

THE 401(K) PLAN AND TRUST OF PHYSICIAN'S ENDOSCOPY, L.L.C.

SAFE HARBOR NOTIFICATION TO ELIGIBLE EMPLOYEES

To: Eligible Employees

From: Plan Administrator of The 401(k) Plan and Trust of Physician's Endoscopy, L.L.C. ("Plan").

This notice and the Summary Plan Description (SPD) provide you with information that you should consider before you decide whether to start, continue, or change your salary reduction to the Plan. This is an annual notice. The provisions of this notice will not apply to any Plan Year unless this notice is provided prior to the beginning of such Plan Year.

I. Employee deferral contributions

As a Participant in The 401(k) Plan and Trust of Physician's Endoscopy, L.L.C., you may elect to defer a portion of your compensation. Your Employer will contribute this amount (your "deferral contributions") to the Plan. You are always 100% vested in your deferral contributions.

You may elect to defer a percentage of your compensation each year instead of receiving that amount in cash. In addition, you may separately elect to defer up to 100% of any bonuses paid to you during the year. However, your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The dollar limit may increase each year for cost-of-living adjustments. The Administrator will notify you of the maximum percentage you may defer. The amount you elect to defer, and any earnings on that amount, will not be subject to income tax until it is actually distributed to you. However, the amount you defer is counted as compensation for Social Security taxes.

If you are projected to attain age 50 before the end of a calendar year, then you may elect to defer additional amounts (called "catch-up contributions") to the plan as of the January 1st of that year up to a maximum which is set by law. The additional amounts may be deferred regardless of any other limitations on the amount that you may defer to the plan. The maximum may increase each year for cost-of-living adjustments.

II. Type of compensation you may defer

For purposes of your deferral election, "compensation" (available for deferral) means your total compensation that is subject to income tax and paid to you by your Employer during the Plan Year. However, if you are a self-employed individual, your compensation will be equal to your earned income.

The following adjustments to compensation will be made for purposes of salary reduction contributions:

- salary deferrals to this Plan and to any other plan or arrangement (such as a cafeteria plan or qualified transportation fringe benefit) will be included

III. Employer Safe Harbor Contribution Election

To help you make an informed decision on the level of your own salary reduction contributions, if any, your Employer must inform you about the contributions it will make to the Plan. Your Employer has elected to make the following contribution:

Basic Matching Contribution: A matching contribution equal to 100% of your salary deferrals for each payroll period that do not exceed 3% of your compensation for the same period, plus 50% of your salary deferrals that exceed 3% of your compensation but that do not exceed 5% of your compensation for the same period.

You will be eligible to share in the contribution above (unless modified by this Notice) when you become a Participant in accordance with the SPD.

IV. Other Employer Contributions

In addition to the above, other contributions may be made to the Plan as follows. You should review the Article of the SPD entitled "CONTRIBUTIONS" for details regarding the allocation of the contributions.

Employer discretionary profit sharing contribution

Each year, your Employer may make a discretionary profit sharing contribution.

In order to share in the profit sharing contribution you must satisfy the following conditions:

- You must work 1,000 hours during the Plan Year, and you must be actively employed on the last day of the Plan Year.

V. Vesting

The following is a general explanation of the vesting provisions of the Plan. More details can be found in the Article of the SPD entitled "VESTING IN CONTRIBUTIONS."

You are always 100% vested in amounts attributable to your salary deferrals and contributions required to satisfy safe harbor requirements.

If you stop working for your Employer before retirement, your account attributable to discretionary profit sharing contributions will be affected by the Plan's rules on "vesting." This means your account balance at the time you stop working that is attributable to those contributions is multiplied by your vesting percentage. The result is your vested benefit which, when added to the amounts that are always 100% vested as shown above, is what you will actually receive from the Plan. Your vesting percentage is dependent upon the number of Years of Service you have worked for your Employer and is based on the following schedule:

Vesting Schedule	
Years of Service	Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

VI. Distribution provisions

The Plan and law impose restrictions on when you may receive a distribution from the Plan. Below is general information on when distributions may be made under the Plan. See the SPD for more details.

You may withdraw any additional contributions provided for in "Other Employer Contributions" upon your death, disability, or retirement.

You may withdraw money at any time from your participant's rollover account.

You may elect to have your vested benefit distributed to you as of any distribution date permitted under the Plan after you terminate employment with your Employer. A "distribution date" under Plan means the first day of any calendar quarter throughout the Plan Year. However, if the value of your vested benefit does not exceed \$1,000, a lump-sum distribution will be made to you within a reasonable time after you terminate employment regardless of whether you elect to receive it. (See the Article in the SPD entitled "FORMS OF BENEFIT PAYMENT" for a further explanation.)

You may also withdraw money from the Plan if you have reached age 59 1/2 or if you have an immediate or heavy financial need. However, there are various rules and requirements that you must meet before any withdrawal is permitted. See the Article in the SPD entitled "PAYMENT OF BENEFITS PRIOR TO TERMINATION OF EMPLOYMENT" for more details.

VII. Administrative procedures

The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Administrator. You may elect to defer your salary as of your entry date or on the first day of each Plan Year quarter. Such election will become effective as soon as administratively feasible. Your election will remain in effect until you modify or terminate it.

You may modify your salary deferral election on the first day of any Plan Year quarter. You are permitted to revoke your election any time during the Plan Year. The modification will become effective as soon as administratively feasible.

In addition to any other election periods provided above, you may make or modify a salary deferral election during the 30-day period immediately preceding the Plan Year for which this notice is being provided.

If you decide to start or change your salary deferral, you must complete the SALARY DEFERRAL AGREEMENT and return it to the Plan Administrator.

VIII. Employer's right to terminate

Pursuant to the terms of the Plan, your Employer has the right, at any time, to terminate the Plan. Termination of the Plan will result in the discontinuance of all contributions to the Plan (including the safe harbor 401(k) contribution) with respect to any compensation you receive after the effective date of the termination. Termination of the Plan will not affect your right to receive any contributions you have accrued as of the effective date of the termination.

IX. For further information

THIS NOTICE IS NOT MEANT TO BE A SUBSTITUTE FOR A THOROUGH READING OF THE SUMMARY PLAN DESCRIPTION. THE PROVISIONS OF THE PLAN ARE VERY COMPLEX. IT IS NOT POSSIBLE TO FULLY EXPLAIN ALL ASPECTS OF THE PLAN IN THIS NOTICE. YOU SHOULD ALWAYS CONSULT THE SUMMARY PLAN DESCRIPTION IF YOU HAVE ANY QUESTIONS ABOUT THE PLAN. IF, AFTER READING THE SUMMARY PLAN DESCRIPTION, YOU STILL HAVE QUESTIONS, YOU SHOULD CONTACT THE PLAN ADMINISTRATOR.

You may contact the Plan Administrator at:

Contact: Physician's Endoscopy, L.L.C.

Address: c/o 1456 Ferry Road, Suite 305

Doylestown, Pennsylvania 18901

Telephone: (215) 589-9012

Fax (if applicable): _____

E-mail address (if applicable): _____

Physician's Endoscopy, L.L.C.

By: _____
EMPLOYER

Name and Title

Date