

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: ☐ a multiemployer plan; ☒ a single-employer plan; ☐ a multiple-employer plan; or ☐ a DFE (specify) ____
B	This return/report is: ☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information	
1a	Name of plan ATRIUM HEALTH SYSTEM CASH BALANCE RETIREMENT PLAN	1b Three-digit plan number (PN) ▶ 001
		1c Effective date of plan 01/01/1959
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) ATRIUM HEALTH SYSTEM ONE MEDICAL CENTER DR. FRANKLIN, OH 45005	2b Employer Identification Number (EIN) 31-0537492
		2c Sponsor's telephone number 513-424-2111
		2d Business code (see instructions) 622000

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2010	THOMAS J. MALONEY JR.
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2010	THOMAS J. MALONEY JR.
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ATRIUM HEALTH SYSTEM ONE MEDICAL CENTER DR. FRANKLIN, OH 45005	3b Administrator's EIN 31-0537492 3c Administrator's telephone number 513-424-2111
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	1843
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	1414
b Retired or separated participants receiving benefits.....	6b	115
c Other retired or separated participants entitled to future benefits.....	6c	361
d Subtotal. Add lines 6a , 6b , and 6c	6d	1890
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	8
f Total. Add lines 6d and 6e	6f	1898
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	49

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1C 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

Round off amounts to nearest dollar.

Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan ATRIUM HEALTH SYSTEM CASH BALANCE RETIREMENT PLAN		B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF ATRIUM HEALTH SYSTEM		D Employer Identification Number (EIN) 31-0537492	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month 01 Day 01 Year 2009			
2 Assets:			
a Market value		2a	21301253
b Actuarial value		2b	23431378
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment		3a	117
b For terminated vested participants		3b	351
c For active participants:			
(1) Non-vested benefits		3c(1)	689272
(2) Vested benefits		3c(2)	15692400
(3) Total active		3c(3)	1405
d Total		3d	1873
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate		5	8.32 %
6 Target normal cost		6	2028759

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Signature of actuary DAVID L. JAKES Type or print name of actuary MERCER Firm name 325 JOHN H. MCCONNELL BLVD STE 350 COLUMBUS, OH 43215-2672 Address of the firm	10/11/2010 Date 08-05110 Most recent enrollment number 614-227-5555 Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	3404850	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	1409423	0
9	Amount remaining (Item 7 minus item 8).....	1995427	0
10	Interest on item 9 using prior year's actual return of <u>-30.74</u> %	-613394	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		3547178
b	Interest on (a) using prior year's effective rate of <u>6.05</u> %		-303923
c	Total available at beginning of current plan year to add to prefunding balance		3243255
d	Portion of (c) to be added to prefunding balance.....		2266484
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	1382033	2266484

Part III Funding percentages			
14	Funding target attainment percentage.....	14	80.66 %
15	Adjusted funding target attainment percentage.....	15	95.54 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	92.07 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/14/2010	3333000				
Totals ►			18(b)	3333000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 2909264
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of Quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	2028759
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	2028759
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	1382033	0
36 Additional cash requirement (item 34 minus item 35).....	36	646726
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	2909264
38 Interest-adjusted excess contributions for current year (see instructions).....	38	2262538
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan ATRIUM HEALTH SYSTEM CASH BALANCE RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 ATRIUM HEALTH SYSTEM	D Employer Identification Number (EIN) 31-0537492	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
PIMCO	2187 ATLANTIC STREET STAMFORD, CT 06902

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation	
RICE HALL JAMES	PO BOX 219009 KANSAS CITY, MO 64121

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
AMERICAN FUNDS	PO BOX 6007 INDIANAPOLIS, IN 46206

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
LONGLEAF PARTNERS	PO BOX 9694 PROVIDENCE, RI 02940-9694

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

VANGUARD

PO BOX 1110
VALLEY FORGE, PA 19482-1110

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 17 50 70	NONE	299929	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

FIFTH THIRD BANK

31-6317828

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 65 28 25	NONE	32773	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

HEWITT ASSOCIATES LLC

36-2235791

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 15 29	NONE	30462	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

FROST BROWN TODD LLC

61-0722001

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE	26909	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan ATRIUM HEALTH SYSTEM CASH BALANCE RETIREMENT PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 ATRIUM HEALTH SYSTEM	D Employer Identification Number (EIN) 31-0537492	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	155097	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	3920000	3333000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	19	2
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	14390	26699
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	17369965	22150525
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	21459471	25510226

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	21459471	25510226
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	3333000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3333000

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	162	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		162

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	641621	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		641621

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		3609665
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		7584448

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3033481	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3033481
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	361800	
(2) Contract administrator fees	2i(2)	32773	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	105639	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		500212
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3533693

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4050755
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PLANTE & MORAN, PLLC

(2) EIN: 38-1357951

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>ATRIUM HEALTH SYSTEM CASH BALANCE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ATRIUM HEALTH SYSTEM</u>	D Employer Identification Number (EIN) <u>31-0537492</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>31-1051736</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>135</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 65% Investment-Grade Debt: 31% High-Yield Debt: 1% Real Estate: _____% Other: 3%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☒ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____



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Independent Auditor's Report

To the Plan Administrator
Atrium Health System Cash Balance Retirement Plan

We were engaged to audit the financial statements and supplemental schedules of Atrium Health System Cash Balance Retirement Plan (the "Plan") as of December 31, 2009 and 2008 and for the years then ended, as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fifth Third Bank, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the Trustee as of and for the years ended December 31, 2009 and 2008 that the information provided to the plan administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Plante & Moran, PLLC

Columbus, Ohio
September 23, 2010

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates.
The number of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.

