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June 2, 2004

Mayor Donald R. Hill & The Taylor City Council  
400 Porter Street  
Taylor TX 76574

Subject: Basler Electric Property Tax Abatement for 2004  
Re: Tax Abatement Agreement between the City of Taylor TX & Basler Electric

Dear Sirs & Madam:

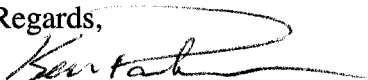
Through an inquiry to Frank Salvato, City of Taylor TX City Manager, it was discovered that Basler Electric was required to file an application with the Williamson County Appraisal District on an annual basis by April 30, 2004 in order to receive a real & personal property tax abatement. This requirement was not identified within the Tax Abatement Agreement dated October 15, 2002. It was Basler Electric's understanding that the initial application as referenced as Exhibit B in the Tax Abatement Agreement would be sufficient for all requirements.

Upon receipt of the 2004 25.19 Notice of Appraised Value from the Williamson County Appraisal District, Basler Electric was prompted to inquire about the property value changes and the terms of the Tax Abatement Agreement. Frank Salvato suggested contacting Jo Annah Potts of the Williamson County Appraisal District and we have done so by requesting the form and application to apply for the tax abatement.

Basler Electric's Texas facility is open and fully operational, in fact, a steady and continued increase in employment has brought 57 full time employees to date with expectations for additional increases in the near future. In addition, Basler Electric to date has invested over three million dollars for Machinery & Equipment and improvements to the building and property.

Based on the above facts and in the spirit of the agreement, I respectfully request our application be accepted and the tax abatement granted for the year ended 2004.

Kindest Regards,

  
Basler Electric  
Ken Parker, Corporate Controller & Secretary

*Manufacturers of: Magnetic and Electronic Components • Power Products and Systems*