate.

11.3 EFFECT OF EMPLOYER MERGER, CONSOLIDATION OR LIQUIDATION. Notwithstanding the foregoing provisions of this ARTICLE XI, the merger or liquidation of any Employer into any other Employer or the consolidation of two (2) or more of the Employers shall not cause the Plan to terminate with respect to the merging, liquidating or consolidating Employers, provided that the Plan has been adopted or is continued by and has not terminated with respect to the surviving or continuing Employer.

ARTICLE XII
MISCELLANEOUS

12.1 HEADINGS. The headings in the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

12.2 GENDER AND NUMBER. In the construction of the Plan, the masculine shall include the feminine or neuter and the singular shall include the plural and vice-versa in all cases where such meanings would be appropriate.

12.3 GOVERNING LAW. The Plan shall be construed, enforced and administered in accordance with the laws of the Commonwealth of Virginia, and any federal law preempting the same. Unless federal law specifically addresses the issue, federal law shall not preempt applicable state law preventing an individual or person claiming through him from acquiring property or receiving benefits as a result of the death of a decedent where such individual caused the death.

12.4 EMPLOYMENT RIGHTS. Participation in the Plan shall not give any Employee the right to be retained in the Employer's employ nor, upon dismissal or upon his voluntary termination of employment, to have any right or interest under the Plan other than as herein provided.

12.5 CONCLUSIVENESS OF EMPLOYER RECORDS. The records of the Employer with respect to age, service, employment history, compensation, absences, illnesses and all other relevant matters shall be conclusive for purposes of the administration of the Plan.

12.6 RIGHT TO REQUIRE INFORMATION AND RELIANCE THEREON. The Employer and Administrator shall have the right to require any Participant, Beneficiary or other person receiving benefit payments to provide it with such information, in writing, and in such form as it may deem necessary to the administration of the Plan and may rely thereon in carrying out its duties hereunder. Any payment to or on behalf of a Participant or Beneficiary in accordance with the provisions of the Plan in good faith reliance upon any such written information provided by a Participant or any other person to whom such payment is made shall be in full satisfaction of all claims by such Participant and his Beneficiary; and any payment to or on behalf of a Beneficiary in accordance with the provisions of the Plan in good faith reliance upon any such written information provided by such Beneficiary or any other person to whom such payment is made shall be in full satisfaction of all claims by such Beneficiary.

12.7 ALIENATION AND ASSIGNMENT. Except as may be required by the Act, no benefit hereunder shall be subject in any manner to alienation, sale, anticipation, transfer, assignment, pledge, encumbrance, garnishment, attachment, execution or levy of any kind.

12.8 NOTICES AND ELECTIONS. All notices required to be given in writing and all elections required to be made in writing, under any provision of the Plan, shall be invalid unless made on such forms as may be provided or approved by the Administrator and, in the case of a notice or election by a Participant or Beneficiary, unless dated and executed by the Participant or Beneficiary giving such notice or making such election.

12.9 DELEGATION OF AUTHORITY. Whenever the Plan Sponsor or any Employer is permitted or required to perform any act, such act may be performed by its Chief Executive Officer, its President or its Board of Directors or by any person duly authorized by any of the foregoing.

12.10 SERVICE OF PROCESS. The Administrator shall be the agent for service of process on the Plan.

12.11 CONSTRUCTION. This Plan is created for the exclusive benefit of Eligible Employees of the Employer and their Beneficiaries and shall be interpreted and administered in a manner consistent with its being an unfunded deferred compensation plan maintained for a select group of management or highly compensated employees (sometimes referred to as a "top-hat" plan) described in Sections 201(2), 301(a)(3) and 401(a)(1) of the Act.

ARTICLE XIII
ADOPTION OF THE PLAN

13.1 ADOPTION BY ADDITIONAL EMPLOYERS. Any corporation which is an Affiliate and which, with the consent of the Board, desires to adopt the Plan, may do so by executing an adoption agreement in a form authorized and approved by such corporation's Board of Directors and the Board.

IN WITNESS WHEREOF, the Plan Sponsor, pursuant to the resolution duly

adopted by its Board of Directors, has caused its name to be signed to this Plan by its duly authorized officer with its corporate seal hereunto affixed and attested by its Secretary or Assistant Secretary, as of the day and year above written.

ESKIMO PIE CORPORATION,
Plan Sponsor and participating Employer

By: _____ (SEAL)
Its _____

Attest:

_____
Its _____

ESKIMO PIE CORPORATION
EXECUTIVE RETIREMENT PLAN
APPENDIX A
(AS OF JANUARY 1, 1996)
LIST OF PARTICIPATING EMPLOYERS

<TABLE>
<CAPTION>

NAME	PLACE OF INCORPORATION	EFFECTIVE DATE OF COMMENCEMENT OF PARTICIPATION	EFFECTIVE DATE OF TERMINATION OF PARTICIPATION
<S>	<C>	<C>	<C>
Eskimo Pie Corporation	Delaware	April 6, 1992	----
Sugar Creek Foods, Inc.	Virginia	January 1, 1996	----

</TABLE>

ESKIMO PIE CORPORATION
EXECUTIVE RETIREMENT PLAN
ADOPTION AGREEMENT

This ADOPTION AGREEMENT, executed the __ day of _____, 1995 by SUGAR CREEK FOODS, INC., a Virginia corporation, (hereinafter referred to as the "Adopting Employer") with the consent of the Board of Directors (the "Board") of ESKIMO PIE CORPORATION ("Eskimo Pie"), a Delaware corporation, provides:

WHEREAS, Eskimo Pie maintains a defined benefit pension plan and trust in the form of the Eskimo Pie Corporation Executive Retirement Plan under agreement dated December 29, 1992, as amended (the "Plan"), which Plan permits participation therein by other corporations with the approval of the Board; and

WHEREAS, the Adopting Employer is an affiliate of Eskimo Pie, is eligible to adopt the Plan with the consent of the Board, and desires to evidence its adoption of and participation in the Plan and the consent of the Board thereto.

NOW, THEREFORE, in consideration of the premises and of the mutual

undertakings contained in the Plan, which are hereby incorporated herein by reference:

1. Adoption of the Plan. The Adopting Employer does hereby evidence its adoption of the Plan as a participating employer for the benefit of its employees who are or from time to time will be eligible under the provisions of the Plan to participate therein, commencing with the Plan Year containing the Effective Date of the Plan as to the Adopting Employer.

2. Agreement to Be Governed by the Plan. The Adopting Employer agrees that it shall be an "Employer" and a participating employer, as defined in the Plan, commencing January 1, 1996, and as such it shall henceforth comply with and be governed by the provisions of the Plan as they pertain to an Employer, as now contained in the Plan or as hereafter altered or added by amendment to the Plan.

3. Effective Date of Adoption as to the Adopting Employer. The Adopting Employer agrees that this adoption of the Plan shall be effective for all purposes of the Plan as of and from January 1, 1996; and that wherever in the Plan the term "Effective Date of the Plan" is now used, it shall with respect to the Adopting Employer mean January 1, 1996.

4. Pre-March 1, 1994 Service. Service with Sugar Creek Foods of Russellville, Inc., which was the predecessor by asset acquisition on February 28, 1994 to the Adopting Employer, shall not be considered service for any purpose of the Plan.

5. Pre-January 1, 1996 Benefit Accrual Service. Notwithstanding any other provision of the Plan, service with the Adopting Employer prior to the January 1, 1996 Effective Date of the Plan with respect to it shall not be considered service for purposes of determining Years of Benefit Service under the Plan.

6. Pre-January 1, 1996 Compensation. Notwithstanding any other provision of the Plan, compensation from the Adopting Employer for periods prior to the January 1, 1996 Effective Date of the Plan with respect to it shall not be considered Compensation for purposes of determining Accrued Benefits under paragraph 4.1 of the Plan.

7. Updated Appendix A. An updated Appendix A to the Plan, listing the Adopting Employer as a participating employer, is attached hereto and is hereby made a part of the Plan.

IN WITNESS WHEREOF, the Adopting Employer has caused its name to be signed and its seal affixed hereto by its duly authorized officers; and the consent hereto by the Board is evidenced by the signature of its duly authorized representative.

SUGAR CREEK FOODS, INC.,
Adopting Employer

By: _____ (SEAL)
Its _____

ATTEST:

_____
Its _____

The Board of Directors of ESKIMO PIE CORPORATION consents.

_____
Title: _____

ESKIMO PIE CORPORATION
EXECUTIVE RETIREMENT PLAN
APPENDIX B
(AS OF JANUARY 1, 1996)
LIST OF ADDITIONAL INCLUDED POSITIONS

DESCRIPTION OF POSITION	EFFECTIVE DATE OF EXCLUSION
President of Sugar Creek Foods, Inc.	January 1, 1996
General Manager of Sugar Creek Foods, Inc.	January 1, 1996

ESKIMO PIE CORPORATION EXECUTIVE RETIREMENT PLAN

ACKNOWLEDGMENT OF APPOINTMENT OF TRUSTEE

Eskimo Pie Corporation, as the plan sponsor of the following named employee benefit plan and related trust fund maintained for the benefit of its employees, hereby evidences its appointment of the following person to serve as trustee (sometimes referred to as the "Trustee") of the trust fund for the plan:

1. NAME OF PLAN: Eskimo Pie Corporation Executive Retirement Plan

2. NAME OF TRUST FUND: Eskimo Pie Corporation Executive Retirement Trust

3. NAME OF TRUSTEE APPOINTED: Thomas M. Mishoe, Jr.

4. EFFECTIVE DATE: This acknowledgment evidences the appointed person's appointment effective as of July 31, 1996. The appointment shall automatically terminate if and when the appointed person ceases to be employed by the plan sponsor or any of its affiliates.

IN WITNESS WHEREOF, the plan sponsor of the plan, by its duly authorized representative, has executed this instrument.

Dated: ESKIMO PIE CORPORATION

By _____
David B. Kewer
Its President and Chief Executive Officer

ATTEST:

_____
Its _____

By execution hereof, the above named person acknowledges his acceptance of

his appointment as trustee of the plan and the trust fund.

_____
Thomas M. Mishoe, Jr.

EXHIBIT 10.15

March 20, 1998

Mr. Thomas M. Mishoe, Jr.
Chief Financial Officer
Eskimo Pie Corporation
901 Moorefield Park Drive
Richmond, VA 23235

Dear Tom:

On behalf of Crestar Bank (the "Bank"), I am pleased to advise you that the Bank has approved the request of Eskimo Pie Corporation (the "Company"), to waive the covenant default for the quarter ending December 31, 1997, under the existing Letter Agreement and to reinstate the line of credit for the purposes and subject to the terms and conditions set forth below.

1. AMOUNT AND PURPOSE. Upon acceptance of this letter, the Bank will provide a revolving line of credit of $10,000,000 to the Company for general corporate purposes. Advances under the line will be evidenced by the Company's master note in the amount of the line.

2. REPAYMENT. All loans shall be payable no later than the expiration date of this line of credit.

3. INTEREST. Interest shall be computed on the aggregate unpaid principal balance of the loans from time to time outstanding at a rate equal to the Bank's overnight Money Market Rate plus .75% on the basis of a 360-day year for the actual number of days elapsed. The interest rate will be changed on the same day a change occurs in the rate. Accrued interest shall be billed or debited monthly.

4. GUARANTY. All advances shall be guaranteed, by all present and future subsidiaries of the Company.

5. COMMITMENT FEE. The Company agrees to pay the Bank a non-refundable commitment fee of .25% per annum on the unused amount of the commitment payable quarterly in arrears.

6. EXPIRATION OF LINE. Unless extended in writing at the sole option of the Bank, the line of credit shall expire on April 30, 2000.

7. GENERAL AND SPECIAL CONDITIONS.

A) CAPITAL EXPENDITURES. Without the prior consent of the Bank, annual capital expenditures for fixed assets as defined by generally accepted accounting principles known as GAAP of the Company during the term of this line of credit shall be limited to $1,750,000.

B) ADDITIONAL DEBT. The Company shall not incur or assume more than $7,000,000 of additional debt for borrowed funds in excess of the amounts or facilities already existing as of December 31, 1997, without the prior written consent of the Bank.

C) MINIMUM SHAREHOLDERS' EQUITY. The Company shall, at its fiscal year ending December 31, 1996, and at all times thereafter, maintain shareholders' equity, as defined by GAAP, of not less than $20,500,000 plus an amount equal to 50% of the Company's positive net income after taxes determined in accordance with GAAP.

D) MAXIMUM LEVERAGE RATIO. The Company shall, at all times, maintain a ratio of Total Liabilities to Net Worth not to exceed 1.25 to 1.00.

E) MINIMUM CASH COVERAGE RATIO. Cash Coverage Ratio is defined as Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") less CAPEX divided by the sum of interest expense plus principal payments (principal payments refers to required repayments of long-term debt and/or capital leases but does not include borrowings under the line of credit contemplated by this note). For the fiscal period ending March 31, 1998 (covering 3 months), the Company shall maintain a minimum Cash Coverage Ratio of 1.0; for the fiscal periods ending June 30, 1998 (covering 6 months) and September 30, 1998 (covering 9 months), the Company shall maintain a minimum Cash Coverage Ratio of 1.3; and for the fiscal period ending December 31, 1998, and all fiscal periods thereafter, the Company shall maintain a minimum Cash Coverage Ratio (on rolling 4 quarter basis) of 1.5.

F) LOAN DOCUMENTS. The line will be governed by this letter agreement and by the other loan documents required by the Bank, including the master note, guarantees, and corporate borrowing resolution. All loan documents must be in form and substance satisfactory to the Bank.

G) EXPENSES. The Company shall pay all of the Bank's out-of-pocket expenses, including all filing fees and all fees and expenses of the Bank's counsel, in connection with the making of loans from acceptance of this commitment.

H) FINANCIAL STATEMENTS. The Company must furnish to the Bank (1) within 90 days after the end of its fiscal year, a copy of its audited financial statements containing the unqualified report of its independent certified public accountants; (2) within 60 days

after the end of each of its fiscal quarters, a copy if its interim quarterly financial statements in form satisfactory to the Bank; and (3) such other information as the Bank may from time to time request.

I) NEGATIVE PLEDGE. The loans will be unsecured, but the Company hereby agrees not to pledge any of its assets to secure future indebtedness without the prior written consent of the Bank. This condition is not meant to apply to liens existing on the date hereof and disclosed in writing to the Bank, liens arising through the ordinary course of business, statutory liens or liens arising by operation of law so long as such liens are either inchoate or being contested in good faith.

8. NON-ASSIGNABILITY. The Commitment is personal to Eskimo Pie Corporation and is not assignable by operation of law or otherwise, and any assignment shall be null and void and of no force and effect.

9. GOVERNING LAW. This commitment shall be governed by the internal laws of the Commonwealth of Virginia and applicable federal laws.

10. EVENTS OF DEFAULT. Those outlined in Crestar Bank's standard commercial note form and failure of the borrower to comply with any term of any agreement with Crestar Bank or its other existing lenders.

Should you have any questions, please do not hesitate to call me at 782-5449. Otherwise, if the terms and conditions of this letter are satisfactory, please signify your acceptance by signing and returning the enclosed copy of this letter no later than March 31, 1998, when this commitment will otherwise expire.

We appreciate this opportunity to work with you and wish you continued success.

Sincerely yours,

CRESTAR BANK

By: /s/ T. Patrick Collins

T. Patrick Collins
Vice President

Accepted and agreed to this 20th day
of March, 1998

By: Thomas M. Mishoe, Jr.

Title: Thomas M. Mishoe, Jr.
CFO, VP, Treasurer and Corporate Secretary

EXHIBIT 10.16(b)

AMENDMENT NO. 1

DATED AS OF APRIL 18, 1997

TO THE

CREDIT AGREEMENT

DATED AS OF MAY 5, 1994

BETWEEN

ESKIMO PIE CORPORATION

AND

FIRST UNION NATIONAL BANK OF VIRGINIA

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AMENDMENT NO. 1 (THIS "AMENDMENT") DATED AS OF APRIL 18, 1997 BETWEEN ESKIMO PIE CORPORATION, A VIRGINIA CORPORATION (THE "COMPANY"), AND FIRST UNION NATIONAL BANK OF VIRGINIA, A NATIONAL BANKING ASSOCIATION (THE "BANK").

The Company and the Bank are parties to a Credit Agreement dated as of May 5, 1994 (the "1994 Credit Agreement"). The Company and the Bank propose to modify certain terms of the 1994 Credit Agreement to, among other things, amend certain financial covenants and the interest rate calculation provided for therein. Accordingly, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01 DEFINITIONS. Terms used but not otherwise defined herein which are defined in the 1994 Credit Agreement shall have for purposes hereof the respective meanings set forth therein.

ARTICLE II
AMENDMENTS

SECTION 2.01 AMENDMENTS TO THE 1994 CREDIT AGREEMENT.

(a) Section 1.1 of the 1994 Credit Agreement is hereby amended by inserting the following definitions in appropriate alphabetical order:

"Applicable Margin" means the respective rate per annum set forth under the caption "Applicable Margin" in the table below, which shall be based upon the Fixed Charge Coverage Ratio for the period ending on the most recent Determination Date as specified below:

Fixed Charge Coverage Ratio	Applicable Margin
Greater than 3.0/1.0	50 basis points
2.25/1.0 to 2.99/1.0	75 basis points
1.75/1.0 to 2.24/1.0	100 basis points

less than 1.75/1.0	125 basis points

The Applicable Margin shall be established at the end of (i) the twelve-month period ending on December 31, 1997 and, thereafter (ii) each fiscal quarter of the Company (each, a "Determination Date"). Any change in the Applicable Margin following each Determination Date shall be determined based upon the financial statements delivered to the Bank pursuant to Section 5.1 (a) or (b), as applicable, and shall be effective commencing on the date following the date such financial statements are received by the Bank (or, if earlier, the date such financial statements were required to be delivered to the Bank) and, in each case, until the date following the date on which new financial statements are delivered or are required to be delivered, whichever shall first occur; provided, however, that if the Company shall fail to deliver any such financial statements within the time period required by Section 5.1(a) or (b), as applicable, then the Applicable Margin shall be 125 basis points until the appropriate financial statements are so delivered. From the Effective Date to the first Determination Date, the Applicable Margin shall be 50 basis points.

"Consolidated EBITDA" means, for any period, the sum of the amounts for such period of (i) Consolidated EBIT plus, to the extent deducted in determining Consolidated Net Income for such period, (ii) depreciation expense and (iii) amortization expense.

"Consolidated Fixed Charges" means, for any period, the sum of (i) Consolidated Interest Expense for such period plus (ii) Current Maturities of Consolidated Funded Debt determined as of the last day of such period plus (iii) Dividends for such period.

"Current Maturities of Consolidated Funded Debt" means at any date the aggregate amount of principal payments (including, without limitation, the portion of any obligation under Capital Leases allocable to amortization in accordance with GAAP) in respect of Consolidated Funded Debt which are current liabilities as of such date.

"Dividends" means for any period the aggregate amount of all dividends (other than dividends payable solely in capital stock of the Company), returns of capital to the stockholders of the Company or other distributions, payments or delivery of property or cash, or authorization to make any such distribution, payment or delivery to the stockholders of the Company, as such, or redemption, retirement, purchase or other acquisition, directly or indirectly, for a consideration, of any shares of any class of capital stock of the Company now or hereafter outstanding (or any warrants for or options or stock appreciation rights in respect of any of such shares), or set aside of any funds for any of the foregoing purposes.

"Fixed Charge Coverage Ratio" means, for any period, the ratio of (i) Consolidated EBITDA to (ii) Consolidated Fixed Charges for such period.

(b) Section 2.5(a) of the 1994 Credit Agreement is hereby amended by deleting the first sentence thereof and inserting in its place the following:

> Unless otherwise required hereunder, each Loan shall bear on interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of (i) the applicable London Interbank Offered Rate plus (ii) the Applicable Margin for such day.

(c) Section 6.1 of the Credit Agreement is hereby amended by deleting the amount "$18,622,000" and inserting in its place the amount "$20,000,000" and by deleting the date "December 31, 1994" and inserting in its place the date "December 31, 1996".

(d) Section 6.3 of the 1994 Credit Agreement is hereby amended to read in full as follows:

> SECTION 6.3 FIXED CHARGE COVERAGE RATIO. The Fixed Charge Coverage Ratio for (i) the six-month period ending June 30, 1997, (ii) the twelve-month period ending December 31, 1997 and (iii) any period of four consecutive fiscal quarters thereafter of the Borrower (taken as a single accounting period), will not be less than 1.5 to 1.0.

ARTICLE III
FEES

SECTION 3.01 AMENDMENT FEE. The Company shall pay to the Bank an amendment fee (the "Amendment Fee") in an amount equal to $15,000. Such Amendment Fee shall be due and payable on the Effective Date set forth in Section 4.01 below.

ARTICLE IV
EFFECTIVENESS

SECTION 4.01 EFFECTIVENESS. This Amendment shall become effective on the date (the "Effective Date") when the Bank shall have received counterparts of this Amendment duly executed by itself and the Company. On the Effective Date, the 1994 Credit Agreement will be automatically amended as set forth herein.

ARTICLE V
MISCELLANEOUS

SECTION 5.01 INTEGRATION; CONFIRMATION. On and after the Effective Date, each reference in the 1994 Credit Agreement to "this Credit Agreement", "this Agreement", "herein", "hereunder" or words of similar import, and each reference to any other document delivered in connection with the "1994 Credit Agreement" shall be deemed to be of reference to the 1994 Credit Agreement as amended by this Amendment; all other terms and provisions of the 1994 Credit Agreement shall continue in full force and effect and unchanged and are hereby confirmed in all respects.

SECTION 5.02 EXPENSES. The Company shall reimburse the Bank for

any and all out-of-pocket expenses and charges paid or incurred by the Bank in connection with the negotiation, preparation, execution and delivery (including reasonable attorney's fees and disbursements of the Bank's special counsel) of this Amendment.

SECTION 5.03 COUNTERPARTS. This Amendment may be signed in any number of counterparts, each of which shall be an original, all of which taken together shall constitute a single integrated agreement with the same effect as if the signatures thereto and hereto were upon the same instrument. Complete sets of counterparts shall be lodged with the Company and the Bank.

SECTION 5.04 SUCCESSORS AND ASSIGNS. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, representatives, successors and assigns.

SECTION 5.05 GOVERNING LAW. This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

ESKIMO PIE CORPORATION

By: /s/ Thomas M. Mishoe, Jr.

Name: Thomas M. Mishoe, Jr.
Title: CFO, Treasurer and Secretary

901 Moorefield Park Drive
Richmond, Virginia 23236
Telecopier No.: 804-323-3740
with a copy to:

Jean Penick Watkins, Esquire
Mays & Valentine
NationsBank Plaza
12th and Main Streets
Richmond, Virginia 23219
Telecopier No.: (804) 697-1339

FIRST UNION NATIONAL BANK OF VIRGINIA

By: /s/ David E. Brawley

Name: David E. Brawley
Title: Assistant Vice President

One James Center
901 East Cary Street, 2nd Floor
Richmond, Virginia 23219
Attn: David E. Brawley
Telecopier No.: (804) 788-9673
with a copy to:

Brian D. Murphy, Esq.
McGuire, Woods, Battle & Boothe, L.L.P.
One James Center
901 East Cary Street
Richmond, Virginia 23219
Telecopier No.: (804) 698-2127

EXHIBIT 10.16(c)

AMENDMENT NO. 2

DATED AS OF APRIL 28, 1998

TO THE

CREDIT AGREEMENT

DATED AS OF MAY 5, 1994

BETWEEN

ESKIMO PIE CORPORATION

AND

FIRST UNION NATIONAL BANK

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AMENDMENT NO. 2 (THIS "AMENDMENT") DATED AS OF APRIL 28, 1998 BETWEEN ESKIMO PIE CORPORATION AND FIRST UNION NATIONAL BANK.

Eskimo Pie Corporation, a Virginia corporation (the "Company"), and First Union National Bank, a national banking association (as successor by merger to First Union National Bank of Virginia, the "Bank"), are parties to a Credit Agreement dated as of May 5, 1994, as amended by Amendment No. 1 dated as of April 18, 1997 (the "1994 Credit Agreement"). The Company and the Bank propose to modify certain terms of the 1994 Credit Agreement to, among other things, amend certain financial covenants and the interest rate calculation provided for therein. Accordingly, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01 DEFINITIONS. Terms used but not otherwise defined herein which are defined in the 1994 Credit Agreement shall have for purposes hereof the respective meanings set forth therein.

ARTICLE II
AMENDMENTS

SECTION 2.01 AMENDMENTS TO THE 1994 CREDIT AGREEMENT.

(a) Section 1.1 of the 1994 Credit Agreement is hereby amended by inserting the following definitions in appropriate alphabetical order:

"Capital Ratio" means at any date the ratio of (i) Consolidated Funded Debt of the Company and its Consolidated Subsidiaries as of such date to (ii) Consolidated Total Capitalization of the Company and its Consolidated Subsidiaries as of such date.

"Consolidated Total Capitalization" means at any date, the sum of (i) the Debt of the Company and its Consolidated Subsidiaries, determined on a consolidated basis as of such date plus (ii) the Consolidated Net Worth of the Company and its Consolidated Subsidiaries as of such date.

"Subordinated Notes" means the Convertible Subordinated Notes issued by the Company on February 28, 1994 in favor of various individuals in an aggregate principal amount equal to $3,800,000.

(b) The definition of "Applicable Margin" contained in Section 1.1 of the 1994 Credit Agreement is hereby amended to read in full as follows:

"Applicable Margin" means on any date (i) if the Fixed

Charge Coverage Ratio for the period ending on the most recent Determination Date is greater than or equal to 2.0 to 1.0, the rate per annum set forth under the caption "Applicable Margin" in the table below, which shall be based upon the Capital Ratio for the most recent Determination Date as specified below:

Capital Ratio	Applicable Margin
Less than 0.20/1.0	37.5 basis points
0.20/1.0 to 0.299/1.0	50 basis points
0.30/1.0 to 0.40/1.0	75 basis points
Greater than 0.40/1.0	100 basis points

or (ii) if the Fixed Charge Coverage Ratio for the period ending on the most recent Determination Date is less than 2.0 to 1.0, the rate per annum set forth under the caption "Application Margin" in the table below, which shall be based upon the Capital Ratio for the most recent Determination Date as specified below:

Capital Ratio	Applicable Margin
Less than 0.20/1.0	50 basis points
0.20/1.0 to 0.299/1.0	75 basis points
0.30/1.0 to 0.40/1.0	100 basis points
Greater than 0.40/1.0	125 basis points

The Applicable Margin shall be established at the end of (i) the fiscal quarter ending on December 31, 1998 and, thereafter (ii) each fiscal quarter of the Company (each, a "Determination Date"). Any change in the Applicable Margin following each Determination Date shall be determined based upon the financial statements delivered to the Bank pursuant to Section 5.1(a) or (b), as applicable, and shall be effective commencing on the date following the date such financial statements are received by the Bank (or, if earlier, the date such financial statements were required to be delivered to the Bank) and, in each case, until the date following the date on which new financial statements are delivered or are required to be delivered, whichever shall first occur; provided, however, that if the Company shall fail to deliver any such financial statements within the time period required by Section 5.1(a) or (b), as applicable, then the Applicable Margin shall be 125 basis points until the appropriate financial statements are so delivered. From April 1, 1998 to the first Determination Date, the Applicable Margin shall be 75 basis points.

(c) The definition of "Consolidated Fixed Charges" contained in Section 1.1 of the 1994 Credit Agreement is hereby amended to read in full as follows:

"Consolidated Fixed Charges" means, for any period (without duplication), the sum of (i) Consolidated Interest Expense for such period plus (ii) Current Maturities of Consolidated Funded Debt determined as of the last day of such period plus (iii) Dividends paid or payable during such period; provided that Consolidated Fixed Charges for the six-month period ending June 30, 1998 (i) shall exclude the aggregate amount of principal payments in respect of the Subordinated Notes which are current liabilities as of such date and, otherwise, (ii)

shall include 1/2 of the aggregate amount of Current Maturities of Consolidated Funded Debt determined as of the last day of such period; and provided further that Consolidated Fixed Charges for the nine-month period ending September 30, 1998 shall include 3/4 of the aggregate amount of Current Maturities of Consolidated Funded Debt determined as of the last day of such period.

(d) Section 6.3 of the 1994 Credit Agreement is hereby amended to read in full as follows:

SECTION 6.3 FIXED CHARGE COVERAGE RATIO. The Fixed Charge Coverage Ratio for (i) the six-month period ending June 30, 1998, (ii) the nine-month period ending September 30, 1998, (iii) the twelve-month period ending December 31, 1998 and (iv) any period of four consecutive fiscal quarters thereafter of the Borrower (taken as a single accounting period), will not be less than 1.5 to 1.0.

ARTICLE III
EFFECTIVENESS

SECTION 3.01 EFFECTIVENESS. This Amendment shall become effective on the date (the "Effective Date") when the Bank shall have received counterparts of this Amendment duly executed by itself and the Company. On the Effective Date, the 1994 Credit Agreement will be automatically amended as set forth herein.

ARTICLE IV
MISCELLANEOUS

SECTION 4.01 INTEGRATION; CONFIRMATION. On and after the Effective Date, each reference in the 1994 Credit Agreement to "this Credit Agreement", "this Agreement", "herein", "hereunder" or words of similar import, and each reference to any other document delivered in connection with the "1994 Credit Agreement" shall be deemed to be of reference to the 1994 Credit Agreement as amended by this Amendment; all other terms and provisions of the 1994 Credit Agreement shall continue in full force and effect and unchanged and are hereby confirmed in all respects.

SECTION 4.02 EXPENSES. The Company shall reimburse the Bank for any and all out-of-pocket expenses and charges paid or incurred by the Bank in connection with the negotiation, preparation, execution and delivery (including reasonable attorney's fees and disbursements of the Bank's special counsel) of this Amendment.

SECTION 4.03 COUNTERPARTS. This Amendment may be signed in any number of counterparts, each of which shall be an original, all of which taken together shall constitute a single integrated agreement with the same effect as if the signatures thereto and hereto were upon the same instrument. Complete sets of counterparts shall be lodged with the Company and the Bank.

SECTION 4.04 SUCCESSORS AND ASSIGNS. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto

and their respective heirs, executors, administrators, representatives, successors and assigns.

SECTION 4.05 GOVERNING LAW. This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

ESKIMO PIE CORPORATION

By: /s/ Thomas M. Mishoe, Jr.

Name: Thomas M. Mishoe, Jr.
Title: CFO, Treasurer and Secretary

901 Moorefield Park Drive
Richmond, Virginia 23236
Telecopier No.: 804-323-3740

with a copy to:

Jean Penick Watkins, Esquire
Mays & Valentine
NationsBank Plaza
12th and Main Streets
Richmond, Virginia 23219
Telecopier No.: (804) 697-1339

FIRST UNION NATIONAL BANK

By: /s/ David E. Brawley

Name: David E. Brawley
Title: Assistant Vice President

7 North 8th Street
Richmond, Virginia 23219
Attn: David E. Brawley
Telecopier No.: (804) 343-6690

with a copy to:

Brian D. Murphy, Esq.
McGuire, Woods, Battle & Boothe LLP
One James Center
901 East Cary Street
Richmond, Virginia 23219
Telecopier No.: (804) 698-2127

EXHIBIT 10.19

WORKING COPY OF
ESKIMO PIE CORPORATION
SAVINGS PLAN AND TRUST
(AS RESTATED EFFECTIVE JANUARY 1, 1997)

Including:

1. First Amendment
2. Second Amendment

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THIS PLAN AND TRUST is executed as of the date noted below by ESKIMO PIE CORPORATION, a Virginia corporation (the "Plan Sponsor"), for itself and for other participating employers who may participate in the Plan as provided herein (collectively or individually hereinafter called the "Employer"), FIRST UNION NATIONAL BANK OF NORTH CAROLINA, as Separate Trustee for all Fund divisions other than the Company Stock Fund and as Custodian for the Company Stock Fund, and THOMAS M. MISHOE, JR., as Separate Trustee for the Company Stock Fund;

WITNESSETH:

THAT, WHEREAS, effective April 6, 1992, the Plan Sponsor adopted the Eskimo Pie Corporation Savings Plan and a related trust for its employees, which Plan and trust have been subsequently amended and restated; and

WHEREAS, effective January 1, 1995, Eskimo, Inc. and Sugar Creek Foods, Inc. adopted the Plan; and

WHEREAS, the Plan Sponsor deems it desirable to further amend and restate the Plan and related trust as hereinafter set forth (sometimes referred to as this "Restatement of the Plan"); and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree that the Plan, as it affects any rights in respect to any person entitled to benefits under the Plan on or after January 1, 1997, shall be amended and restated in its entirety as herein set forth, provided, however, that any new provision of this Restatement of the Plan shall have no force and effect if the Internal Revenue Service determines that it causes the Plan to cease to meet the applicable qualification requirements of a defined contribution plan under Section 401 of the Internal Revenue Code unless the same is amended to so qualify:

(i) The Accrued Benefit (including any benefit considered as an accrued benefit for purposes of Section 411(d)(6)(B) of the Code) of any Participant (or the benefit payable to his Beneficiary) shall not be decreased by virtue of this Restatement of the Plan.

(ii) The non-forfeitable percentage of the Accrued Benefit of any

Participant shall not be decreased by virtue of this Restatement of the Plan.

(iii) The form of payment of benefits in pay status on December 31, 1995 shall not be affected by virtue of this Restatement of the Plan, except as may be expressly provided herein in the case of re-employment or continued employment.

ARTICLE I
DEFINITION OF TERMS

The following words and terms as used herein shall have the meaning set forth below, unless a different meaning is clearly required by the context:

1.1 "ACCRUED BENEFIT": The sum of the balances of the following accounts of a Participant under the Plan as of the most recent Valuation Date (or as otherwise provided herein):

1.1(a) "AFTER-TAX ACCOUNT": The account of a Participant in the Fund attributable to his After-Tax Contributions, consisting of his After-Tax Basic Account and his After-Tax Optional Account as follows:

(i) "AFTER-TAX BASIC ACCOUNT": The Participant's account in the Fund attributable to his After-Tax Basic Contributions to the Plan. This account was last referred to as the "Mandatory Contributions Account" in the Plan as in effect immediately prior to this Restatement of the Plan.

(ii) "AFTER-TAX OPTIONAL ACCOUNT": The Participant's account in the Fund attributable to his After-Tax Optional Contributions to the Plan. This account was last referred to as the "Employee Contributions Account" in the Plan as in effect immediately prior to this Restatement of the Plan.

1.1(b) "MATCHING ACCOUNT" or "MATCHING ACCOUNTS": The account or accounts of a Participant in the Fund attributable to Matching and Supplemental Contributions by the Employer, consisting of his Matching Active Account and his Matching Non-forfeitable Account as follows:

(i) "MATCHING ACTIVE ACCOUNT": The Participant's account in the Fund attributable to allocations of Matching and Supplemental Contributions by the Employer made with respect to his service since his most recent forfeiture and loss of forfeiture restoration rights under the Plan or, if he has incurred no forfeiture and loss of forfeiture restoration rights under the Plan, since his commencement of participation in the Plan.

(ii) "MATCHING NON-FORFEITABLE ACCOUNT": In the case of a Participant who has incurred a forfeiture and loss of forfeiture restoration rights under the Plan, the vested portion of his Matching Active Account transferred to this account and attributable to allocations of Matching and Supplemental Contributions by the Employer and made with respect to his service prior to such forfeiture and loss of forfeiture restoration rights.

Each Matching Active and Non-forfeitable Account shall be subdivided into two accounts. One account shall be known as the "Company Stock Matching Account" and consists of contributions made thereto for periods after February, 1997 allocated thereto pursuant to subparagraph 3.2(c) which are required to be invested in the Company Stock Fund; and the other account shall be known as the "Unrestricted Matching Account" and consists of contributions which are not required to, but may, be invested in the Company Stock Fund. The Matching Account was last referred to as the "Regular Matching Contributions Account" in the Plan as in effect immediately prior to this Restatement of the Plan.

1.1(c) "PRE-TAX ACCOUNT": The account of a Participant in the Fund attributable to his Pre-Tax Contributions (whether Basic or Optional). This

account was last referred to as the "Deferral Contributions Account" in the Plan as in effect immediately prior to this Restatement of the Plan.

1.1(d) "PROFIT SHARING ACCOUNT" or "PROFIT SHARING ACCOUNTS": The account or accounts of a Participant in the Fund attributable to Profit Sharing, Supplemental and Top Heavy Contributions by the Employer, consisting of his Profit Sharing Active Account and his Profit Sharing Non-forfeitable Account as follows:

(i) "PROFIT SHARING ACTIVE ACCOUNT": The Participant's account in the Fund attributable to allocations of Profit Sharing, Supplemental and Top Heavy Contributions by the Employer made with respect to his service since his most recent forfeiture and loss of forfeiture restoration rights under the Plan or, if he has incurred no such forfeiture and loss of forfeiture restoration rights, since his commencement of participation in the Plan.

(ii) "PROFIT SHARING NON-FORFEITABLE ACCOUNT": In the case of a Participant who has incurred a forfeiture and loss of forfeiture restoration rights under the Plan, the vested portion of his Profit Sharing Active Account transferred to this account and attributable to allocations of Profit Sharing, Supplemental and Top Heavy Contributions by the Employer made with respect to his service prior to such forfeiture and loss of forfeiture restoration rights.

Each Profit Sharing Active and Non-forfeitable Account shall be subdivided into two accounts. One account shall be known as the "Company Stock Profit Sharing Account" and consists of contributions made thereto for periods after February, 1997 allocated thereto pursuant to subparagraph 3.2(c) which are required to be invested in the Company Stock Fund; and the other account shall be known as the "Unrestricted Profit Sharing Account" and consists of contributions which are not required to, but may, be invested in the Company Stock Fund. This account was last referred to as the "Employer Contributions Account" in the Plan as in effect immediately prior to this Restatement of the Plan.

1.1(e) "QNEC ACCOUNT": The account of a Participant in the Fund attributable to QNEC Contributions by the Employer. The QNEC Account shall be subdivided into two accounts. One account shall be known as the "Company Stock QNEC Account" and consists of contributions made thereto for periods after February, 1997 allocated thereto pursuant to subparagraph 3.2(c) which are required to be invested in the Company Stock Fund; and the other account shall be known as the "Unrestricted QNEC Account" and consists of contributions which are not required to, but may, be invested in the Company Stock Fund. This account was last referred to as the "Qualified Nonelective Contributions Account" in the Plan as in effect immediately prior to this Restatement of the Plan.

1.1(f) "ROLLOVER ACCOUNT": The account of a Participant in the Fund attributable to his Rollover Contributions. This account was last referred to as the "Rollover Contributions Account" in the Plan as in effect immediately prior to this Restatement of the Plan.

1.2 "ACT": The Employee Retirement Income Security Act of 1974, as the same may be amended from time to time, or the corresponding sections of any subsequent legislation which replaces it, and, to the extent not inconsistent therewith, the regulations issued thereunder.

1.3 "ACTIVE PARTICIPANT": A Participant who is an Eligible Employee. There are two classes of Active Participants - Regular Participants (described in paragraph 2.1) who are eligible to make After-Tax, Pre-Tax and Rollover Contributions and receive a share of any contributions by the Employer to the Plan or forfeitures, and Rollover Eligible Participants (described in paragraph 2.2) who are only eligible to and have made one or more Rollover Contributions to the Plan.

1.4 "ADJUSTMENT FACTOR": The cost of living adjustment factor prescribed by the Secretary of the Treasury or his delegate under Section 415(d) of the

Code for years beginning after December 31, 1987, applied to such items and in such manner as the Secretary of the Treasury or his delegate shall prescribe.

1.5 "ADMINISTRATOR": The Plan Administrator provided for in ARTICLE XIII hereof.

1.6 "AFFILIATE": The Employer and each of the following business entities or other organizations (whether or not incorporated) which during the relevant period is treated (but only for the portion of the period so treated and for the purpose and to the extent required to be so treated) together with the Employer as a single employer pursuant to the following sections of the Code (as modified where applicable by Section 415(h) of the Code):

(i) Any corporation which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which includes the Employer,

(ii) Any trade or business (whether or not incorporated) which is under common control (as defined in Section 414(c) of the Code) with the Employer,

(iii) Any organization (whether or not incorporated) which is a member of an affiliated service group as defined in Section 414(m) of the Code) which includes the Employer, and

(iv) Any other entity required to be aggregated with the Employer pursuant to regulations under Section 414(o) of the Code.

1.7 "BENEFICIARY": The person or persons designated by a Participant or otherwise entitled pursuant to paragraph 7.3 to receive benefits under the Plan attributable to such Participant after the death of such Participant.

1.8 "BOARD": The present and any succeeding Board of Directors of the Plan Sponsor, unless such term is used with respect to a particular Employer and its Employees, in which event it shall mean the present and any succeeding Board of Directors of that Employer.

1.9 "CODE": The Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding section of any subsequent Internal Revenue Code, and, to the extent not inconsistent therewith, regulations issued thereunder.

1.10 "COMPANY STOCK": The common stock of the Plan Sponsor.