(A) Retirement age	(B) Assumed retirement rate	(C) Number of active lives in cohort	(D) Number of retirements	(E) (A) X (D)
60	10%	10,000	1,000	60,000
61	10%	9,000	900	54,900
62	25%	8,100	2,025	125,550
63	20%	6,075	1,215	76,545
64	20%	4,860	972	62,208
65	100%	3,888	3,888	252,720
Total			10,000	631,923
Average				63.2

Schedule SB, Line 25 – Change in Method

Beginning with the 2009 valuation, the following changes were made:

- Expected expenses are added to the normal cost.
- The asset method was changed from 25-month monthly average to 24-month annual average as permitted under the Worker, Retiree, and Employer Recovery Act of 2008.
- Interest discounts were updated from segmented yield curve discount rates to full yield curve in accordance with PPA and sponsor elections.

Atrium Health System Cash Balance Retirement Plan

Schedule of Reportable Transactions Form 5500, Schedule H, Line 4j EIN 31-0537492, Plan No. 001 Year Ended December 31, 2009

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain
Category (i) - A single transaction that amounts to more than 5 percent of the beginning value of total plan assets:						
Fifth Third Bank	PIMCO Moderate Duration	\$ 3,920,000	\$ -	\$ 3,920,000	\$ 3,920,000	\$ -
Category (iii) - A series of transactions with respect to securities of the same issue that amount in the aggregate to more than 5 percent of the beginning value of the total plan assets:						
Fifth Third Bank	Fifth Third Banksafe Trust:					
	Purchases - 7	606,581	-	606,581	606,581	-
	Sales - 5	-	594,272	594,272	594,272	-
Fifth Third Bank	PIMCO Moderate Duration:					
	Purchases - 15	4,294,264	-	4,294,264	4,294,264	-
	Sales - 23	-	3,386,804	3,313,246	3,386,804	73,558

There were no Category (ii) or (iv) reportable transactions during the year.

Atrium Health System Cash Balance Retirement Plan

Schedule of Assets Held at End of Year Form 5500, Schedule H, Line 4i EIN 31-0537492, Plan No. 001 December 31, 2009

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Fifth Third Bank	Money market fund - Fifth Third Banksafe Trust	\$ 26,699	\$ 26,699
	Shares of registered investment companies:		
	American Funds Group - EuroPacific		
Fifth Third Bank	Growth Fund	2,987,387	3,085,309
Fifth Third Bank	Rice Hall James Small Index Fund	1,588,129	1,106,515
Fifth Third Bank	Longleaf Partners Fund	1,075,645	1,031,289
Fifth Third Bank	PIMCO Moderate Duration	6,597,985	6,776,249
Fifth Third Bank	Vanguard Institutional Index	8,235,372	10,151,163
	Total investments	<u>\$ 20,511,217</u>	<u>\$ 22,177,224</u>

Atrium Health System Cash Balance Retirement Plan

**Financial Report
December 31, 2009**

Atrium Health System Cash Balance Retirement Plan

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Independent Auditor's Report

To the Plan Administrator
Atrium Health System Cash Balance Retirement Plan

We were engaged to audit the financial statements and supplemental schedules of Atrium Health System Cash Balance Retirement Plan (the "Plan") as of December 31, 2009 and 2008 and for the years then ended, as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fifth Third Bank, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the Trustee as of and for the years ended December 31, 2009 and 2008 that the information provided to the plan administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Plante & Moran, PLLC

Columbus, Ohio
September 23, 2010

Atrium Health System Cash Balance Retirement Plan

Statement of Net Assets Available for Benefits

	December 31, 2009	December 31, 2008
Assets		
Cash	\$ -	\$ 155,097
Investments:		
Money market fund	26,699	14,390
Shares of registered investment companies	22,150,525	17,369,965
Total investments	22,177,224	17,384,355
Employer contribution receivable	3,333,000	3,920,000
Accrued income	2	19
Net Assets Available for Benefits	\$ 25,510,226	\$ 21,459,471

Atrium Health System Cash Balance Retirement Plan

Statement of Changes in Net Assets Available for Benefits

	Year Ended	
	December 31, 2009	December 31, 2008
Additions to Net Assets		
Contributions - Employer	\$ 3,333,000	\$ 3,920,000
Investment income (loss):		
Interest and dividends	641,783	535,043
Net appreciation (depreciation) in fair value of shares of registered investment companies	3,609,665	(7,787,412)
Total investment income (loss)	4,251,448	(7,252,369)
Total additions - Net	7,584,448	(3,332,369)
Deductions from Net Assets		
Benefits paid directly to participants or beneficiaries	3,033,481	2,516,730
Administrative expenses	500,212	674,618
Total deductions	3,533,693	3,191,348
Net Increase (Decrease)	4,050,755	(6,523,717)
Net Assets Available for Benefits		
Beginning of year	21,459,471	27,983,188
End of year	<u><u>\$ 25,510,226</u></u>	<u><u>\$ 21,459,471</u></u>

Atrium Health System Cash Balance Retirement Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 1 - Plan Description

The following description of Atrium Health System Cash Balance Retirement Plan (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a non-contributory defined benefit plan covering all employees of Atrium Medical Center, MiddCare Inc., and Mid-Miami Healthcare Foundation (collectively, the "Plan Sponsor"). Employees are eligible once they have completed 12 months of service, 832 hours (prior to December 31, 2005) and 1,000 hours (starting January 1, 2006), and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility and Vesting - Employees become participants in the Plan following completion of the eligibility requirements as described in the plan document and are fully vested for normal retirement benefits after three years of service.

