NOTICE TO INTERESTED PERSONS REGARDING
TRANSACTION INVOLVING THE
MID-HUDSON MEDICAL GROUP, P.C. INCENTIVE SAVINGS AND PROFIT-SHARING PLAN

TO MID-HUDSON MEDICAL GROUP, P.C. INCENTIVE SAVINGS AND PROFIT-SHARING PLAN PARTICIPANTS:

1. You are hereby notified that a written submission has been filed on behalf of the Mid-Hudson Medical Group, P.C. Incentive Savings and Profit-Sharing Plan with the United States Department of Labor (the Department) seeking authorization, pursuant to Prohibited Class Exemption 96-62 (PTCE 96-62), 61. PR 39988, July 31, 1996, as amended by 67 FR 44622, July 3, 2002, from the application of the prohibited transaction restrictions under Section 406 of the Employee Retirement Income Security Act of 1974 (ERISA) and from the sanctions resulting from the application of Section 4975 of the Internal Revenue Code of 1986, as amended (the Code) to the proposed transaction, as described below.

2. The submission has met the requirements for tentative authorization under PTCE 96-62.

If the proposed transaction is authorized by the Department pursuant to PTCE 96-62, the restrictions of Section 406(a) and Section 406(b)(1) and (b)(2) of ERISA and the sanctions resulting from the application of Section 4975 of the Code, by reason of section 4975(c)(1)(A) through (E) of the Code, shall not apply to the proposed sale (the "Sale) by the Mid-Hudson Medical Group, P.C. Incentive Savings and Profit-Sharing Plan (the "Plan") to 30 Columbia LLC, a limited liability company ("Columbia") of a tract of real property (the "Property") which the Plan owns located at 30 Columbia Street, Poughkeepsie, New York constituting a medical office building which is currently being leased by the Plan to the Mid-Hudson Medical Group, P.C. (the "Employer" or "Plan Sponsor").

4. The authorization is subject to the following conditions:

- The Sale is a one-time transaction for cash.
- The terms and conditions of the Sale is at least as favorable to the Plan as those obtainable in an arm's length transaction with an unrelated party.
- The Plan does not pay any fees, conunissions or other expenses in connection with the Sale.
- The Plan receives the greater of $1,900,000 or the fair market value of the Property as determined by a qualified, independent appraiser (the "Appraiser") on the date of the Sale transaction.
- The Appraiser updates the valuation of the Property on the date the Sale is

consummated.

- The Plan Trustee has determined that the Sale is appropriate for the Plan and in the best interests of its participants and beneficiaries at the time of the Sale.

5. Columbia has been formed in order to purchase the property and lease the property back to the Plan Sponsor. A majority of the equity interests in Columbia is owned by owners of the Plan Sponsor. The Plan Sponsor has sponsored the Plan since 1970. The Plan has also been adopted by Medicus, P.C. which is not affiliated with the Plan Sponsor. 'The Plan is a defined contribution plan and had approximately 256 participants, former participants, beneficiaries and alternate payees with accounts under the Plan as of June 30, 2007 (as reflected on line 7f of the Plan's annual return for 2007).

The Plan Sponsor and trustees are "parties in interest" and "disqualified persons" under ERISA Section 3(14) and under Code Section 4975(e)(2) with respect to the Sale by the Plan of the Property located at 30 Columbia Street, Poughkeepsie, New York and the building situated thereon which is currently being rented to the Plan Sponsor for use as its professional offices for its medical practice.

The Property was leased by the Mid-Hudson Medical Group, P.C. Money Purchase Pension Trust (the "MPP Trust") to the Plan Sponsor in 1995. The Property was previously purchased from an unrelated party for $562,500 before being leased to the Plan Sponsor.

Prior thereto, on December 5, 1994 an application was made to the Department of Labor ("DOL") seeking an individual prohibited transaction exemption for the lease of the Property by the MPP Trust to the Plan Sponsor (Application No. D09721). On January 30, 1995, Prohibited Transaction Exemption 95-04 was issued by the DOL granting an exemption to the lease of the Property by the MPP Trust to the Plan Sponsor.

The Property has been leased by the MPP Trust to the Plan Sponsor at a fair market rental as determined by an independent appraisal. As of June 30, 2007, the annual rental paid to the *MPP Trust was $127,107.00.*

The annual rental is determined by an appraisal performed by an independent *qualified* appraiser.