1.11 "COMPENSATION": An Employee's:

(i) Regular base salary for salaried employees,

(ii) Straight time earnings for all hours worked and paid non-work hours, which shall include shift differential, vacation, sick, jury, witness, bereavement and non-worked holiday pay, for hourly employees,

(iii) Guaranteed commissions for salespersons who are not compensated strictly on a commissioned basis (i.e., who have a guaranteed base), and

(iv) Ninety percent (90%) of commissions for salespersons who are compensated strictly on a commissioned basis (i.e., who have no guaranteed base),

payable to the Employee for services as an Eligible Employee and while a Regular Participant, directly from the Employer (but not from any Affiliate which is not a participating employer unless otherwise expressly provided) for a Plan Year, including in any case employee elective salary reduction or similar contributions under a cafeteria plan described in Section 125 of the Code and employee elective salary reduction or similar contributions (such as Pre-Tax Contributions) under a cash or deferred arrangement described in Section 401(k) of the Code (to the extent not already included therein), and not including in

any case any contribution by the Employer to or benefits under this Plan or any other employee benefit plan or trust in connection therewith, nor any amount otherwise paid as compensation but finally determined not to be deductible as compensation in determining the Employer's federal taxable income. Any such compensation in excess of the Compensation Limit for a Plan Year shall be disregarded.

1.12 "COMPENSATION LIMIT":

1.12(a) $150,000 (as adjusted in $10,000 increments by the applicable Adjustment Factor determined on the basis of a base period of the calendar quarter beginning October 1, 1993).

1.12(b) For purposes of applying the Compensation Limit:

(i) The Compensation Limit applicable to each Plan Year (or other applicable computation period) shall be the Compensation Limit in effect for each such Plan Year (or other applicable computation period), determined without increases in the Compensation Limit for subsequent periods.

(ii) If any Plan Year is a period of less than twelve (12) months, then any dollar limitation referred to in this paragraph shall be prorated by multiplying the otherwise applicable dollar limitation for such Plan Year by a fraction, the numerator of which is the number of months in such Plan Year and the denominator of which is twelve (12).

(iii) The Compensation Limit shall be applied on a plan by plan basis, except that a group of plans which are treated as a single plan for applicable non-discrimination purposes under Section 410(b) of the Code shall share a single Compensation Limit.

1.13 "CONTRACT": A group annuity contract, deposit administration contract, immediate participation guarantee contract, or other investment-oriented or funding contract or agreement issued by an Insurer to hold the assets of the Plan.

1.14 "COVERED PARTICIPANT": With respect to a Plan Year, a Regular Participant:

(i) Who is an Eligible Employee on the last day of such Plan Year, or

(ii) Who died or retired under the Plan while an Eligible Employee during such Plan Year.

1.15 "CUSTODIAN": Any custodian for any separate trust constituting part of the Fund and established pursuant to paragraph 12.8. For periods prior to March 31, 1997, none; for periods on or after March 31, 1997, First Union National Bank of North Carolina, serving in the capacity as a Separate Trustee (as provided in paragraph 12.8) First Union National Bank of North Carolina for the Company Stock Fund, for so long as and to the extent serving; or any successor or additional person(s) or entity(ies) appointed pursuant hereto as Custodian of any separate trust constituting part of the Fund and currently serving.

1.16 "DATE OF HIRE": The date on which an Employee is first credited with an Hour of Service, determined without regard to any cessation of employment.

1.17 "EFFECTIVE DATE":

(i) The Effective Date of the Plan is April 6, 1992.

(ii) The Effective Date of this Restatement of the Plan is January 1, 1997, provided, however, that any provision which is contained in this Restatement of the Plan (as the same may be amended) and which is required to be effective before January 1, 1997 in order to retain the

qualification of the Plan under Section 401 of the Code shall nevertheless be effective as of its required effective date under the Code.

(iii) With respect to any employer adopting the Plan as a participating employer as of a date after the Effective Date of this Restatement of the Plan, the Effective Date of the Plan as to such Employer is the same as may be set forth in its adoption agreement or in the Plan.

The Administrator shall maintain as Appendix C to the Plan a list of the Effective Dates of participation of all Employers participating in the Plan.

1.18 "ELIGIBLE EMPLOYEE":

1.18(a) Any common law employee of the Employer other than:

(i) An employee who is a non-resident alien and who receives no earned income (within the meaning of Section 911(d)(2) of the Code) from the Employer which constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code),

(ii) An employee who is included in a unit of persons covered by a collective bargaining agreement between representatives of such unit and the Employer, unless such collective bargaining agreement provides for participation in the Plan, or

(iii) An employee who is classified by the Employer under its standard personnel policies and practices as a straight-time hourly paid employee.

1.18(b) For purposes hereof, a "straight-time hourly paid employee" generally is an employee whose pay is calculated on an hourly basis and who normally is not compensated for time off due to holidays, vacation or illness.

1.18(c) In no event shall Leased Employees be considered as Eligible Employees or be eligible to actively participate in the Plan.

1.19 "EMPLOYEE": Any individual employed in the service of the Employer as a common law employee, any sole proprietor or partner of a partnership constituting an Affiliate, and any Leased Employee (but only for the purpose and to the extent treated under Section 414(n) of the Code as an employee of the Employer).

1.20 "EMPLOYER":

1.20(a) The Plan Sponsor and each other employer heretofore or hereafter executing or adopting the Plan as a participating employer, collectively unless the context otherwise indicates, for as long as it remains a participating employer; and with respect to any Employee, any one or more of such Employers by which he is at any time employed (unless or to the extent otherwise specified by resolution of the Board or in a merger or acquisition agreement or plan approved by the Board or in any applicable asset transfer, plan merger or consolidation or adoption agreement). The Administrator shall maintain as Appendix C to the Plan a list of all such Employers who are, from time to time, participating employers in the Plan.

1.20(b) For purposes of determining:

(i) Service for all purposes of the Plan (other than for purposes of determining non-Top Heavy Plan benefit accrual, Eligible Employees, Covered Participants and Years of Benefit Service unless otherwise specifically provided) and commencement of service and termination of employment with the Employer,

(ii) Employees, Family Members, Highly Compensated Employees, Key Employees, and Leased Employees,

(iii) Top Heavy Plan status, contributions and benefits,

(iv) Statutory Compensation and Total Compensation,

(v) Any limitations of contributions and forfeitures or on loans hereunder, and

(vi) Maintenance of or participation in other qualified plans under Section 401(a) of the Code, tax sheltered annuities under Section 403(b) of the Code, simplified employee pensions under Section 408(k) of the Code, and any other plan required or, as applicable, permitted to be aggregated with this Plan for purposes of the Code,

the term "Employer" shall include each Affiliate which during any year commencing after December 31, 1975 is treated as an Affiliate and each predecessor employer which maintained this Plan (but not beyond the time it ceased to maintain the Plan) within the meaning of Section 414(a) of the Code, but only for the portion of any such year or years so treated and for the purpose and to the extent required to be so treated.

1.20(c) For purposes of determining compensation and service with any business entity, or predecessor thereto, which is merged into an Employer, or a predecessor thereto, or all or substantially all the assets or the operating assets acquired by an Employer, or predecessor thereto, compensation from and service with such business entity and predecessor thereto shall be treated as compensation from and service with an Employer to the extent provided by resolution of the Board or in any corporation or plan merger, consolidation or asset transfer agreement or any adoption agreement approved by the Board.

1.20(d) For purposes of determining service and compensation under the Plan, service with and compensation from Reynolds Metals Company, a Delaware corporation, and any of its "affiliates" (determined on the same basis as Affiliates are determined, but substituting Reynolds Metals Company for the Plan Sponsor) which was rendered or payable for service before April 6, 1992 shall be considered as service with the Employer for all purposes of the Plan.

1.20(e) Notwithstanding anything to the contrary in the forgoing, service prior to March 1, 1994 with Sugar Creek Foods of Russellville, Inc. (which is the predecessor to Sugar Creek Foods, Inc.) shall not be considered service with an Employer or Affiliate for purposes of the Plan

1.21 "FAMILY MEMBER":

1.21(a) With respect to a Plan Year, an individual (whether or not himself a Highly Compensated Employee) who is considered a family member described in Section 414(q)(6)(A) of the Code with respect to an Employer; and, to the extent not inconsistent therewith, an individual who is a member of the family (consisting, with respect to an Employee, of such Employee's spouse and lineal ascendants and descendants and the spouses of lineal ascendants and descendants) on any day of the Determination Year or Look-Back Year with respect to such Plan Year of a Highly Compensated Employee who is either (i) a more than five percent (5%) owner of the Employer or (ii) in the group consisting of the ten (10) Highly Compensated Employees with the greatest Statutory Compensation for the relevant Determination Year or Look-Back Year.

1.21(b) For purposes hereof, the terms "Determination Year", "Look-Back Year", and "more than five percent (5%) owner of the Employer" have the same meaning provided herein for purposes of determining Highly Compensated Employees.

1.22 "FUND": The trust fund, including any separate trusts, created under and subject to the Plan. The Fund shall be held in divisions (sometimes referred to as "divisions of the Fund", "Fund divisions" or "investments funds" herein) as described in paragraph 10.6 and Appendix E to the Plan.

1.23 "HIGHLY COMPENSATED EMPLOYEE":

1.23(a) For Plan Years beginning on or after January 1, 1997, an individual who is considered a "highly compensated employee" with respect to the Employer within the meaning of Section 414(q) of the Code; and, to the extent not inconsistent therewith, any Employee who is considered a Highly Compensated Active Employee or a Highly Compensated Former Employee for the Determination Year ending with or within such Plan Year, defined as follows:

(i) The term "Highly Compensated Active Employee" means, with respect to a Determination Year, an Employee who is an Active Employee during the Determination Year and who either:

(A) Was at any time a more than five percent (5%) owner of the Employer (as defined for purposes of determining Key Employees) for the Determination Year or the Look-Back Year, or

(B) Received Statutory Compensation in excess of $80,000 (as adjusted by the Adjustment Factor, but with the base period being the calendar quarter ending September 30, 1996) and, at the election of the Plan Sponsor or the Administrator in accordance with Section 414(q) of the Code, was a member of the twenty percent (20%) top-paid group of Employees for the Look-Back Year.

(ii) The term "Highly Compensated Former Employee" means:

(A) With respect to a Determination Year, a Former Employee who has had a Separation Year prior to the Determination Year and who was a Highly Compensated Active Employee for either such Separation Year or any Determination Year ending on or after his attainment of the age of fifty-five (55).

(B) Notwithstanding the foregoing, an Employee shall not be treated as a Highly Compensated Former Employee by reason of having a Deemed Separation Year after such Employee actually separates from service with the Employer if, after such Deemed Separation Year and before his Actual Separation Year, his services for the Employer and Statutory Compensation for a Determination Year increase significantly so that the Employee is treated as having a Deemed Resumption of Employment.

1.23(b) For purposes hereof:

(i) The term "Active Employee" means, with respect to a Determination Year, a current Employee who performs services for the Employer as an Employee at any time during the Determination Year.

(ii) The term "Deemed Resumption of Employment" means an increase in both services performed for the Employer as an Employee and Statutory Compensation, based on the facts and circumstances, and at a minimum shall include an increase in Statutory Compensation to the extent that such increased Statutory Compensation would not result in a Deemed Separation Year.

(iii) The term "Determination Year" means the Plan Year.

(iv) The term "Former Employee" means, with respect to a Determination Year, a current or former Employee who performs no services for the Employer as an Employee during the Determination Year.

(v) The term "Look-Back Year" means, with respect to a Determination Year, the immediately preceding year to the Determination Year in question, provided, however, that if the Determination Year is the calendar year and the Administrator elects in accordance with Section 414(q) of the Code to determine the status of individuals as Highly Compensated Employees on the basis of a Look-Back Year and Determination Year which are the same year, then the Look-Back Year shall be the Determination Year.

(vi) The term "Separation Year" means:

(A) An "Actual Separation Year" which is a Determination Year in which a Former Employee last performed services for the Employer as an Employee prior to becoming a Highly Compensated Former Employee; or

(B) A "Deemed Separation Year" which is a Determination Year prior to the Employee's attainment of the age of fifty-five (55) in which he is an Active Employee and in which his Statutory Compensation is less than fifty percent (50%) of his average annual Statutory Compensation for the three (3) consecutive calendar years preceding the Determination Year during which his Statutory Compensation was the highest (or the total period of the Employee's service with the Employer if less). A Deemed Separation Year is relevant for purposes of determining whether an Employee is a Highly Compensated Former Employee after he has an Actual Separation Year, but is not relevant for purposes of identifying him as an Active or Former Employee.

1.23(c) For purposes hereof:

(i) The Adjustment Factor for a Determination Year or a Look-Back Year shall be applied on the basis of the calendar year in which such Determination Year or Look-Back Year begins.

(ii) The Administrator may adopt any rounding or tie-breaking rules it desires in making relevant determinations so long as such rules are reasonable, non-discriminatory and uniformly and consistently applied.

(iii) An Employee is a member of the twenty percent (20%) top-paid group for a year if he is one of the top twenty percent (20%) of Active Employees for the year when ranked on the basis of descending Statutory Compensation for such year (whether or not the Employee in question is excluded in determining the number of Employees in the twenty percent (20%) top-paid group). For this purpose, if bargaining unit Employees are not taken into account in determining the number of Employees in the twenty percent (20%) top-paid group pursuant to clause (iv)(E) of this subparagraph, they also shall not be taken into account in determining other Employees who are in twenty percent (20%) top-paid group.

(iv) For purposes of determining the number of persons in the twenty percent (20%) top-paid group and the number of persons who may be considered officers for a year, the following rules shall apply:

(A) The number of Employees who are in the twenty percent (20%) top-paid group for a year is twenty percent (20%), rounded to the nearest integer, of the total number of Active Employees who are not excluded Employees for such year.

(B) The number of Employees equal to ten percent (10%) of total Employees for a year is ten percent (10%), rounded to the nearest integer, of the total number of Active Employees who are not excluded Employees for such year.

(C) All Former Employees for the year are excluded.

(D) Employees who are non-resident aliens and who receive no earned income (within the meaning of Section 911(d)(2) of the Code) from the Employer that constitutes income from sources within the United States for the year are excluded.

(E) Employees who are in a unit of employees covered by a collective bargaining agreement between the Employer and employee representatives for the year are excluded if and only if ninety percent (90%) or more of the total Employees for the year are covered by a collective bargaining agreement with the Employer

and the Active Participants in the Plan do not include any such bargaining unit Employees.

(F) Employees shall not be excluded on the basis of age or length of prior service.

(v) If any Plan Year is a period of less than twelve (12) months, then any dollar amount referred to in this paragraph shall be prorated by multiplying the otherwise applicable dollar amount for such Plan Year by a fraction, the numerator of which is the number of months in such Plan Year and the denominator of which is twelve (12).

1.24 "HOUR OF SERVICE":

(i) Each hour for which an Employee is paid by the Employer, or entitled to payment, for the performance of duties for the Employer or for periods during which no duties are required to be performed, including each hour for which credit has not theretofore been given and for which back pay, irrespective of mitigation of damages, has either been awarded or agreed to by the Employer, and

(ii) Solely for purposes of determining Years of Broken Service, each hour of absence from work for which credit is expressly given under the Plan, all as more specifically provided in Appendix A.

1.25 "INACTIVE PARTICIPANT": A Participant who is not an Eligible Employee.

1.26 "INSURER": Any insurance company which issues a Contract to hold assets of the Plan or a Policy to provide for payment of benefits under the Plan.

1.27 "INVESTMENT MANAGER": A fiduciary of the Plan appointed to manage all or part of the assets of the Fund and serving pursuant to ARTICLE XI and qualifying as an "investment manager" within the meaning of Section 3(38) of the Act.

1.28 "KEY EMPLOYEE":

1.28(a) With respect to a Plan Year, any Employee or former Employee (or his Beneficiary if he is deceased) considered to be a "key employee" with respect to the Employer at the time in question within the meaning of Section 416(i)(1) of the Code; and to the extent not inconsistent therewith, any Employee or former Employee (or his Beneficiary if he is deceased) who at any time during such Plan Year, or any of the preceding four (4) Plan Years, is either:

(i) One of the fifty (50) (or if less, the greater of three (3) or ten percent (10%) of total Employees, as determined for purposes of determining Highly Compensated Employees) officers of the Employer having the largest annual Statutory Compensation during any such Plan Year and having Statutory Compensation in excess of $45,000 (or fifty percent (50%) of any other amount, as adjusted by the Adjustment Factor, in effect for the relevant Plan Year under Section 415(b)(1)(A) of the Code);

(ii) One of the ten (10) Employees having Statutory Compensation in excess of $30,000 (or any other amount, as adjusted by the Adjustment Factor, in effect for the relevant Plan Year under Section 415(c)(1)(A) of the Code) and owning more than a one-half percent (.5%) interest in the Employer, who owns the largest interests in the Employer, provided that if two such Employees have the same interest in the Employer, the Employee having the greater Statutory Compensation shall be treated as having a larger interest;

(iii) A more than five percent (5%) owner of the Employer; or

(iv) A more than one percent (1%) owner of the Employer having an

annual Statutory Compensation of more than $150,000.

1.28(b) In determining ownership in the Employer for purposes hereof the constructive ownership rules of Section 318 of the Code (as modified by Section 416(i)(1)(B)(iii) of the Code) shall apply, and the rules of Sections 414(b), (c), (m) and (o) of the Code shall not apply.

1.29 "LEASED EMPLOYEE":

1.29(a) An individual who is considered a leased employee of the Employer within the meaning of Section 414(n)(2) of the Code and, to the extent not inconsistent therewith, any person:

(i) Who, pursuant to an agreement between the recipient Employer and any other person (the "leasing organization"), has performed services for the recipient Employer or for the recipient Employer and related persons (determined in accordance with Section 414(n)(6) of the Code),

(ii) Whose services are performed on a substantially full-time basis for a period of at least one year, and

(iii) For years beginning before January 1, 1997, whose services are of a type historically performed by employees in the business field of the recipient Employer; and for years beginning after December 31, 1996, whose services are performed under the primary control or direction of the recipient Employer.

1.29(b) Notwithstanding the foregoing, if such leased employees constitute less than twenty percent (20%) of the Employer's non-highly compensated work force within the meaning of Section 414(n)(1)(C)(ii) of the Code, individuals otherwise considered to be Leased Employees shall not include those leased employees covered by a plan described in Section 414(n)(5) of the Code (unless otherwise provided by the terms of the Plan) and, to the extent not inconsistent therewith, which:

(i) Is maintained by the leasing organization,

(ii) Is a money purchase pension plan with a non-integrated employer contribution rate of at least seven and one-half percent (7-1/2%) of compensation in the case of services performed before January 1, 1987 or ten percent (10%) of compensation in the case of services performed after December 31, 1986,

(iii) Provides full and immediate vesting, and

(iv) Provides for immediate participation by each employee of the leasing organization (other than employees who perform substantially all their services for the leasing organization or whose compensation from the leasing organization in each of the four (4) Plan Years ending with the Plan Year in question is less than $1,000).

For purposes hereof, "compensation" means compensation as defined in Section 415(c)(3) of the Code, but determined without regard to Sections 125, 402(e)(3) and 402(h)(1)(B) of the Code and without regard to employer contributions made pursuant to salary reduction agreements under Section 403(b) of the Code for Plan Years beginning before January 1, 1998.

1.30 "NON-HIGHLY COMPENSATED EMPLOYEE": Any Employee who is not a Highly Compensated Employee.

1.31 "NON-KEY EMPLOYEE": Any Employee (including the Beneficiary of such Employee) who is not a Key Employee.

1.32 "NORMAL RETIREMENT AGE": The age of sixty-five (65) years.

1.33 "PARTICIPANT": An Eligible Employee or other person qualified to participate in the Plan for so long as he is considered a Participant as provided in ARTICLE II hereof. There are two classes of Participants Active Participant and Inactive Participants.

1.34 "PLAN": This Plan and Trust Agreement, including the Appendices hereto, as contained herein or duly amended. The Plan maintained pursuant hereto shall be known as the "Eskimo Pie Corporation Savings Plan".

1.35 "PLAN SPONSOR": Eskimo Pie Corporation, a Virginia corporation (or its corporate successor).

1.36 "PLAN YEAR": The year commencing upon the first day of January of each year

1.37 "POLICY": A group or individual policy, contract or other agreement (including a certificate) issued by an Insurer which is not a Contract and which is obtained to provide for the accumulation and/or payment of benefits under the Plan.

1.38 "QDRO": A qualified domestic relations order within the meaning of Section 206(d)(3) of the Act and Section 414(p) of the Code and as determined by the Administrator pursuant to the Plan.

1.39 "SPOUSE":

1.39(a) For the purpose of entitlement to receive death benefits as a Spouse under subparagraph 7.3(a) of the Plan and consenting to a Beneficiary designation as a Spouse under subparagraph 7.3(a) and paragraph 7.4 of the Plan, the individual to whom the Participant was married throughout the one year period ending on the date of his death.

1.39(b) The determination of the marital status of a Participant shall be made pursuant to applicable local law; provided, however, that a Participant's former spouse shall continue to be considered married to the Participant, and a Participant's current spouse shall be considered not married to the Participant, to the extent provided under a QDRO.

1.40 "STATUTORY COMPENSATION":

1.40(a) For Plan Years beginning before January 1, 1998, an Employee's Total Compensation plus employee elective salary reduction or similar contributions excluded from Total Compensation by reason of Sections 125, 402(e)(3), 402(h), 403(b), 414(h)(2) and 457(b) of the Code. Statutory Compensation for a Plan Year (or other applicable computation period) shall be limited by the Compensation Limit for all purposes other than determining Family Members, Highly Compensated Employees and Key Employees.

1.40(b) For Plan Years beginning on or after January 1, 1998, an Employee's Total Compensation. Statutory Compensation for a Plan Year (or other applicable computation period) shall be limited by the Compensation Limit for all purposes other than determining Highly Compensated Employees and Key Employees.

1.41 "SUPER TOP HEAVY PLAN": The Plan, if it would still be considered a Top Heavy Plan if ninety percent (90%) were substituted for sixty percent (60%) in each place it appears in the definition of a Top Heavy Plan.

1.42 "TOP HEAVY PLAN": The Plan, for any Plan Year beginning after December 31, 1983, if the sum of the present values of the cumulative Accrued Benefits of Key Employees under the Plan, and the present values of the cumulative accrued benefits of Key Employees under all plans aggregated with it,

exceeds sixty percent (60%) of the aggregate of the present value of the cumulative Accrued Benefits under this Plan and accrued benefits under such plan(s) at the applicable determination date. For purposes hereof, aggregation, accrued benefits (including Accrued Benefits) taken into account, the determination date and all other standards and criteria for determining top-heaviness under this Plan and such other plan(s) shall be determined under Section 416 of the Code. Subject to the foregoing, more specific rules for determining whether the Plan is a Top Heavy Plan are provided in Appendix B.

1.43 "TOTAL COMPENSATION":

1.43(a) For Plan Years (or Limitation Years, as applicable) beginning before January 1, 1998, the total compensation from the Employer received by or made available to an Employee during any Plan Year or, for purposes of the limitations imposed by Section 415 of the Code, any Limitation Year (as defined in paragraph 4.3):

(i) Including, but not limited to, wages, salary, earned income (in the case of self-employed individuals), vacation pay, sick pay, overtime pay, bonuses and commissions, and as reportable to the Internal Revenue Service on Form W-2 (or its successor), where applicable, for federal income tax purposes, but

(ii) Excluding paid or reimbursed expenses, contributions or benefits under a simplified employee pension plan, contributions (to the extent not includible in the Employee's gross income when contributed) or benefits under this or any other plan of deferred compensation (other than an unfunded, non-qualified plan), contributions or benefits under any other employee benefit plan or arrangement (to the extent excludible from or not includible in gross income), now, heretofore or hereafter adopted, amounts paid or received or deemed received in connection with stock options or rights, other amounts which receive special tax benefits, or any amount otherwise paid as compensation but finally determined not to be deductible as compensation in determining the Employer's federal taxable income.

1.43(b) For Plan Years (or Limitation Years, as applicable) beginning on or after January 1, 1998, the total compensation from the Employer received by or made available to an Employee during any Plan Year or, for purposes of the limitations imposed by Section 415 of the Code, any Limitation Year (as defined in paragraph 4.3):

(i) Including, but not limited to, wages, salary, earned income (in the case of self-employed individuals), vacation pay, sick pay, overtime pay, bonuses and commissions, and as reportable to the Internal Revenue Service on Form W-2 (or its successor), where applicable, for federal income tax purposes, but

(ii) Including employee elective salary reduction or similar deferral contributions excluded from W-2 compensation by reason of Section 125, 402(g)(3) or 457(b) of the Code (and elective deferrals or contributions under any other sections of the Code covered by Section 415(c)(3)(D) of the Code), and

(iii) Excluding, except as otherwise expressly included by clause (ii) above, paid or reimbursed expenses, contributions or benefits under a simplified employee pension plan, contributions (to the extent not includible in the Employee's gross income when contributed) or benefits under this or any other plan of deferred compensation (other than an unfunded, non-qualified plan), contributions or benefits under any other employee benefit plan or arrangement (to the extent excludible from or not includible in gross income), now, heretofore or hereafter adopted, amounts paid or received or deemed received in connection with stock options or rights, other amounts which receive special tax benefits, or any amount otherwise paid as compensation but finally determined not to be deductible as compensation in determining the Employer's federal taxable income.

1.44 "TRUSTEE": For periods prior to March 31, 1997, First Union National Bank of North Carolina, serving in the capacity as sole Trustee; for periods on or after March 31, 1997, First Union National Bank of North Carolina, serving in the capacity as a Separate Trustee (as provided in paragraph 12.8) for all Fund divisions other than the Company Stock Fund, and Thomas M. Mishoe, Jr., serving in the capacity as a Separate Trustee (as provided in paragraph 12.8) for the Company Stock Fund, for so long as and to the extent each is serving under such Trustee; or any other Trustee, Separate Trustees (as provided in paragraph 12.8), any Co-Trustee (as provided in subparagraph 15.1(e)), or any successor or additional person(s) or entity(ies) appointed pursuant hereto as trustee of the Fund and currently serving. Any reference to a Trustee herein is intended to be a reference to any sole Trustee, any separate Trustee or any Co-Trustee then serving unless the context indicates otherwise.

1.45 "VALUATION DATE": Each business day (based on the days the underlying investment funds are valued and transactions are effectuated in the applicable financial markets) of the Plan Year, or such other dates (which must be at least annually) as the Administrator may designate from time to time.

1.46 "YEAR OF BROKEN SERVICE": A Plan Year (which is the computation period), commencing with or after the date an individual becomes an Employee, during which such Employee is not credited with more than five hundred (500) Hours of Service.

1.47 "YEAR OF VESTING SERVICE": A Plan Year (which is the computation period), commencing with or after the date an individual becomes an Employee, during which such Employee is credited with at least one thousand (1,000) Hours of Service.

ARTICLE II
ELIGIBILITY AND PARTICIPATION

2.1 ELIGIBILITY AND DATE OF PARTICIPATION AS A REGULAR PARTICIPANT.

2.1(a) Each individual who has met the age and service requirements for participation in the Plan and has become a Participant in the Plan entitled to make After-tax and Pre-Tax Contributions and receive a share of any contributions by the Employer (that is, he is a Regular Participant) on the day before the Effective Date of this Restatement of the Plan shall continue to be a Regular Participant in the Plan at the Effective Date of this Restatement of the Plan.

2.1(b) Each other Eligible Employee who is not a Regular Participant at the Effective Date of this Restatement of the Plan shall become a Regular Participant on the earlier of the following dates:

(i) The first day of the first calendar month (A) which occurs both twelve (12) months after his Date of Hire and by which he has attained the age of twenty one (21) years and (B) on which he is an Eligible Employee, or

(ii) If he is not an Eligible Employee on the date referred to in clause (i) above, on the first day he becomes an Eligible Employee thereafter.

2.1(c) An individual who was, but ceased to be, a Regular Participant shall again be a Regular Participant if and when he again becomes an Eligible Employee.

2.1(d) An individual who becomes a Regular Participant shall be or remain a Regular Participant for so long as he remains an Eligible Employee.

2.2 ELIGIBILITY FOR ROLLOVER CONTRIBUTIONS AS A ROLLOVER ELIGIBLE PARTICIPANT. Notwithstanding the foregoing, an Employee who is not a Regular Participant shall be eligible to become a Rollover Eligible Participant whenever he is an Eligible Employee. An Eligible Employee who is not a Regular

Participant may become a Rollover Eligible Participant by making a Rollover Contribution to the Plan. A Rollover Eligible Participant shall not be eligible to make After-Tax or Pre-Tax Contributions or receive a share of any contributions by the Employer or forfeitures unless and until he becomes a Regular Participant pursuant to paragraph 2.1 A Participant shall cease to be a Rollover Eligible Participant when he becomes a Regular Participant.

2.3 LENGTH OF PARTICIPATION. An individual who becomes a Participant shall be or remain a Participant for so long as he remains an Eligible Employee and thereafter while he is entitled to future benefits under the terms of the Plan.

ARTICLE III
FUNDING

3.1 AMOUNT AND TIMING OF EMPLOYER CONTRIBUTIONS.

3.1(a) With respect to each Allocation Period of a Plan Year, each Employer shall make a Matching Contribution to the Fund on behalf of each Regular Participant who has made After-Tax and/or Pre-Tax Contributions to the Plan at any time during such Allocation Period in the amount equal to the lesser of (i) the Regular Participant's aggregate After-Tax and Pre-Tax Contributions for such Allocation Period or (ii) six percent (6%) of his Compensation for such Allocation Period. The "Allocation Period" is each calendar month.

3.1(b) With respect to each Plan Year, each Employer's Profit Sharing Contribution to the Fund shall be such amount, if any, as the Plan Sponsor may determine.

3.1(c) With respect to each Plan Year, each Employer's QNEC Contribution to the Fund shall be such amount, if any, as the Plan Sponsor may determine. QNEC Contributions are intended to be non-elective contributions within the meaning of Section 401(m)(4)(C) of the Code (that is, employer contributions (other than matching contributions) which an Employee may not elect to have paid to him instead of being contributed to the Plan, which are subject to the restrictions on distributions contained in Section 401(k)(2)(B) of the Code (generally prohibiting distribution before separation from service, death, or disability unless, if the Plan permits such payment, the Employee has a hardship or has reached age fifty-nine and one-half (59-1/2) or after plan termination), and which are immediately fully vested and non-forfeitable.

3.1(d) For any Plan Year for which the Plan is a Top Heavy Plan, the Plan Sponsor shall cause a Top Heavy Contribution by the Employer to be made on behalf of each Non-Key Employee who is a Regular Participant for such Plan Year, who is an Eligible Employee on the last day of such Plan Year and who is not covered by a collective bargaining agreement under which retirement benefits were the subject of good faith bargaining with the Employer so that the total allocation of contributions by the Employer (other than Supplemental Contributions to the Plan and similar contributions to other plans) and forfeitures for each such Non-Key Employee is at least equal to the lesser of:

(i) Three percent (3%) of his Top Heavy Compensation for such Plan Year, or

(ii) Such lesser percentage of his Top Heavy Compensation for such Plan Year which is equal to the percentage of Top Heavy Compensation of the Key Employee for such Plan Year for whom an allocation of contributions by the Employer (other than Supplemental Contributions to this Plan and similar contributions to other plans) and forfeitures under this Plan and any other qualified defined contribution plan or simplified employee pension plan maintained by the Employer is made which is the highest such percentage for such Plan Year (calculated by aggregating all such contributions and forfeitures); provided, however, that this clause (ii) shall not apply if this Plan enables a defined benefit plan to meet the requirements of Section 401(a)(4) or 410 of the Code.

For purposes hereof, contributions considered made by the Employer which are

attributable to a salary reduction or similar arrangement (such as Pre-Tax Contributions) and matching contributions within the meaning of Section 401(m) of the Code (such as Matching Contributions) shall only be taken into account for purposes of determining the highest percentage of any Key Employee pursuant to clause (ii) of this subparagraph. For purposes hereof, "Top Heavy Compensation" means a Regular Participant's Total Compensation, not in excess of the Compensation Limit, for a Plan Year.

3.1(e) With respect to each Plan Year, the Employer shall make a Supplemental Contribution to the Fund on behalf of Participants in such amount as may be required pursuant to paragraph 6.6.

3.1(f) In no event shall the sum of the Matching, QNEC, Profit Sharing and Top Heavy Contributions made by the Employer and the Pre-Tax Contributions considered made by the Employer for purposes of Section 404 of the Code for any taxable year of the Employer exceed the maximum amount deductible from the Employer's income for such taxable year under the Code, including the maximum amount deductible under the "carry over" provisions relating to contributions in previous years of more or less than the maximum amount permissible and any amount deductible as a contribution on behalf of an Affiliate, in which latter case any such contribution shall be deemed, for purposes of this Plan, to have been made by such Affiliate. Each contribution by the Employer shall be conditioned on its deductibility. If a reduction is thereby required, the excess amount shall be reduced in the following manner:

(i) First, to the extent directed by the Plan Sponsor by the date, including extensions thereof, on which its federal income tax return is due to be filed for such taxable year, the Pre-Tax Contributions for such taxable year of the Eligible Participants (as defined in Appendix D to the Plan) who are Highly Compensated Employees for such taxable year shall first be refunded to such Eligible Participant and shall be considered as gross income to the Participant. Among such Participants, the reduction shall be effected by reducing contributions in order of the highest Deferral Percentages (as defined in Appendix D to the Plan),

(ii) Then, the Profit Sharing Contribution for such taxable year shall be reduced,

(iii) Then, the QNEC Contribution for such taxable year shall be reduced,

(iv) Then, the Matching Contribution for such taxable year shall be reduced,

(v) Then, the Top Heavy Contribution for such taxable year shall be reduced, and

(vi) Then the Supplemental Contributions for such taxable year shall be reduced,

to the extent necessary to reduce the excess amount to zero. Unless otherwise directed by the Plan Sponsor, any such reductions (other than those referred to in clause (i) of this subparagraph) shall be effected pro rata based on the entire class of contributions for such taxable year to be reduced.

3.1(g) The contribution by the Employer for any Plan Year may be made in one or more payments at any time, subject to the prohibition of paragraph 4.5, provided that the total amount of the contribution with respect to any taxable year of the Employer shall be paid not later than the date, including extensions thereof, on which the Employer's federal income tax return for such taxable year is due to be filed. Notwithstanding the foregoing, if a contribution is not timely made, it may still be allocated as a contribution for the Plan Year for which contributed if so directed by the Plan Sponsor.

3.2 SPECIAL RULES FOR EMPLOYER'S SHARE OF AND FORM OF CONTRIBUTION.

3.2(a) Unless some other allocation of the contributions by the Employer

is directed by the Plan Sponsor, each Employer shall contribute to the Fund for each Plan Year:

(i) That portion of the Matching Contribution made with respect to each Participant's After-Tax and Pre-Tax Contributions for an Allocation Period (as defined in subparagraph 3.1(a)) determined by multiplying the Matching Contribution for such Participant for such Allocation Period by a fraction, the numerator of which is the After-Tax and Pre-Tax Contribution made by such Participant out of his Compensation payable by it for such Allocation Period and the denominator of which is the aggregate After-Tax and Pre-Tax Contributions of such Participant for such Allocation Period; plus

(ii) That portion of the QNEC Contribution for a Plan Year determined to be made by it; plus

(iii) That portion of the Profit Sharing Contribution for a Plan Year determined to be made by it; plus

(iv) That portion of the Supplemental and Top Heavy Contribution for a Plan Year equal to its proportion of the Matching Contribution made by it for such Plan Year.

3.2(b) Notwithstanding the foregoing allocation provisions of subparagraph 3.2(a), if or to the extent an Employer is unable for any reason to make its share of the contribution for a Plan Year, such share or portion thereof shall be made by the other participating Employers for such Plan Year either in proportion to their relative shares of their otherwise due contribution for such Plan Year or in such proportion or amount as the Plan Sponsor otherwise directs.

3.2(c) The contributions made by the Employer for any Allocation Period (as defined in subparagraph 3.1(a)) beginning on or after March 1, 1997 or any Plan Year may be made in cash and in cash, Company Stock or some combination thereof, as determined by the Plan Sponsor. If a contribution is made by the Employer in cash, the Plan Sponsor may direct the Trustee to treat the cash contribution as a contribution made for the purpose of acquiring Company Stock by directing that it be allocated to the Company Stock Fund; and such cash contributions and all contributions made in the form of Company Stock shall be considered to be Company Stock contributions for purposes of allocations under the Plan. It is the intent that Company Stock contributions (and cash contributions treated as Company Stock contributions) shall be allocated to the Company Stock Fund, and the appropriate Company Stock Matching Account, Company Stock Profit Sharing Account, or Company Stock QNEC Account, without regard to any Participant contribution investment direction otherwise then in effect.

3.3 PARTICIPANT AFTER-TAX AND PRE-TAX CONTRIBUTIONS. Subject to applicable suspensions as provided in ARTICLE IX, Regular Participants may make After-Tax Contributions and Pre-Tax Contributions as follows:

3.3(a) Each Regular Participant may make After-Tax Contributions and/or Pre-Tax Contributions to the Plan through payroll deduction while he is an Eligible Employee.

(i) The aggregate amount of a Regular Participant's After-Tax Contributions and Pre-Tax Contributions for any payroll period shall be an amount equal to the product obtained by multiplying (A) such Participant's rate of contribution by (B) his Compensation for such payroll period.

(ii) A Regular Participant's rate of contribution may be any rate, in whole multiples of one percent (1%), from one percent (1%) through twelve percent (12%).

(iii) Each Regular Participant shall designate the type(s) of contribution, whether After-Tax or Pre-Tax, and rate(s) thereof he is making.

3.3(b) For each payroll period contributed, each Regular Participant's After-Tax and Pre-Tax Contributions made by payroll deduction contributions shall automatically be designated as follows, subject however to such other designation by the Participant as the Administrator may from time to time permit and subject further to redesignation as provided in other applicable provisions of the Plan.

(i) Such Pre-Tax Contributions shall be designated as "Pre-Tax Basic Contributions" to the extent of the lesser of (A) six percent (6%) of the Regular Participant's Compensation for such payroll period or (B) the amount of such Pre-Tax Contributions;

(ii) Such After-Tax Contributions shall be designated as "After-Tax Basic Contributions" to the extent of the lesser of (A) the excess of six percent (6%) of the Regular Participant's Compensation for such payroll period over the amount of his Pre-Tax Basic Contributions for such payroll period or (B) the amount of such After-Tax Contributions for such payroll period; and

(iii) The balance of the After-Tax Contributions and Pre-Tax Contributions of the Regular Participant for such payroll period shall be designated as "After-Tax Optional Contributions" and "Pre-Tax Optional Contributions", respectively.

3.3(c) All Pre-Tax Contributions are intended to be payments to the Plan by the Employer under a cash or deferred arrangement described in Section 401(k) of the Code, and any reference herein to such contributions as employee or Participant contributions is for convenience only and is not intended as a designation of such contributions as employee contributions within the meaning of Section 414(h)(1) of the Code.

3.4 ELECTIVE DEFERRAL DOLLAR LIMITATION ON PRE-TAX CONTRIBUTIONS. The aggregate amount of a Participant's Pre-Tax Contributions made to the Plan for a Plan Year shall not exceed the applicable limits thereon under Section 402(g) of the Code and in Appendix D to the Plan.

3.5 PARTICIPANT ROLLOVER CONTRIBUTIONS.

3.5(a) Any Participant who is an Eligible Employee may make or direct there to be made a Rollover Contribution in the form of a lump sum in cash.

3.5(b) For purposes hereof, a "Rollover Contribution" is a qualifying rollover amount distributed from or attributable to a distribution, including a plan to plan direct rollover of an eligible rollover distribution under Section 402(c) of the Code, from a plan qualified under Section 401 or 403(a) of the Code. Notwithstanding the foregoing, no Rollover Contribution may consist of any amount constituting "accumulated deductible employee contributions" within the meaning of Section 72(o)(5)(B) of the Code or an eligible rollover distribution from an annuity contract described in Section 403(b)(1) of the Code, a custodial account described in Section 403(b)(7) of the Code or a retirement income account described in the Section 402(e) of the Code.

3.5(c) The Administrator may require as a condition of any such Rollover Contribution that the Participant, and/or the trustee, custodian or issuer of any plan, trust, bond, annuity or account from which the amount to be rolled over or transferred is attributable, make such certification as the Administrator deems necessary respecting the qualification of the distributing or transferor plan, trust, or annuity, the amount and nature of the distribution or transfer, the qualification of the Rollover Contribution as a rollover amount with respect to this Plan, and any other information the Administrator may reasonably require.

3.5(d) In the event it is discovered that any Rollover Contribution made by or on behalf of a Participant is not a qualifying rollover amount or an eligible rollover distribution or otherwise is a contribution or transfer which is not permitted to be received as a Rollover Contribution under the Plan, the Accrued Benefit of the Participant attributable to such non-qualifying Rollover

Contribution shall be returned to the Participant (or if deceased, his Beneficiary).

3.6 PROCEDURE FOR AND TIME OF MAKING PARTICIPANT CONTRIBUTIONS.

3.6(a) A Participant's contributions which may be made by payroll deduction shall commence to be made starting as of the effective date of his application to make such contribution. A Participant who is an Eligible Employee may commence making payroll deduction contributions initially as of the date he first becomes a Participant and thereafter he may commence, change the rate or recommence his payroll deduction contributions as of the first day of any calendar month (or at such other time as the Administrator may permit on a uniform and non-discriminatory basis) by delivering a payroll deduction election to the Administrator no later than the fifteenth (15th) day of the calendar month immediately preceding the date it is to become effective (or such shorter period as the Administrator may permit on a uniform and non-discriminatory basis) and prior to the time the amounts in question are payable or otherwise made available to the Participant.

