

While the State has allocated significant resources to the Year 2000 issue and expects to resolve all of its Year 2000 problems prior to December 31, 1999, there can be no assurance that all systems will be ready or that failure of systems not identified as critical could have significant negative effect on the State's operation. Also, minor problems will undoubtedly remain after December 31, 1999. The State does not expect Year 2000 problems to have a material adverse effect on its financial health or its ability to meet its financial obligations in a timely manner. However, the State has no control over the Year 2000 remediation efforts of external third parties, and, to the extent that the third parties have not resolved their Year 2000 problems, they may negatively impact the State.