



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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

SEP 15 2005

SE: T: EP: RA: T: A/

In re:

Company =

This letter constitutes notice that a waiver of the minimum funding standard for the above-named plan for the plan year ending December 31, [REDACTED], has been granted subject to the following conditions:

- (1) the Company makes the remaining required quarterly contributions for the plan year ending [REDACTED] that are due [REDACTED] and [REDACTED] [REDACTED] in a timely fashion; and
- (2) the Company make contributions to the Plan in amounts sufficient to meet the minimum funding requirements for the Plan for the plan year ending [REDACTED] by [REDACTED] [REDACTED] (without applying for a waiver of the minimum funding standard).

You agreed to these conditions in letter sent via facsimile dated September 15, 2005. If these conditions are not satisfied, the waiver is retroactively null and void.

This conditional waiver 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 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, 2004.

The Company is a nonprofit 501(c)(3), church-affiliated retirement community that provides housing and retirement services to older adults. The current financial hardship was brought on by a decrease in the patient days in the skilled nursing home. Also contributing to the hardship was decrease of private pay residents and the increase of medical assistance residents in the nursing home. The Company also experienced significant increases in various expenses.

The Company has taken a number of steps to improve its financial situation. The senior management team (executive director, CFO, and administrator of the nursing home), was replaced in 2004. Other steps taken include increased rates in all levels of care, the outsourcing of support services (security, lawn care, etc.), and the reduction in the number of full time positions. A significant improvement in the state inspection of the nursing home should assist marketing efforts to fill the nursing beds. The Company has increased revenues by leasing excess building space.

The financial information provided by the Company clearly shows that the Company has suffered a substantial business hardship. The actions taken by the Company have improved its financial position to such an extent that it is clear the business hardship was temporary. Hence, the waiver for the plan year ending December 31, 2004, has been granted, subject to the conditions set forth 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 plans (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.

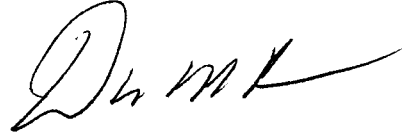
This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

When filing Form 5500 for the plan year ending December 31, 2004, 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, EP Classification in _____, to the Manager, EP Compliance Unit in _____, 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 "D. M. Prestia". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Donna M. Prestia, Manager
Employee Plans Actuarial Group 2