Funding - Contributions are made by the Plan Sponsor in actuarially determined amounts. The Plan Sponsor's policy is to make contributions necessary to satisfy ERISA funding standards. Annual contributions meet the minimum funding requirements of ERISA.

Payment of Benefits - Distributions are payable upon the retirement, death, disability, or termination of employment in the form of a lump-sum amount equal to the vested value of the participant's accumulated plan benefits if \$5,000 or less, or in various installment annuities. Early retirement is available for those participants who retire from service prior to the normal retirement date, but on or after attaining age 55, and who have completed three or more years of credited service. In such cases, the benefit will be reduced in an amount to reflect early commencement of the benefit as described in the plan document.

Party-in-interest Transactions - Certain plan assets are in investment funds managed by Fifth Third Bank or its affiliates. Fifth Third Bank is the trustee of the Plan; therefore, these transactions qualify as party-in-interest transactions as defined under ERISA guidelines.

Atrium Health System Cash Balance Retirement Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies

Investment Valuation - The Plan's investments are stated at fair value based on quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those future periodic payments that are attributable, under the Plan's provisions, to the service employees have rendered. These include benefits expected to be paid to:

- a. Retired or terminated employees or their beneficiaries
- b. Beneficiaries of employees who have died
- c. Present employees or their beneficiaries

Actuarial Assumptions - The actuarial present value of accumulated plan benefits is determined by an actuary from Mercer Human Resource Consulting and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation of the Plan at January 1, 2009 and 2008 are summarized as follows:

Actuarial cost method	- Projected unit credit
Assumed rate of return	- 7.50% per annum
Mortality basis	- Healthy/disabled RP-2000 table projected to 2015, separate tables for males and females in 2009, and Healthy/disabled RP-2000 table projected to 2010, same tables for males and females in 2008
Salary projection	- 4.5% increase per annum
Crediting interest rate	- 4.25% and 5.00%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Atrium Health System Cash Balance Retirement Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties - Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. Investment securities are exposed to various risks, such as interest rate, market, and credit. It is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the statement of net assets available for benefits.

Benefit Payments - Benefits are recorded when paid.

Administrative Expenses - Various administrative costs are paid by the Plan.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including September 23, 2010, which is the date the financial statements were available to be issued.

Note 3 - Unaudited Investment Information

Fifth Third Bank (the "Trustee") holds the Plan's investments and executes all investment transactions. The investment balances and related investment results included in the accompanying financial statements and supplemental schedule of assets held at end of year and schedule of reportable transactions are based solely on information provided by the Trustee.

Investments that exceed 5 percent of end of year net assets are as follows:

	2009	2008
American Funds Group - EuroPacific Growth Fund	\$ 3,085,309	\$ 2,218,850
PIMCO Moderate Duration	6,776,249	5,657,162
Vanguard Institutional Index	10,151,163	8,019,332

Atrium Health System Cash Balance Retirement Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 4 - Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is determined by consulting actuaries from Mercer Human Resource Consulting. The calculations of the estimated present value of accumulated plan benefits attributable to participants in the Plan, which were made as of January 1, 2009 and 2008, the most recent actuarial valuations by Mercer Human Resource Consulting, are as follows:

	2009	2008
Actuarial Present Value of Accumulated Plan Benefits		
Vested benefits:		
Participants currently receiving benefit payments	\$ 4,655,518	\$ 4,712,880
Other vested participants	21,682,082	20,019,779
Total vested benefits	26,337,600	24,732,659
Nonvested benefits	648,591	619,757
Total actuarial present value of accumulated plan benefits	<u>\$ 26,986,191</u>	<u>\$ 25,352,416</u>
Actuarial Present Value of Accumulated Plan Benefits - Beginning of year	\$ 25,352,416	\$ 23,266,994
Increase during the year attributable to:		
Benefits accumulated and gains	1,858,069	1,179,233
Interest due to the decrease in the discount period	1,807,054	1,659,490
Benefits paid	(2,516,730)	(2,280,914)
Plan amendment	-	269,491
Change of assumptions	485,382	1,258,122
Net increase	<u>1,633,775</u>	<u>2,085,422</u>
Actuarial Present Value of Accumulated Plan Benefits - End of year	<u>\$ 26,986,191</u>	<u>\$ 25,352,416</u>

Atrium Health System Cash Balance Retirement Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 4 - Accumulated Plan Benefits (Continued)

Changes in assumptions included the change in mortality assumption and the lump sum basis for minimum benefits. The mortality assumption was changed to RP-2000, no collar, combined healthy/disabled, projected to 2015, separate tables for males and females, whereas in 2008 it was the same tables projected to 2010 and same tables for males and females. The lump sum basis for minimum benefits was changed to the 2010 PPA Mortality with 6.00 percent interest in 2009. In 2008, it was the 1994 Group Annuity Reserving Table projected to 2002 (unloaded and blended 50% male/50% female) with 6.00 percent interest.

