Significant Index No. 0412.06-00

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

TAX EXEMPT AND GOVERNMENT ENTITIES DIVISION

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T:EP:RA:A2

Re:

Company =

State =

Dear

This letter is to inform you that your request for a waiver of the minimum funding standard for the above-named plan for the plan year ending June 30, 2010, has been granted. The waiver of the minimum funding standard has been granted in accordance with section 412(c) of the Internal Revenue Code ("Code") and section 303 of the Employee Retirement Income Security Act of 1974 ("ERISA"). The amount for which this waiver has been granted is the amount necessary to eliminate the unpaid minimum required contributions remaining in the funding standard account for the plan year ending June 30, 2010. The approval is subject to the conditions outlined in this letter. You accepted these conditions in a letter dated September 19, 2011.

The Company is a nonprofit organization providing services to neglected and abused children and persons with mental illness and developmental disabilities from various counties and school districts throughout the State. The Company operates residential, diagnostic, educational, and respite programs. Revenues are derived from fees charged to county governments and school districts, Medicaid, Social Security, State Office of Mental Retardation and Development Disabilities (OMRDD), and Office of Mental Health (OMH) reimbursements, grants and individual contributions. The Company receives the majority of its support from State and County governments through negotiated contracts and service fees to provide services in its child care programs.

The Company has been experiencing financial difficulties which have accelerated over the last few years. During this period, the Company's expenses exceeded its revenue. The Company has experienced increasing trends in program cost while the approved rates from the governmental funding agencies, the primary source of program revenues, have not increased proportionately with those costs. The combination of an insufficient rate reimbursement, lack of timely rate adjustments, and low utilization, has strained the cash flow of the Company.

The Company has been diligent in evaluating their programs' fiscal viability and seeking rate appeals, waivers or rate consultations where appropriate, along with evaluating debt obligations. The State Education Department (SED) rate appeals for plan year ending June 30, 2009 and June 30, 2010 have been awarded and will be received over the next 14 months. The rate appeals for OPWDD were also approved.

The approval is granted, effective for the plan year beginning July 1, 2009, subject to the following conditions:

(1) The Company makes contributions to the Plan in amounts sufficient to meet the minimum funding standard for each plan year ending June 30, 2011, through June 30, 2015, by March 15 of the following year (without applying for a waiver of the minimum funding standard);

(2) Starting with the quarterly contribution due on October 15, 2011, the Company will make all quarterly contributions to the Plan required under section 430(j)(3) of the Code in a timely fashion for each plan year through the plan year ending June 30, 2015;

(3) For each Plan Year that the waiver remains in effect, the Plan provides the IRS with a copy of its actuarial valuation report by March 15 of the following year. This information should be sent to the following address:

Internal Revenue Service
IRS – EP Classification
10 Metro Tech Center
625 Fulton Street
Brooklyn, NY 11201

(4) The Company provides proof of payment that all contributions described above have been made, and a statement that the contributions made satisfied all quarterly and minimum required contributions when due. The proof should be sent to the IRS at the address above; and,

(5) Under Section 412(c)(7) of the Code, the Company is restricted from amending the Plan to increase benefits and/or Plan liabilities while any portion of this funding waiver remains unamortized.

If any one of these conditions is not satisfied, the waiver will be retroactively null and void.

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 of the accrual of benefits or to change the rate of vesting, while the waiver remains in place. Please note that any amendment that increases liabilities for a profit sharing plan or any other retirement plan (whether qualified or unqualified) maintained by the Trustees for the Plan (or a sponsor that consists of substantially the same persons as the Trustees for the Plan) and covering participants of the Plan to which this ruling applies, would be considered an amendment for purposes of section 412(c)(7) of the Code and section 302(c)(7) of ERISA. Similarly, the establishment of a new profit sharing plan or any other retirement plan (whether qualified or unqualified) maintained by the Trustees for the Plan (or a sponsor that consists of substantially the same persons as the Trustees for the Plan) and covering participants of the Plan to which this ruling applies, would be considered an amendment for purposes of section 412(c)(7) of the Code and section 302(c)(7) of ERISA. If any such amendment, Board Resolution, or any action having the effect of an amendment, is adopted, the plan sponsor must request a ruling approving the Plan's prospective amortization of unfunded liabilities.

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 June 30, 2010, the date of this letter should be entered on Schedule SB (Actuarial Information).

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

If you require further assistance in this matter, please contact

Sincerely yours,

David M. Ziegler, Manager
Employee Plans Actuarial Group 2