



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

MAR 30 2009

SET: EP: RA: A2

Re:

Company =

Subsidiary 1 =

Subsidiary 2 =

Division A =

Location X =

Government Agency Y =

Dear

This letter constitutes notice that your request for a waiver of the minimum funding standard for the Plan for the plan year ending December 31, has been granted subject to the following conditions:

- (1) Collateral acceptable to the Pension Benefit Guaranty Corporation ("PBGC") be provided to the Plan for the full amount of the waiver by the later of (a) 120 days from the date of the ruling letter or (b) the earlier of (i) the date the PBGC notifies the Service in writing that this condition has not been met or (ii) 360 days from the date of the ruling letter;
- (2) The Company provides to the PBGC a copy of any ruling request it makes under section 412(c)(7)(A) of the Internal Revenue Code ("Code");

- (3) Starting with the quarterly contribution due on April 15, 2009, the Company makes the required quarterly contributions to the Plan in a timely fashion while the Plan is subject to a waiver of the minimum funding standard. For this purpose, the total amount of each quarterly contribution will be determined in accordance with section 430(j)(3)(D) and section 430(j)(3)(E) of the Code, and can be comprised of several installments made prior to the respective due date of the quarterly contribution;
- (4) The Company makes contributions to the Plan in amounts sufficient to (a) meet the minimum funding requirements for the Plan for the plan years ending December 31, through by September 15, through respectively (without applying for a waiver of the minimum funding standard);
- (5) The Company provides proof of payment of all contributions described above to the Service and to the PBGC using the fax numbers or addresses below. Information must be provided to both of the Service and to of the PBGC (or other individuals designated by the respective agencies), using the addresses or fax numbers below:

Internal Revenue Service  
 EP Classification  
 1100 Commerce St. 4923 DAL  
 Dallas, TX 75242  
 Fax: 214-413-5507

Pension Benefit Guaranty Corporation  
 DISC  
 1200 K Street, N.W., Suite 2541  
 Washington, DC 20005  
 Fax: (202) 842-2643

You agreed to these conditions in a letter dated March 10, 2009. If any one of these conditions is not satisfied, the waiver will be retroactively null and void.

The conditional waiver of the minimum funding standard has been granted in accordance with section 412(d) of the Code and section 303 of the Employee Retirement Income Security Act of 1974 ("ERISA"). The amount for which this conditional waiver has been granted is equal to the contributions that would otherwise be required to reduce the balance in the funding standard account to zero as of December 31, 2007.

The Company is a diversified aerospace and defense company composed of two operating subsidiaries: Subsidiary 1 and Subsidiary 2. Subsidiary 1 provides aircraft maintenance and modification services for government and military customers and specializes in providing maintenance on large transport aircraft. Its contracts are generally multi-aircraft programs lasting several years.

Subsidiary 2 specializes in providing low cost launch services, vehicles and related subsystems to government, scientific and commercial customers. Over the years, Subsidiary 2 has supported numerous U.S. government and commercial customers worldwide.

The Company has experienced a dramatic decrease in volume in its primary business of aircraft maintenance and modification services for government and military customers. The primary reason for the current business hardship is a decrease in the hours worked at the Company's facility in Location X.

The Company has taken steps to return to profitability. The Company's recovery plan consists of three parts: (1) sell Division A to eliminate bank debt, achieve small business status and build cash reserves to fund new government contracts; (2) reduce cost at Location X and conserve cash during the U.S. government fiscal year from October 1, 2007 to September 30, 2008; and (3) win as many contracts as possible to provide Subsidiary 1 with a critical mass of contracts for which to maintain a viable business.

The Company has sold Division A and terminated all non-essential spending at Location X until additional contracts are won. In November 2007, the Company filed with Government Agency Y to establish itself as a small business which will be a competitive advantage when proposing on new defense contracts.

While the Company has suffered a substantial business hardship, it has shown that it is committed to funding the Plan by making contributions to the Plan for the plan year for which the funding waiver was requested. In addition, the Company has been awarded a temporary contract to perform repairs on aircraft, and has proven successful in winning other contracts. However, since the prospects for the Company's recovery are uncertain, and the Plan is only 85.90% funded as of January 1, 2007, the waiver of the minimum funding standard has been granted to the Plan for the plan year ending December 31, subject to the conditions stated above.

Your attention is called to section 412(f) of the Code and section 304(b) of ERISA which describe the consequences that would result in the event the Plan is amended to increase benefits, change the rate in the accrual of benefits or to change the rate of vesting, while any portion of the waived funding deficiency remains unamortized. Please note that any amendment to a profit sharing plan or any other retirement plan (covering employees covered by this Plan) maintained by the Company, to increase the liabilities of those plans would be considered an amendment for purposes of section 412(f) of the Code and section 304(b) of ERISA. Similarly, the establishment of a new profit sharing plan or any other retirement plan by the Company (covering employees covered by this Plan) would be considered an amendment for purposes of section 412(f) of the Code and section 304(b) of ERISA.

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

When filing Form 5500 for the plan year ending December 31, the date of this letter should be entered on Schedule B (Actuarial Information). For this reason, we

suggest that you furnish a copy of this letter to the enrolled actuary who is responsible for the completion of the Schedule B.

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

If you require further assistance in this matter, please contact :

Sincerely yours,

A handwritten signature in black ink, appearing to read "Andrew E. Zuckerman", written in a cursive style.

Andrew E. Zuckerman  
Director, EP Rulings & Agreements