3.6(b) A Participant may terminate his payroll deduction contributions as of the end of any calendar month (or at such other time as the Administrator may permit on a uniform and non-discriminatory basis) by delivering an election to the Administrator at least fifteen (15) days (or such other period as the Administrator may permit on a uniform and non-discriminatory basis) before the end of the calendar month (or other time) such contributions will be terminated, which notice shall specify the date of termination. A Participant who has voluntarily terminated his payroll deduction contributions to the Plan may recommence his payroll deduction contributions as of the first day of any calendar month (or at such other time as the Administrator may permit on a uniform and non-discriminatory basis) by delivering a new payroll deduction election to the Administrator no later than the fifteenth (15th) day of the calendar month immediately preceding the date it is to become effective (or such shorter period as the Administrator may permit on a uniform and non-discriminatory basis) and prior to the time that the amounts in question are payable or otherwise made available to the Participant.

3.6(c) If a Participant ceases to be an Eligible Employee, his contributions to the Plan shall cease to be made. Except as otherwise prohibited herein, if such individual again becomes an Eligible Employee, he shall again be entitled to recommence his payroll deduction contributions at a rate designated by him as of the date he again becomes an Eligible Employee by delivering a new payroll deduction election to the Administrator no later than the fifteenth (15th) day of the calendar month immediately preceding the date it is to become effective (or such shorter period as the Administrator may permit on a uniform and non-discriminatory basis) and prior to the time that the amounts in question are payable or otherwise made available to the Participant.

3.6(d) A Participant's Rollover Contributions shall be made by delivering the same to the Administrator together with an appropriate contribution election.

3.6(e) Each Participant shall when electing to make contributions designate the rate and type(s) of contribution in the applicable election.

3.6(f) Participant contributions received by the Administrator or withheld by the Employer shall be paid over to the Trustee as soon as is reasonably practical after the applicable election is received in the case of lump sum contributions and as soon as is reasonably practical after the amount can be segregated from the general assets of the Employer and in no event later than the fifteen (15) business days after the calendar month of contribution, in the case of payroll deduction contributions. In all events, After-Tax and Pre-Tax Contributions shall be paid over to the Trustee not later than the end of the Plan Year immediately following the Plan Year for which withheld by the Employer.

3.6(g) Notwithstanding anything to the contrary herein, the Administrator may on a non-discriminatory basis at any time and from time to time:

(i) Permit changes by Participants in the rate of their payroll deduction contributions prospectively, and/or

(ii) Unilaterally and prospectively limit After-Tax and/or Pre-Tax Contributions which may be made to the Plan,

to the extent considered advisable by the Administrator in order to satisfy the requirements of paragraphs 4.3 and/or 4.11 and/or to prevent the sum of Pre-Tax Contributions by Participants and Matching, QNEC, Profit Sharing and Top Heavy Contributions by the Employer for a taxable year of the Employer from exceeding the amount thereof deductible for such taxable year by the Employer for federal income tax purposes.

3.7 USE OF FORFEITURES AND UNALLOCATED ANNUAL ADDITIONS. Forfeitures shall be held in the Fund and applied to reduce the next due contributions by the Employer in the Plan Year following the Plan Year in which the forfeiture occurs on a pro rata basis without regard to which Employer's contributions the forfeitures are attributable as hereinafter provided until exhausted, and to the extent thus used to reduce contributions by the Employer shall be treated as a contribution by the Employer for purposes of administering the Plan. In lieu of the foregoing use of forfeitures, forfeitures may be used to pay Plan administrative expenses if so directed by the Plan Sponsor. In no event shall any such forfeitures be used to otherwise increase the benefits to which a Participant is entitled under the Plan. In the event that the amount of forfeitures at any time exceed the required contribution, such excess forfeitures shall be held in the special account in the Fund provided for in subparagraph 4.5 and applied to reduce future contributions by the Employer.

3.8 NO DUTY OF TRUSTEE TO DETERMINE OR ENFORCE CONTRIBUTIONS. The Trustee shall not be required to determine the amount of any contribution for any Plan Year or to enforce the duty of the Employer to make or pay over such contributions; but the Trustee shall provide the Employer with such information as it may reasonably require to determine the amount of its contribution.

ARTICLE IV
PARTICIPANTS' ACCOUNTS AND ADJUSTMENTS

4.1 ACCOUNTS.

4.1(a) The Administrator shall establish and maintain on the books of the Fund for all Participants and all other persons having an interest therein separate accounts reflecting the Accrued Benefit of each Participant. Such accounts of each Participant shall be separate with respect to the Accrued Benefit of such Participant represented by his accounts in each Fund division.

4.1(b) As of each Valuation Date (or as otherwise provided herein), accounts shall generally be adjusted in accordance with the applicable provisions of the Plan as follows:

(i) Benefit payments, withdrawals and other distributions and transfers out of the Fund shall be determined and allocated.

(ii) The net increase or decrease in value of accounts and Fund divisions shall be determined and allocated.

(iii) Contributions, amounts held in the special account under paragraph 4.5 and direct transfers shall be allocated.

(iv) Company Stock acquisitions by purchase or internal adjustment shall be determined and allocated.

(v) Other adjustments required under the Plan shall be made.

4.1(c) The Administrator shall establish procedures for, and may thereafter from time to time modify such procedures for, accounting for

interests in each Fund division. Such procedures may include dollar or unit accounting for one or more of the Fund divisions.

4.1(d) The Administrator shall establish procedures for, and may thereafter from time to time modify such procedures for, making the adjustments to accounts required under the Plan. Such procedures shall include records of the cost or other basis of Company Stock.

4.1(e) Whenever the Plan's Valuation Date is daily, the Administrator may utilize such rules as it deems appropriate for crediting valuation and other adjustments to Participants' accounts and the Fund divisions and for determining balances therein which reflect the time amounts are actually received or charged, rather than the time as of which an allocation is normally provided for under the Plan.

4.1(f) If the Administrator determines in making any valuation, allocation or other adjustments to any Participant's account under the provisions of the Plan that the strict application of the provisions of the Plan will not produce equitable and non-discriminatory allocations among the Participants' accounts, it may modify any procedures specified in the Plan for the purpose of achieving an equal and non-discriminatory allocation in accordance with the general concepts and purposes of the Plan; provided, however, that any such modification shall not be inconsistent with the provisions of Section 401(a)(4) and, where applicable, Section 401(k) or (m) of the Code and other qualification and excise tax sections of the Code applicable to the Plan.

4.2 ALLOCATION OF CONTRIBUTIONS. Subject to the applicable limitations contained herein:

4.2(a) Each Regular Participant's Pre-Tax Contributions to the Fund for a Plan Year shall be allocated to his Pre-Tax Account as of the last Valuation Date of the period in such Plan Year for which such contributions are made.

4.2(b) Each Participant's Rollover Contribution shall be allocated to his Rollover Account when made.

4.2(c) The Employer's Matching Contribution to the Fund made on behalf of a Regular Participant for an Allocation Period (as defined in subparagraph 3.1(a)) shall be allocated to the Matching Active Account (including the Company Stock Matching Account or the Unrestricted Matching Account, as applicable) of such Participant as of the last Valuation Date of the Allocation Period for which such contribution is made.

4.2(d) Each Employer's Profit Sharing Contribution to the Fund for a Plan Year shall be allocated as of the last Valuation Date of such Plan Year among the Profit Sharing Active Accounts (including the Company Stock Profit Sharing Account or the Unrestricted Profit Sharing Account, as applicable) of the Covered Participants for such Plan Year in proportion to their Compensation for such Plan Year.

4.2(e) The Employer's QNEC Contribution to the Fund for a Plan Year shall be allocated as of the last Valuation Date of such Plan Year among the QNEC Accounts (including the Company Stock QNEC Account or the QNEC Account, as applicable) of the Regular Participants who are Non-Highly Compensated Employees for such Plan Year in proportion to their Compensation for such Plan Year.

4.2(f) The Employer's Top Heavy Contribution to the Fund made on behalf of a Regular Participant for a Plan Year shall be allocated to the Profit Sharing Active Account (including the Company Stock Profit Sharing Account or the Unrestricted Profit Sharing Account, as applicable) of such Participant as of the last Valuation Date of such Plan Year.

4.2(g) Each Employer's Supplemental Contribution made to the Fund on behalf of a Participant for each Plan Year and amounts repaid to the Plan by the Participant pursuant to paragraph 6.6 shall be allocated to the account of such Participant as of the last Valuation Date of such Plan Year and when repaid, respectively, from which forfeited or distributed (including the Company Stock

Matching Account or the Unrestricted Matching Account, as applicable, and the Company Stock Profit Sharing Account or the Unrestricted Profit Sharing Account, as applicable).

4.2(h) If a contribution by the Employer is made in cash and Company Stock, the same proportions of each shall be allocated to each Participant receiving an allocation of the contribution in question.

4.3 DOLLAR/25% LIMITATIONS ON ANNUAL ADDITIONS.

4.3(a) Notwithstanding any other provision of the Plan, the sum of all Annual Additions (as defined in subparagraph 4.3(c)) allocated to the accounts of any Participant for any Limitation Year may not exceed the lesser of:

(i) $30,000 (referred to herein as the "Dollar Limitation"), or

(ii) Twenty-five percent (25%) of such Participant's Total Compensation for such Limitation Year,

which limitations are jointly referred to herein as the "Dollar/25% Limitations".

4.3(b) The Dollar Limitation shall be automatically adjusted by the Adjustment Factor, from time to time, to reflect any annual cost of living adjustments and any such adjustment (which with the original Dollar Limitation is referred to herein as the "adjusted Dollar Limitation") shall be effective for the Limitation Year which ends with or within the calendar year for which such increase is effective.

4.3(c) The term "Annual Additions" means the sum of the following amounts allocated to a Participant's account under the Plan for a Limitation Year:

(i) All contributions by the Employer other than Supplemental Contributions;

(ii) All forfeitures other than those used to restore accounts pursuant to paragraph 6.6;

(iii) All After-Tax Contributions and Pre-Tax Contributions by Participants; and

(iv) Any other amounts defined as "annual additions" under Section 415 of the Code.

Notwithstanding anything to the contrary herein, amounts repaid by a Participant pursuant to paragraph 6.6 in order to have a forfeiture restored and amounts which are excluded from being "annual additions" under Section 415 of the Code shall not be considered Annual Additions for purposes hereof.

4.3(d) For purposes hereof, the term "Limitation Year" means the Plan Year.

4.3(e) For purposes hereof, the rules of Section 415 of the Code are incorporated by reference for purposes of determining "Annual Additions" and applying the "Dollar/25% Limitations".

4.4 ADDITIONAL LIMITATIONS ON ANNUAL ADDITIONS WHERE EMPLOYER MAINTAINS MORE THAN ONE PLAN.

4.4(a) If any Participant is or has been a participant in another Qualified Defined Contribution Plan or in a Qualified Defined Benefit Plan (whether or not terminated), the limitations contained in paragraph 4.3 shall be appropriately adjusted when and as required by Section 415 of the Code, as modified where applicable by Section 416 of the Code, which provisions are incorporated by reference and shall control over any contrary or omitted or inconsistent provisions in the Plan.

4.4(b) If any Participant is or has been a participant in more than one Qualified Defined Contribution Plan (whether or not terminated), the limitations under Section 415 of the Code apply as if all such Qualified Defined Contribution Plans were one plan. The following rules shall also apply:

(i) In the event that the Dollar/25% Limitations would otherwise be exceeded for a Limitation Year, the applicable limitation shall be applied for such Participant by limiting the allocation of Annual Additions to the accounts of such Participant in the following order: first, allocations under all plans not hereinafter described, then profit sharing plan allocations, then stock bonus plan allocations, then money purchase pension plan allocations, then target benefit plan allocations, then employee stock ownership plan allocations, then tax credit employee stock ownership plan allocations, and lastly welfare benefit fund and individual medical benefit account allocations.

(ii) If such Participant is a participant in two or more plans of the same type, the applicable limitation shall be applied to non-contributory plans or aspects thereof first and thereafter to contributory plans or aspects thereof and shall be applied pro rata among such plans or aspects thereof in the same limitation category on the basis of allocations thereunder before operation of the applicable limitation.

4.4(c) If any Participant is or has been a Participant in both a Qualified Defined Benefit Plan and a Qualified Defined Contribution Plan, then the Annual Additions for such Participant shall be reduced (after the accrued benefit, the annual benefit, the projected annual benefit and the rate of accrual under all Qualified Defined Benefit Plans are reduced) to the extent necessary so that the sum of the defined benefit plan fraction (not to exceed one) and the defined contribution plan fraction (not to exceed one) determined pursuant to section 415(e) of the Code shall not exceed 1.0 for such Participant for any Plan Year and in order to achieve the objective of compliance with the applicable rules of limitation contained in Section 415(e) of the Code and, if the Plan is a Top Heavy Plan or a Super Top Heavy Plan, in Section 416(h) of the Code. Notwithstanding anything to the contrary in this paragraph, the limitations provision of this subparagraph shall not apply with respect to Plan Years beginning on or after January 1, 2000.

4.4(d) Solely for purposes of paragraphs 4.3, 4.4 and 4.5, the following words and terms shall have the meaning set forth below in this subparagraph:

(i) The term "Qualified Defined Contribution Plan" means any plan maintained by the Employer or portion thereof described or treated as a defined contribution plan within the meaning of Sections 414(i) and 415(k) of the Code, including, but not limited to, defined contribution plans qualified under Section 401(a) of the Code, tax sheltered annuity contracts described in Section 403(b) of the Code, simplified employee pension plans described in Section 408(k) of the Code, any employee contribution portion of and any cost-of-living protection arrangement under a defined benefit plan qualified under Section 401(a) of the Code, any individual medical account under a pension or annuity plan within the meaning of Section 415(l) of the Code, and any welfare benefit fund within the meaning of Section 419(e) of the Code.

(ii) The term "Qualified Defined Benefit Plan" means any plan maintained by the Employer or portion thereof described or treated as a defined benefit plan within the meaning of Sections 414(j) and 415(k) of the Code.

4.4(e) In complying with the limitations of Section 415 of the Code, all other transitional rules under any law enacting or amending Section 415, or Section 416 as applicable to Section 415, of the Code shall be applicable as determined by the Plan Sponsor.

4.5 SPECIAL ACCOUNT FOR UNALLOCATED ANNUAL ADDITIONS.

4.5(a) In the event a Participant's Annual Additions for a Plan Year exceed his Dollar/25% Limitations of paragraph 4.3, the excess Annual Additions

of such Participant shall be eliminated by refunding to him that amount of his After-Tax and Pre-Tax Contributions for the Plan Year which are included in the Annual Additions taken into account under the provisions of paragraph 4.3 in the following order:

(i) First, there shall be returned to such Participant first that amount of his After-Tax Optional Contributions, if any, and then of his Pre-Tax Optional Contributions, if any (including in each case any income allocable thereto for such Limitation Year), and

(ii) Then, there shall be returned to such Participant first that amount of his After-Tax Basic Contributions, if any, and then of his Pre-Tax Basic Contributions, if any, (including in each case any income allocable thereto for such Limitation Year),

and by the loss of Matching Contributions otherwise to be allocated to him with respect to such After-Tax and Pre-Tax Contributions, to the extent necessary to achieve compliance with the Dollar/25% Limitations of paragraph 4.3. Any such After-Tax and Pre-Tax Contributions so returned shall be disregarded for purposes of determining Excess Elective Deferrals in Appendix D to the Plan, actual deferral percentages under Section 401(k) of the Code (and Deferral Percentages in Appendix D to the Plan) and, if ever recharacterized and then returned, actual contribution percentages under Section 401(m) of the Code (and Contribution Percentages in Appendix D to the Plan). After the return to such Participant of any After-Tax and Pre-Tax Contributions and loss of Matching Contributions pursuant to the preceding provisions of this subparagraph, any elimination of allocations to his accounts made in accordance with this subparagraph shall be made first from Profit Sharing Contributions allocated to him, next from QNEC Contributions allocated to him, and then from Top Heavy Contributions allocated to him for such Plan Year.

4.5(b) Any Annual Additions allocable to Participants' accounts for the Plan Year which consist of the Profit Sharing Contribution or QNEC Contributions and which exceed the Dollar/25% Limitations of paragraph 4.3 shall be withdrawn for the affected Participants' accounts and retained as an undesignated account on the books of the Fund for allocation among the accounts of the Participants as a part of the Employer's contribution next due for the next following Plan Year. Any such amounts so used shall be treated for allocation purposes of the Plan as a part of the contribution by the Employer.

4.5(c) The undesignated special account maintained pursuant to this paragraph shall be adjusted at each Valuation Date for its share of net increase or decrease in value of the Fund, and such account shall be held in such Fund divisions as the Administrator shall direct.

4.5(d) Notwithstanding any other provisions of the Plan, no contributions by the Employer which would constitute amounts subject to the Dollar/25% Limitations of paragraph 4.3 for a Plan Year may be made to the Plan until any balance at the beginning of such Plan Year in the undesignated account maintained pursuant to this paragraph 4.5 has been allocated among the accounts of Participants.

4.6 VALUATION OF ASSETS AND ALLOCATION OF VALUATION ADJUSTMENTS. Earnings, losses and valuation change adjustments (referred to herein collectively as the "net increase or decrease in value" or as the "valuation adjustments") shall be made at least annually to Participants' accounts as hereinafter provided.

4.6(a) As of and within a reasonable time after each Valuation Date and as of the date of any transfer out of or benefit payment from a segregated account in the Loan Fund, the Trustee shall value the assets held in each such affected segregated account in the Loan Fund and the Administrator shall adjust each such account to reflect its net increases and decreases in value since the last valuation thereof. Expenses incurred and paid out of Plan assets in connection with the administration and investment by such a segregated account shall be charged to the segregated account incurring the same in such non-discriminatory manner as determined by the Administrator.

4.6(b) Within a reasonable time after each Valuation Date, the Trustee shall determine the value of assets (including Company Stock) held by the Fund in unsegregated accounts in each Fund division other than the Loan Fund as of such Valuation Date and the Administrator shall then adjust each such account on the books of the Fund proportionately to reflect the net increase or decrease in such value since the last Valuation Date. Such valuation and adjustments shall be made separately with respect to each such Fund division and with respect to each of the Participant's accounts in such Fund division. Solely for purposes of determining such net increase or decrease in value and the proportionate adjustment to each such account, the rules set forth in either (i) or (ii) below will apply with respect to "post-valuation additions" and "post-valuation reductions". "Post-valuation additions" are the amounts of the following additions or allocations made to such accounts as of a date after the last Valuation Date: contributions by the Employer; transfers from accounts in another Fund division; Participant contributions; Participant loan repayments; and direct transfers. "Post-valuation reductions" are the amounts of distributions or other payments which have been made from the Fund and charged to such accounts and transfers to accounts in another Fund division since the last Valuation Date.

(i) Except as otherwise provided in clause (ii) of this subparagraph, in determining such values and in making such adjustments there shall not be taken into consideration any post-valuation additions or reductions.

(ii) Notwithstanding the foregoing provisions of clause (i), if the Administrator shall so determine, the determination of such values and adjustments shall be made by considering a portion of any one or more individual items of post-valuation additions which have not been distributed or otherwise paid out of the Fund since the last Valuation Date and a portion of any one or more individual items of post-valuation reductions for transfers to accounts in another Fund division on a uniform and non-discriminatory basis to reflect their contribution to the net increase or decrease in value. The portion of any such item taken into account for such purposes shall be determined in one of the following two ways:

(A) By multiplying such item by a fraction, the numerator of which is the number of whole calendar months (or payroll periods or calendar weeks or days as determined by the Administrator) since the last Valuation Date during which such item was held in an account in the Fund and the denominator of which is the number of whole calendar months (or payroll periods or calendar weeks or days) since the last Valuation Date; or

(B) By multiplying such item by a fraction, the numerator of which is one and the denominator of which is the number of whole calendar months since the last Valuation Date.

4.6(c) The valuation adjustment contemplated by this paragraph shall be made before amounts are forfeited from accounts each Plan Year.

4.6(d) Notwithstanding anything to the contrary in the foregoing:

(i) In making such adjustments, expenses of the Plan and Fund in connection with any Participant or Beneficiary (such as for loan fees or charges) may, after direction of the Administrator on a uniform and non-discriminatory basis and then only if permitted by the Act and the Code, be charged directly to the account of the Participant or Beneficiary to whom the expense relates.

(ii) In making such adjustments, expenses allocable to each Fund division as a whole shall be borne by such Fund division as a whole, and expenses allocable to the Fund as a whole shall be borne by each Fund division on a pro rata basis (determined on the basis of account balances to which such adjustments are made). Such allocation of expenses shall be made in the manner determined by the Administrator.

(iii) At each Valuation Date, the Administrator in its discretion shall cause any negative balance in each Participant's account in the Fund to be eliminated by means of a transfer thereto of amounts held in the same classification of account of the Participant in another Fund division, and a corresponding pro rata transfer from the accounts of other Participants between Fund divisions.

(iv) Promissory notes of Participants or Beneficiaries held by the Trustee in the Loan Fund shall be valued at the face amount of their unpaid principal balances and, in the event the accrual method of accounting is used for such purpose, any interest accrued but unpaid thereon; and other assets of the Fund shall be valued at their fair market value as of each Valuation Date or other valuation thereof.

4.6(e) The Administrator shall select the method of accounting (either the cash method or the accrual method or some permissible combination thereof) to be used for purposes hereof.

4.6(f) The value of the assets shall be at their fair market value as of the Valuation Date and such other valuation thereof; provided, however, that the value of some or all Policies and Contracts may be their cash surrender value as of their respective last anniversary or other valuation date coinciding with or immediately preceding the Valuation Date if so directed by the Administrator.

4.6(g) Whenever the Plan accounting is based on daily Valuation Dates, contributions creditable to Participants' accounts shall be accounted for on as received basis by the Trustee and the valuation adjustments to Participants' accounts shall be effected on such basis and subject to such rules and procedures as the Administrator may determine to reflect daily accounting (without regard to the proration or partial allocation rules or other inconsistent rules of the foregoing provisions of this paragraph).

4.7 DETERMINATION OF ACCOUNT BALANCES.

4.7(a) The value of any account on the books of the Fund at any time shall be that amount determined by adding the amount of all contributions which have been allocated to such account and all adjustments and transfers (including all acquisitions of Company Stock made by cash purchase) by which such account has been increased, and further by subtracting all amounts forfeited from such account, all adjustments by which such account has been decreased and all distributions, other payments and transfers (including all cash payments from it to purchase Company Stock) made from such account, all as provided in the Plan.

4.7(b) In determining account balances in the Company Stock Fund:

(i) As of each Valuation Date, the Administrator shall allocate to each such account the number of full shares and the fractional interest (calculated to the second, third or fourth decimal place, as determined by the Administrator) of Company Stock transferred to or acquired by the account and shall decrease the number thereof at the last preceding Valuation Date by the shares or interest sold by, distributed from or otherwise removed from such account.

(ii) In the event of a Company Stock dividend or Company Stock split or a change in the number of shares of Company Stock held by the Plan as a result of a reorganization or other recapitalization of the Plan Sponsor, there shall be credited to each affected account a proportionate number of full and fractional shares of Company Stock received by the Plan as a result of such dividend, split or other change based on the number of shares and fraction thereof in such account as of the Valuation Date (or such date as the Administrator may direct) coinciding with or next following the ex-dividend or record date as applicable.

4.7(c) A record of the basis of the shares of Company Stock and fractions thereof shall be maintained as follows unless another method permitted by Section 402 of the Code is directed to be used by the Administrator:

(i) The basis of Company Stock purchased by the Trustee shall be the actual cost of the Company Stock to the Trustee. The basis of all other Company Stock acquired by the Trustee (including Company Stock contributed by the Employer to the Fund) shall be the fair market value of the Company Stock on the date of the acquisition.

(ii) All shares of Company Stock that are held unallocated in the special account maintained pursuant to paragraph 4.5 shall retain their original basis, without regard to when the shares are allocated to the accounts of the Participants.

(iii) As of each Valuation Date, the basis of all Company Stock that is made available for allocation to the accounts of the Participants shall be calculated by averaging the basis of all Company Stock to be allocated as of that date, as determined pursuant to clauses (i) and (ii) above.

(iv) The basis of all Company Stock allocated to an account of a Participant shall be calculated by averaging the basis of all Company Stock allocated to such account as of that date, determined as hereinabove provided.

4.7(d) Unless otherwise directed by the Administrator for Plan administrative purposes such as making benefit payments or causing substantially the same proportions of each account balance in the Company Stock Fund to be held in cash and in Company Stock, acquisitions and dispositions of Company Stock by Participants' accounts shall generally be effected pro rata based on account balances held in the Company Stock Fund and available for the period used.

4.8 SUSPENSE ACCOUNTS.

4.8(a) If any in-service withdrawal or other distribution of an Accrued Benefit is made to a Participant from his Matching or Profit Sharing Active Account before such Participant has a non-forfeitable right to his entire Accrued Benefit and before such Participant has permanently forfeited and lost his restoration rights under the Plan pursuant to subparagraph 6.6(b) (referred to herein as the "requisite break in service"), the balance of such Matching or Profit Sharing Active Account after each such distribution shall be maintained as a suspended portion of his Matching or Profit Sharing Active Account until either:

(i) Such Participant has incurred the requisite break in service, in which event his non-forfeitable interest in each such suspended portion shall be designated as or added to his Matching or Profit Sharing Non-forfeitable Account pursuant to subparagraph 6.3(c), or

(ii) Such Participant has become entitled to a non-forfeitable interest in his entire Accrued Benefit, in which event such portion shall no longer be suspended.

In no event shall any contributions or forfeitures be allocated to that part of a Participant's Matching or Profit Sharing Active Account which has been so suspended, but such suspended portion shall nevertheless be adjusted to reflect the increases or decreases in the value of the Fund pursuant to paragraph 4.6.

4.8(b) A Participant's non-forfeitable interest at any relevant time in any suspended portion of his Matching or Profit Sharing Active Account shall be determined by first determining:

(i) A "factor", which is the ratio of the value of such suspended portion at such relevant time to the value of the balance in such suspended portion immediately after such distribution, and

(ii) The "adjusted distribution", which is the product obtained by multiplying such factor by the sum of the last adjusted distribution, if any, plus the amount of the distribution which brought about the

suspension of such portion of such account.

The Participant's non-forfeitable interest in any suspended portion of his Matching or Profit Sharing Active Account at any relevant time shall equal the excess of:

(iii) The product obtained by multiplying such Participant's non-forfeitable percentage, determined under subparagraph 6.3 at such relevant time, by the sum obtained by adding the adjusted distribution to the value of the suspended portion at such relevant time, over

(iv) The adjusted distribution.

4.9 EQUITABLE ADJUSTMENT IN CASE OF ERROR OR OMISSION.

4.9(a) When an error or omission is discovered in the account of a Participant, the Administrator shall be authorized to make such equitable adjustments as are practical and as are determined by it as of the Plan Year in which the error or omission is discovered or corrected, including but not limited to actual retroactive reallocations, reallocations based on reasonable estimates, and other corrections described in this paragraph.

4.9(b) In the event that the error or omission is the erroneous forfeiture from a Participant's account or the failure to permit contributions to be made or to properly allocate contributions, forfeitures or valuation adjustments to a Participant's account, the Plan Sponsor in its sole discretion may contribute or cause there to be contributed by any Employer funds or assets to the Plan or may permit a make-up contribution by the Participant to be made to correct such error or omission and such funds, assets or contributions shall be allocated to the account or accounts of any such affected Participant as the Administrator may direct the Trustee in writing. Any such contributed amounts (other than the portion thereof intended to compensate for previously unallocated investment gain which shall not be considered an allocation subject to the Dollar/25% Limitations of paragraph 4.3) shall be considered allocated to the Participant's account for the Plan Year or Limitation Year to which they relate, rather than the Plan Year or Limitation Year in which actually made, for purposes of such limitations.

4.9(c) In the event that the error or omission is the understatement or overstatement of Fund earnings and losses, the Administrator is expressly authorized to determine the appropriate equitable adjustment on the basis of a standard of materiality therefor. If the understatement or overstatement does not exceed the standard, the Administrator may direct that no correction in the allocation for the valuation period of the understatement or overstatement be made and that such error or omission be corrected solely by treating the amount of the understatement or overstatement as additional earnings or loss for a subsequent valuation period (which generally shall be the valuation period immediately following the valuation period as of which both the error or omission is discovered and a determination is made of the equitable adjustment to correct the error or omission). Unless otherwise determined in writing by the Administrator, the standard of materiality for purposes hereof for a monthly valuation period shall be an aggregate amount (determined on a monthly basis) equal to the greater of Three Dollars ($3.00) per Participant in the affected Fund division or one tenth of one percent (.1%) of the fair market value of the affected Fund division at the Valuation Date of the understatement or overstatement. This subparagraph shall apply to all such errors or omissions not yet corrected as of the Effective Date of this Restatement of the Plan.

4.10 SPECIAL RULES FOR REEMPLOYED VETERANS.

4.10(a) Effective December 12, 1994, notwithstanding any other provision of the Plan, the following special rules shall apply in order to provide Make-up Contributions to the Plan on behalf of Reemployed Veterans:

(i) Make-up Contributions shall be made to the Plan by the Employer on behalf of a Reemployed Veteran, and allocated to the appropriate

account of the affected Participant's Accrued Benefit, in such amount and at such time or times as is required by the USERRA.

(ii) Make-up Contributions with respect to a Reemployed Veteran shall not be subject to any otherwise applicable contribution limits under Sections 402(g), 402(h), 403(b), 408, 415, or 457 of the Code or any otherwise limit on deductible contributions under Sections 404(a) or 404(h) of the Code as applied with respect to the Plan Year or taxable year, as applicable to the relevant section of the Code, in which the contribution is made. A Make-up Contribution shall not be taken into account in applying the contribution or deductible contribution limits to any other contribution made during the Plan Year or taxable year, as applicable to the relevant section of the Code. Make-up Contributions shall not exceed the aggregate amount of contributions that would have been permitted under the Plan contribution and deductible contribution limits for the Plan Year or taxable year, as applicable to the relevant section of the Code, to which the contribution relates had the Reemployed Veteran continued to be employed by the Employer during the period of his Qualified Military Service.

(iii) Make-up Contributions shall not be treated as contributions for purposes of determining Top Heavy Contributions required to be made by the Employer for either the Plan Year in which they are made or for the Plan Year to which they relate.

(iv) Compensation to be used for purposes of determining Make-up Contributions with respect to a period of Qualified Military Service shall mean the Compensation (as otherwise defined in the Plan but based on rate of pay) which the Reemployed Veteran would have received but for his Qualified Military Service. If a Reemployed Veteran's pay is not readily determinable, the Reemployed Veteran's Compensation shall then be his average Compensation for the 12-month period (or actual shorter period of employment) immediately preceding his Qualified Military Service.

(v) The following service counting rules shall apply:

(A) A Reemployed Veteran shall not be considered to have incurred a Year of Broken Service by reason of his Qualified Military Service.

(B) Qualified Military Service of a Reemployed Veteran shall be counted as service for vesting and benefit accrual under the Plan.

(vi) A Reemployed Veteran shall be entitled to Matching Contributions that are contingent on elective deferrals or employee contributions for the period of his Qualified Military Service only if he timely makes those contributions following his return to the Employer's service as provided in this paragraph.

4.10(b) Notwithstanding any other provision of the Plan, a Reemployed Veteran shall be entitled to make After-Tax and Pre-Tax Contributions for the period of his Qualified Military Service following his return to the Employer's service as follows:

(i) Such contributions must be made during the period which begins on the date of reemployment with the Employer following such Qualified Military Service and is equal to the lesser of (A) three times the Reemployed Veteran's period of Qualified Military Service or (B) five (5) years.

(ii) The amount of such contributions shall be determined by the Reemployed Veteran but shall not exceed the maximum amount which the Reemployed Veteran could have made during the period of his Qualified Military Service in accordance with the applicable limitations and rules of the Plan as though the Reemployed Veteran had continued to be employed by the Employer and received the Compensation during such period in the

amount determined pursuant to this paragraph.

(iii) The maximum amount of such contributions determined in clause (ii) above shall be reduced by the amount of any such contributions actually made for during the Reemployed Veteran's period of Qualified Military Service.

4.10(c) For purposes of this paragraph, the following terms have the following meanings:

(i) "Make-up Contributions" means the contributions which are required to be made to the Plan for a Reemployed Veteran pursuant to the USERRA and Section 414(u) of the Code. These contributions generally are the contributions by the Employer that would have accrued to the Reemployed Veteran under the Plan, but for his absence due to his Qualified Military Service. Neither the Make-up Contribution obligation nor this paragraph requires that (A) any earnings be credited to the account of a Reemployed Veteran with respect to any Make-up Contribution before such contribution is actually made or (B) the Plan provide for any make-up allocation of any forfeitures that occurred during the period of a Reemployed Veteran's Qualified Military Service.

(ii) "Qualified Military Service" means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any individual if such individual is entitled to reemployment rights under such chapter with respect to such service and to the Employer.

(iii) "Reemployed Veteran" means a person who is or, but for his Qualified Military Service, would have been a Participant at some time during his Qualified Military Service and who is entitled to the restoration benefits and protections of the USERRA with respect to his Qualified Military Service and the Plan.

(iv) "USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994.

4.11 LIMITATION ON AND DISTRIBUTION OF AFTER-TAX, PRE-TAX AND MATCHING CONTRIBUTIONS MADE BY OR ON BEHALF OF HIGHLY COMPENSATED EMPLOYEES. After-Tax, Pre-Tax and Matching Contributions made by or on behalf of Highly Compensated Employees shall be subject to the non-discrimination rules of Sections 401(k) and (m) of the Code and shall be limited, refunded or forfeited as provided in Appendix D to the Plan.

ARTICLE V
RETIREMENT DATES

5.1 NORMAL RETIREMENT DATE. The Normal Retirement Date of a Participant shall be the first day of the calendar month coinciding with or next following the date on which the Participant attains his Normal Retirement Age.

5.2 DELAYED RETIREMENT DATE. A Participant who continues in the active employment of the Employer beyond his Normal Retirement Date shall continue to participate in the Plan, and his Delayed Retirement Date shall be the first day of the calendar month coinciding with or next following the date of termination of his employment with the Employer.

5.3 EARLY RETIREMENT DATE. A Participant who has attained the age of fifty-five (55) years or more while an Eligible Employee and has completed at least ten (10) Years of Vesting Service as determined for vesting purposes under paragraph 6.5 may retire from the employment of the Employer prior to his Normal Retirement Date and his Early Retirement Date shall be the first day of the calendar month coinciding with or next following the date of such retirement.

5.4 DISABILITY RETIREMENT DATE. A Participant who becomes Disabled while employed by the Employer and ceases to be employed by the Employer as a result of his Disability shall be considered to retire on Disability Retirement for

purposes of this Plan and his Disability Retirement Date shall be the first day of the calendar month coinciding with or next following the date of such retirement.

5.4(b) For purposes hereof:

(i) With respect to a Participant, the existence of a "Disability" or the status of being "Disabled" means the occurrence of either (A) the Participant's inability, because of a physical or mental impairment, either to perform the duties of his customary employment or to engage in any gainful activity for an indefinite period or (B) the Participant's permanent loss or loss of use of a member of function of the body or permanent disfigurement.

(ii) The Administrator shall have the right to require proof of Disability.

(iii) Failure by the Participant to provide such evidence as may be required by the Administrator shall result in the determination that the Participant is not Disabled under the Plan.

(iv) The determination of Disability shall be made by the Administrator in accordance with standards uniformly applied to all Participants, on the advice of one or more physicians appointed or approved by the Plan Sponsor if deemed necessary or advisable by the Administrator, and the Administrator shall have the right to require further medical examinations from time to time to determine whether there has been any change in the Participant's physical condition.

ARTICLE VI
VESTING

6.1 VESTING AT RETIREMENT OR ATTAINMENT OF NORMAL RETIREMENT AGE.

6.1(a) Upon either:

(i) A Participant's having attained his Normal Retirement Age while employed by the Employer,

(ii) His satisfaction of the age and service requirements for Early Retirement while an Eligible Employee, or

(iii) His retirement from the employment of the Employer on his Disability Retirement Date,

the Accrued Benefit of such Participant shall be fully vested and non-forfeitable.

6.2 VESTING AT DEATH. If a Participant dies while employed by the Employer, the Accrued Benefit of such Participant shall be fully vested and non-forfeitable.

6.3 VESTING IN MATCHING AND PROFIT SHARING ACTIVE ACCOUNTS AT OTHER TIMES. At any time when a Participant is not fully vested in his Matching and Profit Sharing Active Accounts under paragraphs 6.1 or 6.2, he shall have a non-forfeitable interest in a percentage of his Matching and Profit Sharing Active Accounts depending upon the number of his Years of Vesting Service with which he is credited at such time in accordance with the applicable schedule below:

Years of Vesting Service	Non-Forfeitable Percentage
Less than 3	0%
3 or more	100%

Notwithstanding the foregoing, a Participant who is an Employee at the time of a "change in control" of the Plan Sponsor shall have a non-forfeitable interest in a percentage of his Matching and Profit Sharing Active Accounts. For purposes hereof, the term "change in control" means "Change in Control" as defined in the Plan Sponsor's 1996 Incentive Stock Plan.

6.4 VESTING IN ACCRUED BENEFIT OTHER THAN MATCHING AND PROFIT SHARING ACTIVE ACCOUNTS. A Participant shall at all times have a fully vested and non-forfeitable interest in his Accrued Benefit other than his Matching and Profit Sharing Active Accounts.

6.5 VESTING SERVICE RULES. For purposes of computing a Participant's non-forfeitable right to his Matching and Profit Sharing Active Accounts, all Years of Vesting Service, whether or not consecutive, shall be included.

6.6 FORFEITURE AND RESTORATION OF MATCHING AND PROFIT SHARING ACTIVE ACCOUNTS.

6.6(a) The balance of a Participant's Matching and Profit Sharing Active Accounts in excess of his non-forfeitable interest therein shall be forfeited as of the earlier (his "Forfeiture Date") of:

(i) The last day of the Plan Year in which he incurs five (5) consecutive Years of Broken Service (a "Forfeiture Break in Service), or

(ii) The date he dies, or

(iii) The date he receives payment of his entire non-forfeitable Accrued Benefit under the Plan (a "cash-out").

After a Participant's Forfeiture Date (and the loss of his right of restoration described in subparagraph 6.6(b), if applicable), his non-forfeitable interest in his Matching or Profit Sharing Active Account, if any, shall then be designated as or added to his Matching or Profit Sharing Non-forfeitable Account and no further allocations of any part of the Matching, Profit Sharing or Top Heavy Contributions by the Employer or of any forfeitures shall be made to such account thereafter.

6.6(b) If a Participant incurs a Forfeiture Date because of a cash-out and again becomes an Employee prior to the termination of the Plan (the date of which is referred to herein as the "Re-employment Date"), an amount equal to such forfeited account balance (without increase or decrease for valuation adjustments in the Fund after the forfeiture) shall be restored to his Matching and Profit Sharing Active Accounts through a Supplemental Contribution made by the Employer for such Plan Year in which both:

(i) While an Employee, he repays to the Fund the amount of the distributions from his Matching and Profit Sharing Accounts, and

(ii) Such repayment is made before the earlier of (A) the date he incurs five (5) consecutive Years of Broken Service after the date of his cash-out or (B) the date which is five (5) years after his Re-employment Date (at which earlier date his restoration right expires).

6.6(c) For purposes of this paragraph, a Participant who has no non-forfeitable interest in his Accrued Benefit shall be deemed to have been cashed-out pursuant to the provisions of this paragraph upon his ceasing to be an Employee and shall be deemed to have repaid such cashed-out benefit upon his Re-employment Date provided that such Re-employment Date occurs before his restoration right expires.

6.6(d) If a Participant incurs a Forfeiture Date, and if he later is entitled to an allocation of Matching, Profit Sharing or Top Heavy Contributions or forfeitures, new Matching and Profit Sharing Active Accounts shall be established for such Participant.

6.6(e) If a Participant incurs a forfeiture because of a Forfeiture Break

in Service or he incurs a forfeiture because of a cash-out and his restoration rights with respect to a separately established Matching or Profit Sharing Account expire, Years of Vesting Service after the occurrence of his Forfeiture Break in Service or the expiration of his restoration rights, respectively, shall not be taken into consideration in determining the amount of such Participant's vested interest in such separately established Matching and Profit Sharing Active or Non-forfeitable Accounts.

ARTICLE VII
DEATH BENEFITS

7.1 DEATH AFTER BENEFIT COMMENCEMENT DATE. If a Participant dies after his Accrued Benefit has begun to be paid to him, the only benefits payable under the Plan after his death shall be those, if any, provided under the form of payment being made to him at his death.

7.2 DEATH BEFORE BENEFIT COMMENCEMENT DATE. If a Participant dies before his Accrued Benefit has begun to be paid to him, his non-forfeitable Accrued Benefit under the Plan shall be paid to his Beneficiary at the time and in the manner described in ARTICLE VIII.