The 2008 change in assumptions were determined by the following. In 2007, the service credit was 3 percent of compensation for all plan participants. If a participant is new to the Plan after January 1, 2008, the service credit is determined utilizing varying percentages of compensation based on years of service. In 2007, the interest credit was determined utilizing the average of the one-year U.S. Treasury yield in the third quarter of the preceding year. Beginning in 2008, the interest credit is determined utilizing the 10-year U.S. Treasury average annual yield for the August of the preceding year and in no event shall be less than 4.01 percent.

Note 5 - Plan Termination

Should the Plan terminate at some future time, its net assets generally will not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC) at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guaranty while other benefits may not be provided for at all.

Note 6 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service indicating that the Plan, as designed, is qualified for tax-exempt treatment under the applicable section of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, management believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Note 7 - Fair Value Measurements

Accounting standards require certain assets be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Atrium Health System Cash Balance Retirement Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 7 - Fair Value Measurements (Continued)

The following tables present information about the Plan's assets measured at fair value on a recurring basis at December 31, 2009 and 2008, and the valuation techniques used by the Plan to determine those fair values.

Level 1 - In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Level 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 - Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Assets Measured at Fair Value on a Recurring Basis at December 31, 2009

	Level 1	Level 2	Level 3	Balance at December 31, 2009
Shares of Registered Investment Companies				
Bond fund	\$ 6,776,249	\$ -	\$ -	\$ 6,776,249
Equity funds	15,374,276	-	-	15,374,276
Money market fund - Short-term investments	26,699	-	-	26,699
Total	<u>\$ 22,177,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,177,224</u>

Atrium Health System Cash Balance Retirement Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 7 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2008

	Level 1	Level 2	Level 3	Balance at December 31, 2008
Shares of Registered Investment Companies				
Bond fund	\$ 5,657,162	\$ -	\$ -	\$ 5,657,162
Equity funds	11,712,803	-	-	11,712,803
Money market fund	14,390	-	-	14,390
Total	<u>\$ 17,384,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,384,355</u>

Atrium Health System Cash Balance Retirement Plan

Schedule of Assets Held at End of Year Form 5500, Schedule H, Line 4i EIN 31-0537492, Plan No. 001 December 31, 2009

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Fifth Third Bank	Money market fund - Fifth Third Banksafe Trust	\$ 26,699	\$ 26,699
	Shares of registered investment companies:		
	American Funds Group - EuroPacific		
Fifth Third Bank	Growth Fund	2,987,387	3,085,309
Fifth Third Bank	Rice Hall James Small Index Fund	1,588,129	1,106,515
Fifth Third Bank	Longleaf Partners Fund	1,075,645	1,031,289
Fifth Third Bank	PIMCO Moderate Duration	6,597,985	6,776,249
Fifth Third Bank	Vanguard Institutional Index	8,235,372	10,151,163
	Total investments	<u>\$ 20,511,217</u>	<u>\$ 22,177,224</u>

Atrium Health System Cash Balance Retirement Plan

Schedule of Reportable Transactions Form 5500, Schedule H, Line 4j EIN 31-0537492, Plan No. 001 Year Ended December 31, 2009

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain
Category (i) - A single transaction that amounts to more than 5 percent of the beginning value of total plan assets:						
Fifth Third Bank	PIMCO Moderate Duration	\$ 3,920,000	\$ -	\$ 3,920,000	\$ 3,920,000	\$ -
Category (iii) - A series of transactions with respect to securities of the same issue that amount in the aggregate to more than 5 percent of the beginning value of the total plan assets:						
Fifth Third Bank	Fifth Third Banksafe Trust:					
	Purchases - 7	606,581	-	606,581	606,581	-
	Sales - 5	-	594,272	594,272	594,272	-
Fifth Third Bank	PIMCO Moderate Duration:					
	Purchases - 15	4,294,264	-	4,294,264	4,294,264	-
	Sales - 23	-	3,386,804	3,313,246	3,386,804	73,558

There were no Category (ii) or (iv) reportable transactions during the year.

**Schedule SB, Line 11 – Explanation of Carryover and Prefunding Balances
Discrepancy**

The 2008 Schedule SB was completed before final funding regulations were issued and the amount reported on line 38 was limited to the excess of the discounted value of actual employer contributions over the minimum required contribution before any credit balance use.

Schedule SB, Part V - Summary of Plan Provisions

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Effective date and plan year	Original plan: January 1, 1998 (for restated plan) Restated plan: January 1, 2008 Plan year: January 1 through December 31
Most recent amendment	January 1, 2008
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None.

Definitions

▪ Covered employees	A person who is eligible to be a Participant in the Plan if and after he meets all of the participation requirements.
▪ Participation	All covered employees of the Employer are eligible to participate in the Plan on the first day of the month following completion of one year of service, but after attainment of age 21.
▪ Employee contributions	None
▪ Vesting service	An employee shall receive one (1) year of vesting service for each calendar year that he or she is credited with at least 832 hours of service (1,000 hours if hired after January 1, 2006 or if employee elected the new plan benefit).
▪ Credited service	An employee shall receive one (1) year of creditable service for each calendar year that he or she is credited with at least 832 hours of service (1,000 hours if hired after January 1, 2006 or if employee elected the new plan benefit).
▪ Pensionable earnings	Total annual earnings as shown in box 1 of IRS Form W-2 (excluding reimbursements, fringe benefits, moving expenses, deferred compensation, welfare benefits and severance pay) plus amounts considered elective contributions that are not included in federal income tax purposes under IRS Code Sections 125, 402(e)(3), 402(h), and/or 132(f)(4).
▪ Accrued benefit	Actuarial equivalent of cash balance account at Normal Retirement. This cannot be less than the actuarially equivalent value of the December 31, 1997, accrued benefit under the prior plan.

