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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

JAN 1 4 2003

T:EP:RA:T:A2

In re:

Dear :

This letter constitutes notice that a conditional waiver of the minimum funding standard has been granted for the above-named pension plan for the plan year ending March 31, 2002.

The conditional waiver has been granted in accordance with section 412(d) of the Internal Revenue Code (the "Code") and section 303 of the Employee Retirement Income Security Act of 1974 (ERISA). The amount for which the waiver has been granted is the contribution that would otherwise be required to reduce the balance in the funding standard account of the plan to zero as of the end of the plan year for which the waiver has been granted.

(the "Company") is in the business of contract manufacturing of for the industry. The Company is a wholly owned subsidiary of . with no changes in ownership since September 1998. The (the "Plan") became effective April 1, 1983. A total of 173 employees are covered under the Plan.

The primary factor resulting in the Company's temporary substantial business hardship is the overall downturn in the which comprises a major portion of the Company's customer base. A year-to-date comparison through the end of February 2002 versus 2001 show an approximate 26% decline in total revenues that resulted in an approximate 25% decline in net income.

The Company has taken action, commencing prior to the downturn in sales, to reduce material and production costs by outsourcing some manufacturing to off-shore partners, establishing contacts with foreign raw material sources and putting in place Letter of Intent agreements with domestic suppliers. In 2000, the Company changed its benefit formula from 1.25% of average monthly

compensation multiplied by years of service from April 1, 1992, up to a maximum of 35 years to 1.00% of average monthly compensation multiplied by years of service from April 1, 2000, up to a maximum of 20 years.

This waiver has been granted subject to the following condition, which you have agreed to:

> The Company will make contributions necessary to satisfy the minimum funding requirement (including the waiver amortization payment for the plan year ended March 31, 2002) of the Plan for the plan year ending March 31, 2003, by December 15, 2003.

If the Company fails to meet the above condition, this waiver is retroactively null and void.

Your attention is called to section 412(f) of the Code and section 304 of ERISA which describes the consequences which result in the event the plan is amended to increase benefits, to change the rate in the accrual of benefits, or to change the rate of vesting while any portion of the waived amount remains unamortized.

This ruling is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as others as precedent.

When filing Form 5500 for the plan year ending March 31, 2002, the date of this letter should be entered on Schedule B (Actuarial Information). We have sent a copy of this letter to the authorized representative listed on power of attorney (Form 2848) and to the Area Manager in

If you have any questions concerning this matter, please contact

Sincerely,

Martin L. Pippins

Martin L. Pippins, Manager
Employee Plans Actuarial Group 2