7.3 BENEFICIARY DESIGNATION.

7.3(a) Subject to the rights of his Spouse as hereinafter provided, each Participant shall have the right to notify the Administrator in writing of any designation of a Beneficiary to receive, if alive, benefits under the Plan in the event of his death. Such designation may be changed from time to time by notice in writing to the Administrator. Notwithstanding anything to the contrary in the foregoing, the Beneficiary of any Participant shall be the Participant's surviving Spouse, if any, and no contrary Beneficiary designation shall be given effect unless the Beneficiary designation is consented to by the Participant's Spouse.

7.3(b) If a Participant dies without having designated a Beneficiary, or if the Beneficiary so designated has predeceased the Participant or, except when his Beneficiary is his Spouse, cannot be located by the Administrator within one year after the date when the Administrator commenced making a reasonable effort to locate such Beneficiary, then his surviving spouse, or if none, then his surviving children, including adopted children, in equal shares, or if none, then his surviving parents in equal shares, or if none, then his estate shall be deemed to be his Beneficiary.

7.3(c) Unless otherwise provided by the Administrator, any Beneficiary designation may include multiple, contingent or successive Beneficiaries and may specify the proportionate distribution to each Beneficiary. If a Beneficiary shall survive the Participant, but shall die before the entire benefit payable to such Beneficiary has been distributed, then absent any other provision by the Participant, the unpaid amount of such benefit shall be distributed to the estate of the deceased Beneficiary. If multiple Beneficiaries are designated, absent provisions by the Participant, those named or the survivors of them shall share equally any benefits payable under the Plan. Any Beneficiary, including the Participant's spouse, shall be entitled to disclaim any benefit otherwise payable to him under the Plan.

7.4 CONSENT TO BENEFICIARY DESIGNATION. Any Beneficiary designation by the Participant for purposes of paragraph 7.3 and shall be subject to the following rules:

7.4(a) Such Beneficiary designation shall not be given effect unless either:

(i) The Participant's Spouse consents in writing to the designation and the Spouse's consent acknowledges the effect of the designation and is witnessed by a representative of the Plan or a notary public (or the equivalent) or both if required by the Administrator, or

(ii) It is established to the satisfaction of the Administrator that such consent may not be attained because there is no Spouse, because the Spouse cannot be located, because the Participant has been abandoned by the Spouse (which fact shall be determined under applicable law and evidenced by a court order so specifying), or because of such other circumstances as may be provided under Section 417(a)(2)(B) of the Code.

For purposes hereof, a representative of the Plan is any officer of the Employer, the Administrator or any other person designated as such in writing by any of the foregoing.

7.4(b) If a Spouse consents to a Participant's Beneficiary designation, such consent shall either be in the form of:

(i) A limited consent which acknowledges any specific non-Spouse Beneficiary or class of non-Spouse Beneficiaries (including any multiple, contingent or successive Beneficiary or class of Beneficiaries), if any, or

(ii) If permitted by the Administrator on a uniform non-discriminatory basis, a general consent which acknowledges the Spouse's right (and awareness thereof) to limit consent only to a specific Beneficiary or class of Beneficiaries and in which the Spouse voluntarily elects to relinquish such right.

7.4(c) If a Spouse consents to a Participant's Beneficiary designation, any change of the Beneficiary thereunder (other than a revocation altogether of the designation) by the Participant shall require the further consent of his Spouse in accordance with the applicable provisions of this subparagraph (unless the consent of the Spouse expressly permits such change by the Participant without any requirement of further consent by the Spouse). However, reaffirmation of the Spouse's consent to the designation shall not be required.

7.4(d) Any such consent by a Spouse, or the establishment that the consent of a Spouse may not be obtained, shall be effective only with respect to such Spouse.

7.4(e) Any such consent by a Spouse shall continue to be effective for so long as the Participant's designation remains in force and may not be revoked by the Spouse.

ARTICLE VIII
PAYMENT OF BENEFITS

8.1 TIME OF PAYMENT.

8.1(a) The non-forfeitable Accrued Benefit of a Participant shall become payable to the Participant, if then alive, or otherwise to his Beneficiary, no earlier than his cessation of employment with the Employer and at a time determined by the Administrator in accordance with the following rules:

(i) The non-forfeitable Accrued Benefit of the Participant shall normally commence to be paid as soon as practicable after:

(A) The Participant separates from the service of the Employer for any reason; or

(B) If later, and the Participant's non-forfeitable Accrued Benefit exceeds, or at the time of any prior distribution exceeded, $3,500, the earlier of (I) the date on which the Participant delivers to the Administrator a written consent to payment or (II) the date on which the Participant attains age sixty-five (65).

(ii) Notwithstanding the foregoing, the non-forfeitable Accrued Benefit of a Participant shall not commence to be paid later than the

sixtieth (60th) day after the end of the Plan Year in which occurs the later of the:

(A) The date on which the Participant attains the age of sixty-five (65), or

(B) The date he ceases to be employed by the Employer.

(iii) Notwithstanding the foregoing, the non-forfeitable Accrued Benefit of a Participant shall commence to be paid by the April 1 following the calendar year in which occurs the later of:

(A) The date the Participant attains the age seventy and one-half (70-1/2), or

(B) Effective January 1, 1997 if the Participant's Accrued Benefit is not in pay status on December 31, 1996 and the Participant is not a more than five percent (5%) owner of the Employer (as defined for purposes of determining Key Employees) with respect to the Plan Year ending in the calendar year in which the Participant attains the age seventy and one-half (70-1/2), the date the Participant retires from the service of the Employer.

The non-forfeitable Accrued Benefit of such Participant for each Plan Year after his Accrued Benefit is required to commence pursuant to the preceding sentence shall commence to be paid as soon as possible after each such Plan Year.

(iv) Notwithstanding the foregoing other than clause (iii), except as provided in ARTICLE IX, the non-forfeitable Accrued Benefit of a Participant shall not commence to be paid before the earlier of:

(A) The date such Participant ceases to be employed by the Employer by reason of death, disability, retirement or other separation from service,

(B) The date of transfer of such Participant to the employment of a corporate employer which is not an Affiliate acquiring by sale or other disposition of substantially all the assets used in a trade or business conducted by a selling corporate Affiliate which employed the Participant,

(C) The date of sale or other disposition of a corporate Affiliate's interest in a subsidiary to an entity or person which is not an Affiliate when such Participant continues employment with such subsidiary, or

(D) The date of termination of the Plan without the establishment of a successor plan as determined for purposes of Section 401(k) of the Code. A "successor plan" generally means any other defined contribution plan (other than an employee stock ownership plan as defined in Section 409 or 4975(e)(7) of the Code, other than a simplified employee pension plan described in Section 408(k) of the Code, and other than a plan under which fewer than two percent (2%) of the Employees eligible to participate in the Plan at the date of its termination are or were eligible to participate at any time during the twenty-four (24) month period beginning twelve (12) months before its termination) maintained by the Employer which is in existence at the date of termination of the Plan or established within the 12-month period after all benefits under the Plan are distributed.

Clauses (iv)(B), (C) and (D) of this subparagraph shall not apply unless the distribution occurring by reason of an event described therein is a Lump Sum Payment. Clauses (iv)(B) and (C) of this subparagraph shall not

apply unless the Plan continues to be maintained by the selling Affiliate or any other Affiliate after the sale or other disposition referred to therein, unless the purchaser does not after the sale or other disposition adopt or maintain the Plan or another plan with the Plan is merged or consolidated or to which Plan assets are transferred (other than by means of a rollover contribution), and unless the distribution occurs in connection with the sale or other disposition (which means that the distribution normally is made no later than the end of the second calendar year after the calendar year in which the sale or other disposition occurred).

8.1(b) The non-forfeitable Accrued Benefit of a Participant who dies before such Accrued Benefit commences to be paid to him shall become payable to his Beneficiary as soon as practicable after the Participant's death.

8.1(c) Notwithstanding the foregoing provisions of this paragraph, a Participant whose non-forfeitable Accrued Benefit exceeds, or at the time of any prior distribution exceeded, $3,500, or the Beneficiary of a Participant who dies before his non-forfeitable Accrued Benefit becomes payable and whose non-forfeitable Accrued Benefit entitlement exceeds $3,500, may elect a later date on which such Accrued Benefit shall become payable if such Accrued Benefit exceeds, at the time of the distribution or any prior distribution, $3,500. Such later date shall not be later than:

(i) In the case of an election by a Participant, the latest time for payment under clause (iii) of subparagraph 8.1(a);

(ii) In the case of an election by a Beneficiary who is the Participant's spouse, the later of:

(A) The end of the fifth (5th) calendar year following the calendar year in which the Participant's death occurs, or

(B) The end of the calendar year in which the Participant would have attained the age of seventy and one-half (70-1/2); and

(iii) In the case of an election by a Beneficiary who is not the Participant's spouse, the end of the fifth (5th) calendar year following the calendar year in which the Participant's death occurs.

Such election shall be in writing, executed and filed with the Administrator at least thirty (30) days (or such shorter period as the Administrator may permit on a uniform and non-discriminatory basis) before the date such Accrued Benefit otherwise becomes payable, and it shall set forth and shall be conditioned upon the payment of such Accrued Benefit in a form provided herein. Any such election may be revoked or modified at any time.

8.1(d) The non-forfeitable Accrued Benefit of a Participant which is payable to an "alternate payee" (as defined in Section 414(p) of the Code) who is the Participant's spouse (including a former spouse) pursuant to a QDRO may be paid in a Lump Sum Payment (as defined in paragraph 8.4), as soon as practicable after the QDRO is delivered to the Administrator and determined to be a QDRO or at such later time as may be provided in such QDRO, where the Participant has neither attained the earliest retirement age under Section 414(p) of the Code or separated from the service of the Employer.

8.1(e) Notwithstanding the foregoing provisions of this paragraph, payment may be delayed for a reasonable period in the event the recipient cannot be located or is not competent to receive the benefit payment, there is a dispute as to the proper recipient of such benefit payment, additional time is needed to complete the Plan valuation adjustments and allocations, or additional time is necessary to properly explain the recipient's options.

8.2 FORM OF PAYMENT WHEN PARTICIPANT IS THE INITIAL RECIPIENT. The non-forfeitable Accrued Benefit of a Participant payable to him pursuant to paragraph 8.1 shall be paid to him in the form of a Lump Sum Payment (as defined in paragraph 8.4). Payments due after a Participant's death shall be made to his

Beneficiary.

8.3 FORM OF PAYMENT WHEN BENEFICIARY IS THE INITIAL RECIPIENT. In the event of a Participant's death before his Accrued Benefit is entirely paid to him, the Participant's remaining non-forfeitable Accrued Benefit payable pursuant to paragraph 8.1 shall be paid to his Beneficiary in the form of a Lump Sum Payment (as defined in paragraph 8.4). Payments due after a Beneficiary's death shall be made to the successor Beneficiary.

8.4 PAYMENT DEFINITIONS AND RULES.

8.4(a) The term "Lump Sum Payment" generally means a single payment of the entire or, as applicable, the designated portion of the entire, non-forfeitable Accrued Benefit. A non-forfeitable Accrued Benefit of a Participant payable in the form of a Lump Sum Payment shall be determined as of the Valuation Date (or other time of valuation hereunder) immediately preceding the date of payment to which shall be added any contributions or other adjustments allocated after such Valuation Date (or other time of valuation hereunder) and from which shall be subtracted any distributions or other adjustments since such Valuation Date (or other time of valuation hereunder). In the event an Accrued Benefit is to be paid in a Lump Sum Payment and the amount thereof has not been determined, the Administrator is authorized to make one or more interim payments prior to the time the amount of such Lump Sum Payment is finally determined.

8.4(b) All payments of a Participant's non-forfeitable Accrued Benefit held in Fund divisions other than the Loan Fund or the Company Stock Fund shall be made in cash.

8.4(c) All payments of a Participant's non-forfeitable Accrued Benefit held in the Company Stock Fund shall be made by the transfer of either cash or whole shares of Company Stock and cash in lieu of a fractional share, as follows:

(i) If the number of shares which would otherwise be distributed is less than twenty-five (25) (as adjusted automatically from time to time to reflect Company Stock dividends or splits or other capitalization changes occurring after March 31, 1997), payment shall normally be made entirely in cash.

(ii) If the number of shares to be distributed is twenty-five (25) (as adjusted automatically from time to time to reflect Company Stock dividends or splits or other capitalization changes occurring after March 31, 1997) or more, payment shall normally be made in whole shares and cash in lieu of a fractional share.

(iii) Notwithstanding the normal form of payment, the recipient shall be entitled to elect either method of payment. Such election shall be filed with the Administrator at least thirty (30) days (or such shorter period as the Administrator may permit on a uniform and non-discriminatory basis) before the benefit payment date. Any election may be revoked and another election made any number of times.

(iv) Any whole shares of Company Stock which are converted to cash for payment purposes shall be disposed of at current fair market value at or about the time of payment by sale to the Plan Sponsor or on the open market or transfer to other Participants' accounts. Any whole or fractional shares which are acquired with the portion of the account which normally would be paid in cash shall be acquired at current fair market value at or about the time of payment by purchase from the Plan Sponsor or on the open market or transfer from other Participants' account. Notwithstanding the provisions of paragraphs 4.6 and 4.7, the basis attributable to the Stock acquired with the cash portion from a stockholder other than the Plan or from the Plan Sponsor shall not be determined pursuant to paragraphs 4.6 and 4.7, but shall equal its cost, if so directed by the Administrator.

8.4(d) All payments of a Participant's non-forfeitable Accrued Benefit

held in the Loan Fund shall be made by offset against the Participant's non-forfeitable Accrued Benefit by distribution of the Participant's promissory note(s) marked paid and satisfied.

8.4(e) To the extent the payment provisions of the Plan are inconsistent with and violative of the requirements of Section 401(a)(9) of the Code, the provisions of Section 401(a)(9) of the Code are hereby incorporated by reference and shall control.

8.5 PLAN TO PLAN DIRECT ROLLOVER AS A DISTRIBUTION OPTION.

8.5(a) Notwithstanding any contrary provision of the Plan, but subject to any de minimis or other exceptions or limitations provided for under Section 401(a)(31) of the Code, any prospective recipient (whether a Participant, a surviving spouse, a current or former spouse who is an alternate payee under a QDRO or any other person eligible to make a rollover) of a distribution from the Plan which constitutes an "eligible rollover distribution" (to the extent otherwise includible in the recipient's gross income) may direct the Trustee to pay the distribution directly to an "eligible retirement plan".

8.5(b) For purposes hereof, the following terms have the meanings assigned to them in Section 401(a)(31) of the Code and, to the extent not inconsistent therewith, shall have the following meanings:

(i) The term "eligible retirement plan" means a defined contribution plan which is either an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the prospective recipient's eligible rollover distribution; provided, however, that in the case of an eligible rollover distribution payable to a Participant's surviving spouse, an "eligible retirement plan" means only an individual retirement account or individual retirement annuity.

(ii) The term "eligible rollover distribution" means any distribution other than:

(A) A distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made either for the life (or life expectancy) of the recipient or the joint lives (or joint life expectancies) of the recipient and his beneficiary who is an individual or for a specified period of ten (10) or more years, or

(B) A distribution to the extent it is required under the minimum distribution requirement of Section 401(a)(9) of the Code.

8.5(c) Any such direction shall be filed with the Administrator in such form and at such time as the Administrator may require and shall adequately specify the eligible retirement plan to which the payment shall be made.

8.5(d) The Trustee shall make payment as directed only if the proposed transferee plan will accept the payment.

8.5(e) Any such plan to plan transfer shall be considered a distribution option under this Plan and shall be subject to all the usual distribution rules of this Plan (including but not limited to the requirement of spousal consent, where applicable, and an advance explanation of the option).

8.5(f) The Administrator is authorized in its discretion, applied on a uniform and non-discriminatory basis, to apply any discretionary de minimis or other discretionary exceptions or limitations provided for under Section 401(a)(31) of the Code in effecting or declining to effect plan to plan transfers hereunder.

8.5(g) Within a reasonable time (generally not more than ninety (90) nor less than thirty (30) days) before the benefit payment date of a prospective recipient of an eligible rollover distribution from the Plan, the Administrator shall provide the prospective recipient with a written explanation of the rollover and tax rules required by Section 402(f) of the Code.

8.6 NOTICE, ELECTION AND CONSENT PROCEDURES REGARDING ACCRUED BENEFIT PAYMENT.

8.6(a) Any election and any designation regarding, and any consent to, payment given by a Participant or Beneficiary shall be in writing, shall clearly indicate the election or designation being made or the consent being given, and shall be filed with the Administrator and in accordance with the procedures provided in the following subparagraphs to this paragraph.

8.6(b) Within a reasonable time (generally not more than ninety (90) nor less than thirty (30) days, or any shorter period permitted under the Code) before a Participant's non-forfeitable Accrued Benefit is to be paid to him, the Administrator shall by mail or personal delivery provide the Participant with a written explanation of:

(i) The terms and conditions of the applicable form of payment, including the financial effects of the form of payment.

(ii) The Participant's right to delay receipt of his non-forfeitable Accrued Benefit until such later date, if any, allowed under paragraph 8.1, including the right to modify or revoke any election thereunder.

8.6(c) Within a reasonable time before the non-forfeitable Accrued Benefit of a Participant who died prior to commencement of payment of his Accrued Benefit is to be paid, the Administrator shall by mail or personal delivery provide the Participant's Beneficiary with a written explanation of:

(i) The terms and conditions of the applicable form of payment.

(ii) The Beneficiary's right to delay receipt of the Participant's non-forfeitable Accrued Benefit until such later date, if any, allowed under paragraph 8.1, including the right to modify or revoke any election thereunder.

8.6(d) If a distribution is one to which Sections 401(a)(11) and 417 of the Code do not apply (and it is intended that those sections do not apply to distributions from this Plan), such distribution may commence to be made less than thirty (30) days (or any shorter period permitted under the Code) after any required notice pursuant to this paragraph or paragraph 8.5 is given so long as:

(i) The Administrator clearly informs the recipient that, where applicable, the recipient has a right to a period of at least thirty (30) days (or any shorter period permitted under the Code) after receiving the notice to consider the decision of whether or not to elect or consent to a distribution (and, if applicable, a particular distribution option), and

(ii) The recipient, after receiving the notice, affirmatively elects a distribution.

8.7 BENEFIT DETERMINATION AND PAYMENT PROCEDURE.

8.7(a) The Administrator shall make all determinations concerning eligibility for benefits under the Plan, the time or terms of payment, and the forms or manner of payment to the Participant or the Participant's Beneficiary, in the event of the death of a Participant. The Administrator shall promptly notify the Trustee of each such determination that benefit payments are due or should cease to be made and provide to the Trustee all other information necessary to allow the Trustee to carry out said determination, whereupon the Trustee shall pay or cease to pay such benefits from the Fund in accordance with the Administrator's determination.

8.7(b) In making the determinations described in subparagraph 8.7(a), the Administrator shall take into account the terms of any QDRO received with respect to the non-forfeitable Accrued Benefit of the Participant. The time and form of payment with respect to the QDRO and the time and form of payment chosen by the Participant or his Beneficiary or required by the Plan shall not be altered by the terms of the QDRO (except as required under Section 414(p)(4) of the Code or, if payment is made in the form of a Lump Sum Payment (as defined in paragraph 8.4), as permitted under subparagraph 8.1(d)). The Administrator shall make all determinations regarding benefit payments to be made pursuant to a QDRO. Any benefit payment which may be subject to the terms of a domestic relations order received by the Administrator shall be suspended during the period the Administrator is considering whether the order is a QDRO. In the event that benefits are in pay status at the time that a domestic relations order is received, the Administrator shall promptly notify the Trustee of the amount, if any, of the benefit payments that must be suspended for the period required by the Administrator to determine the status of the order. Upon the completion of the Administrator's review or other determination of the status of the order, the Administrator shall promptly notify the Trustee of the time benefit payments are to commence or resume, and of the identity of, and the amount and form of benefits to be paid to the person or persons to whom payment is to be made.

8.8 CLAIMS PROCEDURE.

8.8(a) A Participant or Beneficiary (the "claimant") shall have the right to request any benefit under the Plan by filing a written claim for any such benefit with the Administrator on a form provided by the Administrator for such purpose. The Administrator shall give such claim due consideration and shall either approve or deny it in whole or in part. Within ninety (90) days following receipt of such claim by the Administrator, notice of any approval or denial thereof, in whole or in part, shall be delivered to the claimant or his duly authorized representative or such notice of denial shall be sent by mail to the claimant or his duly authorized representative at the address shown on the claim form or such individual's last known address. The aforesaid ninety (90) day response period may be extended to one hundred eighty (180) days after receipt of the claimant's claim if special circumstances exist and if written notice of the extension to one hundred eighty (180) days indicating the special circumstances involved and the date by which a decision is expected to be made is furnished to the claimant within ninety (90) days after receipt of the claimant's claim. Any notice of denial shall be written in a manner calculated to be understood by the claimant and shall:

(i) Set forth a specific reason or reasons for the denial,

(ii) Make specific reference to the pertinent provisions of the Plan on which any denial of benefits is based,

(iii) Describe any additional material or information necessary for the claimant to perfect the claim and explain why such material or information is necessary, and

(iv) Explain the claim review procedure of subparagraph 8.8(b).

If a notice of approval or denial is not provided to the claimant within the applicable ninety (90) day or one hundred eighty (180) day period, the claimant's claim shall be considered denied for purposes of the claim review procedure of subparagraph 8.8(b).

8.8(b) A Participant or Beneficiary whose claim filed pursuant to subparagraph 8.8(a) has been denied, in whole or in part, may, within sixty (60) days following receipt of notice of such denial, or following the expiration of the applicable period provided for in subparagraph 8.8(a) for notifying the claimant of the decision on the claim if no notice of denial is provided, make written application to the Administrator for a review of such claim, which

application shall be filed with the Administrator. For purposes of such review, the claimant or his duly authorized representative may review Plan documents pertinent to such claim and may submit to the Administrator written issues and comments respecting such claim. The Administrator may schedule and hold a hearing. The Administrator shall make a full and fair review of any denial of a claim for benefits and issue its decision thereon promptly, but no later than sixty (60) days after receipt by the Administrator of the claimant's request for review, or one hundred twenty (120) days after such receipt if a hearing is to be held or if other special circumstances exist and if written notice of the extension to one hundred twenty (120) days is furnished to the claimant within sixty (60) days after the receipt of the claimant's request for a review. Such decision shall be in writing, shall be delivered or mailed by the Administrator to the claimant or his duly authorized representative in the manner prescribed in subparagraph 8.8(a) for notices of approval or denial of claims, and shall:

(i) Include specific reasons for the decision,

(ii) Be written in a manner calculated to be understood by the claimant, and

(iii) Contain specific references to the pertinent Plan provisions on which the decision is based.

The Administrator's decision made in good faith shall be final.

8.9 PAYMENTS TO MINORS AND INCOMPETENTS. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

8.10 DISTRIBUTION OF BENEFIT WHEN DISTRIBUTEE CANNOT BE LOCATED. The Administrator shall make all reasonable attempts to determine the identity and/or whereabouts of a Participant or Participant's Spouse or a Participant's Beneficiary entitled to any other benefit under the Plan, including the mailing by certified mail of a notice to the last known address shown on the Employer's, the Administrator's or the Trustee's records. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Trustee shall continue to hold the benefit due such person, subject to any applicable statute of escheats.

ARTICLE IX
WITHDRAWALS AND LOANS

9.1 IN-SERVICE NON-HARDSHIP WITHDRAWALS FROM AFTER-TAX OPTIONAL ACCOUNT AND/OR ROLLOVER ACCOUNT. A Participant who is employed by the Employer may make non-hardship withdrawals in whole or in part from his After-Tax Optional Account and/or Rollover Account.

9.2 IN-SERVICE NON-HARDSHIP WITHDRAWALS FROM UNRESTRICTED MATCHING ACCOUNT AND/OR UNRESTRICTED PROFIT SHARING ACCOUNT. A Participant who is employed by the Employer and who has attained the age of twenty-one (21) years and is 100% vested in his Accrued Benefit may make non-hardship withdrawals in whole or in part from his Unrestricted Matching Account and/or Unrestricted Profit Sharing Account.

9.3 IN-SERVICE NON-HARDSHIP WITHDRAWALS FROM AFTER-TAX BASIC ACCOUNT, PRE-TAX ACCOUNT AND/OR UNRESTRICTED QNEC ACCOUNT. A Participant who is employed by the Employer and who has attained the age of fifty-nine and one-half (59-1/2) years may make non-hardship withdrawals in whole or in part from his After-Tax Basic Account, Pre-Tax Account and/or Unrestricted QNEC Account.

9.4 IN-SERVICE HARDSHIP WITHDRAWALS FROM AFTER-TAX BASIC ACCOUNT, PRE-TAX

ACCOUNT, UNRESTRICTED MATCHING ACCOUNT AND/OR UNRESTRICTED PROFIT SHARING ACCOUNT.

9.4(a) A Participant who is employed by the Employer and who suffers a Severe Hardship may, upon written request approved by the Administrator, make a hardship withdrawal from his After-Tax Basic Account, Unrestricted Matching Account (to the extent vested), Unrestricted Profit Sharing Account (to the extent vested), and all or that portion of the balance of his Pre-Tax Contributions then considered held in his Pre-Tax Account, which the Administrator deems appropriate to relieve such hardship. Unless the Administrator provides for a different ordering, Severe Hardship withdrawals shall be made first from the Participant's After-Tax Basic Account, then from his Pre-Tax Account, then from his Unrestricted Matching Account, and lastly from his Unrestricted Profit Sharing Account.

9.4(b) "Severe Hardship" of a Participant for purposes of this paragraph shall be determined by the Administrator upon review of each situation and in accordance with the following objective standard and means an immediate and heavy need for financial assistance in meeting obligations incurred or to be incurred by the Participant, taking into account the Participant's other reasonably available resources, as provided below. A Severe Hardship shall be considered to exist only where the conditions of both of the following clauses (i) and (ii) are satisfied:

(i) The immediate and heavy need requirement shall be considered satisfied only where the need is on account of any of the following:

(A) Medical expenses (to the extent not reimbursable or compensable by any plan, program, insurance or otherwise) described in Section 213(d) of the Code of the Participant, the Participant's spouse or any of the Participant's dependents (as defined in Section 152 of the Code).

(B) Acquisition (excluding mortgage payments) of a dwelling unit which within a reasonable time is to be used (determined at the time the withdrawal is made) as the principal residence of the Participant.

(C) Payment of tuition and related educational fees for the next twelve (12) months of post-secondary education for the Participant, the Participant's spouse, the Participant's children or any of the Participant's dependents (as defined in Section 152 of the Code).

(D) Prevention of eviction of the Participant from his principal residence or the foreclosure on the mortgage of the Participant's principal residence.

The amount of the immediate and heavy financial need may include any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the Severe Hardship distribution.

(ii) The other reasonably available resources requirement shall be considered satisfied only when all of the following occur:

(A) The distribution from the Plan does not exceed the amount of the immediate and heavy need plus the projected income tax liability on the amount to be withdrawn (taking into account the following described currently available funds).

(B) The Participant has obtained all currently available distributions, other than Severe Hardship under this Plan and comparable hardship distributions under other qualified plans, under this Plan and all other qualified plans maintained by the Employer.

(C) The Participant has obtained all currently available non-taxable loans under this Plan and all other qualified plans maintained by the Employer.

(D) The Participant agrees to a suspension of his Elective Deferrals (as defined in Appendix D to the Plan) to this Plan and all his employee contributions (other than mandatory employee contributions to a defined benefit plan and rollover contributions to any plan) to all other qualified plans and non-qualified plans of deferred compensation (other than health or welfare benefit plans) maintained by the Employer, including, but not limited to stock option, stock purchase and similar plans, for a period of one year after receipt of the Severe Hardship distribution and all applicable plans so provide.

(E) The Participant agrees that his Elective Deferrals (as defined in Appendix D to the Plan) to this Plan and all other qualified plans maintained by the Employer for the calendar year immediately following the calendar year in which the Severe Hardship distribution is made shall be limited to the excess of (I) the Elective Deferral Dollar Limit (as defined in Appendix D to the Plan) for such next calendar year over (II) the amount of such Participant's Elective Deferrals to this Plan and such other qualified plans maintained by the Employer for the calendar year in which the Severe Hardship distribution is made.

The Participant contribution suspension and limitation requirements of clauses (ii)(D) and (E) are hereby imposed on any Severe Hardship withdrawal or similar hardship authorized in any other qualified plan maintained by the Employer and shall be deemed agreed to by any Participant requesting a Severe Hardship withdrawal or such other similar hardship withdrawal.

9.4(c) The one year Participant contribution suspension referred to in clause (ii)(D) of subparagraph 9.3(b) shall be imposed for twelve (12) months beginning on the first day of the payroll period next following the date of withdrawal. For purposes hereof, separate periods of suspension under this paragraph shall run concurrently.

9.4(d) A Participant who is an Eligible Employee may recommence his contributions to the Plan after his applicable period of suspension has expired on the first day of any calendar month thereafter by his delivering a new payroll deposit election form to the Administrator no later than the fifteenth (15th) day (or such shorter period as the Administrator on a uniform and non-discriminatory basis may determine) of the month immediately preceding the calendar month it is to become effective, designating the date, rate and type or types of such recommencement of contributions.

9.4(e) For purposes hereof, unless otherwise provided in the applicable asset transfer, plan merger or consolidation or adoption agreement, the remaining period of any suspension from participation under any plan which is merged into this Plan at the time of such merger shall be considered a period of suspension under this paragraph during which Participants may not contribute to the Plan.

9.5 WITHDRAWAL RESTRICTIONS AND PROCEDURE.

9.5(a) A Participant shall not make more than two (2) non-hardship withdrawals in any Plan Year. Withdrawals from more than one account made at the same time shall only count as one withdrawal.

9.5(b) The amount of any withdrawal from any such account shall not be less than $100, unless the Participant's account balance is less than $100 in which case the then balance in the account may only be withdrawn or unless such withdrawal would require a suspension from active participation in which case the amount which would not cause a suspension may be withdrawn.

9.5(c) All withdrawals shall be made only by filing a written withdrawal request form with the Administrator in which the amount of withdrawal and the account(s) and the Fund division(s) from which the withdrawal is to be made and, if applicable, the Severe Hardship and such other information (including but not limited to certifications regarding no other cash resources and/or no other resources for purposes of determining the existence of a Severe Hardship) pertaining thereto as the Administrator may deem appropriate are stated.

9.5(d) Notwithstanding any of the other provisions of this ARTICLE IX, the Administrator may on a uniform and non-discriminatory basis at any time and from time to time suspend or limit the withdrawal rights under this ARTICLE IX (except to the extent prohibited by Section 411(d)(6) of the Code).

9.6 PAYMENT OF WITHDRAWALS.

9.6(a) All non-hardship withdrawals shall be made within a reasonable time and at such time or times as are determined by the Administrator after the Participant's non-hardship withdrawal request is delivered to the Administrator or his hardship withdrawal request is approved by the Administrator, as the case may be, and shall be made in cash.

9.6(b) The amount of any withdrawal shall be determined on the basis of the value of the Participant's accounts from which the withdrawal is made as of the most recent Valuation Date for which the valuation adjustments under paragraph 4.5 have been completed prior to the date of payment of the withdrawal, decreased by any withdrawals or other distributions since such Valuation Date.

9.6(c) Unless otherwise determined by the Administrator from time to time on a uniform and non-discriminatory basis applied prospectively or, to the extent otherwise permitted by the Administrator, as specifically designated by the Participant in his withdrawal request, each withdrawal by a Participant shall be made in the following order, with availability being determined on the basis of the circumstances (such as hardship, severe hardship, non-hardship, the age of the Participant, the time contributions have been in the Plan, the length of the Participant's active participation in the Plan as provided herein) surrounding the withdrawal:

(i) First from his accounts in the following order:

(A) First his After-Tax Account, with withdrawals being made first from his After-Tax Optional and then from his After-Tax Basic Account,

(B) Then his Rollover Account,

(C) Then his Pre-Tax Account,

(D) Then his Unrestricted QNEC Account, and

(E) Then his Unrestricted Matching Account (to the extent vested), with withdrawals being made first from his Matching Non-forfeitable Account and then from his Matching Active Account,

(F) Lastly his Unrestricted Profit Sharing Account (to the extent vested), with withdrawals being made first from his Profit Sharing Non-forfeitable Account and then from his Profit Sharing Active Account.

Withdrawals are not available from a Participant's Company Stock QNEC Account, Company Stock Matching Account or Company Stock Profit Sharing Account.

(ii) Then with the withdrawals being made first from the Fund division(s) in each account in the following:

(A) First the First Union Stable Portfolio Group Trust

(B) Then the Evergreen Short-Intermediate Bond Fund: Class Y,

(C) Then the Fidelity Puritan Fund,

(D) Then the First Union Enhanced Stock Market Fund,

(E) Then the Fidelity Advisor Growth Opportunities Fund: Class A,

(F) Lastly the Company Stock Fund.

9.6(d) Whenever withdrawals are permitted from the Company Stock Fund (if at all), they shall be made in cash and not in the form of Company Stock.

9.6(e) All withdrawals shall be subject to the plan to plan rollover transfer distribution option provided in paragraph 8.5.

9.7 NO WITHDRAWAL RESTORATION. No restoration of amounts withdrawn shall be permitted.

9.8 LOANS.

9.8(a) Loans from the Fund may be made to Participants (such term for purposes of this paragraph is intended to include deceased Participants' Beneficiaries who are entitled to the Participant's non-forfeitable Accrued Benefit for purposes of making loans from the Plan) who are employed by the Employer or who otherwise are "parties in interest" (as defined in Section 3(14) of the Act) on written application therefor delivered to the Administrator, subject to the following rules:

(i) Loans must be adequately secured, which may include or consist of use of a Participant's non-forfeitable Accrued Benefit as security, provided however that:

(A) Not more than fifty percent (50%) of a Participant's non-forfeitable Accrued Benefit may be considered adequate security for such purpose, and

(B) Any pledge and assignment of a Participant's non-forfeitable Accrued Benefit shall be ineffective and void for any period of time during which the loan fails to comply with the provisions of Section 4975(d)(1) of the Code and Section 408(b)(1) of the Act.

(ii) Loans must be approved by the Administrator in accordance with a uniform, non-discriminatory policy established, and which thereafter may be modified or suspended from time to time, by the Administrator. The Administrator's loan policy shall be considered a part of the Plan and shall at a minimum contain:

(A) A procedure for applying for loans,

(B) The basis on which loans will be approved or denied,

(C) Limitations, if any, on the types and amounts of loans available,

(D) The procedure for determining a reasonable interest rate,

(E) The types of collateral which may secure a loan,

(F) The events constituting a default and the steps that will be taken to preserve the Plan assets in the event of a

default.

(iii) Loans must be available to all Participants on a reasonably equivalent basis.

(iv) Loans must not be made available to Highly Compensated Employees in an amount of and/or percentage of their non-forfeitable Accrued Benefits or some combination thereof greater than that made available to other Participants.

(v) Loans must not exceed with respect to any Participant (when added to the outstanding balance of all loans to the Participant from the Plan and all other qualified employer plans of the Employer and of each Affiliate) the lesser of:

(A) $50,000, reduced by the excess of (I) the Participant's highest aggregate outstanding balance in the preceding twelve (12) months under this Plan and such other plans over (II) his aggregate outstanding balance under this Plan and such other plans on the date on which the loan in question is made,

(B) One-half of the sum of the Participant's non-forfeitable Accrued Benefit under this Plan and non-forfeitable accrued benefits (exclusive of his accumulated deductible employee contributions within the meaning of Section 72(o)(5)(B) of the Code) under such other plans, or

(C) With respect to loans from this Plan only, his vested Accrued Benefit (exclusive of amounts held in his Company Stock Matching Account, Company Stock Profit Sharing Account and Company Stock QNEC Account) which is not held in the Loan Fund.

(vi) Loans must bear a reasonable rate of interest (which means a commercially reasonable rate of interest), which may be fixed or variable and which may vary between Participants based on the term of the loan, the security provided and such other considerations deemed desirable by the Administrator.

(vii) Notwithstanding the foregoing, unless the Secretary of Labor or his delegate grants an administrative exemption from the prohibited transaction rules with respect to such loan, no loan shall be made to any Participant who is a shareholder-employee (as defined in Section 1379 of the Code, as in effect on the day before the date of enactment of the Subchapter S Revision Act of 1982) of the Employer or who is a member of the family (as defined in Section 267(c)(4) of the Code) of such a shareholder-employee.

9.8(b) The loan policy of the Administrator shall include considerations such as creditworthiness and may include financial need and any other considerations deemed desirable by the Administrator.

9.8(c) All loans shall require repayment by substantially level amortization with payments not less frequently than quarterly and shall otherwise be repaid in the manner and within a specified period of time as determined by the Administrator, but in no event to exceed ten (10) years for "home loans" or five (5) years for all other loans. For purposes hereof a "home loan" is any loan used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence of the Participant.

9.8(d) The Employer shall cooperate with the Administrator and the Trustee in enforcing prompt repayment of all such loans and installments thereon. The entire balance of principal and interest then due on all such loans upon which a Participant is then liable shall be deducted by offset from any distributions or benefits paid to or with respect to such Participant from the Loan fund and shall be applied to the payment of such balance.

9.8(e) Every loan applicant shall receive a clear statement of the charges involved in each loan transaction. This statement shall include the dollar amount and annual interest rate of the finance charge.

9.8(f) Notwithstanding the foregoing, the Administrator may on a non-discriminatory basis, among other things, set minimum loan amounts (not to exceed $1,000), minimum repayment amounts, more restrictive loan limits, and/or a maximum number of outstanding loans for any Participant at any one time, may impose a loan processing and/or administrative charge, may restrict accounts from which loans are made, may require repayment by payroll deduction, and may suspend loan rights from time to time.

9.8(g) Upon the making of a loan to a Participant pursuant to this paragraph, the Trustee shall transfer to a segregated account for the Participant in the Loan Fund an amount equal to the principal amount of such loan (unless otherwise determined by the Administrator from time to time on a uniform and non-discriminatory basis applied prospectively and stated in the Plan's loan policy):

(i) First from his accounts in the following order:

(A) First his After-Tax Account, with transfers being made first from his After-Tax Optional and then from his After-Tax Basic Account,

(B) Then his Rollover Account,

(C) Then his Pre-Tax Account,

(D) Then his Unrestricted QNEC Account, and

(E) Then his Unrestricted Matching Account (to the extent vested), with transfers being made first from his Matching Non-forfeitable Account and then from his Matching Active Account,

(F) Lastly his Unrestricted Profit Sharing Account (to the extent vested), with transfers being made first from his Profit Sharing Non-forfeitable Account and then from his Profit Sharing Active Account, and

Loans are not available from a Participant's Company Stock QNEC Account, Company Stock Matching Account or Company Stock Profit Sharing Account.

(ii) Then with the transfers being made first from the Fund division(s) other than the Company Stock Fund and the Loan Fund in each such tier of accounts on a pro rata basis and then from the Company Stock Fund.

9.8(h) Notwithstanding any other provision of the Plan, if a loan repayment obligation is suspended for any part of a Participant's service in the uniformed services of the United States (as defined in chapter 43 of title 38, United States Code), whether or not Qualified Military Service (as defined in paragraph 4.10), such suspension shall not be taken into account for purposes of Sections 72(p), 401(a) or 4975(d)(1) of the Code and, if the Administrator permits, for purposes of the loan term and similar rules of the Plan.

9.8(i) In the event of a Participant's default where the default continues after any applicable grace or catch-up period, if any, permitted by the Administrator on a uniform and non-discriminatory basis, the Administrator shall treat the loan as an offset against the Participant's non-forfeitable Accrued Benefit by distribution of the Participant's promissory note(s) marked paid and satisfied.

9.9 INSTRUCTIONS TO TRUSTEE. The Administrator, upon determination that a requested withdrawal or loan is permissible under the Plan, shall immediately notify the Trustee, who shall pay from the Fund the amount of the withdrawal or

loan in accordance with the Administrator's instructions and, in the case of a withdrawal, shall deduct the amount thereof from the Participants' account in the Fund or transfer the amount to a segregated account in the Fund as designated by the Administrator.

ARTICLE X
THE FUND

10.1 TRUST FUND AND EXCLUSIVE BENEFIT. The Trustee shall receive all contributions under and all assets transferred to the Plan and shall invest and administer them as a trust fund (the "Fund") for the exclusive benefit of the Participants and Beneficiaries hereunder in accordance with the Plan. Except as otherwise expressly provided herein, no part of the corpus or income of the Fund shall revert to or be used or enjoyed by the Employer or be used for, or diverted to, purposes other than the exclusive benefit of the Participants or their Beneficiaries and the defrayal of reasonable expenses of the Plan and Fund. The rights of all persons hereunder are subject to the terms of the Plan.

10.2 PLAN AND FUND EXPENSES. Unless or to the extent not paid by the Employer without being advanced subject to reimbursement (which shall make such payments as directed by the Plan Sponsor) or unless prohibited by the Act or the Code, all expenses of the Plan and the Fund, including reasonable legal, accounting, custodial, brokerage, consulting and other fees and expenses incurred in the establishment, amendment, administration and termination of the Plan or the Fund and/or the compensation of the Trustee and other fiduciaries of the Plan to the extent provided under the Plan, and all taxes of any nature whatsoever, including interest and penalties, assessed against or imposed upon the Fund or the income thereof shall be paid out of the Fund and shall constitute a charge upon the Fund. The Plan Sponsor may cause the Employer to advance any or all such expenses and/or taxes on behalf of the Fund, subject to the Employer's right of reimbursement from the Fund if so directed by the Plan Sponsor and to the applicable prohibited transaction provisions of the Act and the Code.