Normal retirement

▪ Eligibility	The first day of the month coincident with or immediately following the member's 65th birthday.
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Schedule SB, Part V - Summary of Plan Provisions - Continued

- Old Plan benefit

Initial Account Balance: The account balance of any participant of the prior plan will be credited with an amount equal to the actuarial equivalent of the participant's prior plan benefit based on the accrued benefit determined under the terms of the Plan in effect on December 31, 1997.

Service Credits: The service credit is equal to 3% of compensation for plan years in which a participant earns 832 hours of service (1,000 hours if hired after January 1, 2006).

Interest Credit: As of the last day of each Plan Year, a participant's account balance will be credited with interest equal to the product of the participant's account balance multiplied by the average of the 1 year U.S. Treasury Bill yield during 3rd calendar quarter of the previous year.

- New Plan benefit

On January 1, 2008 all active participants were given the option to stay with the Old Plan formula or switch to the New Plan formula. For those that elected to switch, the Old Plan benefit would receive no additional service credits. Their future accruals under the New Plan are detailed below. All new participants after January 1, 2008 will be placed in the New Plan.

Service Credits: The service credit is equal to the percentage of compensation detailed in the table below for plan years in which a participant earns 1,000 hours of service.

Years of Service	Contribution Percentage
1 – 5	2.0%
6 – 10	2.5%
11 – 15	3.0%
16 – 20	4.0%
21 – 25	5.0%
26+	6.0%

Interest Credit: As of the last day of each Plan Year, a participant's account balance will be credited with interest equal to the product of the participant's account balance multiplied by the average of the 10 year U.S. Treasury Bill yield during August of the previous year.

Schedule SB, Part V - Summary of Plan Provisions - Continued

Early retirement	
▪ Eligibility	First day of the month following age 55 and three (3) years of Vesting Service.
▪ Benefit	Account balance as defined for Normal Retirement, with accruals through the Early Retirement Date.
▪ Early Retirement Factors	A reduction of 1/3% will be applied for each month prior to the participant's normal retirement date for grandfathered benefits only.
Late retirement	
▪ Eligibility	The first day of the month subsequent to the member's normal retirement date and following actual termination of employment.
▪ Benefit	The account balance as defined for Normal Retirement, with accruals through the Late Retirement Date.
Deferred vested	
▪ Eligibility	Completion of three (3) years of Vesting Service.
▪ Benefit	Account balance as defined for Normal Retirement, with accruals through the date of termination. Interest Credits are credited to the account balance up until the balance is distributed.
Disability	
▪ Eligibility	Based on determination of total and permanent disability with three (3) years of Vesting Service.
▪ Benefit	Account balance as defined for Normal Retirement, with accruals through the date of disability. Interest Credits are credited to the account balance up until the balance is distributed.
Pre-retirement death	
▪ Eligibility	If a member dies after becoming vested, but before retiring, his surviving spouse or beneficiary is entitled to a preretirement death benefit.
▪ Benefit	A one-time payment equal to the participant's cash balance account. A surviving spouse also has the option of receiving a life only monthly benefit that is actuarially equivalent to the participant's cash balance as of the date of death.

Schedule SB, Part V - Summary of Plan Provisions - Continued

Form of benefits	
▪ Automatic form for unmarried participants	Single life annuity
▪ Automatic form for married participants	Actuarially reduced joint and 50% survivor annuity
▪ Optional forms	Life only Life and five years certain Life and ten years certain Life and fifteen years certain Joint and 50% survivor Joint and 75% survivor Joint and 100% survivor Level income Lump sum
▪ Actuarial equivalence	Mortality assumption: Applicable Mortality Table described in IRC 417(e). Interest rate: Funding interest assumption
Miscellaneous	
▪ Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2009 the limit is \$245,000.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2009, the limit is \$195,000.
▪ Changes since prior valuation	Maximum compensation and maximum benefits were updated from 2008 to 2009.

Schedule SB, Part V - Summary of Plan Provisions - Continued

Benefits included or excluded – effective January 1, 2009

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Late retirement increases:**
 - *Active participants:* The participant continues to accrue interest and service credits.
 - *Deferred vested participants:* The participant continues to accrue interest credits.
- **Shutdown benefits:** We are not aware of any corporate actions that would create shutdown benefits; therefore, they are excluded.
- **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods**Actuarial assumptions****Discount rate elections**

Full yield curve at January 1, 2009 with two month look-back for funding

Mortality elections

- | | |
|--------------------------|--|
| ▪ Healthy participants | 2009 PPA separate static annuitant and nonannuitant mortality tables |
| ▪ Pre-1995 disabilities | 2009 PPA separate static annuitant and nonannuitant mortality tables |
| ▪ Post-1994 disabilities | 2009 PPA separate static annuitant and nonannuitant mortality tables |