As of June 30, 2007, the combined total assets of the MPP Trust were $22,250,592 per Reconciliation of Net Worth in the financial statement, and the value of the Property was $1,900,000.00. Accordingly, the value of the Property is less than 25% of the total assets of the MPP Trust and now the Plan.

Effective as of July 1, 2008 the MPP Trust was merged into the Plan. Consequently, the leased property that is the subject of the current Application is now held by the Plan.

6, It is requested that an exemption he granted for the sale of the Property by the Plan

Sponsor on behalf of the Plan to Columbia which is owned in the majority, by the current shareholders of the Plan Sponsor. Columbia was formed on May 6, 2008. Because Columbia and the Plan Sponsor have some common owners, as described in paragraph 5 above, Columbia may be a party in interest with respect to the Plan. The purchase price for the Property will be paid in full in cash and will be in an amount equal to the greater of (i) the fair market value of the Property as of the most recent valuation by an independent qualified appraiser, i.e., $1,900,000 or (ii) the fair market value of the Property at the time of the Sale. Obviously, such amount will far exceed the $562,500 original purchase price of the Property by the Plan. Further, the Plan will not be required to pay any commissions, costs or other expenses in connection with the sale. Finally, the terms and conditions of the Sale are at least as favorable to the Plan as those obtainable in an arms length transaction with an unrelated party. The Sale will occur within 90 days of the date of approval of the request for authorization from the Department of Labor. It is anticipated that after the Property and other real estate assets currently held by the Plan are sold or otherwise transferred out of the Plan, that participants will be able to self-direct the proceeds thereof and invest in more traditional and liquid investment vehicles.

7. The building situated on the Property *serves* as medical offices of the Plan Sponsor. It is difficult to sell or lease the Property, without modification, to any unrelated party at the present time. The building's specialized nature would not appeal to many prospective purchasers, which most likely would result in an unfavorable selling price. Mandating the sale of this single-use property to a third party under the conditions existing herein would be detrimental to both the Plan and its participants. 'Moreover, it would be detrimental to the Plan Sponsor which *would incur* substantial expenses and a significant disruption to its practice, if the Plan Sponsor had to vacate the Property and locate its practice elsewhere. Such financial harm to the Plan Sponsor would affect its ability to continue funding its qualified retirement plan as at present.

The cash flow from the sale would be allocated to the Participants' accounts in the same proportion as the Property had been allocated. This influx of cash will enable Participants to invest their account balances in investment funds of their choice.

8. The sale of the Property herein could be deemed a violation of the categories of prohibited transactions enumerated in Code Section 4975(c) (1) (A) through (E) as a sale of property between the Plan and a disqualified person, an act of self-dealing by a fiduciary or the providing of a benefit from the Plan to a disqualified person. The same considerations apply with respect to the prohibited transactions specified in ERISA Sections 406 (a)(1)(A) through (D), and ERISA Sections 406 (b)(1) and (2). This authorization is requested with respect to all of the above possible violations of the prohibited transaction rules.

9. The applicant has identified as substantially similar to the proposed Sale transaction the following individual exemptions granted by the Department of Labor within the past 60 months:

- Prohibited Transaction Exemption 2007-15 for Hawaii Emergency Physicians Associates. Inc. Profit-Sharing Plan, 72. FR 51472 (September 7, 2007). This exemption permits the sale by a plan to a party in interest of such plan of a parcel of improved real property.
- Prohibited Transaction Exemption 2007-16 for Victor P. Olson Profit-Sharing Plan, 72 FR 5.1,473 (Scptember 7, 2007). This exemption permits the sale by the plan to a party in interest of such plan of a parcel of improved real property.

10. As a person who may be affected by the Sale, you have the right to comment on the Sale. Written comments should be addressed to:

Office of Exemption Determination
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W., Room N-5700
Washington, D.C. 20210
Attention: Anh-Viet Ly -- Re: E-00597

Be sure to refer to the submission number, which is E-00597. Comments must be received by the DOL no later than October 31 ", 2008

Comments may also be submitted by facsimile to 202-219-0204, or by c-mail to ly.anh-viet@dol.gov.

If you have any questions about your benefits under the Plan, please contact us at Mid-Hudson Medical Group, P.C., 600 Westage Business Center Drive, Fishkill, New York 12524, attention: Patricia Gondolfo.

11. Final Authorization of the Sale will be November 7th, 2008 unless the Department notifies the Employer otherwise.

Plan Administrator
Mid-Hudson Medical . .up, P.C.
Incentive Savings and Profit-Sharing Plan