10.3 REVERSIONS TO THE EMPLOYER.

10.3(a) If a contribution by the Employer is made under a mistake of fact, upon written direction by the Plan Sponsor, the Trustee shall return to the Employer an amount equal to such mistaken contribution, less any losses attributable to such mistaken contribution, within one year after payment of such contribution. If a contribution by the Employer is made conditioned upon its deductibility for federal income tax purposes and there is a final determination of the disallowance of a deduction under Section 404 of the Code for such contribution or portion thereof, upon written direction by the Plan Sponsor, the Trustee shall return to the Employer an amount equal to the amount of such contribution or portion thereof so disallowed, less any losses attributable to such contribution, within one year after such final determination. Notwithstanding anything to the contrary in the foregoing, any such return shall be limited to an amount which would not cause the balance of any Participant's account to be reduced to less than the balance such Participant's account would have been had such amount not been contributed.

10.3(b) If the Internal Revenue Service determines that the Plan does not initially qualify under Section 401 of the Code with respect to any Employer which has adopted the Plan provided it has submitted an application for a determination within one year after its adoption of the Plan, the Trustee shall return to such Employer (unless otherwise directed to be distributed to Participants or, if deceased, their Beneficiaries) and to its Participants (or if deceased, their Beneficiaries) within one year after the date of notice of such disqualification, all assets attributable to contributions which the Trustee has received from such Employer and its Participants, respectively, and shall return to the predecessor funding agent or distribute to Participants or, if deceased, their Beneficiaries, all assets attributable to funds of any predecessor plan received by the Trustee, all as directed by the Plan Sponsor. Upon such return, the Plan shall terminate with respect to such Employer.

10.3(c) After the termination of the Plan as a whole and after all fixed and contingent liabilities of the Fund to Participants and their Beneficiaries have been satisfied, any remaining assets of the Fund held pursuant to paragraph 4.5 shall be distributed to the Employer as the Plan Sponsor may direct.

10.4 NO INTEREST OTHER THAN PLAN BENEFIT. Nothing contained herein shall be deemed to give any Participant or Beneficiary any interest in any specific part of the Fund or any interest other than his right to receive benefits in accordance with the provisions of the Plan.

10.5 PAYMENTS FROM THE FUND. The Trustee shall make all payments from the Fund which become due hereunder in accordance with the written instructions or directions of the Administrator. In directing the Trustee to make any payments or deliveries out of the Fund, the Administrator shall follow the provisions of the Plan. The Trustee acting in accordance with such instructions or directions shall be fully protected and indemnified by the Employer in relying upon any such written instruction or direction which the Trustee reasonably and in good faith believes to be proper.

10.6 FUND DIVISIONS.

10.6(a) The Fund shall be held in divisions (sometimes referred to as "divisions of the Fund", "Fund divisions" or "investments funds" herein) as hereinafter provided, and each account under the Plan shall be subdivided to reflect its interest in each Fund division.

10.6(b) The Fund divisions which shall be maintained in the Fund are as follows:

(i) COMPANY STOCK FUND - The Company Stock Fund shall be established effective March 31, 1997 and shall be a pooled investment fund consisting of and invested primarily in Company Stock and such short-term temporary investments and such cash balances as the Trustee deems appropriate. It is generally expected that after accumulating a reasonable reserve for day to day administration, Company Stock will represent approximately at least 95% of the total assets of the Company Stock Fund, and cash reserves and temporary investments represent the remaining assets.

(ii) LOAN FUND - The Loan Fund shall consist of loans made to Participants pursuant to paragraph 9.8, which shall be considered directed investments of each such Participant, of principal and interest payments thereon.

(A) As provided in paragraph 9.8, an amount equal to the principal amount of a loan to a Participant shall be segregated from such Participant's account or accounts within the other Fund divisions.

(B) Payments of the principal of and payments of interest on a loan to a Participant shall be transferred upon payment pro rata:

(I) To the Participant's unsegregated accounts in the Fund in the reverse order from which funds were transferred from such accounts to the Participant's segregated account in the Loan Fund for purposes of making such loan, and

(II) To the Fund divisions determined on the basis of the Participant's contribution investment direction then in effect under paragraph 10.7.

(iii) NAMED FUND DIVISIONS IN APPENDIX E - The regulated investment companies, collective trust funds and/or mutual funds authorized for investment as provided in Appendix E to the Plan, which appendix may be modified from time to time by the Plan Sponsor.

10.7 PARTICIPANT INVESTMENT DIRECTIONS.

10.7(a) Except as otherwise provided in the applicable plan asset transfer or merger agreement, in the case of the direct transfer of assets to the Plan on behalf of a Participant, such transferred assets (or the proceeds from the sale thereof) which are allocated to his Directable Accounts shall initially be invested in the Available Fund Divisions, in whole multiples of the Permitted Direction Percentage (but not exceeding one hundred percent (100%) in the aggregate), as directed by the Participant (or, if deceased, his Beneficiary) for whom transferred in accordance with the direction filing requirements therefor established by the Administrator.

10.7(b) Upon becoming a Participant without a contribution investment direction in force, or upon a Participant's making a Rollover Contribution or repayment pursuant to paragraph 6.6 without a contribution investment direction in force, he may direct that such contribution or repayment and his allocable share of future Directable Contributions be invested, in whole multiples of the Permitted Direction Percentage (but not exceeding one hundred percent (100%) in the aggregate), in the Available Investment Funds by filing a "contribution investment direction" with the Administrator at such time.

10.7(c) In accordance with procedures established by the Administrator from time to time:

(i) CONTRIBUTION INVESTMENT DIRECTION - A Participant may make a "contribution investment direction" by directing that whole multiples of the Permitted Direction Percentage (but not exceeding one hundred percent (100%) in the aggregate) of his allocable share of future Directable Contributions be invested in the Available Fund Divisions. Any such contribution investment direction shall be effected for contributions made after each subsequent Contribution Investment Direction Change Date for which such direction is timely delivered to the Administrator (or its designee); and/or

(ii) ACCOUNT BALANCE INVESTMENT DIRECTION - A Participant (or, if deceased, his Beneficiary) may make an "account balance investment direction" by directing that whole multiples of the Permitted Direction Percentage (but not exceeding one hundred percent (100%) in the aggregate) of his Directable Accounts be invested in the Available Fund Divisions. Any such account balance investment direction shall be effective as of and for the Account Balance Investment Direction Change Date for which such direction is timely delivered to the Administrator (or its designee).

10.7(d) If or to the extent a Participant (or if deceased, his Beneficiary) has no investment direction in effect, his Directable Contributions and Directable Accounts shall be invested in the Fund division designated as the Default Fund in Appendix E to the Plan.

10.7(e) For purposes of this paragraph and subject to the provisions of subparagraph 10.7(e):

(i) The term "Account Balance Investment Direction Change Date" means each Valuation Date.

(ii) The term "Available Fund Divisions" means the Company Stock Fund and the named investment funds listed in Appendix E.

(iii) The term "Directable Accounts" means all accounts, or parts of accounts, of the Participant other than those parts held in the Company Stock Matching Account, the Company Stock Profit Sharing Account, the Company Stock QNEC Account, or the Loan Fund.

(iv) The term "Directable Contributions" means (A) all contributions made by the Participant and (B) all contributions made by the Employer (other than contributions by the Employer required to be invested in the Company Stock Fund pursuant to subparagraph 3.2(c) - that is, contributions allocated to the Company Stock Matching Account, the Company

Stock Profit Sharing Account, or the Company Stock QNEC Account,).

(v) The term "Contribution Investment Direction Change Date" means each Valuation Date.

(vi) The term "Permitted Direction Percentage" means five percent (5%) or any lesser percentage or any dollar amount permitted by the Administrator from time to time.

10.7(f) The Plan is intended to constitute a plan described in Section 404(c) of the Act and Title 29 of the Code of Federal Regulations Section 2550-404c-1 under which Participants may direct investments. It is intended that fiduciaries of the Plan shall act accordingly and may thereby be relieved of liability for investment losses which are the result of Participant and Beneficiary investment directions regarding allocation of accounts and contributions among the available divisions of the Fund to the maximum extent permitted under Section 404(c) of the Act.

10.8 INVESTMENT AUTHORITY OF THE ADMINISTRATOR.

10.8(a) The Administrator may on a uniform and non-discriminatory basis require the entire Accrued Benefit (other than that held in the Company Stock Matching Account) of one or more Participants and/or Beneficiaries be invested in the Default Fund designated in Appendix E to the Plan in the event that the person cannot be located or is not competent to make an investment direction or that there is a dispute as to the proper recipient of the Participant's Accrued Benefit.

10.8(b) The Administrator may on a uniform and non-discriminatory basis from time to time may set or change the advance notice requirement for effecting investment directions, may limit the number of investment direction changes made in a Plan Year, may limit investment directions which be can made by telephone, and generally may change any of the investment direction procedures.

10.8(c) The Administrator in its discretion may suspend from time to time and at any time the maintenance and/or offering of any Fund division as a Participant directed investment alternative hereunder, whereupon, and notwithstanding anything to the contrary herein, no investment directions pursuant hereto shall be permitted in such Fund division for the period of any such suspension.

10.9 PROVISIONS RELATING TO INSURER.

10.9(a) No Insurer shall be deemed a party to the Plan or responsible for the validity thereof.

10.9(b) No Insurer shall be required to determine either:

(i) That a person for whom the Trustee applies for a Policy is, in fact, eligible for participation or entitled to benefits under the Plan,

(ii) Any fact necessary for the proper issuance of any Policy or Contract, or

(iii) The proper distributions or further application of any moneys paid by it to the Trustee in accordance with the written direction of the Trustee;

and with respect to each of the foregoing, the Insurer shall be fully indemnified and protected in relying upon the advice and direction of the Trustee.

10.9(c) Any notice, direction, application or other communication whatsoever shall be accepted by the Insurer as duly authorized and executed if signed by the Trustee. The Insurer shall be fully protected in assuming that the Trustee is as shown in the latest notification received by it at its home office.

ARTICLE XI
FIDUCIARIES

11.1 NAMED FIDUCIARIES AND DUTIES AND RESPONSIBILITIES. Authority to control and manage the operation and administration of the Plan shall be vested in the following, who, together with their membership, if any, shall be the Named Fiduciaries under the Plan with those powers, duties, and responsibilities specifically allocated to them by the Plan:

11.1(a) TRUSTEE - The Trustee in connection with its fiduciary obligations relating to the Plan and the Fund.

11.1(b) PLAN SPONSOR - The Plan Sponsor in connection with its fiduciary obligations and rights relating to the Plan and the Fund.

11.1(c) PLAN ADMINISTRATOR - The Plan Administrator in connection with its fiduciary obligations and rights relating to the Plan and the Fund.

11.1(d) BOARD - The Board in connection with its fiduciary obligations and rights relating to the Plan and the Fund.

11.2 LIMITATION OF DUTIES AND RESPONSIBILITIES OF NAMED FIDUCIARIES. The duties and responsibilities, and any liability therefor, of the Named Fiduciaries provided for in paragraph 11.1 shall be severally limited to the duties and responsibilities specifically allocated to each such Named Fiduciary in accordance with the terms of the Plan, and there shall be no joint duty, responsibility, or liability among any such groups of Named Fiduciaries in the control and management of the operation and administration of the Plan.

11.3 SERVICE BY NAMED FIDUCIARIES IN MORE THAN ONE CAPACITY. Any person or group of persons may serve in more than one Named Fiduciary capacity with respect to the Plan (including both service as Trustee and Plan Administrator).

11.4 ALLOCATION OR DELEGATION OF DUTIES AND RESPONSIBILITIES BY NAMED FIDUCIARIES. By written agreement filed with the Plan Administrator and the Plan Sponsor, the duties and responsibilities of the Trustee with respect to the management and control of the assets of the Fund may, with the written consent of the Plan Sponsor, be allocated among the Trustees (if there are two or more persons so serving) and any other duties and responsibilities of any Named Fiduciary may be allocated among Named Fiduciaries or may, with the consent of the Plan Sponsor, be delegated to persons other than Named Fiduciaries. The delegation permitted under this paragraph includes the Trustee's right to select a custodian (other than a Custodian for any separate trust established pursuant to paragraph 12.8) to hold the assets of the Fund. Any written agreement shall specifically set forth the duties and responsibilities so allocated or delegated, shall contain reasonable provisions for termination, and shall be executed by the parties thereto.

11.5 INVESTMENT MANAGER.

11.5(a) The Board may appoint one or more Investment Managers to manage all or any portion of the Fund. The appointment of any such Investment Manager shall be by written agreement, which shall specify the scope of the powers and duties of such Investment Manager, shall contain reasonable provisions for the termination of such appointment, may require or allow any Investment Manager to perform or to select the person performing asset custodial services for all or part of the Fund, and shall be executed by the parties thereto and acknowledged by the Trustee. An Investment Manager appointed pursuant to any such agreement shall acknowledge therein its status as a fiduciary with respect to the Plan.

11.5(b) In the event an Investment Manager is appointed for all or part of the assets of the Fund, the Trustee shall follow the directions of the Investment Manager in managing and controlling the assets of the Fund subject to the direction and control of the Investment Manager. The Investment Manager shall be governed by the powers and restrictions imposed on the Trustee in its

management and control of the Fund.

11.6 ASSISTANCE AND CONSULTATION. A Named Fiduciary, and any delegate named pursuant to paragraph 11.4, may engage agents to assist in its duties and may consult with counsel, who may be counsel for the Employer, with respect to any matter affecting the Plan or its obligations and responsibilities hereunder, or with respect to any action or proceeding affecting the Plan. All compensation and expenses of such agents and counsel shall be paid or reimbursed from the Fund, except to the extent prohibited by the Act or the Code and except to the extent paid or reimbursed by the Employer.

11.7 INDEMNIFICATION. The Employer shall indemnify and hold harmless any individual who is a Named Fiduciary or a member of a Named Fiduciary under the Plan and any other individual to whom duties of a Named Fiduciary are delegated pursuant to paragraph 11.4, to the extent permitted by law, from and against any liability, loss, cost or expense arising from their good faith action or inaction in connection with their responsibilities under the Plan.

11.8 FUNDING POLICY. The Board shall establish and communicate to the Trustee a funding policy consistent with the current and long-term financial needs of the Plan with respect to the ages of the Participants in the Plan and other such relevant information; provided, however, that nothing in this subparagraph shall be construed as granting to the Board any power or authority with respect to the control and management of the Fund.

11.9 STANDARD OF CONDUCT.

11.9(a) The Named Fiduciaries and all other fiduciaries under the Plan shall each discharge their duties with respect to the Plan and the Fund solely in the interest of the Participants and Beneficiaries, in accordance with the applicable provisions of the Act and the Code and:

(i) For the exclusive purpose of providing benefits to Participants and Beneficiaries, and defraying reasonable expenses of administering the Plan and the Fund to the extent permitted by the Plan and any separate trust or custodial agreement;

(ii) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(iii) By diversifying investments of the Fund in accordance with the requirements of the Act so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(iv) In accordance with the terms of the Plan and any other plan documents insofar as they are consistent with the Act.

11.9(b) In the exercise of their authority under the Plan, the Named Fiduciaries and all other fiduciaries under the Plan shall take cognizance of and be inhibited by those limitations and prohibitions contained in Section 406 of the Act and the prohibited transaction provisions of Section 4975 of the Code, for which no exemption is applicable.

ARTICLE XII
THE TRUST FUND

12.1 TRUSTEE POWERS AND DUTIES. Subject to the following provisions of this ARTICLE XII, the Trustee shall commingle and jointly invest, or where specifically provided herein shall segregate and separately invest, the assets of the Fund, without distinction between corpus and income.

12.1(a) The Trustee shall hold the Fund in trust, shall have the following general powers granted in this paragraph, subject to the directions, limitations, restrictions or prohibitions imposed hereunder, and, except as

otherwise specifically provided herein, shall have exclusive authority and discretion in its management and control of the Fund.

(i) The Trustee shall invest and reinvest the Fund in such stocks, stock options (whether or not covered), warrants and rights, puts, calls, stock-index futures, bonds, securities, commodities, commodity futures and options, loans to Participants if and subject to conditions expressly authorized in the Plan, real estate mortgages, real estate investment trusts or funds, real estate, partnership interests, mutual funds, closed-end investment companies, regulated investment companies or trusts, common, collective or group trust funds (except as otherwise limited hereunder) and other investments, and in such proportion, as may be deemed suitable for the purposes and the funding policy hereof.

(ii) Such investments shall not be restricted to property and securities of the character authorized for investment by trustees under any present or future laws, with the exception of the Act.

(iii) To the extent permitted by law, the Trustee is expressly authorized to invest and reinvest the Fund and to execute any joinder or similar agreement therefor on behalf of the Plan:

(A) In any general common trust fund qualifying under Section 584 of the Code and maintained by any person, including but not limited to the Trustee or any affiliate of the Trustee in the same bank holding system affiliated group, as defined in Section 1504 of the Code, as the Trustee (if the Trustee and any such affiliate are banks or trust companies supervised by a state or federal agency) and/or the Investment Manager or any affiliate of the Investment Manager;

(B) In any other collective or group trust fund maintained by any person, including but not limited to any such bank or trust company and/or the Investment Manager or any affiliate of the Investment Manager, and consisting solely of assets of qualified retirement trusts and/or individual retirement accounts exempt from federal income taxation under the Code, as the Trustee or, where applicable, the Investment Manager in its discretion may determine (whether or not the Trustee or, where applicable, the Investment Manager is such a bank or trust company), provided such collective or group trust is so qualified and exempt under the Code;

(C) In whole or in part in qualifying employer securities (subject however to any applicable securities registration requirements), qualifying employer real property, or both, as defined by Section 407(d)(4) and (5) of the Act;

(D) In Contracts or Policies (not containing or providing life insurance) issued to provide or fund benefits under the Plan, and in Policies of life insurance on the lives of Participants if the Plan expressly provides for the purchase of such Policies and the Administrator so directs, (whether or not the Insurer is the Plan Sponsor or any affiliate of the Plan Sponsor, or the Investment Manager or any affiliate of the Investment Manager, if an insurance company);

(E) In whole or in part in deposits with any bank or similar financial institution supervised by the United States or a State, regardless of whether such bank or other institution is a Trustee or other fiduciary hereunder, provided such deposits shall bear a reasonable rate of interest, except that funds may be deposited in non-interest bearing accounts to such extent and for such time as may be reasonably required for the orderly administration of the Plan; or

(F) In any mutual fund, closed-end investment company,

regulated investment company or trust, or similar pooled investment medium, whether on not maintained by or advised by the Trustee or any affiliate of the Trustee or the Investment Manager or any affiliate of the Investment Manager.

(iv) If an investment is made in a common, collective or group trust, the Trustee is expressly authorized to incorporate the terms thereof as an investment medium under and as a part of the Plan, and the terms of such trust shall govern the investment, disposition and distribution of the assets of such trust.

12.1(b) Subject to the requirements imposed by law, and in furtherance and not in limitation of the Trustee's investment authority, the Trustee shall have all powers and authority necessary or advisable to carry out the provisions of the Plan, and all inherent, implied and statutory powers now or subsequently provided by law, including specifically the power to do any of the following:

(i) To deal with all or any part of the Fund, including, without limitation, to invest, reinvest and change investment;

(ii) To acquire any property by purchase, subscription, lease or other means;

(iii) To sell for cash or on credit, convey, lease for long or short terms, or convert, redeem or exchange all or any part of the Fund;

(iv) To borrow money for the purpose of the Fund, and for any sum so borrowed to issue its promissory note as Trustee and to secure the repayment thereof by pledging all or any part of the Fund;

(v) To enforce by suit or otherwise, or to waive its rights on behalf of the Fund, and to defend claims asserted against him or the Fund;

(vi) To compromise, adjust and settle any and all claims against or in favor of it or the Fund;

(vii) To renew, extend or foreclose any mortgage or other security;

(viii) To bid in property on foreclosure;

(ix) To take deeds in lieu of foreclosure, with or without paying a consideration therefor;

(x) To vote, or give proxies to vote, any stock or other security, and to oppose, participate in and consent to the reorganization, merger, consolidation or readjustment of the finances of any enterprise, to pay assessments and expenses in connection therewith, and to deposit securities under deposit agreements;

(xi) To hold Plan assets unregistered (including in bearer form), or to register them in its own name, in street name or in the names of nominees who are within the jurisdiction of the district courts of the United States and are either banks or trust companies that are subject to supervision by the United States or a state thereof, brokers or dealers registered under the Securities Exchange Act of 1934, clearing agencies as defined in Section 3(a)(23) of the Securities Exchange Act of 1934, permissible nominees of any of the foregoing, or any other persons or entities permitted to act as nominee for the Trustee under Section 403 of the Act, provided the books and records of the Fund shall at all times reflect that the Fund is the beneficial owner of such securities;

(xii) To make, execute, acknowledge and deliver any and all instruments that it shall deem necessary or appropriate to carry out the powers herein granted; and

(xiii) Generally to exercise any of the powers of an owner with respect to all or any portion of the Fund.

Except as provided in the Act, no person dealing with the Trustee shall be bound to see to the application of any money or property paid or delivered to the Trustee or to inquire into the validity or propriety of any transaction.

12.1(c) The Trustee shall not have the power or duty to inquire into the correctness of the amount tendered to it as required by the Plan nor to enforce the payment of contributions thereunder by the Employer. The Trustee shall be responsible only for such sums and assets that it actually receives as Trustee.

12.2 ACCOUNTS. The Trustee shall keep true and accurate accounts of all investments, receipts, and disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person or persons designated by the Plan Sponsor. Within sixty (60) days after the removal or resignation of the Trustee and at least quarterly (unless the Plan Sponsor requires less frequent reports), the Trustee shall file with the Plan Sponsor a valuation of the assets of the Trust, and an accounting of its transactions since the last previous such accounting. In addition, the Plan Sponsor may require an accounting from the Trustee at any other reasonable time. No employee and no person other than those designated by the Plan Sponsor shall have the right to demand or be entitled to any accounting by the Trustee except as otherwise provided by law.

12.3 TWO OR MORE TRUSTEES. Except in the case of the appointment of a Separate Trustee pursuant to paragraph 12.8, in the event two or more persons are at any time serving as Trustee hereunder, such Trustees shall jointly manage and control the Fund; provided, however, that pursuant to paragraph 11.4 such Trustees may enter into an agreement in writing with respect to the allocation of specific responsibilities, obligations or duties among themselves. Any written agreement entered into pursuant to this paragraph shall be attached to and made a part of the Plan.

12.4 MANAGEMENT OF FUND BY INVESTMENT MANAGER. In the event an Investment Manager is appointed for all or part of the assets of the Fund, the Trustee shall follow the directions of the Investment Manager in managing and controlling the assets of the Fund subject to the direction and control of the Investment Manager. The Investment Manager shall be governed by the powers and restrictions imposed on the Trustee in its management and control of the Fund.

12.5 TRUSTEE COMPENSATION AND EXPENSES. Subject to applicable limitations and prohibitions under the Act, the Trustee shall be paid such reasonable compensation and shall be reimbursed for its reasonable expenses as shall from time to time be agreed upon by the Plan Sponsor and the Trustee.

12.6 BOND. Except as may be provided under Section 412 of the Act, the Trustee shall not otherwise be required to give any bond or other security for the faithful performance of its duties hereunder.

12.7 TRUSTEE RESIGNATION, REMOVAL OR DEATH AND APPOINTMENT OF SUCCESSOR OR ADDITIONAL TRUSTEE.

12.7(a) In the event the Trustee or Trustees serving hereunder have been named Trustee by virtue of any office they may hold in connection with their employment by the Plan Sponsor or any other Employer, upon leaving any such office, such Trustee shall at once cease to be a Trustee and shall be discharged from all further duties and responsibilities as Trustee. Upon acceptance in writing of its status as Trustee hereunder by the successor in office of any such Trustee, he shall become a Trustee hereunder.

12.7(b) The Trustee may resign at any time upon delivering to the Plan Sponsor a written notice of such resignation to take effect not less than sixty (60) days after the delivery thereof to the Plan Sponsor unless the Plan Sponsor shall accept as adequate a shorter notice. The Trustee may be removed by the Plan Sponsor by mailing notice by registered mail addressed to the Trustee at his last known address, or by delivery of same to the Trustee to take effect not less than sixty (60) days after mailing or delivery of such notification unless notice of a shorter duration shall be accepted as adequate. The Administrator

shall be notified by the Plan Sponsor of any such resignation or removal.

12.7(c) In case of the resignation or removal of a Trustee, such Trustee shall transfer, assign, convey and deliver to the successor or other Trustee the trust estate as it may then be constituted and shall execute all documents necessary for transferring the trust estate.

12.7(d) The Plan Sponsor shall forthwith appoint a successor Trustee in case of resignation, removal or death of all Trustees appointed and then serving. Any successor Trustee shall qualify as such by executing, acknowledging, and delivering to the Plan Sponsor an instrument accepting such appointment hereunder in such form as may be satisfactory to the Plan Sponsor, which form shall become a part of this Trust document, and thereupon such successor Trustee shall become vested with the rights, powers, discretion, duties and obligation of its predecessor Trustee. The Administrator shall be notified by the Plan Sponsor of any such successor Trustee.

12.7(e) In the event of the resignation, removal or death of a Trustee, the surviving Trustee shall continue to be a Trustee hereunder.

12.7(f) The Plan Sponsor may at any time and from time to time appoint one or more additional Trustees. The Administrator shall be notified by the Plan Sponsor of any such additional Trustee.

12.7(g) The Trustee may, with the written consent of the Plan Sponsor, or shall, at the written direction of the Plan Sponsor, or the Plan Sponsor may by written direction, appoint a bank with trust powers or a trust company (including any Trustee) as a Co-Trustee for the custody and/or investment of all or a portion of the assets of the Fund and enter into a trust agreement with such bank, and thereafter the Trustee shall deliver assets of the Fund to such bank or trust company for such custody and/or investment in accordance with such written consent or direction of the Plan Sponsor. Any such trust agreement shall be attached to the Plan. For purposes hereof and except as otherwise required by Section 405(b)(2) of the Act with respect to co-fiduciary responsibility and liability:

(i) The duties and responsibilities with respect to the assets of the Fund held by any Co-Trustee appointed pursuant to this subparagraph shall be allocated solely to such Co-Trustee, and such Co-Trustee shall have no duties or responsibilities with respect to the other assets of the Fund by reason of its appointment pursuant to this subparagraph; and

(ii) Conversely, any Trustee which is not appointed as such Co-Trustee for such assets of the Fund shall have no duties and responsibilities with respect to the assets of the Fund held by such Co-Trustee pursuant to this subparagraph.

Any appointment of a Co-Trustee pursuant to this subparagraph shall automatically be considered an allocation of duties and responsibilities under paragraph 11.4 without further action being required and it is intended to be an allocation described in Section 405(b)(1) of the Act. The Administrator shall be notified by the Plan Sponsor of any such appointment of a Co-Trustee pursuant to this subparagraph.

12.8 ESTABLISHMENT OF SEPARATE TRUSTS.

12.8(a) The Board may establish one or more separate trusts and appoint a bank with trust powers, a trust company or any other person (including any Trustee) as a Separate Trustee and if so provided a separate Custodian for the custody and/or investment of all or a portion of the assets of the Fund and enter into a separate trust agreement with such bank, trust company or other person and the Trustee shall thereafter deliver assets of the Fund to such bank, trust company or other person for such custody and/or investment in accordance with such separate trust agreement and any written directions of the Board.

12.8(b) For purposes hereof:

(i) The duties and responsibilities of the Separate Trustee with respect to the assets of the Fund held pursuant to the Plan shall be allocated solely to such Separate Trustee, and such Separate Trustee shall have no duties or responsibilities with respect to the other assets of the Fund by reason of its appointment pursuant to this subparagraph; and

(ii) Conversely, any Trustee or Separate Trustee which is not appointed as such Separate Trustee for such assets of the Fund shall have no duties and responsibilities with respect to the assets of the Fund held by such Separate Trustee pursuant to this subparagraph.

(iii) The provisions of subparagraphs 12.7(a) through (d) apply to the appointment, resignation or removal of Separate Trustees and Custodians as though references to Trustee were references to Separate Trustee and Custodian, respectively.

12.8(c) Any appointment of a Separate Trustee pursuant to this subparagraph is intended to be an establishment of a separate trust as described in Section 405(b)(3) of the Act. Upon the establishment of such a separate trust, any Trustee currently serving shall automatically become a Separate Trustee in accordance with the provisions of this paragraph.

12.8(d) Prior to March 31, 1997, there are no Separate Trustees, and First Union National Bank of North Carolina is the sole Trustee. Effective as of March 31, 1997, this Agreement shall be considered a separate trust agreement for the purpose of establishing two separate trusts pursuant to this paragraph, one separate trust to consist of all Fund divisions other than the Company Stock Fund (for which no Custodian is appointed as of March 31, 1997) and the other separate trust to consist of the Company Stock Fund (for which a Custodian is appointed as of March 31, 1997 pursuant to a separate custodial agreement). As of March 31, 1997, First Union National Bank of North Carolina is the Separate Trustee for all Fund divisions other than the Company Stock Fund, Thomas M. Mishoe, Jr. is the Separate Trustee for the Company Stock Fund, and First Union National Bank of North Carolina is the Custodian for the Company Stock Fund.

12.8(e) The Administrator shall be notified by the Board of any appointment of a Separate Trustee pursuant to this paragraph (other than the Separate Trustees provided for in subparagraph 12.2(d)).

12.9 AUTOMATIC SUCCESSOR TRUSTEE BY CORPORATE TRANSACTION. If any corporate Trustee at any time shall be merged, or consolidated with, or shall sell or transfer substantially all of its assets and business to another employer, domestic or foreign, or shall be in any manner reorganized or reincorporated, then the resulting or acquiring employer shall be substituted ipso facto for such corporate Trustee without the execution of any instrument and without any action upon the part of the Plan Sponsor, any Participant or Beneficiary, or any other person having or claiming to have an interest in the Fund.

ARTICLE XIII
PLAN ADMINISTRATION

13.1 APPOINTMENT OF PLAN ADMINISTRATOR. The Board may appoint one or more persons to serve as the Plan Administrator (the "Administrator") for the purpose of carrying out the duties specifically imposed on the Administrator by the Plan, the Act and the Code. In the event more than one person is appointed, the persons shall form an administrative committee for the Plan. The person or committeemen serving as Administrator shall serve for indefinite terms at the pleasure of the Board, and may, by thirty (30) days prior written notice to the Board, terminate such appointment. The Board shall inform the Trustee of any such appointment or termination and the Trustee may assume that any person appointed continues in office until notified of any change.

13.2 PLAN SPONSOR AS PLAN ADMINISTRATOR. In the event that no Administrator is appointed or in office pursuant to paragraph 13.1, the Plan Sponsor shall be the Administrator.

13.3 COMPENSATION AND EXPENSES. Unless otherwise determined and paid by the Employer (as directed by the Plan Sponsor), the person or committeemen serving as the Administrator shall serve without compensation for service as such. All expenses of the Administrator shall be paid as provided in paragraph 10.2, provided no compensation shall be paid the Administrator from the Fund to the extent prohibited by the Act or the Code.

13.4 PROCEDURE IF A COMMITTEE. If the Administrator is a committee, it shall appoint from its members a Chairman and a Secretary. The Secretary shall keep records as may be necessary of the acts and resolutions of such committee and be prepared to furnish reports thereof to the Trustee. Except as otherwise provided, all instruments executed on behalf of such committee may be executed by its Chairman or Secretary and the Trustee may assume that such committee, its Chairman or Secretary are the persons who were last designated as such to the Trustee in writing by the Plan Sponsor.

13.5 ACTION BY MAJORITY VOTE IF A COMMITTEE. If the Administrator is a committee, its action in all matters, questions and decisions shall be determined by a majority vote of its members qualified to act thereon. They may meet informally or take any action without the necessity of meeting as a group.

13.6 APPOINTMENT OF SUCCESSORS. Upon the death, resignation or removal of a person serving as, or on a committee which is, the Administrator, the Board may, but need not, appoint a successor.

13.7 ADDITIONAL DUTIES AND RESPONSIBILITIES. The Administrator shall have the following duties and responsibilities in addition to those expressly provided elsewhere in the Plan:

13.7(a) The Administrator shall be responsible for the fulfillment of all relevant reporting and disclosure requirements set forth in the Act and the Code, including but not limited to the preparation of necessary plan descriptions, summary plan descriptions, annual reports, summary annual reports, employee benefit statements, notice of forfeitability of benefits, notice of special tax treatment (rollover, five-year or ten-year averaging and capital gains) for distributions, and other statements or reports, the distribution thereof to Participants and their Beneficiaries and the filing thereof with the appropriate governmental officials and agencies.

13.7(b) The Administrator shall maintain and retain necessary records respecting administration of the Plan and matters upon which disclosure is required under the Act and the Code.

13.7(c) The Administrator shall make any elections for the Plan under the Act or the Code.

13.7(d) The Administrator shall provide to Participants and Beneficiaries such notices, including but not limited to the notice to interested parties, and information as are required by the Plan, the Act and the Code.

13.7(e) The Administrator shall make all determinations regarding eligibility for participation in and benefits under the Plan.

13.7(f) The Administrator shall have the right to settle claims against the Plan and to make such equitable adjustments in a Participant's or Beneficiary's rights or entitlements under the Plan as it deems appropriate in the event an error or omission is discovered or claimed in the operation or administration of the Plan.

13.8 POWER AND AUTHORITY.

13.8(a) The Administrator is hereby vested with all the power and authority necessary in order to carry out its duties and responsibilities in connection with the administration of the Plan, including the power to interpret the provisions of the Plan. For such purpose, the Administrator shall have the power to adopt rules and regulations consistent with the terms of the Plan.

13.8(b) The Administrator shall exercise its power and authority in its discretion. It is intended that a court review of the Administrator's exercise of its power and authority with respect to matters relating to claims for benefits by, and to eligibility for participation in and benefits of, Participants and Beneficiaries shall be made only on an arbitrary and capricious standard.

13.9 AVAILABILITY OF RECORDS. The Employer and the Trustee shall, at the request of the Administrator, make available necessary records or other information they possess which may be required by the Administrator in order to carry out its duties hereunder.

13.10 NO ACTION WITH RESPECT TO OWN BENEFIT. No Administrator who is a Participant shall take any part as the Administrator in any discretionary action in connection with his participation as an individual. Such action shall be taken by the remaining Administrator, if any, or otherwise by the Plan Sponsor.

13.11 LIMITATION ON POWERS AND AUTHORITY. The Administrator shall have no power in any way to modify, alter, add to or subtract from any provisions of the Plan.

ARTICLE XIV
AMENDMENT AND TERMINATION OF PLAN

14.1 AMENDMENT. The Plan may be amended in whole or in part at any time by action of the Board; provided, however, that:

(i) Except to the extent permitted or required by the Act or the Code, neither the Accrued Benefit (nor any subsidy, early retirement benefit, optional form of payment or any other benefit considered to be an accrued benefit for purposes of Section 411(d)(6)(B) of the Code) of a Participant, nor the percentage thereof which is non-forfeitable, at the time of any such amendment shall be adversely affected thereby.

(ii) Except to the extent permitted or required by the Act or the Code, no such amendment shall have the effect of revesting in the Employers any part of the Fund prior to the termination of the Plan and the satisfaction of all fixed and contingent liabilities thereunder with respect to Participants and their Beneficiaries.

(iii) The duties and obligations of the Trustee hereunder shall not be increased nor its compensation decreased without its written consent.

Any such amendment to the Plan shall be in writing and shall be adopted pursuant to action by the Board (including pursuant to any standing authorization for any officer, director or committee to adopt amendments) in accordance with its applicable procedures, including where applicable by majority vote or consent in writing.

14.2 MERGER, CONSOLIDATION OR TRANSFER OF ASSETS.

14.2(a) The merger or consolidation of or transfer of assets or liabilities between this Plan and any other plan shall be permitted upon action by the Board or as expressly provided elsewhere in the Plan so long as, immediately after such merger, consolidation or transfer of assets or liabilities, each Participant who is or may become eligible to receive an accrued benefit of any type from this Plan (or whose Beneficiaries may be eligible to receive any such benefit) would, if such surviving or transferee plan was then terminated, be entitled to receive an accrued benefit at least equal to the accrued benefit to which such Participant (and each such Beneficiary) would have been entitled had this Plan terminated immediately prior to such merger, consolidation or transfer of assets or liabilities.

14.2(b) With the consent of the Plan Sponsor, the Trustee may accept a direct transfer of cash or other property to the Fund on behalf of a Participant

from a plan qualified under Section 401 or 403(a) of the Code.

14.2(c) In the event property is received by the Trustee pursuant to this paragraph, such property shall be valued at its fair market value on the date of receipt by the Trustee in accordance with the method of valuation used for purposes of paragraph 4.6 or as otherwise provided in the merger, consolidation or asset transfer agreement.

14.2(d) Assets becoming part of the Fund by reason of any such merger, consolidation or transfer of assets or liabilities shall be allocated to the accounts in the Plan as provided in the merger, consolidation or asset transfer agreement or as otherwise provided in the Plan.

14.3 PLAN PERMANENCE AND TERMINATION. The Employers have established the Plan with the intention and expectation that they will be able to make their contributions indefinitely, but none of the Employers are or shall be under any obligation or liability to any Participant or Employee to continue their contributions or to maintain the Plan for any given length of time, and each may in its sole and absolute discretion discontinue its contributions or otherwise terminate its participation in the Plan at any time without any such liability for such discontinuance or termination.

14.4 LAPSE IN CONTRIBUTIONS. Failure by any Employer to make contributions to the Fund in any year or years, unless the same shall constitute a complete discontinuance of contributions, or shall be coupled with any other event causing a termination of its participation in the Plan, shall not terminate the Plan or operate to vest the rights of any Participants or to accelerate any payments or distributions to or for the benefit of any Participants or their Beneficiaries.

14.5 TERMINATION EVENTS.

14.5(a) The Plan shall terminate in whole or in part as the case may be upon the happening of any of the following events:

(i) With respect to any Employer, action by its Board terminating the Plan as to it and specifying the date of such termination. Notice of such termination shall be delivered to the Plan Sponsor, Trustee and the Administrator.

(ii) With respect to any Employer, its adjudication as a bankrupt or its general assignment to or for the benefit of its creditors or its dissolution, unless within sixty (60) days after such event a successor employer shall assume the terms and conditions hereof in writing.

(iii) With respect to any Employer, its complete discontinuance of contributions.

(iv) Termination or partial termination of the Plan within the meaning of Section 411(d)(3) of the Code, provided, however, that in the case of a partial termination, paragraphs 14.5 through 14.8 shall only apply to that part of the Plan which is partially terminated.

(v) With respect to any Employer other than the Plan Sponsor, upon its ceasing to be an Affiliate with respect to the Plan Sponsor.

(vi) Action by the Board of the Plan Sponsor terminating the Plan as a whole and specifying the date of such termination. Notice of such termination shall be delivered to the Trustee, the Administrator and all Employers.

14.5(b) For purposes of paragraphs 14.6 through 14.8 hereof, any action by the Board terminating the Plan shall also specify whether the Plan is thereafter to be operated as a "terminated plan" or a "frozen plan".
Such terms are defined as follows:

(i) A "terminated plan" is one that has been formally terminated, has ceased crediting service for benefit accrual purposes and vesting, and has been or is distributing Plan assets to Participants and Beneficiaries entitled thereto as soon as administratively possible. For purposes hereof, a Plan will be considered a terminated plan when Plan assets are required to be distributed pursuant to paragraph 14.8 hereof.

(ii) A "frozen plan" is one to which contributions to the Plan have ceased but all Plan assets are not being distributed to Participants or Beneficiaries entitled thereto as soon as administratively possible. For purposes hereof, a Plan will be considered a frozen plan when Plan assets are not required to be distributed pursuant to paragraph 14.8 hereof.

14.5(c) Termination of the Plan shall mean that:

(i) Contributions shall cease to be made to the Plan for periods after the effective date of the termination, and

(ii) Unless otherwise determined by the Board or prohibited by the Act or the Code, any withdrawal, investment direction, or other rights shall cease in the case of a "terminated plan" or shall continue in the case of a "frozen plan", and

(iii) In the case of a "frozen plan", benefit payments shall be made as provided in ARTICLE VIII and withdrawals and loans shall be permitted as provided in ARTICLE IX prior to its becoming a "terminated plan".

14.6 TERMINATION ALLOCATIONS AND SEPARATE ACCOUNTS.

14.6(a) Upon the effective date of the termination or partial termination of the Plan within the meaning of Section 411(d)(3) of the Code, or upon the effective date of the complete discontinuance of contributions to the Plan, the accounts of each affected Participant shall be fully vested.