Cash balance plans

- | | |
|------------------------------|--|
| ▪ Interest accumulation rate | 4.25% for Old Plan formula
5.00% for New Plan formula |
| ▪ Whipsaw calculations | Not applicable |
| ▪ Annuity conversion | |
| ▪ Mortality table | 2009 PPA unisex mortality |
| ▪ Interest rate basis | Funding full yield curve rates |

Other economic assumptions

- | | |
|---------------------------------|--|
| ▪ Salary increases | 4.50% per year |
| ▪ Flat-dollar benefit increases | Not applicable |
| ▪ Social Security Wage Base | Not applicable |
| ▪ Inflation | 3.00% per year |
| ▪ Expected investment return | 7.50% compounded annually; For purposes of calculating the actuarial asset value, expected investment return was capped at the 3rd segment rate for both years (6.09% for 2007 and 6.43% for 2008) |
| ▪ Expenses | \$680,000 added to current year normal cost (prior year actual expenses rounded to the next highest \$10,000) |

Demographic assumptions

- | | |
|----------------------|--|
| Withdrawal | See table of sample rates |
| Disability incidence | DP-1985 Disability table for males and females (See table of sample rates) |
| Retirement age | See table of sample rates |

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods - Continued

Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
▪ Percentage married	100%	100%
▪ Spouse age difference	3 years younger	3 years older
Form of payment	<u>Immediate lump sum</u>	<u>Age 55 lump sum</u>
▪ Active retirements	100%	0%
▪ Future vested deferred	100%	0%
▪ Future disabilities	100%	0%
▪ Future deaths	100%	0%
▪ Current vested deferred	0%	100%

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods - Continued*Table of sample rates***Retirement Experience**

Attained Age	Percentage Retirement
60-61	10.00%
62	25.00%
63-64	20.00%
65	100.00%

Disability Experience

Attained Age	Male Disability	Female Disability
25	0.04%	0.05%
30	0.05%	0.08%
35	0.07%	0.14%
40	0.12%	0.21%
45	0.20%	0.32%
50	0.36%	0.53%
55	0.72%	0.95%
60	1.26%	1.16%

**Withdrawal Rates
Length of Service**

Attained Age	0 - 1	2	3	4	5+
25	25.00%	20.00%	15.00%	10.00%	14.30%
30	25.00%	20.00%	15.00%	10.00%	13.90%
35	25.00%	20.00%	15.00%	10.00%	13.40%
40	25.00%	20.00%	15.00%	10.00%	12.90%
45	25.00%	20.00%	15.00%	10.00%	12.20%
50	25.00%	20.00%	15.00%	10.00%	9.40%
55	25.00%	20.00%	15.00%	10.00%	5.60%
60	25.00%	20.00%	15.00%	10.00%	2.60%

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods - Continued**Actuarial methods***Asset methods – effective January 1, 2009*

We used financial data submitted by Fifth Third Bank. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy. We used the audited market asset value (net of receivable employer contributions) at January 1, 2009, increased by the amount of the September 15, 2009 receivable contribution (interest adjusted to January 1, 2009).

The asset valuation method is an annual average of the adjusted market value over the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset valuation method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than market.

Participant methods – effective January 1, 2009

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Disabled participants:** The liabilities for participants on long-term disability have been included with the liabilities for terminated vested participants.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods - Continued*Minimum funding method*

Target liability for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **accrued liability** is the present value of benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **normal cost** is the present value of the benefit deemed to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual normal costs plus an expense load equal to the prior year actual expense rounded to the next highest \$10,000, and the plan's **funding target liability** is the sum of the accrued liabilities for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the accrued liability computed using the projected unit credit method over the minimum funding target liability. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration future compensation increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected accrued liability** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the accrued liability for an individual is the sum of the component accrued liabilities associated with the various anticipated separation dates.
- The plan's **projected funding target liability** is the sum of the projected accrued liabilities for all participants under the plan.

Schedule SB, Line 26 - Schedule of Active Participant Data

Attained Age	Years of credited service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
Under 25		68 29,902	6							
25-29		89 37,698	47 33,659	7						
30-34	1	66 39,789	63 40,834	25 43,681	1					
35-39		65 42,320	56 48,323	27 45,956	14	3				
40-44	3	68 51,693	59 46,154	29 46,717	13	16				
45-49	1	51 39,752	63 45,868	34 46,936	16	28 60,522	12	2		
50-54		59 47,243	53 41,960	26 42,881	18	15	15	22 65,128	4	
55-59	1	24 40,617	37 44,335	16	13	14	16	19	11	1
60-64		13	22 40,315	8	8	6	5	4	7	9
65-69		3	5	2	2	4	2	2	1	1
70+		2	1		1					

In each cell, the top number is the count of active participants for each age/service combination. The lower number is the average compensation of the active participants in that group. Average pay is not shown for cells with fewer than 20 participants.

Schedule SB, Line 26 - Schedule of Active Participant Data

Attained Age	Years of credited service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
Under 25		68 1,780	6							
25-29		89 2,418	47 58,35	7						
30-34	1	66 2,165	63 7,874	25 11,869	1					
35-39		65 2,213	56 8,950	27 12,334	14	3				
40-44	3	68 3,465	59 8,341	29 13,844	13	16				
45-49	1	51 2,101	63 7,962	34 14,515	16	28 29,189	12	2		
50-54		59 3,902	53 8,679	26 15,143	18	15	15	22 53,463	4	
55-59	1	24 2,189	37 8,744	16	13	14	16	19	11	1
60-64		13	22 7,705	8	8	6	5	4	7	9
65-69		3	5	2	2	4	2	2	1	1
70+		2	1		1					

In each cell, the top number is the count of active participants for each age/service combination. The lower number is the average account balance of the active participants in that group. Average account balance is not shown for cells with fewer than 20 participants.

