Significant Index No. 0412.06-00

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

200508026

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEC 02 2004

SE:T:EP:RA:T:A1

In re:

Dear

This letter constitutes notice that with respect to the above-named defined benefit pension plan we have granted a conditional waiver of the minimum funding standard for the plan year ended June 30, 2004.

This conditional waiver for the plan year ended June 30, 2004, has been granted in accordance with section 412(d) of the Internal Revenue Code and section 303 of the Employee Retirement Income Security Act of 1974 (ERISA). The waived amount is the contribution which would otherwise be required to reduce the balance in the funding standard account to zero as of the end of the plan year for which this conditional waiver has been granted.

The company has a July 1 to June 30 fiscal year. Reductions or unchanged physician payments from Medicare and Medicaid and the inability to obtain meaningful rate increases from it's major insurance company payors, and the economic difficulties of the last few years have created a difficult economic environment.

In response to the aforementioned financial difficulties the company has reduced operating costs by completing several physician office consolidations. The company's largest third party payer implemented meaningful increases to its physician fee schedule. The economic conditions are improving and are expected to continue to improve over the next few months and years. The company also anticipates increased payments from Medicare and Medicaid.

As of July 1, 2002, the value of the assets of the plan was equal to 67% of the plan's current liability. Because the prospects for recovery are uncertain and the plan is under-funded, we are granting this waiver subject to the condition that the contributions required to satisfy the minimum funding standard for the plan years ending June 30, 2005, and June 30, 2006, shall be timely made within the meaning of section 412(c)(10) of the Code (without a waiver being granted for such years.)

If this condition is not satisfied, the waiver is retroactively null and void. You agreed to these conditions in a letter dated October 7, 2004.

Please note that nothing in this letter precludes a request for a modification of these conditions. Please also note that should such a request be made, a new user fee will be required, and the facts and circumstances at the time of such request as well as the facts and circumstances at the time of the initial request will be examined.

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 other retirement plans maintained by the company or to the company's profit sharing plan, 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.

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 ended June 30, 2004, the date of this letter should be entered on Schedule B (Actuarial Information). A copy of this letter is being sent to your authorized representative in accordance with the power of attorney (Form 2848) on file. A copy of this letter is being sent to the Manager, Employee Plans Classification in A copy of this letter should be furnished to the enrolled actuary for the plan.

If you have any questions on this ruling letter, please contact

Sincerely,

Norman Greenberg

Norman Greenberg, Manager
Employee Plans Actuarial Group 1