14.6(b) Upon the effective date of the termination of the Plan with respect to any Employer, or upon the discontinuance of contributions by it, all or that portion of each Participant's account which is attributable to such Employer's (or its predecessor's) contributions shall be fully vested to the extent, if any, as the Board or the Plan Sponsor shall provide. In addition:

(i) If so directed by the Plan Sponsor, and as of the effective date of the termination of the Plan with respect to such Employer or the complete discontinuance of contributions by it, or as of any subsequent Valuation Date, the Trustee shall pay out of the Fund or provide for all accrued expenses not otherwise paid, shall value the assets held by the Fund, and shall adjust such accounts, both in the same manner as at the end of the Plan Year.

(ii) If so directed by the Plan Sponsor, the Trustee shall then hold as separate accounts the portions of each account which have been fully vested under the provisions of this subparagraph.

14.6(c) Upon the effective date of the termination of the Plan as a whole or the complete discontinuance of all contributions to the Plan, or if so directed by the Plan Sponsor, the partial termination of the Plan, the Trustee shall, subject to the Dollar/25% Limitation of paragraph 4.3, allocate the then unallocated contributions and forfeitures to the accounts of Participants and adjust such accounts in the same manner as at the end of the Plan Year and shall thereafter hold such accounts of all Participants as separate accounts hereunder. Thereafter, and after all fixed and contingent liabilities of the Fund to Participants and their Beneficiaries have been satisfied, any remaining assets of the Fund held in such account pursuant to paragraph 4.5 hereof shall be distributed to the Employer in such manner and in such proportions as the Plan Sponsor may determine.

14.6(d) To the extent a Participant's Matching and Profit Sharing Active Accounts becomes fully vested pursuant to this paragraph, it shall be transferred to his Matching and Profit Sharing Non-forfeitable Accounts.

14.7 HOLDING OF SEPARATE ACCOUNTS.

14.7(a) Upon termination of the Plan with respect to any Employer caused solely by a complete discontinuance of its contributions, by a partial termination of the Plan and/or by action of its Board or the Board, the Trustee shall continue to administer any separate accounts established in accordance with paragraph 14.6 as a part of the Fund in accordance with the provisions of the Plan for the sole benefit of the then Participants and Beneficiaries then receiving benefits, and any future Beneficiaries entitled to receive benefits hereunder with respect to such separate accounts.

14.7(b) In administering such separate accounts the Trustee shall have the powers and duties imposed upon it under the Plan provided that under no circumstances shall all or any portion of the separate accounts of any Participant held under this paragraph, as from time to time adjusted to reflect the profits, losses and expenses of the Fund, be subject to any forfeiture or inure to the benefit of any person other than such Participant or his Beneficiary.

14.8 DISTRIBUTION OF SEPARATE ACCOUNTS AFTER TERMINATION. Notwithstanding the other provisions of this ARTICLE XIV, but subject to the applicable provisions of clause (i)(B) of subparagraph 8.1(a) in the event that the Employer maintains another defined contribution plan other than an employee stock ownership plan (as defined in Section 4975(e)(7) of the Code), the Trustee shall forthwith distribute or pay the respective separate accounts in the Fund to the Participants who are not Transferor Plan Participants or their Beneficiaries entitled thereto, in cash or in assets valued as hereinbefore provided, in a Lump Sum Payment and to Transferor Plan Participants and their Beneficiaries entitled thereto either in the form of a Lump Sum Payment, in cash or in assets valued as hereinbefore provided, or in the form of an annuity contract or policy upon the happening of any of the following events which occur on or after or result in the termination of the Plan:

(i) Delivery to the Trustee of a notice executed on behalf of the Plan Sponsor by authority of the Board directing that such distribution or payment be made.

(ii) Adjudication of the Plan Sponsor as a bankrupt or general assignment by the Plan Sponsor to or for the benefit of creditors or dissolution of the Plan Sponsor, unless, within sixty (60) days after such event, either a successor or other employer shall assume the terms and conditions hereof in writing, or the Trustee (or a successor Trustee appointed within such sixty (60) day period) shall agree to continue to hold and administer the Fund as provided herein and additionally, unless otherwise agreed with or directed by the Plan Sponsor, to assume all the powers and duties imposed upon the Named Fiduciaries under the Plan. In assuming such powers and duties, the Trustee (or any successor Trustee) shall be vested with all authority granted by the Plan without any limitation imposed upon such authority by the Plan except the requirement that its actions shall be governed by the other provisions of the Plan and by the Act and the Code. If the Trustee (or any successor Trustee) shall so agree to continue the trust, all expenses of the Plan and the Fund and reasonable compensation to the Trustee (or any successor Trustee) and any successor shall be paid from the Fund. In the event of the death, resignation or removal of the Trustee (or any successor Trustee) who shall have so agreed to continue the trust, a court of competent jurisdiction over the Fund shall appoint a successor or the respective account balances in the Fund shall forthwith be distributed as hereinabove provided at the direction of such court.

14.9 EFFECT OF EMPLOYER MERGER, CONSOLIDATION OR LIQUIDATION. Notwithstanding the foregoing provisions of the ARTICLE XIV, the merger or liquidation of any Employer into any other Employer or the consolidation of two (2) or more of the Employers shall not cause the Plan to terminate with respect to the merging, liquidating or consolidating Employers, provided that the Plan has been adopted or is continued by and has not terminated with respect to the

surviving or continuing Employer.

ARTICLE XV
MATTERS RELATING TO COMPANY STOCK

15.1 VOTING DIRECTIONS.

15.1(a) Voting rights with respect to Company Stock (and any other securities of the Employer) held in any Fund division and allocated to Participants' accounts as of the applicable record date shall be passed through to Participants (or if deceased, to their Beneficiaries). When so required to be passed through, such rights which are not so exercised shall not be exercised by the Trustee.

15.1(b) In addition to the required pass-through of voting rights under subparagraph 15.1(a), when and then to the extent and in the manner directed by the Board:

(i) Any voting rights with respect to Company Stock (or other securities of the Employer) which are not required to be passed through may be passed through to Participants (or if deceased, to their Beneficiaries),

(ii) Any decision by a holder of Company Stock (or such other securities) to accept or reject a tender offer for Company Stock (or such other securities) may be treated as voting rights with respect to Company Stock (or such other securities) and passed through to Participants (or if deceased, to their Beneficiaries), and/or

(iii) Voting rights with respect to unallocated Company Stock (and such other securities) may be passed through to Participants (or if deceased, to their Beneficiaries).

For purposes hereof, a "tender offer" is intended to include any acquisition proposal which does not require voting rights with respect to Company Stock (or such other securities) to be exercised.

15.1(c) Whenever voting rights of Company Stock (or any other securities of the Employer) are passed through to Participants under subparagraph 15.1(a) or (b), each Participant (or if deceased, his Beneficiary) shall have the right to direct the manner in which such Company Stock (or other securities) is to be voted pursuant to clause (i) hereof or to actually or by attorney vote such Company Stock (or other securities) pursuant to clause (ii) hereof as determined by the Administrator. Within a reasonable time before such voting rights are to be exercised, the Administrator shall notify each Participant (or if deceased, his Beneficiary) of the occasion for the exercise of such rights and shall cause to be sent to each such Participant (or if deceased, his Beneficiary entitled to benefits hereunder) all information that the Employer or tender offeror, as the case may be, distributes to shareholders (or security holders) regarding the exercise of such rights.

(i) Unless otherwise determined pursuant to clause (ii) of this subparagraph, any direction made pursuant to this paragraph shall be made in writing on a form provided by the Administrator, executed by the Participant (or if deceased, his Beneficiary), and delivered to the Administrator by 5:00 p.m. of the second day preceding (or such other period as the Administrator may establish) the date such voting rights are to be exercised. The Administrator shall then forthwith deliver such direction to the Trustee. To the extent permitted by law, the Trustee shall exercise such rights as directed and, except in the case of voting rights or a tender offer described in subparagraph 15.1(b) unless also directed by the Administrator, shall not exercise such rights which are not so directed.

(ii) Notwithstanding the foregoing, the Administrator may alternatively direct the Trustee to execute and give each Participant (or

if deceased, his Beneficiary) a power of attorney with respect to such Company Stock (or other securities), and the Participant (or if deceased, his Beneficiary) may then vote such Company Stock (or other securities) directly or through his attorney. If the Administrator determines to pass through voting rights pursuant to this clause (ii), such Company Stock (or other securities) which is not voted by Participants (or if deceased, their Beneficiaries) shall not be voted.

15.1(d) To the extent that the voting rights of Company Stock (or other securities of the Employer) or the decision to accept or reject a tender offer for Company Stock (or other securities of the Employer) held in the Fund are not passed through to Participants and are not prohibited from being voted under subparagraph 15.1(a), either:

(i) The Administrator shall direct the Trustee in writing as to the manner, if any, in which such voting rights shall be exercised and as to the acceptance or rejection of such tender offer in whole or in part, provided such direction is delivered to the Trustee prior to the time such voting rights are to be exercised or such tender offer is to be accepted or rejected, and the Trustee shall exercise such rights as directed, or

(ii) The Administrator's duly authorized representative may exercise such rights in person or by proxy, or

(iii) The Administrator shall inform the Trustee that neither the Administrator nor its authorized representative will exercise its rights hereunder and that the Trustee should exercise such rights in its discretion.

Such direction may include, but shall not be limited to, an instruction to vote such Company Stock (or such other securities) or to accept or reject such tender offer based on the manner in which such rights with respect to a majority (or some other specified percentage or fraction) of shares of Company Stock (or shares or interests in such other securities) with respect to which such voting or tender acceptance or rejection rights are passed through to Participants are exercised.

15.1(e) If the Trustee or Administrator is prevented by law from, or does or may have a conflict of interest in, exercising any voting rights of Company Stock (or other securities of the Employer) in accordance with the applicable provisions of the Plan or making directions or other determinations pursuant to this paragraph, or if the Plan Sponsor deems it appropriate for any reason, the Plan Sponsor shall appoint a Co-Trustee (sometimes referred to as the "Voting Co-Trustee") in lieu of the Trustee or Administrator for the purpose of exercising such voting rights in accordance herewith or making directions or other determinations pursuant to this paragraph and such appointment shall be terminable at will by the Plan Sponsor.

15.2 ACQUISITIONS AND DISPOSITIONS OF COMPANY STOCK.

15.2(a) Purchases of Company Stock for the Company Stock Fund may be made on the open market or from the Plan Sponsor (if the Plan Sponsor consents) as determined by the Trustee from time to time or as directed by the Plan Sponsor.

15.2(b) The Named Fiduciaries under the Plan are hereby specifically authorized, pursuant to and in accordance with Section 408(e) of the Act to acquire from or sell to any "party in interest" as defined in Section 3(14) of the Act any stock or securities of the Employer which constitutes "qualifying employer securities" as defined in Section 407(d)(5) of the Act if such acquisition or sale is for adequate consideration (or in the case of the acquisition by the Plan, at a price not less favorable to the Plan than the fair market value of such securities at the time of acquisition) and if no commission is charged the Plan with respect thereto. The Board and the Plan Sponsor are each authorized to determine on behalf of the Plan and the Fund what is adequate consideration. Unless otherwise determined, the closing sale price per share of Company Stock as reported in The Wall Street Journal or other authoritative sources for the day on which a purchase or sale is to take place shall be

adequate consideration with respect to Company Stock if Company Stock is considered readily tradable on an established market. If such price is not supplied by The Wall Street Journal or other authoritative sources, then the price per share will be determined pursuant to the valuation method or procedure determined by the Board or the Plan Sponsor in good faith.

15.3 SALES PROHIBITED IF REGISTRATION OR QUALIFICATION REQUIRED. In no event shall any acquisition or sale of Company Stock pursuant to the Plan be consummated if in the opinion of counsel for the Plan Sponsor such acquisition or sale could result in the loss by the Employer or the Plan of its exemption from applicable registration and/or qualification requirements of federal or state securities laws. The foregoing sentence shall, however, be inapplicable if and to the extent such acquisition or sale is required to preserve the qualification of the Plan under Section 401 or, to the extent applicable, 409 of the Code or to the extent such acquisition or sale is directed in writing by the Administrator. In the event an acquisition or disposition of Company Stock is made as provided in this paragraph under circumstances which require the registration and/or qualification of the Company Stock under applicable federal or state securities laws, then the Plan Sponsor, at the expense of the Employer, shall take or cause to be taken any and all actions as may be necessary or appropriate to effect such registration or qualification.

15.4 LIMITATION ON INSIDERS' INTERESTS IN COMPANY STOCK. Notwithstanding anything in the Plan to the contrary, but subject to any applicable qualification requirements under Section 401 and, to the extent applicable, 409 of the Code, the Board shall have authority to adopt and implement administrative rules and regulations relating to the investment of the assets held in the accounts of Participants who are insiders (within the meaning of Section 16 of the Securities Exchange Act of 1934 (the "1934 Act") and the rules thereunder), including, without limitation, such rules and regulations as may the Administrator or Plan Sponsor deems necessary or appropriate in order for insiders' participation in the Plan to satisfy the conditions of Rule 16b-3, as amended (or any successor or similar rule), under the 1934 Act.

15.5 NO GUARANTEE OF VALUES. Neither the Employer nor the Named Fiduciaries guarantee that the fair market value of the Company Stock when it is distributed will be equal to its purchase price or that the total amount distributable under the Plan will be equal to or greater than the amount of contributions and direct transfers allocated to any Participant. Each Participant assumes all risk of any decrease in the market value of the Company Stock and other assets allocated to his accounts in accordance with the provisions of the Plan.

15.6 LEGEND REGARDING SECURITIES LAWS RESTRICTION ON SALE OR TRANSFER. Each certificate for shares of Company Stock distributed from the Plan which is subject to a restriction on sale or transfer by reason of any applicable federal or state securities laws shall bear an appropriate legend giving notice of such restrictions.

15.7 CONFIDENTIALITY OF PARTICIPANT DIRECTIONS REGARDING AND HOLDINGS OF COMPANY STOCK.

15.7(a) The Administrator shall maintain confidentially with respect to Participant directions to invest or cease investment in the Company Stock Fund, Participants' interests in the Company Stock Fund and Participant directions regarding the exercise of voting, tender and similar rights for Company Stock as is intended under Section 404(c) of the Act. The Administrator's procedures for confidentiality shall include the collection of investment direction information by the Administrator (or its delegate) and the collection of voting instructions by the Plan Administrator (or its delegate), followed by delivery of voting instructions to the Trustee. Information regarding investment directions and voting instructions shall be retained by the Administrator, as required by the Act and other applicable laws, but will not be disclosed to management of the Plan Sponsor or any other Employer or Affiliate except to the extent required by securities or other applicable laws which are not pre-empted by the Act.

15.7(b) The Plan fiduciary responsible for monitoring compliance with the

confidentiality procedures of this paragraph is the Director of Human Resources of the Plan Sponsor.

15.7(c) The Plan fiduciary responsible for monitoring compliance with the confidentiality procedures of this paragraph shall appoint an independent fiduciary for the Plan to carry out certain activities with respect to Company Stock for any matters (such as tender offers, exchange offers and contested Board elections) for which he believes appropriate in order to ensure confidentially.

ARTICLE XVI
MISCELLANEOUS

16.1 HEADINGS. The headings in the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

16.2 GENDER AND NUMBER. In the construction of the Plan, the masculine shall include the feminine or neuter and the singular shall include the plural and vice-versa in all cases where such meanings would be appropriate.

16.3 GOVERNING LAW. The Plan and the Fund created hereunder shall be construed, enforced and administered in accordance with the laws of the Commonwealth of Virginia, and any federal law pre-empting the same. Unless federal law specifically addresses the issue, federal law shall not pre-empt applicable state law preventing an individual or person claiming through him from acquiring property or receiving benefits as a result of the death of a decedent where such individual caused the death.

16.4 EMPLOYMENT RIGHTS. Participation in the Plan shall not give any employee the right to be retained in the Employer's employ nor, upon dismissal or upon his voluntary termination of employment, to have any right or interest in the Fund other than as herein provided.

16.5 CONCLUSIVENESS OF EMPLOYER RECORDS. The records of the Employer with respect to age, service, employment history, compensation, absences, illnesses and all other relevant matters shall be conclusive for purposes of the administration of the Plan.

16.6 RIGHT TO REQUIRE INFORMATION AND RELIANCE THEREON. The Employer, Administrator and Trustee shall have the right to require any Participant, Beneficiary or other person receiving benefit payments to provide it with such information, in writing, and in such form as it may deem necessary to the administration of the Plan and may rely thereon in carrying out its duties hereunder. Any payment to or on behalf of a Participant or Beneficiary in accordance with the provisions of the Plan in good faith reliance upon any such written information provided by a Participant or any other person to whom such payment is made shall be in full satisfaction of all claims by such Participant and his Beneficiary; and any payment to or on behalf of a Beneficiary in accordance with the provisions of the Plan in good faith reliance upon any such written information provided by such Beneficiary or any other person to whom such payment is made shall be in full satisfaction of all claims by such Beneficiary.

16.7 ALIENATION AND ASSIGNMENT.

16.7(a) Except as otherwise permitted by the Act and the Code and as expressly permitted by the Plan or the Administrator, no benefit hereunder shall be subject in any manner to alienation, sale, anticipation, transfer, assignment, pledge, encumbrance, garnishment, attachment, execution or levy of any kind.

16.7(b) As provided in the Act and the Code, this prohibition shall not apply to any QDRO entered on or after January 1, 1985, and the Administrator shall have all rights granted thereunder in determining the existence of such an order, in establishing and following procedures therefor and in complying with

any such order. The Administrator shall treat any domestic relations order entered before January 1, 1985 as a QDRO entered on January 1, 1985 if the Plan is paying benefits pursuant to such order on January 1, 1985 or if the Administrator in its discretion deems such treatment warranted. On a uniform and non-discriminatory basis, the Administrator may determine that any special charge, fee or expense in reviewing the status of a domestic relations order and in otherwise administering the Plan in connection therewith be charged directly to the account of the Participant with respect to whom the order is issued.

16.7(c) As provided in the Act and the Code, this prohibition shall not apply to any Participant loan which meets the requirements of subparagraph 9.8(a).

16.8 NOTICES AND ELECTIONS.

16.8(a) Except as provided in subparagraph 16.8(b), all notices required to be given in writing and all elections, consents, applications and the like required to be made in writing, under any provision of the Plan, shall be invalid unless made on such forms as may be provided or approved by the Administrator and, in the case of a notice, election, consent or application by a Participant or Beneficiary, unless executed by the Participant or Beneficiary giving such notice or making such election, consent or application.

16.8(b) Subject to limitations under applicable provisions of the Code or the Act (such as the requirement that spousal consent be in writing), the Administrator is authorized in its discretion to accept other means for receipt of effective notices, elections, consent and/or application by Participants and/or Beneficiaries, including but not limited to interactive voice systems, on such basis and for such purposes as it determines from time to time.

16.9 DELEGATION OF AUTHORITY. Whenever the Plan Sponsor or any Employer is permitted or required to perform any act, such act may be performed by its Chief Executive Officer, its President, its Vice President and Treasurer, or its Board of Directors or by any person duly authorized by any of the foregoing.

16.10 SERVICE OF PROCESS. The Administrator, as well as the Trustee, shall be the agent for service of process on the Plan.

16.11 CONSTRUCTION. This Plan is created for the exclusive benefit of Employees of the Employer and their Beneficiaries and shall be interpreted and administered in a non-discriminatory manner consistent with its being an employees' profit sharing plan and trust and a defined contribution plan as defined in Sections 401(a) and 414(i), of the Code, respectively, with a cash or deferred arrangement described in 401(k) of the Code.

ARTICLE XVII
ADOPTION OF THE PLAN

17.1 RESTATED ADOPTION AND FAILURE TO OBTAIN QUALIFICATION. If the Internal Revenue Service determines that this Restatement of the Plan does not qualify initially under Section 401 of the Code, the Plan as restated herein shall have no force and effect, unless the same shall be further amended in order to so qualify.

17.2 ADOPTION BY ADDITIONAL EMPLOYERS. Any employer which is an Affiliate and which, with the consent of the Board, desires to adopt the Plan, may do so by executing the Plan or an adoption agreement in a form authorized and approved by such employer's Board of Directors and the Board. In the event that such Affiliate has established and has been maintaining a profit sharing or money purchase pension plan for the benefit of its employees which qualifies under Section 401 or 404(a)(2) of the Code, an adoption or other agreement may provide, subject to the requirements of paragraph 14.2, that such plan is amended and restated by the provisions of this Plan (such prior plan being deemed a predecessor plan to this Plan) or that such plan is to be merged or consolidated with this Plan; and, in such event, the assets of such plan shall be paid over to the Trustee to be administered as a part of the Fund pursuant to

the provisions of this Plan.

IN WITNESS WHEREOF, the Plan Sponsor, for itself and for each Employer, pursuant to the resolution duly adopted by its Board of Directors, has caused its name to be signed to this Plan and Trust Agreement by its duly authorized officer with its corporate seal hereunto affixed and attested by its Secretary or Assistant Secretary, and each Trustee and the Custodian have caused their names to be signed to this Plan and Trust Agreement, as of the _____ day of April, 1997.

ESKIMO PIE CORPORATION,
Plan Sponsor and participating Employer

By: _____ (SEAL)
Its _____

Attest:

_____
Its _____

FIRST UNION NATIONAL BANK OF
NORTH CAROLINA, Separate
Trustee for all Fund divisions
other than the Company Stock
Fund and Custodian for the
Company Stock Fund

By: _____(SEAL)
Its_____

Attest:

_____
Its _____

_____ (SEAL)
THOMAS M. MISHOE, JR.,
Separate Trustee for the Company Stock Fund

ESKIMO PIE CORPORATION SAVINGS PLAN AND TRUST
APPENDIX A
DETERMINATION OF HOURS OF SERVICE

A-1.1 INTRODUCTION. Hours of Service shall be credited to Employees for purposes of the Plan as provided in this Appendix.

A-1.2 PAID HOURS FOR THE PERFORMANCE OF DUTIES. An Employee shall be credited with one Hour of Service for each hour for which he is paid by the Employer, or entitled to payment, for the performance of duties for the Employer, including each hour for which credit has not theretofore been given and for which back pay, irrespective of mitigation of damages, has either been awarded or agreed to by the Employer. Such Hours of Service shall be credited to the individual for the period in which the duties are actually performed.

A-1.3 PAID HOURS WHERE NO PERFORMANCE OF DUTIES REQUIRED. An Employee shall also be credited with up to and including five hundred and one (501) Hours of Service for any single continuous period during which no duties are performed due to vacation, holiday, sickness, incapacity, disability, layoff, jury duty, military duty or leave of absence and on account of which he is directly or indirectly paid, or entitled to payment, by the Employer (other than under a plan maintained solely for the purpose of complying with applicable workmen's compensation or unemployment compensation or disability insurance laws or other than solely as reimbursement for medical or medically related expenses incurred by the individual), including hours for any such period for which credit has not theretofore been given and for which back pay, irrespective of mitigation of damages, has either been awarded or agreed to by the Employer, all determined as provided below. Such Hours of Service shall be credited in accordance with the following rules.

(i) The number of Hours of Service to be credited for a payment calculated on the basis of units of time (such as hours, days, weeks or months) shall be the number of regularly scheduled working hours included in the unit of time on the basis of which the payment is calculated; provided, however, that if an Employee has no regular working schedule, the number of Hours of Service to be credited to the Employee shall be calculated, as determined by the Administrator, on the basis of a forty (40) hour workweek, an eight (8) hour workday, or on any reasonable basis which reflects the average hours worked by the Employee, or by other Employees in the same job classification, over a representative period of time, provided that the basis so used is consistently applied. Such Hours of Service shall be credited to the year or years in which the period during which no duties are performed occurred.

(ii) The number of Hours of Service to be credited for a payment which is not calculated on the basis of units of time shall be the number determined by dividing the amount of the payment by the Employee's most recent "hourly rate of compensation" before the period for which the payment is made. An Employee's "hourly rate of compensation" is:

(A) In the case of an Employee whose compensation is determined on the basis of an hourly rate, his hourly rate of compensation;

(B) In the case of an Employee whose compensation is determined on the basis of a fixed rate for specified periods of time (other than hours), his rate of compensation for the specified period of time divided by the number of hours regularly scheduled during such specified period of time; provided, however, that the Employee has no regular work schedule, the "hourly rate of compensation" of the Employee shall be calculated, as determined by the Administrator, on the basis of a forty (40) hour workweek, an eight (8) hour workday, or on any reasonable basis which reflects the average hours worked by the Employee, or by other Employees in the same job classification, over a representative period of time, provided that the basis so used is consistently applied; or

(C) In the case of all other Employees, the lowest hourly rate of compensation paid to Employees in the same job classification or, if none have an hourly rate, the minimum wage as established from time to time under Section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

Such Hours of Service shall be credited to the year in which the period during which no duties are performed occurs, or, if more than one year is involved, such Hours of Service shall be allocated between the first two such years on any reasonable and consistently applied basis determined by the Administrator.

(iii) Notwithstanding the provisions of clauses (i) and (ii) of this paragraph, such Hours of Service shall not be credited in a number greater than the number of hours regularly scheduled for performance of duties during the period for which the payment is made; provided, however, that if the Employee has no regular work schedule, the number of regularly scheduled hours for the Employee for purposes of the provisions of this clause (iii) shall be deemed to be, as determined by the Administrator, forty (40) hours per workweek, eight (8) hours per workday, or such number as reflects the average hours worked by the Employee, or by other Employees in the same job classification, over a representative period of time, provided such number used is consistently applied.

A-1.4 PERIODS OVERLAPPING A YEAR. Notwithstanding the year to which Hours of Service are required to be credited under the foregoing, in the case of Hours of Service to be credited in connection with a period of no more than thirty-one (31) days which overlaps two years, all such Hours of Service may be credited to the first or second such year, if done consistently and as directed by the Administrator.

A-1.5 ABSENCES DUE TO PREGNANCY, CHILDBIRTH, ADOPTION AND RELATED CHILD CARE. Solely for purposes of determining whether an Employee is credited with a Year of Broken Service for purposes of determining his eligibility to participate in the Plan or his vested interest in his Accrued Benefit, if the Employee is absent from work with the Employer for any period beginning on or after the first day of the first Plan Year commencing after December 31, 1984:

(i) By reason of the pregnancy of the Employee,

(ii) By reason of the birth of a child of the Employee,

(iii) By reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or

(iv) For purposes of caring for such child for a period beginning immediately after such birth or placement,

then the Employee shall be credited with that number of Hours of Service which would normally have been credited to the Employee during such absence but for such absence or, if the Employee's otherwise credited Hours of Service cannot be readily determined, with eight (8) Hours of Service per day of such absence, except that the total number of Hours of Service so credited shall not exceed that number needed to avoid incurring a Year of Broken Service. Such Hours of Service shall be credited either for the applicable year in which the absence from work begins, if the Employee would be prevented from receiving a Year of Broken Service for such year solely because such periods of absence are treated as Hours of Service as provided in this subparagraph, or in the immediately following year, in any other case. Notwithstanding the foregoing, no credit for Hours of Service shall be given under this subparagraph unless the Employee furnishes to the Administrator such timely information as the Administrator may reasonably require to establish that the absence from work is for one of the foregoing reasons or purpose and the number of days for which there was such an absence.

A-1.6 ABSENCES FOR LEAVE UNDER THE FAMILY AND MEDICAL LEAVE ACT. Solely for purposes of determining whether an Employee is credited with a Year of Broken Service (but only when Years of Broken Service are determined on the basis of Hours of Service) for purposes of determining his eligibility to participate in the Plan or his vested interest in his Accrued Benefit, if the Employee is absent from work with the Employer for any period after August 4, 1993 for family or medical leave required to be granted under the Family and Medical Leave Act, then the Employee shall be credited with that number of Hours

of Service which would normally have been credited to the Employee during such absence but for such absence or, if the Employee's otherwise credited Hours of Service cannot be readily determined, with eight (8) Hours of Service per day of such absence, except that the total number of Hours of Service so credited shall not exceed that number needed to avoid incurring a Year of Broken Service. Such Hours of Service shall be credited for the applicable year(s) in which the absence from work occurs. Notwithstanding the foregoing, no credit for Hours of Service shall be given under this subparagraph unless the Employee complies with the leave procedures required under the Employer's leave policies and the Family and Medical Leave Act.

A-1.7 QUALIFIED MILITARY SERVICE. Effective December 12, 1994, service shall be granted for periods of Qualified Military Service as provided in paragraph 4.10 of the Plan. Unless otherwise required under Section 414(u) of the Code or USERRA, the affected Employee shall be credited with that number of Hours of Service which would normally have been credited to the Employee during such absence but for such absence or, if the Employee's otherwise credited Hours of Service cannot be readily determined, with eight (8) Hours of Service per day of such absence. Such Hours of Service shall be credited for the applicable year(s) in which the Qualified Military Service occurs. Notwithstanding the foregoing, no credit for Hours of Service shall be given under this subparagraph unless the Employee complies with the any notice and restoration right procedures required, or permitted to be required and adopted by the Employer, under Section 414(u) of the Code or USERRA.

A-1.8 NO DUPLICATION OF HOURS CREDITED OR CONFLICT WITH FEDERAL LAW. Nothing contained in this Appendix shall be construed to require or permit any duplication in the crediting of Hours of Service or to alter, amend, modify, invalidate, impair or supersede any law of the United States or any valid rule or regulation issued under any such law so as to deny an Employee credit for an Hour of Service where such credit is required by federal law other than the Act, including but not limited to credit required to be given for periods of time in which no duties are performed due to military duty or service in the United States Armed Forces, provided that the Employee enters such service directly from the employ of the Employer and returns to active employment with the Employer within the period prescribed by applicable law. Hours of Service before any year commencing after September 2, 1974 may be determined or reasonably estimated with such records as are available to the Employer.

ESKIMO PIE CORPORATION SAVINGS PLAN AND TRUST
APPENDIX B
DETERMINATION OF TOP HEAVY PLAN STATUS

B-1.1 INTRODUCTION. The Plan will be a Top Heavy Plan for any Plan Year beginning after December 31, 1983 if the sum of the present values of the cumulative accrued benefits of Key Employees under the Plan, and the present values of the cumulative accrued benefits of Key Employees under all plans aggregated with it, exceeds sixty percent (60%) of the aggregate of the present value of the cumulative Accrued Benefits under the Plan and accrued benefits under such plan(s) at the applicable determination date. For purposes hereof, aggregation, accrued benefits (including Accrued Benefits) taken into account, the determination date and all other standards and criteria for determining top-heaviness under this Plan and such other plan(s) shall be determined under Section 416 of the Code. Subject to the foregoing, the determination of Top Heavy Plan status shall be made each Plan Year in accordance with the rules and definitions contained in this Appendix.

B-1.2 DETERMINATION DATE. The determination date with respect to a plan means the last day of its preceding plan year or, in the case of the first plan year of a plan, the last day of such first plan year.

B-1.3 VALUE OF ACCRUED BENEFITS.

B-1.3(a) The value of an accrued benefit at a determination date is the value thereof at the most recent valuation date occurring within the twelve (12) month period ending on the determination date, plus, in the case of a defined contribution plan, an appropriate adjustment for contributions made or due thereafter and on or before the determination date.

B-1.3(b) If the plan is a defined benefit plan, the present value of accrued benefits thereunder shall be determined on the basis of the actuarial assumptions stated in such plan for such purpose or, if none are stated, on the basis of the applicable actuarial equivalent benefit payment factors of such plan, in any case taking into account post-retirement mortality, interest, non-proportional subsidies (the benefits of which are assumed to commence at the age when the benefit is most valuable), pre-retirement mortality and future increases in cost of living, but not taking into account proportional subsidies, future withdrawals or salary increases, future increases in the maximum dollar limitation of Section 415 of the Code, and benefits not relating to retirement.

B-1.3(c) If the plan is a defined contribution plan, the value of an accrued benefit shall be determined as follows:

(i) An individual's account balance in a plan not subject to Section 412 of the Code is the sum of his actual account balance on the applicable valuation date and all contributions actually made after the applicable valuation date but on or before the determination date; provided, however, for such a plan's first plan year, the amount determined in the preceding sentence shall be added to the amount of any contributions made after the determination date that are allocated as of a date in that first plan year.

(ii) An individual's account balance in a defined contribution plan that is subject to Section 412 of the Code is the sum of his account balance on the applicable valuation date, all contributions due as of the determination date (that is, contributions that would be allocated as of a date not later than the determination date, even though those amount are not yet required to be contributed), and, for the plan year that contains the determination date, all amounts actually contributed (or due to be contributed) after the extended payment period in Section 412(c)(10) of the Code.

B-1.3(d) The accrued benefit of a Non-Key Employee shall be determined (i) under the method which is uniformly used for accrual purposes for all plans of the Employer or (ii) if there is no method described in clause (i), as if such benefit accrued not more rapidly than the slowest applicable accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

B-1.4 ACCRUED BENEFITS EXCLUDED FROM DETERMINATION. In determining the value of accrued benefits, there shall be excluded:

(i) Any rollover contribution or plan-to-plan transfer initiated by the participant and made after December 31, 1983 so long as the rollover contribution or transfer was not derived from a plan maintained by the Employer,

(ii) Any accumulated deductible employee contributions,

(iii) The accrued benefit of any individual who was a Key Employee for a prior plan year but who is no longer a Key Employee, and

(iv) For plan years beginning after December 31, 1984, the accrued benefit of any individual who has not performed service for any Employer maintaining the plan at any time during the five (5) plan year period ending on the determination date.

B-1.5 DISTRIBUTIONS AND TRANSFERS TAKEN INTO ACCOUNT IN DETERMINATION. In determining the value of accrued benefits, there shall be included any distributions made under the plan at any time during the five (5) plan year period ending on the determination date:

(i) Including distributions from any terminated plan which if it had not been terminated would have been required to be aggregated with this Plan under clause (i) or (ii) of subparagraph 1.6(b) of this Appendix, but

(ii) Excluding:

(A) Distributions made on account of death, to the extent the benefits do not exceed the present value of accrued benefits existing immediately prior to death (in the case of a defined contribution plan, a distribution made on account of death is the participant's accrued account balance (including the cash value of life insurance policies)), and

(B) Distributions and plan-to-plan transfers which are rolled over into a plan maintained by the Employer or initiated by the participant.

B-1.6 AGGREGATION OF PLANS.

B-1.6(a) When aggregating plans, the value of accrued benefits shall be calculated with reference to the determination dates of such aggregated plans that fall within the same calendar year. When aggregating defined benefit plans the same actuarial assumptions shall be used with respect to all such plans and, if the stated assumptions of such plans are not the same, the plan sponsor(s) of such plans shall select and agree on one plan's assumptions.

B-1.6(b) The plans to be aggregated with this Plan for purposes hereof for a plan year are:

(i) Each other plan (whether or not terminated) intended to meet the applicable requirements of Section 401(a)(10)(B) of the Code and maintained by the Employer and each simplified employee pension plan (whether or not terminated) maintained by the Employer in which a Key Employee participates for the plan year containing the determination date with respect to such plan year or for any of the preceding four (4) plan years,

(ii) Each other qualified or simplified employee pension plan (whether or not terminated) maintained by the Employer which, during the applicable five (5) plan year period described in clause (i) of this subparagraph, enables any such plan described in clause (i) of this subparagraph to meet the requirements of Section 401(a)(4) or 410 of the Code, and

(iii) Solely in the discretion of the Plan Sponsor, any additional qualified or simplified employee pension plan(s) (whether or not terminated) maintained by the Employer if the plans described in clauses (i) and (ii) of this subparagraph would continue to meet the requirements of Sections 401(a)(4) and 410 of the Code with such plan(s) being included in the aggregation group.

ESKIMO PIE CORPORATION SAVINGS PLAN AND TRUST
APPENDIX C
LIST OF PARTICIPATING EMPLOYERS
(AS OF JANUARY 1, 1997)

<TABLE>
<CAPTION>

NAME OF EMPLOYER	TYPE AND PLACE OF ORGANIZATION	EFFECTIVE DATE OF COMMENCEMENT OF PARTICIPATION	EFFECTIVE DATE OF TERMINATION OF PARTICIPATION

<S> <C> <C> <C>

Eskimo Pie Corporation	Virginia corporation	April 6, 1992	----
Eskimo, Inc.	Virginia corporation	February 1, 1997	----
Sugar Creek Foods, Inc.	Virginia corporation	February 1, 1997	----

</TABLE>

ESKIMO PIE CORPORATION SAVINGS PLAN AND TRUST
APPENDIX D
RULES PERTAINING TO LIMITATIONS ON AFTER-TAX, PRE-TAX AND MATCHING CONTRIBUTIONS

D-1.1 LIMITATION ON PRE-TAX CONTRIBUTIONS.

D-1.1(a) The aggregate amount of a Participant's Pre-Tax Contributions made to the Plan for a Plan Year shall not exceed the applicable limits thereon specified in this paragraph and elsewhere in the Plan.

D-1.1(b) Notwithstanding anything in the Plan to the contrary, the aggregate Pre-Tax Contributions and other Elective Deferrals made by a Participant for any calendar year may not exceed the Elective Deferral Dollar Limitation.

(i) In no event shall the aggregate Elective Deferrals made by any Employee for any calendar year to this Plan and any other plan maintained by the Employer exceed the Elective Deferral Dollar Limitation, and the Administrator shall, whenever necessary to comply with this limitation, cause such Employee's Elective Deferrals to this Plan to cease being made for such calendar year and take such other action as it may deem appropriate in connection therewith.

(ii) For purposes hereof:

(A) The term "Elective Deferral Dollar Limitation" means $7,000, as adjusted by the Adjustment Factor and as otherwise adjusted pursuant to Section 402(g) of the Code.

(B) The term "Elective Deferrals" means a Participant's Pre-Tax Contributions to the Plan and his other elective or salary reduction contributions to a cash or deferred arrangement, tax sheltered annuity or simplified employee pension plan or "Section 501(c)(18)" trust to the extent not includable in or to the extent deductible from the Participant's gross income for his taxable year of contribution on account of or as described in Section 401(k), 403(b), 408(k) or 501(c)(18) of the Code and required to be taken into account and aggregated for purposes of applying the limitations of Section 402(g) of the Code to the Plan.

(C) The term "Excess Elective Deferrals" means a Participant's Elective Deferrals for a calendar year in excess of the Elective Deferral Dollar Limitation for such calendar year.

(iii) The following procedure applies to the notice of the existence of Excess Elective Deferrals and to the distribution of Excess Elective Deferrals during the calendar year for which made:

(A) By written notice filed with the Administrator the Participant may notify the Administrator of the existence of

Excess Elective Deferrals with respect to the Participant and may allocate the amount of his Excess Elective Deferrals for such calendar year among the plans to which contributed and notify the Administrator of the portion, if any, allocated to the Plan. In addition, the Employer may notify the Administrator of Excess Elective Deferrals made to the Plan and other plans maintained by the Employer.

(B) The Administrator, in its discretion, may then distribute the designated Excess Elective Deferrals (without income thereon unless otherwise determined by the Administrator on a uniform and non-discriminatory basis) in a "corrective distribution" during the calendar year for which made so long as the distribution is made after the Plan has received the Excess Elective Deferrals or, if permitted under Section 402(g) of the Code, may direct that the Excess Elective Deferrals be retained in the Plan permanently or for later distribution pursuant to the Plan.

(iv) The following procedure applies to the notice of the existence of Excess Elective Deferrals and to the distribution of Excess Elective Deferrals after the calendar year for which made:

(A) Not later than the January 31 following each calendar year the Administrator shall inform each Participant of his aggregate Pre-Tax Contributions for such calendar year.

(B) Not later than the March 1 following each calendar year, by written notice filed with the Administrator the Participant may notify the Administrator of the existence of Excess Elective Deferrals with respect to the Participant and may allocate the amount of his Excess Elective Deferrals for such calendar year among the plans to which contributed and notify the Administrator of the portion, if any, allocated to the Plan. In addition, the Employer may notify the Administrator of Excess Elective Deferrals made to the Plan and other plans maintained by the Employer.

(C) The Administrator may then, in its discretion, direct that any Excess Elective Deferrals allocated to the Plan be distributed to the Participant (together with income thereon as determined pursuant to Section 402(g) of the Code) in a "corrective distribution" or, if permitted under Section 402(g) of the Code, be retained in the Plan.

(v) For purposes hereof and except to the extent otherwise provided under Section 401(k) or 402(g) of the Code:

(A) The amount of any Excess Elective Deferrals that may be distributed with respect to any Participant for a calendar year shall be reduced by any Excess Deferral Contributions (as defined in paragraph 1.2 of this Appendix) previously distributed or recharacterized with respect to the Participant for the Plan Year beginning with or within the calendar year.

(B) Excess Elective Deferrals allocated to the Plan shall be considered first to be Pre-Tax Optional Contributions for such Plan Year and then to be the remainder of the Participant's Pre-Tax Basic Contributions.

(vi) For purposes hereof and except to the extent otherwise provided under Section 401(k) or 402(g) of the Code, the income allocated to any Excess Elective Deferrals allocated to the Plan shall be determined by the Administrator under the following rules and calculated under any reasonable method selected by the Administrator so long as the method does not violate the requirements of Section 401(a)(4) of the Code, is used consistently for all Participants and for all corrective distributions

under the Plan for a calendar year, and is used by the Plan for allocating income to Participants' accounts under the Plan:

(A) Unless another method is determined by the Administrator, where the corrective distribution is made after the end of the calendar year for which the Excess Elective Deferrals were made, the amount of income to be distributed shall be determined by multiplying (I) the income for the calendar year or other period in question allocable to the account to which such Excess Elective Deferrals are allocated by (II) a fraction, the numerator of which is the amount of the Participant's Excess Elective Deferrals allocated to such account for the calendar year or other period in question and entitled to a share of the valuation adjustment therefor under paragraph 4.6 of the Plan and the denominator of which is the balance in such account on the last day of the calendar year or other period in question, reduced by the earnings allocable thereto and increased by the losses allocable thereto in the calendar year or other period in question.