**Schedule SB, Line 21b – Explanation of Discount Rate Applicable Month
Discrepancy**

The full yield curve with an applicable look-back month of November 2008 was used to value funding liabilities as of January 1, 2009.

The applicable month has not been entered here due to restrictions within the EFAST2 system which did not allow for an entry in line 21b if the "N/A, full yield curve used" option was selected in line 21a. Since the applicable month was the second month preceding the month including the valuation date (November 2008), "2" would have been entered in line 21b had the system allowed an entry.

Line 21b was completed on the pdf attachment of the Schedule SB.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Atrium Health System Cash Balance Retirement Plan	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Atrium Health System	D Employer Identification Number (EIN) 31-0537492	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value	2a	21,301,253	
b Actuarial value	2b	23,431,378	
3 Funding target/participant count breakdown	(1) Number of participants		(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	117	4,197,347
b For terminated vested participants	3b	351	3,944,578
c For active participants:			
(1) Non-vested benefits	3c(1)		689,272
(2) Vested benefits	3c(2)		15,692,400
(3) Total active	3c(3)	1,405	16,381,672
d Total	3d	1,873	24,523,597
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	8.32 %	
6 Target normal cost	6	2,028,759	

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>David L. Jakes</u> Signature of actuary	<u>10/11/2010</u> Date	
DAVID L. JAKES Type or print name of actuary		08-05110 Most recent enrollment number	
MERCER Firm name		(614) 227-5555 Telephone number (including area code)	
325 JOHN H. MCCONNELL BLVD STE 350 Address of the firm		COLUMBUS OH 43215-2672	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	3,404,850	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	1,409,423	0
9 Amount remaining (Item 7 minus item 8)	1,995,427	0
10 Interest on item 9 using prior year's actual return of <u>(30.74)</u> %	(613,394)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		3,547,178
b Interest on (a) using prior year's effective rate of <u>6.05</u> %		(303,923)
c Total available at beginning of current plan year to add to prefunding balance		3,243,255
d Portion of (c) to be added to prefunding balance		2,266,484
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	1,382,033	2,266,484

Part III Funding percentages

14 Funding target attainment percentage	14	80.66 %
15 Adjusted funding target attainment percentage	15	95.54 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.07 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/14/2010	3,333,000				
Totals ▶			18(b)	3,333,000	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 2,909,264

20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year				
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th	
0	0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29).....	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	2,028,759
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment.....	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33).....	34	2,028,759
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	1,382,033	0
36 Additional cash requirement (item 34 minus item 35).....	36	646,726
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	2,909,264
38 Interest-adjusted excess contributions for current year (see instructions).....	38	2,262,538
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

**Schedule SB, Line 11 – Explanation of Carryover and Prefunding Balances
Discrepancy**

The 2008 Schedule SB was completed before final funding regulations were issued and the amount reported on line 38 was limited to the excess of the discounted value of actual employer contributions over the minimum required contribution before any credit balance use.

**Schedule SB, Line 21b – Explanation of Discount Rate Applicable Month
Discrepancy**

The full yield curve with an applicable look-back month of November 2008 was used to value funding liabilities as of January 1, 2009.

The applicable month has not been entered here due to restrictions within the EFAST2 system which did not allow for an entry in line 21b if the "N/A, full yield curve used" option was selected in line 21a. Since the applicable month was the second month preceding the month including the valuation date (November 2008), "2" would have been entered in line 21b had the system allowed an entry.

Line 21b was completed on the pdf attachment of the Schedule SB.

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates.
The number of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.

(A) Retirement age	(B) Assumed retirement rate	(C) Number of active lives in cohort	(D) Number of retirements	(E) (A) X (D)
60	10%	10,000	1,000	60,000
61	10%	9,000	900	54,900
62	25%	8,100	2,025	125,550
63	20%	6,075	1,215	76,545
64	20%	4,860	972	62,208
65	100%	3,888	3,888	252,720
Total			10,000	631,923
Average				63.2

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods**Actuarial assumptions****Discount rate elections**

Full yield curve at January 1, 2009 with two month look-back for funding

Mortality elections

- | | |
|--------------------------|--|
| ▪ Healthy participants | 2009 PPA separate static annuitant and nonannuitant mortality tables |
| ▪ Pre-1995 disabilities | 2009 PPA separate static annuitant and nonannuitant mortality tables |
| ▪ Post-1994 disabilities | 2009 PPA separate static annuitant and nonannuitant mortality tables |

Cash balance plans

- | | |
|------------------------------|--|
| ▪ Interest accumulation rate | 4.25% for Old Plan formula
5.00% for New Plan formula |
| ▪ Whipsaw calculations | Not applicable |
| ▪ Annuity conversion | |
| ▪ Mortality table | 2009 PPA unisex mortality |
| ▪ Interest rate basis | Funding full yield curve rates |

