

Triangle Orthopaedic Associates, P.A. Retirement Plan 2010 401(k) Safe Harbor Contribution Notice

Important: Carefully read and consider the following information before you decide whether to start making Elective Deferrals or decide to continue or change the amount of your employee 401(k) contributions. To the extent that there are conflicting provisions between your Summary Plan Description (SPD) and this Notice, this Notice will control. See your plan administrator if you need an additional copy of your SPD.

Section A. PLAN CONTRIBUTIONS:

The contributions described below will be made to the plan identified in Section A above, unless your employer indicates otherwise, and will be determined based on the definition of compensation described in the SPD your employer has provided you. However, if your employer has indicated in your SPD that there is a limit on the amount of compensation taken into account under the plan, and such limit is lower than the limit imposed by federal law of \$245,000 (indexed for the cost-of-living) your employer's limit will not apply for purposes of this notice.

Part I. Elective Deferrals – By completing a salary reduction agreement, you agree to make elective deferrals to the plan. Your compensation will be reduced each pay period by an amount based upon a formula described in your SPD.

You must complete a salary reduction agreement to make or change your election by January 1, 2010.

In addition, the following timing rules apply to your ability to make elective deferrals:

- You may revoke a salary reduction agreement to stop making elective deferrals by giving proper notice to the plan administrator. Your plan allows you to revoke your salary deferral election as of any such times as established by the Plan Administrator in a uniform and non-discriminatory manner.
- You may resume your elective deferrals after revoking your salary reduction agreement. Your plan allows you to resume your salary deferral election on the first day of the Plan year and the first day of the seventh month of the Plan year or as of any more frequent dates if the Plan Administrator so permits.
- You may modify your salary reduction agreement prospectively to increase or decrease elective deferrals. Your plan allows you to modify your salary deferral election as of any such times as established by the Plan Administrator in a uniform and non-discriminatory manner.

Part II. Safe Harbor Employer Contributions – Your employer will make contributions to each participant eligible to make elective deferrals as follows: **A nonelective contribution in an amount equal to 3% of your compensation if you are eligible to make elective deferrals.**

Part III. Other Contributions – In addition to the contributions identified above, your employer may be permitted to make additional contributions to the plan. Refer to your SPD to determine if additional contributions will be made and, if so, whether you are entitled to make or receive a portion of such contributions.

Section B. VESTING & DISTRIBUTIONS:

Part I. Safe Harbor Contributions – You are 100% vested in safe harbor matching and safe harbor non elective contributions at all times. Safe harbor matching contributions and safe harbor non elective contributions are generally treated as elective deferrals for purposes of determining when you may take a distribution of such contributions. However, safe harbor contributions may not be distributed on account of hardship.

Part II. Other Contributions – Your vested percentage in additional contributions, if any, will be determined according to the following vesting schedule:

Profit Sharing Contributions		Matching Contributions	
Years of Service	Vested Percentage	Years of Service	Vested Percentage
1	0%	1	0%
2	20%	2	20%
3	40%	3	40%
4	60%	4	60%
5	80%	5	80%
6	100%	6	100%

Generally, your other contributions including elective deferrals can be distributed upon the occurrence of death, disability, attainment of normal retirement age and termination of service. Certain In-service withdrawals are available but restrictions do apply.

Section C. ADDITIONAL INFORMATION:

If you wish to obtain additional information about the plan (including a copy of the SPD), please contact:

Name: Karen McClenny
Address: 120 William Penn Plaza Durham, NC 27704