(B) Where the corrective distribution is made after the end of the calendar year for which the Excess Elective Deferrals were made, unless otherwise determined by the Administrator on a uniform and non-discriminatory basis, no income shall be distributed for the period between the end of the calendar year and the date of distribution.

(C) Where the corrective distribution is made during the calendar year for which the Excess Elective Deferrals were made, unless otherwise determined by the Administrator on a uniform and non-discriminatory basis, no income shall be distributed.

(vii) For purposes of the Code, including Sections 401(a)(4), 401(k)(3), 404, 409, 411, 412 and 416 thereof, Excess Elective Deferrals are treated as Employer contributions even if they are distributed. However, Excess Elective Deferrals which are timely distributed to a Participant are not treated as Annual Additions for purposes of Section 415 of the Code and paragraphs 4.3 and 4.4 of the Plan. In addition, Excess Elective Deferrals of Non-Highly Compensated Employees are not taken into account in determining Deferral Percentages under paragraph 1.2 of this Appendix to the extent they exceed the Elective Deferral Dollar Limitation based only on Elective Deferrals made to this Plan and other plans maintained by the Employer.

D-1.1(c) If a Participant's Pre-Tax Contributions are returned in a corrective distribution made because of the existence of Elective Deferrals made to plans not maintained by the Employer or any Affiliate, such contributions shall nevertheless still be considered made for any benefit accrual requirements contingent thereon, and any Matching Contributions attributable thereto shall be also be distributed (to the extent vested) or forfeited (to the extent not vested).

D-1.2 LIMITATION ON AND DISTRIBUTION OF PRE-TAX CONTRIBUTIONS MADE BY HIGHLY COMPENSATED EMPLOYEES.

D-1.2(a) Except where the alternative method under Section 401(k)(12) of the Code of meeting the nondiscrimination requirements of Section 401(k) of the Code is satisfied with respect to the Plan for a Plan Year beginning on or after January 1, 1999, the Pre-Tax Contributions otherwise permitted to be made pursuant to the Plan shall be limited as hereafter provided so that the Average Deferral Percentage for Eligible Participants who are Highly Compensated Employees for a Plan Year (that is, the Tested Plan Year) does not exceed the greater of (i) or (ii) as follows :

(i) The "regular limitation" percentage which is equal to one hundred twenty-five percent (125%) of the Average Deferral Percentage for the Eligible Participants who are Non-Highly Compensated Employees for the

Applicable Plan Year, or

(ii) The "alternative limitation" percentage which is equal to the lesser of:

(A) Two hundred percent (200%) of the Average Deferral Percentage for the Eligible Participants who are Non-Highly Compensated Employees for the Applicable Plan Year, or

(B) Two (2) percentage points over the Average Deferral Percentage for the Eligible Participants who are Non-Highly Compensated Employees for the Applicable Plan Year.

Notwithstanding the foregoing, for Plan Years beginning on or after January 1, 1997, if the Tested Plan Year is the first Plan Year of the Plan, then the Average Deferral Percentage for the Eligible Participants who are Non-Highly Compensated Employees for the Applicable Plan Year shall be deemed to be three percent (3%) unless the Plan Sponsor or the Administrator elects in accordance with Section 401(k)(3)(E) of the Code, to use the actual Average Deferral Percentage for the Eligible Participants who are Non-Highly Compensated Employees for the first Plan Year.

D-1.2(b) For purposes hereof:

(i) The term "Applicable Plan Year" means:

(A) For Plan Years beginning before January 1, 1997, the Tested Plan Year.

(B) For Plan Years beginning on or after January 1, 1997, the Plan Year immediately preceding the Tested Plan Year, unless the Plan Sponsor or the Administrator elects in accordance with Section 401(k)(3)(A) of the Code, to use the Tested Plan Year.

(ii) The term "Average Deferral Percentage" means the average (expressed as a percentage) of the Deferral Percentages of the Eligible Participants in a group.

(iii) The term "Deferral Contributions" means:

(A) Pre-Tax Contributions, and

(B) To the extent provided or elected pursuant to the special operating rules of subparagraph 1.2(c) of this Appendix:

(I) Qualified non-elective contributions, including without limitation QNEC Contributions, within the meaning of Section 401(m)(4)(C) of the Code (that is, any employer contributions (other than matching contributions within the meaning of Section 401(m)(4)(A) of the Code) which the Employee may not elect to have paid to him instead of being contributed to the plan, which are subject to the restrictions on distributions contained in Section 401(k)(2)(B) of the Code (generally prohibiting distribution before separation from service, death, or disability unless the Employee has a hardship or has reached age fifty-nine and one-half (59-1/2) or after plan termination), and which are immediately fully vested and non-forfeitable),

(II) Qualified matching contributions within the meaning of Section 401(k)(3)(C)(I) of the Code (that is, matching contributions as defined in Section 401(m)(4)(A) of the Code, which are subject to the restrictions on distributions contained in Section 401(k)(2)(B) of the Code (generally prohibiting distribution before separation from service, death, or disability unless the Employee has a hardship or has reached the age fifty-nine and one-half (59-1/2) or

after plan termination) and which are immediately fully vested and non-forfeitable), and/or

(III) Any other elective deferrals under a cash or deferred arrangement described in Section 401(k) of the Code.

(C) Notwithstanding the foregoing, a Pre-Tax Contribution and any other elective deferral shall not be considered a Deferral Contribution for a Plan Year unless both:

(I) It is allocated as of a date within the Plan Year (which generally means that it is not contingent upon the Employee's participation in the plan or arrangement or performance of services on any date subsequent to that date and that is actually paid to the funding vehicle of the plan or arrangement no later than the end of the 12-month period immediately following such Plan Year), and

(II) It either relates to compensation that either would have been received by the Employee in such Plan Year but for his election to contribute to the plan or arrangement or is attributable to services performed by the Employee in the Plan Year, and but for the Employee's election to contribute to the plan or arrangement, would have been received by the Employee within two and one-half (2-1/2) months after the end of such Plan Year.

(iv) The term "Deferral Percentage" means the ratio (expressed as a percentage and calculated to the nearest one-hundredth of one percent (.01%)) of (A) the Pre-Tax Contributions under the Plan (and, where provided or elected in accordance with the special operating rules of subparagraph 1.2(c) of this Appendix, any other Deferral Contributions) made by or on behalf of an Eligible Participant for the Plan Year to (B) the Eligible Participant's Eligible Compensation for the Plan Year.

(v) The term "Eligible Compensation" means an Eligible Participant's Statutory Compensation while he is an Eligible Participant determined without regard to suspensions from participation.

(vi) The term "Eligible Participant" means any Employee who is authorized under the terms of the Plan to make Pre-Tax Contributions for the Plan Year, determined without regard to suspensions from participation for any reason other than not being an Eligible Employee (or, where provided or elected in accordance with the special operating rules of subparagraph 1.2(c) of this Appendix, who is authorized under the terms of the applicable plan to make or receive an allocation of Deferral Contributions for the Plan Year).

(vii) The term "Excess Deferral Contributions" means the amount of Deferral Contributions for a Plan Year which must be eliminated in order for the restrictions of subparagraph 1.2(a) of this Appendix to be satisfied for the Plan Year.

(viii) The term "Tested Plan Year" means the Plan Year for which the limitation is being applied to the contributions of Eligible Participants who are Highly Compensated Employees.

D-1.2(c) The following special rules shall apply for purposes of this paragraph:

(i) The following plans or portions of plans are mandatorily disaggregated and must be tested separately under subparagraph 1.2(a) of this Appendix and Section 401(k)(3) of the Code:

(A) Contributions under an employee stock ownership plan described in Section 409 or 4975(e)(7) of the Code (an "ESOP")

(or the portion of a plan which is an ESOP) may not be aggregated with contributions under a non-ESOP (or the portion of a plan which is not an ESOP) except as permitted under Section 401(k), 409 or 4975 of the Code.

(B) Except where permitted to be aggregated for purposes of Section 410 of the Code, contributions by or for employees who are included in a unit of employees covered by a collective bargaining agreement may not be aggregated with contributions by or for employees who are included in a unit of employees not covered by the same collective bargaining agreement.

(C) Except where permitted to be aggregated for purposes of Section 410 of the Code, contributions by or for employees assigned to qualified separate lines of business within the meaning of Section 414(r) of the Code, unless the plan in question qualifies for the employer-wide exception to mandatory disaggregation for this purpose under Section 414(r) of the Code.

(D) Contributions under plans that could but actually are not aggregated for the plan year for purposes of satisfying the minimum coverage requirements of Section 410(b) of the Code (other than the average benefits percentage test).

(E) Contributions under a plan maintained by more than one employer as described in Section 413(c) of the Code shall be treated as if each such employer maintained a separate plan.

(F) Except as provided in clause (ii) of this subparagraph, contributions under plans which do not have the same plan year.

(ii) Subject to the limitations of clause (i) of this subparagraph, the following plans or portions of plans are mandatorily aggregated and must be tested as one plan under subparagraph 1.2(a) of this Appendix and Section 401(k)(3) of the Code:

(A) The Deferral Percentage for any Eligible Participant who is a Highly Compensated Employee for the Plan Year and who is eligible to make Pre-Tax Contributions or have other elective deferrals allocated to his account under two or more cash or deferred arrangements described in Section 401(k) of the Code that are maintained by the Employer shall be determined as if all such Pre-Tax Contributions and elective deferrals were made under a single plan. Such aggregation shall be effected on the basis of plan years beginning in the same calendar year.

(B) In the event that this Plan satisfies the requirements of Section 401(a)(4) or 410(b) (other than Section 410(b)(2)(A)(ii)) of the Code only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of Section 401(a)(4) or 410(b) (other than Section 410(b)(2)(A)(ii)) of the Code only if aggregated with this Plan, then this paragraph shall be applied by determining the Deferral Percentages of Eligible Participants as if all such plans were a single plan.

(iii) Subject to the limitations of clause (i) of this subparagraph, two or more cash or deferred arrangements may be permissively aggregated by the Administrator for purposes of satisfying the requirements of Section 401(a)(4), 401(k) and 410(b) of the Code if such arrangements each have the same plan year.

(iv) At the option of the Administrator, each Eligible Participant's Deferral Contributions for a Plan Year consisting of qualified non-elective contributions and/or qualified matching contributions under any plan or arrangement may be included in determining the Deferral Percentages for the Plan Year provided, however, that:

(A) The non-elective contributions (both including and excluding the qualified non-elective contributions which are treated as Deferral Contributions) satisfy the requirements of Section 401(a)(4) of the Code.

(B) The matching contributions satisfy the requirements of Section 401(m) of the Code, provided that the qualified non-elective contributions and qualified matching contributions treated as Deferral Contributions are disregarded in making this determination.

(C) Except as provided in clauses (v)(A) and (B) of this subparagraph, the qualified non-elective contributions and qualified matching contributions treated as Deferral Contributions are not taken into account in determining whether any other contributions or benefits satisfy the requirements of Section 401(a)(4) of the Code or whether employee contributions and matching contributions meet the requirements of Section 401(m) of the Code.

(D) The qualified non-elective contributions may not be treated as Deferral Contributions if the effect is to increase the difference between the Average Deferral Percentages for Highly Compensated Employees and for Non-Highly Compensated Employees.

(E) The qualified non-elective contributions and qualified matching contributions satisfy the contingent benefit limitations of Section 401(k)(4)(A) (which generally prohibit benefits other than matching contributions from being contingent on making or not making elective deferrals).

(F) The plan years of the plans or arrangements under which the qualified non-elective contributions and qualified matching contributions treated as Deferral Contributions are made is the same as the Plan Year.

(v) The determination of Excess Deferral Contributions for a Plan Year for purposes of this paragraph shall be made:

(A) After first determining the Excess Elective Deferrals under subparagraph 1.1(b) of this Appendix for the Plan Year; provided that the Excess Elective Deferrals of Non-Highly Compensated Employees shall not be taken into account in determining the Deferral Percentage of such Eligible Participants to the extent that such Excess Elective Deferrals are made under this Plan or other cash or deferred arrangement maintained by the Employer and that Excess Elective Deferrals of Highly Compensated Employees shall be taken into account in determining the Deferral Percentage of such Eligible Participants, and

(B) Before determining the Excess Aggregate Contributions for purposes of paragraph 1.3 of this Appendix and Section 401(m) of the Code for the Plan Year.

(vi) The employee groups tested hereunder may be divided into separate testing groups on such basis, if any, as the Administrator may determine and as is permitted under Sections 410, 401(k) and 401(m) of the Code, including, but not limited to, separate testing for excludible employees (that is, where the plan's age and/or service requirements are lower than the greatest minimum age and service conditions permissible under Section 410(a) of the Code).

(vii) If the Plan Sponsor or the Administrator elects to apply Section 410(b)(4)(B) of the Code in determining whether the Plan meets the requirements of Section 410(b) of the Code for a Plan Year, the Plan may

exclude altogether the participation of Non-Highly Compensated Employees (but not the participation of Highly Compensated Employees) who have not met the minimum age and service requirements of Section 410(a)(1)(A) of the Code in determining the satisfaction of requirements of subparagraph D-1.2(a) and subparagraph D-1.4(a) of this Appendix.

(viii) The determination and treatment of the Deferral Contributions and Deferral Percentage of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury or his delegate.

D-1.2(d) If the Average Deferral Percentage for the Eligible Participants who are Highly Compensated Employees for a Plan Year is more than the amount permitted under the above restrictions, then:

(i) If the Administrator directs that Excess Deferral Contributions shall be recharacterized, the Excess Deferral Contributions for the Highly Compensated Employees for the Plan Year shall be reduced by recharacterization as After-Tax Contributions as required by Section 401(k) of the Code or by distributing such contributions (together with income thereon) as provided below after the end of the Plan Year for which made and, to the extent not inconsistent therewith. Notwithstanding the foregoing, in no case shall the amount of Excess Deferral Contributions recharacterized with respect to any Highly Compensated Employee exceed the amount of his Pre-Tax Contributions and other elective deferrals. When Excess Deferral Contributions cannot be recharacterized, they shall be returned in a "corrective distribution" to the Highly Compensated Employee at such time as the Administrator shall determine but in no event later than twelve (12) months after the end of the Plan Year for which made, together with income thereon (as determined pursuant to the provisions of clause (iv) of subparagraph 1.3(d) of this Appendix substituting the phrase "Excess Deferral Contributions to be returned" for "Excess Aggregate Contributions").

(ii) If the Administrator does not direct that Excess Deferral Contributions shall be recharacterized, the Excess Deferral Contributions for the Highly Compensated Employees for the Plan Year shall be reduced by distributing them (together with income thereon) in a "corrective distribution" to Highly Compensated Employees as required by Section 401(k) of the Code (or, where so provided in another plan for Excess Deferral Contributions made to that plan, by recharacterizing them as after-tax employee contributions pursuant to that other plan) at such time as the Administrator may determine after the end of the Plan Year for which made but in no event later than twelve (12) months after the end of the Plan Year for which made. To the extent not inconsistent with the requirements of Section 401(k) of the Code, the reduction shall be effected in the following manner:

(A) First, the excess amount shall be considered to consist of the Participant's Pre-Tax Basic Contributions in excess of the percentage of his Compensation with respect to which Matching Contributions are made for such Plan Year to the extent thereof, and

(B) Then, any remaining portion of the excess amount shall be considered to consist of the remainder of the Participant's Pre-Tax Contributions for such Plan Year to the extent thereof, and

(C) Finally, any remaining portion of the excess amount shall be considered to consist of the Participant's other Deferral Contributions for such Plan Year.

Notwithstanding the time period described above for the return of Excess Deferral Contributions, such amounts and any income thereon returned more than two and one-half (2-1/2) months after the end of the Plan Year may be subject to the ten percent (10%) excise tax imposed on the Employer by

Section 4979 of the Code.

(iii) Among such Participants, the reduction shall be effected by reducing contributions in the order of the highest dollar amounts of Deferral Contributions by or on behalf of each of the Highly Compensated Employees, such that the applicable restrictions of subparagraph 1.2(a) of this Appendix are satisfied; provided, however, that any required reduction for any Eligible Participant will be reduced by his Excess Elective Deferrals returned or recharacterized pursuant to subparagraph 1.1(b) of this Appendix.

(iv) When two or more plans are involved, contributions shall be reduced in the following order: First, those under money purchase pension plans, then those under stock bonus plans, then those under profit sharing plans, and lastly, those under all other plans; and reductions under plans of the same type shall be on a pro rata basis.

(v) Whenever Excess Deferral Contributions are recharacterized as After-Tax Contributions, the following rules shall apply with respect to such recharacterization.

(A) Excess Deferral Contributions recharacterized are includable in the Participant's income on the earliest date any elective deferrals would have been received by the Participant but for his election to contribute to the plan or arrangement.

(B) Such recharacterized Excess Deferral Contributions are to be treated as After-Tax Contributions for purposes of Sections 72, 401(a), 401(m) and 6047 of the Code, but shall be considered elective deferrals for all other purposes of the Code including but not limited to Sections 401(k)(2), 404, 409, 411, 412, 415, 416 and 417 of the Code.

(C) Such recharacterized Excess Deferral Contributions shall remain allocated to the applicable account of the Participant, except to the extent required to be distributed to the Participant.

(D) Such Excess Deferral Contributions shall be recharacterized no later than two and one-half (2-1/2) months after the end of the Plan Year in question. For this purpose, recharacterization is deemed to occur on the date on which the last of those Highly Compensated Employees with Excess Deferral Contributions to be recharacterized is notified of the recharacterization in any manner prescribed by the Secretary of the Treasury or his delegate.

(E) The payor or Administrator shall report such recharacterized Excess Deferral Contributions as employee contributions to the Internal Revenue Service and the affected Participant by timely providing such forms as the Secretary of the Treasury or his delegate shall designate to the Internal Revenue Service and to the affected Participant, by timely taking such other actions as the Secretary of the Treasury or his delegate shall require, and by the Administrator's accounting for such amounts as employee contributions for purposes of Sections 72 and 6047 of the Code.

(vi) For purposes hereof and except to the extent otherwise provided under Section 401(k) of the Code, the income allocated to any Excess Deferral Contributions allocated to the Plan shall be determined by the Administrator under the following rules and calculated under any reasonable method selected by the Administrator so long as the method does not violate the requirements of Section 401(a)(4) of the Code, is used consistently for all Participants and for all corrective distributions under the Plan for a Plan Year, and is used by the Plan for allocating income to Participants' accounts under the Plan:

(A) Unless another method is determined by the Administrator, the amount of income to be distributed shall be determined by multiplying (I) the income for the Plan Year or other period in question allocable to the account to which such Excess Deferral Contributions are allocated by (II) a fraction, the numerator of which is the amount of the Participant's Excess Deferral Contributions allocated to such account for the Plan Year or other period in question and entitled to a share of the valuation adjustment therefor under paragraph 4.6 and the denominator of which is the balance in such account on the last day of the Plan Year or other period in question, reduced by the earnings allocable thereto and increased by the losses allocable thereto in the Plan Year or other period in question.

(B) Unless otherwise determined by the Administrator on a uniform and non-discriminatory basis, no income shall be distributed for the period between the end of the Plan Year and the date of distribution.

(vii) Any distribution of Excess Deferral Contributions (and income) shall clearly be designated by the Administrator as such.

D-1.2(e) If a Participant's Pre-Tax Contributions are recharacterized as After-Tax Contributions for purposes of paragraph 1.3 of this Appendix, such contributions shall nevertheless still be considered made for any benefit accrual requirements contingent thereon.

D-1.2(f) If a Participant's Pre-Tax Contributions are returned pursuant to this paragraph, such contributions shall nevertheless still be considered made for any benefit accrual requirements contingent thereon and any Matching Contributions attributable thereto shall be also be distributed (to the extent vested) or forfeited (to the extent not vested).

D-1.3 LIMITATION ON AND DISTRIBUTION OF AFTER-TAX AND MATCHING CONTRIBUTIONS MADE BY OR ON BEHALF OF HIGHLY COMPENSATED EMPLOYEES.

D-1.3(a) Except where the alternative method under Section 401(m)(11) of the Code of meeting the nondiscrimination requirements of Section 401(m) of the Code is satisfied with respect to the Plan for a Plan Year beginning on or after January 1, 1999, the After-Tax Contributions made by Participants and the Matching Contributions otherwise allocated to the account of a Participant under the Plan shall be limited as hereafter provided so that the Average Contribution Percentage for Eligible Participants who are Highly Compensated Employees for a Plan Year (that is, the Tested Plan Year) does not exceed the greater of (i) or (ii) as follows:

(i) The "regular limitation" percentage which is equal to one hundred twenty-five percent (125%) of the Average Contribution Percentage for the Eligible Participants who are Non-Highly Compensated Employees for the Applicable Plan Year, or

(ii) The "alternative limitation" percentage which is equal to the lesser of:

(A) Two hundred percent (200%) of the Average Contribution Percentage for the Eligible Participants who are Non-Highly Compensated Employees for the Applicable Plan Year, or

(B) Two (2) percentage points over the Average Contribution Percentage for the Eligible Participants who are Non-Highly Compensated Employees for the Applicable Plan Year.

Notwithstanding the foregoing, for Plan Years beginning on or after January 1, 1997, if the Tested Plan Year is the first Plan Year of the Plan, then the Average Contribution Percentage for the Eligible Participants who are Non-Highly Compensated Employees for the Applicable Plan Year shall be deemed to be three

percent (3%) unless the Plan Sponsor or the Administrator elects in accordance with Section 401(m)(2)(E) of the Code, to use the actual Average Contribution Percentage for the Eligible Participants who are Non-Highly Compensated Employees for the first Plan Year.

D-1.3(b) For purposes hereof:

(i) The term "Aggregate Contributions" means:

(A) After-Tax Contributions and Matching Contributions,

(B) To the extent provided or elected pursuant to the special operating rules of subparagraph 1.3(c) of this Appendix, any after-tax employee contributions which are allocated to a separate account to which attributable earnings or loss are allocated and consisting of either:

(I) Employee contributions to the defined contribution portion of a plan described in Section 414(k) of the Code.

(II) Employee contributions to a qualified cost-of-living arrangement described in Section 415(2)(B) of the Code.

(III) Employee contributions applied to the purchase of whole life insurance protection or survivor benefit protection under a defined contribution plan.

(IV) Amounts attributable to Excess Deferral Contributions as defined in paragraph 1.2 of this Appendix which are recharacterized as after-tax employee contributions.

(V) Employee contributions to a contract described in Section 403(b) of the Code.

Notwithstanding the foregoing, after-tax employee contributions do not include loan repayments, cash-out buy-backs, qualifying rollover contributions, employee contributions which are transferred to a plan or any other amounts which are excluded from such term under Section 401(m) of the Code,

(C) To the extent provided or elected pursuant to the special operating rules of subparagraph 1.3(c) of this Appendix, any other matching contributions within the meaning of Section 404(m)(4)(A) of the Code (that is, employer contributions made on account of after-tax employee contributions under any plan or elective deferrals under a cash or deferred arrangement described in Section 401(k) of the Code), and/or

(D) To the extent provided or elected pursuant to the special operating rules of subparagraph 1.3(c) of this Appendix:

(I) Pre-Tax Contributions,

(II) Qualified non-elective contributions, including without limitation QNEC Contributions, within the meaning of Section 401(m)(4)(C) of the Code (that is, any employer contributions (other than matching contributions) which the Employee may not elect to have paid to him instead of being contributed to the plan, which are subject to the restrictions on distributions contained in Section 401(k)(2)(B) of the Code (generally prohibiting distribution before separation from service, death, or disability unless the Employee has a hardship or has reached age fifty-nine and one-half (59-1/2) or after plan termination), and which are immediately fully vested and non-forfeitable), and/or

(III) Any other elective deferrals under a cash or deferred arrangement described in Section 401(k) of the Code.

(E) Notwithstanding the foregoing, a contribution shall not be considered an Aggregate Contribution for a Plan Year unless:

(I) In the case of an after-tax employee contribution it is actually paid to the funding vehicle of the plan or an agent of the plan who remits the contribution to the funding vehicle within a reasonable time.

(II) In the case of a matching contribution, it is allocated as of a date within the Plan Year, it is actually paid to the funding vehicle of the plan no later than the end of the 12-month period immediately following such plan year, and it is made on behalf of the Employee's elective deferrals or employee contributions for the plan year.

(ii) The term "Applicable Plan Year" means:

(A) For Plan Years beginning before January 1, 1997, the Tested Plan Year.

(B) For Plan Years beginning on or after January 1, 1997, the Plan Year immediately preceding the Tested Plan Year, unless the Plan Sponsor or the Administrator elects in accordance with Section 401(m)(2)(A) of the Code, to use the Tested Plan Year.

(iii) The term "Average Contribution Percentage" means the average (expressed as a percentage) of the Contribution Percentages of the Eligible Participants in a group.

(iv) The term "Contribution Percentage" means the ratio (expressed as a percentage and calculated to the nearest one-hundredth of one percent (.01%)) of (A) the Matching Contributions under the Plan (and, where provided or elected in accordance with the special operating rules of subparagraph 1.3(c) of this Appendix, any other Aggregate Contributions) made by or on behalf of an Eligible Participant for the Plan Year to (B) the Eligible Participant's Eligible Compensation for the Plan Year.

(v) The term "Eligible Compensation" means an Eligible Participant's Statutory Compensation while he is an Eligible Participant determined without regard to suspensions from participation.

(vi) The term "Eligible Participant" means any Employee who is authorized under the terms of the Plan to make After-Tax Contributions or Pre-Tax Contributions for the Plan Year or receive an allocation of the Matching Contribution for the Plan Year, determined without regard to suspensions from participation for any reason other than not being an Eligible Employee (or, where provided or elected in accordance with the special operating rules of subparagraph 1.3(c) of this Appendix, who is authorized under the terms of the applicable plan to make or receive an allocation of other Aggregate Contributions for the Plan Year).

(vii) The term "Excess Aggregate Contributions" means the amount of Aggregate Contributions for a Plan Year which must be eliminated in order for the restrictions of subparagraph 1.3(a) of this Appendix to be satisfied for the Plan Year.

(viii) The term "Tested Plan Year" means the Plan Year for which the limitation is being applied to the contributions by or for Eligible Participants who are Highly Compensated Employees.

D-1.3(c) The following special rules shall apply for purposes of this paragraph:

(i) The following plans or portions of plans are mandatorily disaggregated and must be tested separately under subparagraph 1.3(a) of this Appendix and Section 401(m)(2) of the Code:

(A) Contributions under an employee stock ownership plan described in Section 409 or 4975(e)(7) of the Code (an "ESOP") (or the portion of a plan which is an ESOP) may not be aggregated with contributions under a non-ESOP (or the portion of a plan which is not an ESOP) except as permitted under Section 401(m), 409 or 4975 of the Code.

(B) Except where permitted to be aggregated for purposes of Section 410 of the Code, contributions by or for employees who are included in a unit of employees covered by a collective bargaining agreement may not be aggregated with contributions by or for employees who are included in a unit of employees not covered by the same collective bargaining agreement.

(C) Except where permitted to be aggregated for purposes of Section 410 of the Code, contributions by or for employees assigned to qualified separate lines of business within the meaning of Section 414(r) of the Code, unless the plan in question qualifies for the employer-wide exception to mandatory disaggregation for this purpose under Section 414(r) of the Code.

(D) Contributions under plans that could but actually are not aggregated for the plan year for purposes of satisfying the minimum coverage requirements of Section 410(b) of the Code (other than the average benefits percentage test).

(E) Contributions under a plan maintained by more than one employer as described in Section 413(c) of the Code shall be treated as if each such employer maintained a separate plan.

(F) Except as provided in clause (ii) of this subparagraph, contributions under plans which do not have the same plan year.

(ii) Subject to the limitations of clause (i) of this subparagraph, the following plans or portions of plans are mandatorily aggregated and must be tested as one plan under subparagraph 1.3(a) of this Appendix and Section 401(m)(2) of the Code:

(A) The Contribution Percentage for any Eligible Participant who is a Highly Compensated Employee for the Plan Year and who is eligible to make after-tax employee contributions, or to have matching contributions, qualified non-elective contributions or elective deferrals allocated to his account, under two or more plans described in Section 401(a) or cash or deferred arrangements described in Section 401(k) of the Code that are maintained by the Employer shall be determined as if all such after-tax employee contributions, matching contributions, qualified non-elective contributions and elective deferrals were made under a single plan. Such aggregation shall be effected on the basis of plan years beginning in the same calendar year.

(B) In the event that this Plan satisfies the requirements of Section 401(a)(4) or 410(b) (other than Section 410(b)(2)(A)(ii)) of the Code only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of Section 401(a)(4) or 410(b) (other than Section 410(b)(2)(A)(ii)) of the Code only if aggregated with this Plan, then this paragraph shall be applied by determining the Contribution Percentages of Eligible Participants as if all such plans were a single plan.

(iii) Subject to the limitations of clause (i) of this subparagraph, two or more plans to which after-tax employee contributions or matching

contributions or both may be made may be permissively aggregated by the Administrator for purposes of satisfying the requirements of Section 401(a)(4), 401(m) and 410(b) of the Code if such plans each have the same plan year.

(iv) At the option of the Administrator, each Eligible Participant's Aggregate Contributions for a Plan Year consisting of qualified non-elective contributions and elective deferrals under any plan or arrangement may be treated as matching contributions and included in determining the Contribution Percentages for the Plan Year provided, however, that:

(A) The non-elective contributions (both including and excluding the qualified non-elective contributions which are treated as Aggregate Contributions and in the latter case also excluding the qualified non-elective contributions treated as elective deferrals under Section 401(k) of the Code) satisfy the requirements of Section 401(a)(4) of the Code.

(B) The elective deferrals (both including and excluding elective deferrals treated as Aggregate Contributions) satisfy the requirements of Section 401(k) of the Code.

(C) Except as provided in clauses (v)(A) and (B) of this subparagraph, the qualified non-elective contributions and elective deferrals treated as Aggregate Contributions are not taken into account in determining whether any other contributions or benefits satisfy the requirements of Section 401(a)(4) of the Code or whether elective deferrals meet the requirements of Section 401(k) of the Code.

(D) The qualified non-elective contributions may not be treated as Aggregate Contributions if the effect is to increase the difference between the Average Contribution Percentages for Highly Compensated Employees and for Non-Highly Compensated Employees.

(E) The plan years of the plans or arrangements under which the qualified non-elective contributions and elective deferrals treated as Aggregate Contributions are made is the same as the Plan Year.

(v) Contributions by or for employees who are included in a unit of employees covered by a collective bargaining agreement shall automatically be considered to pass the non-discrimination test of subparagraph 1.3(a) of this Appendix and Section 401(m) of the Code and need not be tested thereunder.

(vi) The determination of Excess Aggregate Contributions for a Plan Year for purposes of this paragraph shall be made after:

(A) First determining the Excess Elective Deferrals under subparagraph 1.1(b) of this Appendix for the Plan Year, and

(B) Then determining the Excess Deferral Contributions under paragraph 1.2 of this Appendix for the Plan Year.

(vii) The employee groups tested hereunder may be divided into separate testing groups on such basis, if any, as the Administrator may determine and as is permitted under Sections 410, 401(k) and 401(m) of the Code, including, but not limited to, separate testing for excludible employees (that is, where the plan's age and/or service requirements are lower than the greatest minimum age and service conditions permissible under Section 410(a) of the Code).

(viii) If the Plan Sponsor or the Administrator elects to apply Section

410(b)(4)(B) of the Code in determining whether the Plan meets the requirements of Section 410(b) of the Code for a Plan Year, the Plan may exclude altogether the participation of Non-Highly Compensated Employees (but not the participation of Highly Compensated Employees) who have not met the minimum age and service requirements of Section 410(a)(1)(A) of the Code in determining the satisfaction of requirements of subparagraph D-1.3(a) and subparagraph D-1.4(a) of this Appendix.

(ix) The determination and treatment of the Aggregate Contributions and Contribution Percentage of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury or his delegate.

D-1.3(d) If the Average Contribution Percentage for the Eligible Participants who are Highly Compensated Employees for a Plan Year is more than the amount permitted under the above restrictions, then:

(i) The Excess Aggregate Contributions for the Highly Compensated Employees for the Plan Year shall be reduced by distributing them (to the extent vested) to Highly Compensated Employees or by forfeiting them (to the extent not vested), together with income thereon in either case, as required by Section 401(m) of the Code at such time as the Administrator may determine after the end of the Plan Year for which made but in no event later than twelve (12) months after the end of the Plan Year for which made. To the extent not inconsistent with the requirements of Section 401(m) of the Code, the reduction shall be effected in the following manner:

(A) First, the excess amount shall be considered to consist of the Participant's After-Tax Optional Contributions for such Plan Year and similar contributions under other plans taken into account for such Plan Year on a pro rata basis to the extent thereof, which contributions shall be distributed to the Participant, and

(B) Then, any remaining portion of the excess amount shall be considered to consist of the Participant's After-Tax Basic Contributions, Matching Contributions, and other Aggregate Contributions treated as matching contributions and similar contributions under other plans taken into account for such Plan Year on a pro rata basis to the extent thereof, which contributions shall be distributed to the Participant (or forfeited, to the extent not vested).

Notwithstanding the time period described above for the return of Excess Aggregate Contributions, such amounts and any income thereon returned more than two and one-half (2-1/2) months after the end of the Plan Year may be subject to the ten percent (10%) excise tax imposed on the Employer by Section 4979 of the Code.

(ii) Among such Participants, the reduction shall be effected by reducing contributions in the order of the highest dollar amounts of Aggregate Contributions by or on behalf of each of the Highly Compensated Employees, such that the applicable restrictions of subparagraph 1.3(a) of this Appendix are satisfied.

(iii) When two or more plans are involved, contributions shall be reduced in the following order: First, those under defined benefit plans shall be reduced, then those under target benefit pension plans, then those under money purchase pension plans, then those under stock bonus plans, then those under profit sharing plans, and lastly, those under all other plans; and reductions under plans of the same type shall be on a pro rata basis.

(iv) For purposes hereof and except to the extent otherwise provided under Section 401(m) of the Code, the income allocated to any Excess Aggregate Contributions allocated to the Plan shall be determined by the

Administrator under the following rules and calculated under any reasonable method selected by the Administrator so long as the method does not violate the requirements of Section 401(a)(4) of the Code, is used consistently for all Participants and for all corrective distributions under the Plan for a Plan Year, and is used by the Plan for allocating income to Participants' accounts under the Plan:

(A) Unless another method is determined by the Administrator, the amount of income to be distributed shall be determined by multiplying (I) the income for the Plan Year or other period in question allocable to the account to which such Excess Aggregate Contributions are allocated by (II) a fraction, the numerator of which is the amount of the Participant's Excess Aggregate Contributions allocated to such account for the Plan Year or other period in question and entitled to a share of the valuation adjustment therefor under paragraph 4.6 of the Plan and the denominator of which is the balance in such account on the last day of the Plan Year or other period in question normally taken into account in determining such valuation adjustment.

(B) Unless otherwise determined by the Administrator on a uniform and non-discriminatory basis, no income shall be distributed for the period between the end of the Plan Year and the date of distribution.

(v) Any distribution of Excess Aggregate Contributions (and income) shall clearly be designated by the Administrator as such.

D-1.4 LIMITATION ON MULTIPLE USE OF ALTERNATIVE LIMITATIONS IN PARAGRAPHS 1.2 AND 1.3 OF THIS APPENDIX.

D-1.4(a) Multiple use of the alternative limitations under clause (ii) of subparagraphs 1.2(a) and 1.3(a) of this Appendix is prohibited as provided in section 401(m)(9)(A) of the Code and, to the extent not inconsistent therewith, is considered to occur if both of the following occur for a Plan Year:

(i) One or more Highly Compensated Employees are Eligible Participants for purposes of both paragraphs 1.2 and 1.3 of this Appendix, and

(ii) The sum of the Average Deferral Percentages and the Average Contribution Percentages of the Highly Compensated Employees who are Eligible Participants exceeds the Multiple Use Limitation Percentage, and

(ii) Both:

(A) The Average Deferral Percentage of the Highly Compensated Employees who are Eligible Participants for the Tested Plan Year exceeds one hundred twenty-five percent (125%) of the Average Deferral Percentage of the Non-Highly Compensated Employees who are Eligible Participants for the Applicable Plan Year, and

(B) The Average Contribution Percentage of the Highly Compensated Employees who are Eligible Participants for the Tested Plan Year exceeds one hundred twenty-five percent (125%) of the Average Contribution Percentage of the Non-Highly Compensated Employees who are Eligible Participants for the Applicable Plan Year.

Notwithstanding anything to the contrary herein, the prohibition on multiple use of the alternative limitations under clause (ii) of subparagraphs 1.2 and 1.3 of this Appendix shall apply separately to contributions under an employee stock ownership plan described in Section 409 or 4975(e)(7) of the Code (an "ESOP") (or the portion of a plan which is an ESOP) and contributions under a non-ESOP (or the portion of a plan

which is not an ESOP) except as permitted under Section 401(k), 401(m), 409 or 4975 of the Code.

D-1.4(b) If the multiple use requirement of subparagraph 1.4(a) of this Appendix is not satisfied for a Plan Year, then the Excess Multiple Use Contributions shall be eliminated as provided in Sections 401(k) and 401(m) of the Code and, to the extent not inconsistent therewith, as follows:

(i) The elimination shall be effected in the manner of reduction described in paragraphs 1.2 and 1.3 of this Appendix, depending on whether the contribution eliminated is a Deferral Contribution or an Aggregate Contribution.

(ii) Such reduction shall be effected first for Aggregate Contributions and then for Deferral Contributions.

(iii) Such reduction shall be effected for all Highly Compensated Employees who are Eligible Participants for purposes of either paragraph 1.2 or 1.3 of this Appendix.

D-1.4(c) For purposes hereof:

(i) The term "Excess Multiple Use Contributions" means the amount of Deferral Contributions and/or Aggregate Contributions for a Plan Year which must be eliminated so that the Multiple Use Limitation Percentage will not be exceeded for the Plan Year.

(ii) The term "Multiple Use Limitation Percentage" means a percentage equal to the greater of:

(A) The sum of:

(I) One hundred twenty-five percent (125%) of the greater of (a) the Average Deferral Percentage of the Non-Highly Compensated Employees who are Eligible Participants or (b) the Average Contribution Percentage of the Non-Highly Compensated Employees who are Eligible Participants, and

(II) Two (2) plus the lesser of (a) the Average Deferral Percentage referred to in clause (ii)(A)(I) of this subparagraph or (b) the Average Contribution Percentage referred to in clause (ii)(A)(I) of this subparagraph, provided that the amount determined under this clause (ii)(A)(II)(b) shall in no event exceed two hundred percent (200%) of such lesser Average Deferral Percentage or Average Contribution Percentage.

(B) The sum of:

(I) One hundred twenty-five percent (125%) of the lesser of (a) the Average Deferral Percentage of the Non-Highly Compensated Employees who are Eligible Participants or (b) the Average Contribution Percentage of the Non-Highly Compensated Employees who are Eligible Participants, and

(II) Two (2) plus the greater of (a) the Average Deferral Percentage referred to in clause (ii)(B)(I) of this subparagraph or (b) the Average Contribution Percentage referred to in clause (ii)(B)(I) of this subparagraph, provided that the amount determined under this clause (ii)(B)(II)(b) shall in no event exceed two hundred percent (200%) of such greater Average Deferral Percentage or Average Contribution Percentage.

(iii) Notwithstanding the foregoing:

(A) The employee groups tested hereunder may be divided into separate testing groups on such basis, if any, as the Administrator may determine and as is permitted under Sections 410, 401(k) and 401(m) of the Code, including, but not limited to, separate testing for excludible employees (that is, where the plan's age and/or service requirements are lower than the greatest minimum age and service conditions permissible under Section 410(a) of the Code).

(B) The Multiple Use Limitation Percentage may otherwise be appropriately adjusted by the Administrator as permitted in Sections 401(k) and (m) of the Code in accordance with regulations under Sections 401(m)(9) of the Code.

D-1.5 DISTRIBUTION OF TRANSFERRED CONTRIBUTIONS TO MEET REQUIREMENTS SIMILAR TO THOSE OF PARAGRAPHS 1.2, 1.3 AND 1.4 OF THIS APPENDIX. In the event that Deferral Contributions or Aggregate Contributions are transferred from another plan to this Plan and corrective distributions are required under Section 401(k), 401(m) or 402(g) of the Code with respect to the transferred contributions (including income thereon), the Administrator is authorized to distribute to the affected Participant or return to the transferor plan the transferred Deferral Contributions and Aggregate Contributions (including income thereon) as may be necessary or appropriate to effect the corrective distribution.

ESKIMO PIE CORPORATION SAVINGS PLAN AND TRUST
APPENDIX E
(AS OF JANUARY 1, 1997)
LIST OF NAMED FUND DIVISIONS

E-1.1 NAMED FUND DIVISIONS. The investments funds referred to in clause (iii) of subparagraph 10.6(b) of the Plan, each of which shall be considered a separate Fund division (sometimes referred to as "divisions of the Fund", "Fund divisions" or "investments funds" herein) as hereinafter provided, are the following regulated investment companies and/or collective trust funds:

(i) First Union Stable Portfolio Group Trust.

