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

APR 28 2010

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

T:EP:RA:UK

In re:

Sponsor =
Plan =
Area =

Dear

This letter constitutes notice that a waiver of the minimum funding standard for the Plan for the plan year ending December 31, 2009 has been approved subject to the following conditions:

1. Starting with the quarterly contribution due on July 15, 2010, the Sponsor 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.

2. The Sponsor makes contributions to the Plan in amounts sufficient to (a) meet the minimum funding requirements for the Plan for the plan years ending December 30, 2010, through 2014, by September 15, 2011, through 2015, respectively (without applying for a waiver of the minimum funding standard).

3. Under section 412(c) of the Code, the Sponsor is restricted from amending the Plan to increase benefits and/or Plan liabilities while any portion of the waived funding deficiency remains unamortized, with only certain exceptions as defined in section 412(c)(7)(B).

4. The Sponsor provides proof of payment of all contributions described above in a timely manner to the Service using the fax numbers or addresses below. Information must be provided to   of the Service using the address below:

Sponsor agreed to these conditions in its letter dated April 12, 2010. If any one of these conditions is not satisfied, the waiver is retroactively null and void.

This conditional waiver has been granted in accordance with section 412(c) of the Internal Revenue Code and section 302(c) of the Employee Retirement Income Security Act of 1974 ("ERISA"). The amount for which this conditional waiver has been granted is the contribution that would otherwise be required to reduce the balance in the funding standard account to zero as of December 31, 2009.

The Sponsor is a not-for-profit community operated hospital that was founded more than 100 years ago. The Sponsor's primary business is to provide healthcare services to the residents of the Area, without regard to a patient's ability to pay. The Sponsor's current financial difficulties stem largely from a severe economic downturn in the Area. As a result of this economic downturn (1) patient volumes have declined because more patients are putting off or delaying healthcare, (2) the number of uninsured and underinsured patients have increased causing a rise in uncompensated care and bad debts, (3) an increase in medical assistance patients has resulted in lower revenue for each patient treated by the Sponsor, and (4) the investments of the Plan have performed poorly thus increasing the Plan's funding obligations.

The Sponsor is currently focused on reducing Plan costs, controlling overall costs, and increasing revenue. To reduce Plan costs the Sponsor amended the Plan effective December 31, 2009, to freeze benefit accruals and, in lieu of future benefit accruals, established a defined contribution plan effective January 1, 2010 with less costly employer contributions. To control its overall costs, the Sponsor is implementing staffing adjustments and reductions, and is applying other operational efficiencies. The Sponsor is also in the process of completing several capital projects to increase its pool of patients and the depth of its services, both of which will likely increase revenue. The Sponsor asserts that because of the cost cutting measures it has taken, the potential revenue increasing efforts it has made, plus signs of an improving economic environment in the Area, it reasonably expects that it will generate enough cash to fund the 2009 minimum funding standard over a 5-year period.

Your attention is called to section 412(c)(7) of the Code and section 302(c)(7) 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 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 plans (covering employees covered by this plan) maintained by the Sponsor to increase the liabilities of those plans would be considered an amendment for purposes of section 412(c) of the Code and section 302(c)(7) of ERISA. Similarly, the establishment of a new profit sharing plan or any other retirement plan by the Sponsor (covering employees covered by this plan) would be considered an amendment for purposes of section 412(c) of the Code and section 302(c)(7) 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, 2009, the date of this letter should be entered on Schedule SB (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 SB.

We have sent a copy of this letter to the to the and to your attorney.

If you require further assistance in this matter, please contact

Sincerely,

William Hulteng, Manager
Employee Plans Technical