(ii) Evergreen Short-Intermediate Bond Fund: Class Y.

(iii) Fidelity Puritan Fund.

(iv) First Union Enhanced Stock Market Fund.

(v) Fidelity Advisor Growth Opportunities Fund: Class A.

E-1.2 DEFAULT FUND. The Default Fund is the First Union Stable Portfolio Group Trust.

EXHIBIT 10.20

WORKING COPY OF
ESKIMO PIE CORPORATION
EMPLOYEE STOCK PURCHASE PLAN
AS OF NOVEMBER 7, 1997

Including
1. First Amendment dated November 7, 1997

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ESKIMO PIE CORPORATION

EMPLOYEE STOCK PURCHASE PLAN

ARTICLE I
DEFINITION OF TERMS

The following words and terms as used herein shall have the meaning set forth below, unless a different meaning is clearly required by the context:

1.1 "ACCOUNT": The account maintained to record a Participant's contributions to the Plan, the Employer's contributions on behalf of the Participant, and the Stock acquired by the Participant pursuant to the Plan, which account shall be divided into the following subaccounts:

1.1(a) "PARTICIPANT CONTRIBUTION ACCOUNT": This subaccount consists of all contributions by a Participant to the Plan and to Stock or other assets attributable to such contributions.

1.1(b) "UNVESTED COMPANY CONTRIBUTION ACCOUNT": This subaccount consists of all contributions by the Employer to the Plan on behalf of a Participant and Stock or other assets attributable to such contributions for so long as such amounts are not vested.

1.1(c) "VESTED COMPANY CONTRIBUTION ACCOUNT": This subaccount consists of all contributions by the Employer to the Plan on behalf of a Participant and Stock or other assets attributable to such contributions after such amounts are vested.

1.2 "ADMINISTRATOR": The Plan Administrator provided for in ARTICLE IX hereof.

1.3 "AFFILIATE": Any present or future corporation which would be a "parent corporation" or a "subsidiary corporation" of the Plan Sponsor as those terms are defined in Section 424 of the Code.

1.4 "BENEFICIARY": The person or persons designated by a Participant or otherwise entitled pursuant to paragraph 8.2 to receive benefits under the Plan attributable to such Participant after the death of such Participant.

1.5 "BOARD": The present and any succeeding Board of Directors of the Plan Sponsor, unless such term is used with respect to a particular Employer and its Employees, in which event it shall mean the present and any succeeding Board of Directors of that Employer.

1.6 "CODE": The Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding section of any subsequent Internal Revenue Code, and, to the extent not inconsistent therewith, regulations issued thereunder.

1.7 "COMPENSATION": An Employee's:

(i) Regular base salary for salaried employees,

(ii) Straight time earnings for all hours worked and paid non-work hours, which shall include shift differential, vacation, sick, jury, witness, bereavement and non-worked holiday pay, for hourly employees,

(iii) Guaranteed commissions for salespersons who are not compensated strictly on a commissioned basis (i.e., who have a guaranteed base), and

(iv) Ninety percent (90%) of commissions for salespersons who are compensated strictly on a commissioned basis (i.e., who have no guaranteed base),

payable to the Employee for services as an Eligible Employee, directly from the Employer (but not from any Affiliate which is not a participating employer unless otherwise expressly provided) for a Plan Year, including in any case employee elective salary reduction or similar contributions under a cafeteria plan described in Section 125 of the Code and employee elective salary reduction or similar contributions under a cash or deferred arrangement described in Section 401(k) of the Code (to the extent not already included therein), and not including in any case any contribution by the Employer to or benefits under this Plan or any other employee benefit or stock purchase plan or trust in connection therewith, nor any amount otherwise paid as compensation but finally determined not to be deductible as compensation in determining the Employer's federal taxable income.

1.8 "COMPENSATION COMMITTEE": The committee of the Plan Sponsor's Board

known as the Compensation Committee, or its successor.

1.9 "ELIGIBLE EMPLOYEE": Any person who is employed as a common law employee by the Employer, who is customarily employed for at least 5 months in a calendar year and at least 30 hours per week, and who is not a 5% or more owner of the Employer. A 5% or more owner of the Employer is a person who owns stock, and/or holds outstanding options to purchase stock, possessing 5% or more of the total combined voting power or value of all classes of stock of the Plan Sponsor (for purposes of this paragraph, the rules of Section 424(d) of the Code shall apply in determining stock ownership).

1.10 "EMPLOYEE": Any person considered a common law employee of the Employer or any Affiliate.

1.11 "EMPLOYER": The Plan Sponsor and each other employer now or hereafter executing or adopting the Plan with the consent of the Board as a participating Employer, collectively unless the context otherwise indicates, for as long as it remains a participating Employer; and with respect to any Employee, any one or more of such Employers by which he is at any time employed. The Administrator shall maintain a list of all such Employers who are, from time to time, participating Employers in the Plan.

1.12 "LEAVE OF ABSENCE": A leave of absence authorized by an Employer. For purposes of participation in the Plan, a leave of absence shall in any event be considered ended on the 91st day thereof unless the person's right to reemployment is guaranteed by law or by contract.

1.13 "MARKET VALUE": The closing sale price per share of Stock as reported in The Wall Street Journal or other authoritative sources for the day on which the purchase, sale or transfer of Stock is to take place. If such price is not supplied by The Wall Street Journal or other authoritative sources, then the price per share will be determined pursuant to the valuation method or procedure determined by the Compensation Committee or the Administrator of Eskimo Pie in good faith.

1.14 "PERIOD OF SERVICE": A period of continuous employment as an Employee, including Leaves of Absence. For purposes of determining Periods of Service, the following rules shall apply:

(i) The Administrator is authorized to treat service with any organization as service with an Affiliate if substantially all the operating assets of that organization are acquired by the Plan Sponsor or an Affiliate.

(ii) Service with any organization which becomes an Affiliate shall be considered as service with the Affiliate even though such service occurs before the date the organization becomes an Affiliate, unless otherwise provided by the Administrator.

1.15 "PARTICIPANT": An Eligible Employee who is eligible and who elects to participate in the Plan for so long as he is considered a Participant as provided in ARTICLE II hereof.

1.16 "PLAN": The Plan as contained herein or duly amended which shall be known as the "Eskimo Pie Corporation Employee Stock Purchase Plan".

1.17 "PLAN SPONSOR": Eskimo Pie Corporation, a Virginia corporation, or its successor.

1.18 "PLAN YEAR": The fiscal year of the Plan, which is the calendar year.

1.19 "STOCK": The common stock, $1.00 par value, of the Plan Sponsor.

1.20 "VALUATION DATE": The last day of each calendar month or such other date or dates as the Administrator may determine.

ARTICLE II
ELIGIBILITY AND PARTICIPATION

2.1 ELIGIBILITY AND DATE OF PARTICIPATION.

2.1(a) Each Eligible Employee who is credited with a 3 month Period of Service as of the first day of any calendar month shall be eligible to participate in the Plan by making contributions to the Plan for such month. The Administrator is authorized to waive the service requirement in whole or in part from time to time on direction or authorization of the Board for one or more Eligible Employees or classes of Eligible Employees.

2.1(b) An Eligible Employee who meets the requirements of subparagraph 2.1(a) with respect to a calendar month shall become a Participant by filing an enrollment form with the Administrator on or before the date set therefor by the Administrator, which date normally shall be prior to the first day of the calendar month with respect to contributions made by payroll deduction or prior to the 25th of the calendar month with respect to contributions made by lump sum deposit (or such earlier date or dates as may be required by the Administrator from time to time). The enrollment form shall contain either an authorization for payroll deductions from the Participant's Compensation and/or a lump sum contribution election and may contain such other information as the Administrator may determine.

2.1(c) An individual who becomes a Participant shall be or remain a Participant for so long as he remains an Eligible Employee who has a payroll deduction authorization in force or a lump sum contribution and purchase request pending and thereafter while he is entitled to future benefits under the terms of the Plan.

2.2 LEAVE OF ABSENCE.

2.2(a) For purposes of participation in the Plan, an Eligible Employee on a Leave of Absence shall be deemed to be an Employee for such Leave of Absence and such Employee's employment shall be deemed to have terminated at the end of such Leave of Absence unless the Employee shall have returned to regular employment with the Employer at the end of such Leave of Absence. Termination by the Employer of any Employee's Leave of Absence, other than termination of such Leave of Absence on return to employment, shall terminate an Employee's employment for all purposes of the Plan and shall terminate the Employee's participation in the Plan and trigger any applicable forfeiture and distribution of Plan benefits.

2.2(b) If a Participant who is an Eligible Employee goes on a Leave of Absence, the Participant shall have the right to elect (i) to discontinue his contributions to the Plan or (ii) to remain a Participant in the Plan during such Leave of Absence, authorizing deductions to be made from any payments by the Employer to the Participant during such Leave of Absence and retaining the right to make lump sum contributions to the Plan. If the Participant's Leave of Absence ends by his return to employment as an Eligible Employee and he has not elected to discontinue his participation in the Plan, and his payroll deduction were terminated, he must file a new enrollment form to recommence his payroll deduction contributions to the Plan.

2.2(c) A Participant on a Leave of Absence shall, subject to the election made by the Participant pursuant to subparagraph 2.2(b), continue to be a Participant and to be considered an Eligible Employee for purposes of the Plan so long as he is on continuous Leave of Absence.

ARTICLE III
FUNDING

3.1 PARTICIPANT PAYROLL DEDUCTION AND LUMP SUM CONTRIBUTIONS.

3.1(a) At the time a Participant files his enrollment form, he may elect to have deductions made from his Compensation on each payday during the period he is a Participant and an Eligible Employee at a fixed rate of 1% to 100%, inclusive but in whole percentages, or in any dollar amount of his Compensation, subject only to the requirement that the minimum monthly payroll deduction contribution be $20 and to any uniform maximum limitation which the Compensation Committee may impose from time to time for all Participants. Payroll deduction contribution elections are continuing elections. Payroll deduction contributions may only commence as of the first day of a calendar month. A Participant may discontinue, increase, reduce, or restart his payroll deduction contributions to the Plan as of the first day of any calendar month by filing a written notice thereof with the Administrator, with such advance notice as the Administrator may require.

3.1(b) At the time a Participant files his enrollment form or thereafter

while he is an Eligible Employee, he may make an election to make a lump sum contribution, subject only to the requirement that the minimum monthly lump sum contribution be $20 and to any uniform maximum limitation which the Compensation Committee may impose from time to time for all Participants, to the Plan prior to the 25th of the calendar month (or any earlier date the Administrator may require) and in such manner as the Administrator may permit. Lump sum contributions are not continuing elections, and a separate contribution form must be filed for each lump sum contribution.

3.2 CONTRIBUTIONS BY THE EMPLOYER. The Employer shall make a matching contribution on behalf of each Participant who is employed as an Eligible Employee on the last day of each calendar month equal to 15% (or such lesser percentage, if any, determined by the Compensation Committee from time to time) of the payroll deduction and lump sum contributions made by the Participant for the calendar month. The Employer's contribution shall be made monthly at or shortly after the end of each calendar month.

3.3 PARTICIPANT ACCOUNTS.

3.3(a) All payroll deduction and lump sum contributions made by a Participant shall be credited to his Participant Contribution Account, and all contributions by the Employer on behalf of a Participant shall initially be credited to his Unvested Company Contribution Account under the Plan. A Participant's Account is a bookkeeping account maintained by one or more Employers designated by the Administrator to reflect a Participant's and the Employer's contributions accumulated under the Plan and Stock held for the Participant under the Plan.

3.3(b) Each Participant's Account shall be appropriately credited for contributions under the Plan and debited for distributions and forfeitures from the Account to the Participant or his Beneficiary.

3.3(c) The Administrator shall maintain appropriate records to determine the number of whole and fractional shares of Stock maintained in a Participant's Account and the portions thereof which are vested and unvested at any time. In determining Account balances:

(i) As of each Valuation Date, the Administrator shall allocate to each Participant's Account the number of full shares and the fractional interest (calculated to the second, third or fourth decimal place, as determined by the Administrator) of Stock transferred to or acquired by a Participant's Account and shall decrease the number thereof at the last preceding Valuation Date by the shares or interest sold by, distributed from or otherwise removed from such Account.

(ii) If the outstanding shares of Stock have increased, decreased, changed into, or been exchanged for a different number or kind of shares or securities of the Plan Sponsor through reorganization, merger,

recapitalization, reclassification, stock split, reverse stock split, stock dividend or similar transaction, there shall be credited to each affected Account a proportionate number of full and fractional shares of Stock received by the Administrator as a result of such dividend, split or other change based on the number of shares and fraction thereof in such account as of the Valuation Date (or such date as the Administrator may direct) coinciding with or next following the ex-dividend or record date as applicable.

3.3(d) No interest shall be paid or allowed on any money paid into the Plan or credited to the Account of any Participant.

3.3(e) The Employer shall not be required to segregate the contributions made by Participants or by it from its own corporate funds.

3.3(f) Where an error or omission is discovered in the Account of a Participant, the Administrator shall be authorized to make such equitable adjustment as it deems appropriate.

3.3(g) Within ninety (90) days after the end of each Plan Year (or more frequently if the Administrator determines) and at the date a Participant's Account becomes payable under the Plan, the Administrator shall provide to each Participant (or, if deceased, to his Beneficiary) a statement of the balance as of such date of his Account and the vested and unvested interests therein.

3.4 PLAN COSTS AND EXPENSES. All costs and expenses of the Plan, including brokerage commissions and fees and legal, accounting, recording, custodial and other fees and expenses incurred in the establishment, amendment, administration and termination of the Plan, shall be paid by the Employers from their general assets in such manner and proportions as the Plan Sponsor shall determine.

ARTICLE IV
STOCK PURCHASES

4.1 MONTHLY PURCHASE OF STOCK.

4.1(a) At or as soon as practicable following the end of each calendar month, the Administrator shall use the amount of the cash balance in the Account of each Participant who is then an Employee (whether attributable to contributions by the Participant or the Employer, to dividends or to other sources) to purchase fully paid and non-assessable shares (including fractional shares) of Stock. Stock held in the Plan for a Participant shall not be transferable until it is vested.

4.1(b) Purchases of Stock may be made on the open market or from the Plan Sponsor (if the Plan Sponsor consents) as determined by the Administrator from time to time or as directed by the Plan Sponsor.

4.1(c) The purchase price of Stock purchased from the Plan Sponsor shall be equal to its Market Value, except when purchased pursuant to any dividend reinvestment plan (other than this Plan) in which case the purchase price shall be determined pursuant to such dividend reinvestment plan.

4.2 SHARES AVAILABLE FOR PURCHASE PURSUANT TO THE PLAN.

4.2(a) The maximum number of shares of Stock which shall be issued under the Plan shall, subject to adjustment upon changes in capitalization of the Plan Sponsor as provided in subparagraph 4.2(c) or any amendment of the Plan, be 50,000.

4.2(b) If the total cash amount available to purchase Stock at any time exceeds the maximum number of shares remaining available under the Plan, the Administrator shall make a pro rata allocation of the available shares in as nearly a uniform manner as shall be practicable and as it shall determine to be equitable, and the balance of each Participant's Account under the Plan attributable to contributions made by him shall be returned to him, without interest, as promptly as possible.

4.2(c) If the outstanding shares of Stock have increased, decreased, changed into, or been exchanged for a different number or kind of shares or securities of the Plan Sponsor through reorganization, merger, recapitalization, reclassification, stock split, reverse stock split, stock dividend or similar transaction, appropriate and proportionate adjustments may be made by the Administrator in the number and/or kind of shares which are subject to purchase under the Plan. In addition, in any such event, the number and/or kind of shares which may be purchased pursuant to the Plan (as described in subparagraph 4.2(a)) shall also be proportionately adjusted.

4.4 NON-TRANSFERABILITY OF PURCHASE RIGHTS. A Participant's right to purchase Stock pursuant to the Plan shall not be transferable and shall only be exercisable by the Participant.

4.5 RESTRICTIONS ON STOCK PURCHASES. The Board may, in its discretion, require as a condition to the purchase of Stock under the Plan and issuance of any shares that the shares of Stock reserved for issuance are registered pursuant to a Registration Statement under the Securities Act of 1933, as amended, with respect to said shares shall be effective.

ARTICLE V
HOLDING OF STOCK

5.1 HOLDING AND STATUS OF STOCK PURCHASED UNDER THE PLAN. Shares of Stock purchased under the Plan shall be fully issued and nonassessable, shall either be registered in book entry form in the name of the Participant for whom purchased or held by a custodian appointed by and acting at the direction of the Administrator, and, when issued in certificate form, shall be held in safekeeping by the Administrator or the custodian appointed by the

Administrator. Such Stock shall be considered owned by the Participant for all purposes, but such Stock and dividends or securities attributable to such Stock shall be subject to the vesting, forfeiture, holding and distribution provisions of the Plan.

5.2 DIVIDENDS AND OTHER DISTRIBUTIONS. If the Administrator receives on behalf of a Participant in respect of any Stock held under the Plan:

(i) Cash dividends, or

(ii) Other or additional shares of Stock or other securities (by way of dividend or otherwise),

then the Administrator shall use any dividends referred to in clause (i) to purchase additional Stock as provided in paragraph 4.1 and shall hold such additional Stock and any Stock or additional securities referred to in clause (ii) in book entry registry or cause the same to be held by a custodian as provided in paragraph 5.1. Unless otherwise provided in the Plan such Stock purchased with cash dividends and such securities shall vest at the same time and in the same manner as the vesting of, and shall be subject to the same distributions rules applicable to, the Stock in respect of which such dividends or additional securities were issued.

5.3 PROXY MATERIALS AND OTHER SHAREHOLDER COMMUNICATIONS. If the Administrator receives on behalf of a Participant in respect of any Stock held under the Plan:

(i) Options or rights to purchase additional securities of the Plan Sponsor or any other corporation, or

(ii) Any notice of meeting, proxy statement and proxy for any meeting of holders of Stock (or other securities held under the Plan),

then the Administrator shall forward such items to such Participant, at his or her last address according to the register maintained under the Plan.

5.4 VOTING.

5.4(a) Voting rights with respect to Stock (and any other securities of the Employer) held under the Plan and allocated to Participants' Accounts as of the applicable record date shall be passed through to Participants (or if deceased, to their Beneficiaries). When so required to be passed through, such rights which are not so exercised shall not be exercised by the Administrator.

5.4(b) Whenever voting rights of Stock (or any other securities of the Employer) are passed through to Participants under subparagraph 5.4(a), each Participant (or if deceased, his Beneficiary) shall have the right to direct the manner in which such Stock (or other securities) is to be voted pursuant to clause (i) hereof or to actually or by attorney vote such Stock (or other securities) pursuant to clause (ii) hereof as determined by the Administrator.

Within a reasonable time before such voting rights are to be exercised, the

Administrator shall notify each Participant (or if deceased, his Beneficiary) of the occasion for the exercise of such rights and shall cause to be sent to each such Participant (or if deceased, his Beneficiary entitled to benefits hereunder) all information that the Plan Sponsor or issuer distributes to shareholders (or security holders) regarding the exercise of such rights.

(i) Unless otherwise determined pursuant to clause (ii) of this subparagraph, any direction made pursuant to this paragraph shall be made in writing on a form provided by the Administrator, executed by the Participant (or if deceased, his Beneficiary), and delivered to the Administrator by 5:00 p.m. of the second day preceding (or such other period as the Administrator may establish) the date such voting rights are to be exercised. To the extent permitted by law, the Administrator shall exercise such rights as directed and shall not exercise such rights which are not so directed.

(ii) Notwithstanding the foregoing, the Administrator may execute and give each Participant (or if deceased, his Beneficiary) a power of attorney with respect to such Stock (or other securities), and the Participant (or if deceased, his Beneficiary) may then vote such Stock (or other securities) directly or through his attorney. If the Administrator determines to pass through voting rights pursuant to this clause (ii), such Stock (or other securities) which is not voted by Participants (or if deceased, their Beneficiaries) shall not be voted.

ARTICLE VI
VESTING

6.1 VESTING OF UNVESTED COMPANY CONTRIBUTION ACCOUNT AT RETIREMENT, DEATH OR DISABILITY.

6.1(a) Upon a Participant's terminating employment with the Employer either:

(i) After attaining age 65 (normal or delayed retirement),

(ii) After reaching age 55 and then being credited with at least a 10 year Period of Service (early retirement),

(iii) On account of his disability, or

(iv) On account of his death,

the Unvested Company Contribution Account of such Participant shall be fully vested and non-forfeitable.

6.1(b) For purposes of the Plan, "disability" means the Participant's inability, because of a physical or mental impairment, either to perform the duties of his customary employment or to engage in any gainful activity for an indefinite period. The determination of disability shall be made by the Administrator, on the advice of one or more physicians appointed or approved by the Administrator if deemed necessary or advisable by the Administrator, and the Administrator shall have the right to require further medical examinations from time to time to determine whether there has been any change in the Participant's physical condition. The Administrator shall have the right to require such proof of disability as it deems appropriate, and failure by the Employee to provide such proof, and submit to such examinations, as may be required by the Administrator shall result in the determination that the Participant is not disabled for purposes of the Plan.

6.2 VESTING OF UNVESTED COMPANY CONTRIBUTION ACCOUNT AT OTHER TIMES. At all times when a Participant's Unvested Company Contribution Account is not fully vested under paragraph 6.1, vesting shall occur as follows:

(i) Stock purchased with contributions to the Plan and held in the Unvested Company Contribution Account shall be fully vested and non-forfeitable at the December 31 of the calendar year immediately following the calendar year for which the contributions were made to the Plan provided the Participant has continuously remained an Employee from the month of contribution to such December 31.

(ii) Stock purchased with dividends or attributable to a reorganization, merger, recapitalization, reclassification, stock split, reverse stock split, stock dividend or similar transaction shall be fully vested and non-forfeitable when the underlying Stock with respect to which such dividends were paid or additional stock issued vests.

(iii) Notwithstanding the foregoing, all Stock held in the Unvested Company Contribution Account of a Participant who is an Employee at the date of the complete termination of the Plan shall be fully vested and non-forfeitable.

(iv) Notwithstanding the foregoing, if the Compensation Committee so decides in its sole discretion, all Stock held in the Unvested Company Contribution Account of a Participant who is an Employee at the date of a change in control (as determined by the Compensation Committee) of the Plan Sponsor shall be fully vested and non-forfeitable.

6.3 TRANSFER OF AMOUNTS FROM UNVESTED COMPANY CONTRIBUTION ACCOUNT TO VESTED COMPANY CONTRIBUTION ACCOUNT AT VESTING. When amounts in a Participant's Unvested Company Contribution Account vest, they shall be transferred to the

Participant's Vested Company Contribution Account for recordkeeping purposes.

6.4 VESTING OF PARTICIPANT CONTRIBUTION ACCOUNT AND VESTED COMPANY CONTRIBUTION ACCOUNT. The Participant Contribution Account and the Vested Company Contribution Account of a Participant shall be fully vested and non-forfeitable at all times.

6.5 FORFEITURES.

6.5(a) If a Participant ceases to be an Employee and his entire Unvested Company Contribution Account does not thereby become vested, then his Unvested Company Contribution Account shall be forfeited to the Employer.

6.5(b) No Participant shall make an election under Section 83(b) of the Code to be taxed on any Stock purchased under the Plan at the time of purchase. If such an election has been made, the Participant shall forfeit the purchased Stock for which such election was made.

ARTICLE VII
DISTRIBUTION OF ACCOUNTS

7.1 VOLUNTARY WITHDRAWALS.

7.1(a) By written notice to the Administrator, a Participant may at any time elect to withdraw all or part of his Stock in his Vested Company Contribution Account and his Participant Contribution Account.

7.1(b) If a Participant withdraws all or part of his Stock in his Participant Contribution Account which is attributable to his contributions made in the current or immediately preceding calendar year (determined at the date of the withdrawal):

(i) He may not make contributions to the Plan until the calendar year following the calendar year of the withdrawal, and

(ii) He shall be deemed to terminate employment with the Employer for purposes of determining his vesting and forfeiture of his Unvested Company Contribution Account.

A Participant's withdrawal of Stock in his Participant Contribution Account which is attributable to his contributions made in any calendar year which precedes the year of withdrawal by at least two years shall not have any effect upon his eligibility to participate or vesting under the Plan.

7.1(c) Withdrawals will be considered made first from account balances which do not result in forfeiture and suspension from participation.

7.2 TERMINATION OF EMPLOYMENT. Upon termination of the Participant's

employment as an Employee for any reason (including retirement, death or disability), whether voluntarily or involuntarily, the vested balance in the Participant's Account shall be distributed to him or, if he is deceased, to his Beneficiary as soon as reasonably possible after his termination of employment.

7.3 DISTRIBUTION RULES.

7.3(a) All distributions of a Participant's vested Account held in Stock shall be made to the Participant or his Beneficiary by the transfer of either cash or the issuance in certificate form of whole shares of Stock and cash in lieu of a fractional share, as follows:

(i) If the number of shares which would otherwise be distributed is less than ten (10) (as adjusted automatically from time to time to reflect Stock dividends or splits or other capitalization changes occurring after March 31, 1997), payment shall be made entirely in cash.

(ii) If the number of shares to be distributed is at least ten (10) (as adjusted automatically from time to time to reflect Stock dividends or splits or other capitalization changes occurring after March 31, 1997), payment shall be made in whole shares and cash in lieu of a fractional share.

(iii) Any whole shares of Stock which are converted to cash for payment purposes shall be disposed of at or about the time of distribution either on the open market or by sale to the Plan Sponsor at Market Value or transfer at Market Value to other Participants' accounts, as directed by the Administrator.

7.3(b) All distributions of a Participant's vested Account other than the portion held and distributable in Stock shall be made in cash.

ARTICLE VIII
DEATH BENEFICIARY

8.1 DISPOSITION OF PLAN BENEFITS AFTER DEATH. Upon the death of a Participant and upon receipt by the Administrator of proof of the Participant's death and the determination and identity of the Participant's Beneficiary, the Administrator shall deliver such Stock and/or cash to such Beneficiary as is due under the Plan.

8.2 BENEFICIARY DESIGNATION.

8.2(a) Each Participant shall have the right to notify the Administrator

in writing of any designation of a Beneficiary to receive, if alive, benefits under the Plan in the event of his death. Such designation may be changed from time to time by notice in writing to the Administrator.

8.2(b) If a Participant dies without having designated a Beneficiary, or if the Beneficiary so designated has predeceased the Participant or cannot be located by the Administrator within one year after the date when the Administrator commenced making a reasonable effort to locate such Beneficiary, then his surviving spouse, or if none, then his surviving children, including adopted children, in equal shares, or if none, then his surviving parents in equal shares, or if none, then his estate shall be deemed to be his Beneficiary.

8.2(c) Any Beneficiary designation may include multiple, contingent or successive Beneficiaries and may specify the proportionate distribution to each Beneficiary. If a Beneficiary shall survive the Participant, but shall die before the entire benefit payable to such Beneficiary has been distributed, then absent any other provision by the Participant, the unpaid amount of such benefit shall be distributed to the estate of the deceased Beneficiary. If multiple Beneficiaries are designated, absent provisions by the Participant, those named or the survivors of them shall share equally any benefits payable under the Plan. Any Beneficiary shall be entitled to disclaim any benefit otherwise payable to him under the Plan.

ARTICLE IX
PLAN ADMINISTRATION

9.1 APPOINTMENT OF PLAN ADMINISTRATOR. The person serving as Vice President and Treasurer of the Plan Sponsor from time to time shall serve as the Plan Administrator (the "Administrator") for the purpose of carrying out the duties specifically imposed on the Administrator by the Plan.

9.2 AUTHORITY OF ADMINISTRATOR.

9.2(a) Subject to the express provisions of the Plan, the Administrator shall have plenary authority in its discretion to interpret and construe any and all provisions of the Plan, to adopt rules and regulations for administering the Plan, and to make all other determinations deemed necessary or advisable for administering the Plan. The Administrator may correct any defect or omission or reconcile any inconsistency in the Plan, in the manner and to the extent it shall deem appropriate. The Administrator's determination on the foregoing matters shall be conclusive.

9.2(b) The Administrator shall exercise its power and authority in its discretion. It is intended that a court review of the Administrator's exercise

of its power and authority with respect to matters relating to the Plan, including eligibility for participation in and benefits of, Participants and Beneficiaries shall be made only on an arbitrary and capricious standard.

9.2(c) The Administrator may delegate some or all of its duties and responsibilities, except where prohibited by the Compensation Committee, to persons who may are may not be Employees. The delegation permitted under this subparagraph includes utilizing a custodian to hold Stock and a recordkeeper to maintain the Plan's Accounts. Any written agreement regarding delegation shall specifically set forth the duties and responsibilities so delegated, shall contain reasonable provisions for termination, and shall be executed by the parties thereto.

9.2(d) The Administrator, and any delegate named pursuant to subparagraph 9.2(c), may engage agents to assist in its duties and may consult with counsel, who may be counsel for the Employer, with respect to any matter affecting the Plan or its obligations and responsibilities hereunder, or with respect to any action or proceeding affecting the Plan. All compensation and expenses of such agents and counsel shall be considered an expense of the Plan.

9.2(e) No person serving as the Administrator who is a Participant shall take any part as the Administrator in any discretionary action in connection with his participation in the Plan as an individual. Such action shall be taken by the Plan Sponsor (through other than the Participant in question).

ARTICLE X
AMENDMENT AND TERMINATION OF PLAN

10.1 AMENDMENT AND TERMINATION.

10.1(a) The Plan may be amended or terminated in whole or in part at any time by action of the Board, provided that no amendment or termination shall adversely affect the rights of a Participant to Plan benefits attributable to his then Account balance.

10.1(b) A complete termination of the Plan for purposes of clause (iii) of subparagraph 6.2 means both the termination of the contributions to Plan and a direction by the Board to vest and distribute all Account balances. If no such

direction by the Board to vest and distribute all Account balances is given, the Plan shall continue to operate (subject to limits in the Plan on the purchase of Stock under the Plan) and the rules pertaining to vesting and forfeiture of Accounts shall continue to be imposed.

10.2 TERMINATION EVENTS WITH RESPECT TO EMPLOYERS OTHER THAN THE PLAN SPONSOR.

10.2(a) The Plan shall terminate with respect to any Employer other than

the Plan Sponsor, and such Employer shall automatically cease to be a participating Employer in the Plan and its employees shall cease to be considered Eligible Employees, upon the happening of any of the following events:

(i) Action by its Board or the Board terminating the Plan as to it and specifying the date of such termination. Notice of such termination shall be delivered to the Administrator and the Plan Sponsor.

(ii) Its ceasing to be an Affiliate.

10.2(b) Notwithstanding the foregoing provisions of this ARTICLE X, the merger or liquidation of any Employer into any other Employer or the consolidation of two (2) or more of the Employers shall not cause the Plan to terminate with respect to the merging, liquidating or consolidating Employers, provided that the Plan has been adopted or is continued by and has not terminated with respect to the surviving or continuing Employer.

ARTICLE XI
MISCELLANEOUS

11.1 GOVERNING LAW. The Plan shall be construed, enforced and administered in accordance with the laws of the Commonwealth of Virginia, and any federal law preempting the same.

11.2 EMPLOYMENT RIGHTS. Participation in the Plan shall not give any Employee the right to be retained in the Employer's employ nor, upon dismissal or upon his voluntary termination of employment, to have any right or interest under the Plan other than as herein provided.

11.3 EFFECT OF PLAN. The provisions of the Plan shall, in accordance with its terms, be binding upon, and inure to the benefit of, all successors of each Participant, including, without limitation, such Participant's estate and the executors, administrators or trustees thereof, heirs and legatees, and any receiver, trustee in bankruptcy or representative of creditors of such Participant.

11.4 CONCLUSIVENESS OF EMPLOYER RECORDS. The records of the Employer with respect to age, service, employment history, compensation, absences, illnesses and all other relevant matters shall be conclusive for purposes of the administration of the Plan.

11.5 ALIENATION. Except as may be provided in the Plan in the event of a Participant's death, no Account balance and no right to purchase Stock granted hereunder shall be subject in any manner to alienation, whether by voluntarily or involuntarily, by sale, anticipation, transfer, assignment, pledge, encumbrance, garnishment, attachment, execution or levy of any kind. Any such attempted assignment shall be without effect, except that the Administrator may in its discretion treat such act, where applicable, as an election to cease

participation and withdraw Plan benefits in accordance with paragraph 7.1.

11.6 NOTICES AND ELECTIONS.

11.6(a) Except as provided in subparagraph 11.6(b), all notices required to be given in writing and all elections required to be made in writing, under any provision of the Plan, shall be invalid unless made on such forms as may be provided or approved by the Administrator and, in the case of a notice, election, consent or application by a Participant or Beneficiary, unless executed by the Participant or Beneficiary (or his legal representative) giving such notice or making such election, consent or application.

11.6(b) The Administrator is authorized in its discretion to accept other means for receipt of effective notices, elections, consent and/or application by Participants and/or Beneficiaries, including but not limited to interactive voice systems, on such basis and for such purposes as it determines from time to time.

11.7 DELEGATION OF AUTHORITY. Whenever the Plan Sponsor or any Employer is permitted or required to perform any act, such act may be performed by its Chief Executive Officer, its President, its Vice President and Treasurer or its Board of Directors or by any person duly authorized by any of the foregoing.

11.8 PURPOSE AND CONSTRUCTION. The Plan is intended to provide a method whereby Eligible Employees of the Plan Sponsor and other Employers have an opportunity to acquire a proprietary interest in the Plan Sponsor through the purchase of shares of Stock. It is intended that the Plan be a restricted stock plan for purposes of Section 83 of the Code and that the Plan satisfy the requirements of Sections 423(b)(3) and (5) of the Code even though the Plan is not intended to be an "employee stock purchase plan" otherwise described in Section 423 of the Code. The provisions of the Plan shall be construed so as to extend and limit participation in a manner consistent with the requirements of Section 83 of the Code and Sections 423(b)(3) and (5) of the Code.

ARTICLE XII
ADOPTION OF THE PLAN

12.1 ESTABLISHMENT AND EFFECTIVENESS OF THE PLAN. The Plan shall become effective as of May 1, 1997.

12.2 ADOPTION BY ADDITIONAL EMPLOYERS. Any corporation (other than Eskimo, Inc. and Sugar Creek Foods, Inc. which be participating Employers as of the effective date of the Plan) which is an Affiliate and which, with the consent of the Board and the approval of its Board of Directors, desires to adopt the Plan may do so by executing the Plan as a participating Employer or by executing an adoption agreement in a form authorized by the Administrator.

ESKIMO PIE CORPORATION
EMPLOYEE STOCK PURCHASE PLAN

Execution Page

IN WITNESS WHEREOF, the Plan Sponsor, pursuant to the resolution duly adopted by its Board of Directors, has caused its name to be signed to this Plan by its duly authorized officer with its corporate seal hereunto affixed and attested by its Secretary or Assistant Secretary, as of the day and year below written, and each other currently participating Employer has caused its name to be signed to this Plan by its duly authorized officer with its corporate seal hereunto affixed and attested by its Secretary or Assistant Secretary.

Date: 4-10-97

Eskimo Pie Corporation,
Plan Sponsor and participating Employer

By: s/ Thomas M. Mishoe, Jr. (SEAL)

Its Vice President, Treasurer & CFO

Attest:

s/ Robert R. Staples

Its Assistant Secretary

Date 4-10-97

Eskimo, Inc., participating Employer

By: s/ Thomas M. Mishoe, Jr. (SEAL)

Its Vice President, Treasurer and CFO

Attest:

s/ Robert R. Staples

Its Assistant Secretary

Date: 4-10-97

Sugar Creek Foods, Inc., participating Employer

By: s/ Thomas M. Mishoe, Jr. (SEAL)

Its Vice President, Treasurer and CFO

Attest:

s/ Robert R. Staples

Its Assistant Secretary

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

Subsidiaries of the Registrant	Organized Under the Laws of
Sugar Creek Foods, Inc.; Consolidated subsidiary	Virginia
Eskimo Inc.; Consolidated subsidiary	Virginia

All other subsidiaries individually and in the aggregate do not constitute a "significant subsidiary" within the meaning of Rule 1-02(v) of Regulation S-X.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS, ERNST & YOUNG LLP

We consent to the incorporation by reference in (a) the Registration Statement (Form S-8 No. 33-58576) pertaining to the 1992 Incentive Stock Plan of Eskimo Pie Corporation and (b) the Registration Statement (Form S-8 No. 333-24893) pertaining to the Eskimo Pie Corporation 1996 Incentive Stock Plan, the Eskimo Pie Corporation Savings Plan and the Eskimo Pie Corporation Employee Stock Purchase Plan of our report dated February 26, 1999, with respect to the consolidated financial statements of Eskimo Pie Corporation included in this Annual Report (Form 10-K) for the year ended December 31, 1998.

/s/ ERNST & YOUNG LLP

Richmond, Virginia
March 23, 1999

EXHIBIT 24

POWER OF ATTORNEY

I, Robert C. Sledd, do hereby constitute and appoint David B. Kewer and Thomas M. Mishoe, Jr., my true and lawful attorneys-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Eskimo Pie Corporation (the "Company"), to act and to execute any and all instruments as such attorneys or attorney deems necessary or advisable to enable the Company to comply with the Securities Exchange Act of 1934, and any rules, regulations, policies or requirements of the Securities and Exchange Commission (the "Commission") in respect thereof, in connection with the preparation and filing with the Commission of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by the virtue hereof.

WITNESS the execution hereof this 27th of January, 1999.

/s/ Robert C. Sledd (SEAL)

POWER OF ATTORNEY

I, Judith B. McBee, do hereby constitute and appoint David B. Kewer and Thomas M. Mishoe, Jr., my true and lawful attorneys-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Eskimo Pie Corporation (the "Company"), to act and to execute any and all instruments as such attorneys or attorney deems necessary or advisable to enable the Company to comply with the Securities Exchange Act of

1934, and any rules, regulations, policies or requirements of the Securities and Exchange Commission (the "Commission") in respect thereof, in connection with the preparation and filing with the Commission of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by the virtue hereof.

WITNESS the execution hereof this 1st day of February, 1999.

/s/ Judith B. McBee (SEAL)

POWER OF ATTORNEY

I, F. Claiborne Johnston, Jr., do hereby constitute and appoint David B. Kewer and Thomas M. Mishoe, Jr., my true and lawful attorneys-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Eskimo Pie Corporation (the "Company"), to act and to execute any and all instruments as such attorneys or attorney deems necessary or advisable to enable the Company to comply with the Securities Exchange Act of 1934, and any rules, regulations, policies or requirements of the Securities and Exchange Commission (the "Commission") in respect thereof, in connection with the preparation and filing with the Commission of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by the virtue hereof.

WITNESS the execution hereof this 25th day of January, 1999.

/s/ F. Claiborne Johnston, Jr. (SEAL)

POWER OF ATTORNEY

I, Wilson H. Flohr, Jr., do hereby constitute and appoint David B. Kewer and Thomas M. Mishoe, Jr., my true and lawful attorneys-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Eskimo Pie Corporation (the "Company"), to act and to execute any and all instruments as such attorneys or attorney deems necessary or advisable to enable the Company to comply with the Securities Exchange Act of 1934, and any rules, regulations, policies or requirements of the Securities and Exchange Commission (the "Commission") in respect thereof, in connection with the preparation and filing with the Commission of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by the virtue hereof.

WITNESS the execution hereof this 2nd day of February, 1999.

/s/ Wilson H. Flohr, Jr. (SEAL)

POWER OF ATTORNEY

I, Arnold H. Dreyfuss, do hereby constitute and appoint David B. Kewer and Thomas M. Mishoe, Jr., my true and lawful attorneys-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Eskimo Pie Corporation (the "Company"), to act and to execute any and all instruments as such attorneys or attorney deems necessary or advisable to enable the Company to comply with the Securities Exchange Act of 1934, and any rules, regulations, policies or requirements of the Securities and Exchange Commission (the "Commission") in respect thereof, in connection with the preparation and filing with the Commission of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by the virtue hereof.

WITNESS the execution hereof this 25th day of January, 1999.

/s/ Arnold H. Dreyfuss (SEAL)

POWER OF ATTORNEY

I, Daniel J. Ludeman, do hereby constitute and appoint David B. Kewer and Thomas M. Mishoe, Jr., my true and lawful attorneys-in-fact, any of whom acting singly is hereby authorized for me and in my name and on my behalf as a director and/or officer of Eskimo Pie Corporation (the "Company"), to act and to execute any and all instruments as such attorneys or attorney deems necessary or advisable to enable the Company to comply with the Securities Exchange Act of 1934, and any rules, regulations, policies or requirements of the Securities and Exchange Commission (the "Commission") in respect thereof, in connection with the preparation and filing with the Commission of the Company's Annual Report on

Form 10-K for the fiscal year ended December 31, 1998, and any and all amendments to such Report, together with such other supplements, statements, instruments and documents as such attorneys or attorney deem necessary or appropriate.

I do hereby ratify and confirm all my said attorneys or attorney shall do or cause to be done by the virtue hereof.

WITNESS the execution hereof this 28th day of January, 1999.

/s/ Daniel J. Ludeman (SEAL)

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