Other economic assumptions

- | | |
|---------------------------------|--|
| ▪ Salary increases | 4.50% per year |
| ▪ Flat-dollar benefit increases | Not applicable |
| ▪ Social Security Wage Base | Not applicable |
| ▪ Inflation | 3.00% per year |
| ▪ Expected investment return | 7.50% compounded annually; For purposes of calculating the actuarial asset value, expected investment return was capped at the 3rd segment rate for both years (6.09% for 2007 and 6.43% for 2008) |
| ▪ Expenses | \$680,000 added to current year normal cost (prior year actual expenses rounded to the next highest \$10,000) |

Demographic assumptions

- | | |
|----------------------|--|
| Withdrawal | See table of sample rates |
| Disability incidence | DP-1985 Disability table for males and females (See table of sample rates) |
| Retirement age | See table of sample rates |

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods - Continued

Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
▪ Percentage married	100%	100%
▪ Spouse age difference	3 years younger	3 years older
Form of payment	<u>Immediate lump sum</u>	<u>Age 55 lump sum</u>
▪ Active retirements	100%	0%
▪ Future vested deferred	100%	0%
▪ Future disabilities	100%	0%
▪ Future deaths	100%	0%
▪ Current vested deferred	0%	100%

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods - Continued*Table of sample rates***Retirement Experience**

Attained Age	Percentage Retirement
60-61	10.00%
62	25.00%
63-64	20.00%
65	100.00%

Disability Experience

Attained Age	Male Disability	Female Disability
25	0.04%	0.05%
30	0.05%	0.08%
35	0.07%	0.14%
40	0.12%	0.21%
45	0.20%	0.32%
50	0.36%	0.53%
55	0.72%	0.95%
60	1.26%	1.16%

**Withdrawal Rates
Length of Service**

Attained Age	0 - 1	2	3	4	5+
25	25.00%	20.00%	15.00%	10.00%	14.30%
30	25.00%	20.00%	15.00%	10.00%	13.90%
35	25.00%	20.00%	15.00%	10.00%	13.40%
40	25.00%	20.00%	15.00%	10.00%	12.90%
45	25.00%	20.00%	15.00%	10.00%	12.20%
50	25.00%	20.00%	15.00%	10.00%	9.40%
55	25.00%	20.00%	15.00%	10.00%	5.60%
60	25.00%	20.00%	15.00%	10.00%	2.60%

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods - Continued**Actuarial methods***Asset methods – effective January 1, 2009*

We used financial data submitted by Fifth Third Bank. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy. We used the audited market asset value (net of receivable employer contributions) at January 1, 2009, increased by the amount of the September 15, 2009 receivable contribution (interest adjusted to January 1, 2009).

The asset valuation method is an annual average of the adjusted market value over the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset valuation method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than market.

Participant methods – effective January 1, 2009

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Disabled participants:** The liabilities for participants on long-term disability have been included with the liabilities for terminated vested participants.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods - Continued*Minimum funding method*

Target liability for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **accrued liability** is the present value of benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **normal cost** is the present value of the benefit deemed to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual normal costs plus an expense load equal to the prior year actual expense rounded to the next highest \$10,000, and the plan's **funding target liability** is the sum of the accrued liabilities for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the accrued liability computed using the projected unit credit method over the minimum funding target liability. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration future compensation increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected accrued liability** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the accrued liability for an individual is the sum of the component accrued liabilities associated with the various anticipated separation dates.
- The plan's **projected funding target liability** is the sum of the projected accrued liabilities for all participants under the plan.

Schedule SB, Part V - Summary of Plan Provisions

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Effective date and plan year	Original plan: January 1, 1998 (for restated plan) Restated plan: January 1, 2008 Plan year: January 1 through December 31
Most recent amendment	January 1, 2008
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None.

Definitions

▪ Covered employees	A person who is eligible to be a Participant in the Plan if and after he meets all of the participation requirements.
▪ Participation	All covered employees of the Employer are eligible to participate in the Plan on the first day of the month following completion of one year of service, but after attainment of age 21.
▪ Employee contributions	None
▪ Vesting service	An employee shall receive one (1) year of vesting service for each calendar year that he or she is credited with at least 832 hours of service (1,000 hours if hired after January 1, 2006 or if employee elected the new plan benefit).
▪ Credited service	An employee shall receive one (1) year of creditable service for each calendar year that he or she is credited with at least 832 hours of service (1,000 hours if hired after January 1, 2006 or if employee elected the new plan benefit).
▪ Pensionable earnings	Total annual earnings as shown in box 1 of IRS Form W-2 (excluding reimbursements, fringe benefits, moving expenses, deferred compensation, welfare benefits and severance pay) plus amounts considered elective contributions that are not included in federal income tax purposes under IRS Code Sections 125, 402(e)(3), 402(h), and/or 132(f)(4).
▪ Accrued benefit	Actuarial equivalent of cash balance account at Normal Retirement. This cannot be less than the actuarially equivalent value of the December 31, 1997, accrued benefit under the prior plan.

Normal retirement

▪ Eligibility	The first day of the month coincident with or immediately following the member's 65th birthday.
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Schedule SB, Part V - Summary of Plan Provisions - Continued

- Old Plan benefit

Initial Account Balance: The account balance of any participant of the prior plan will be credited with an amount equal to the actuarial equivalent of the participant's prior plan benefit based on the accrued benefit determined under the terms of the Plan in effect on December 31, 1997.

Service Credits: The service credit is equal to 3% of compensation for plan years in which a participant earns 832 hours of service (1,000 hours if hired after January 1, 2006).

Interest Credit: As of the last day of each Plan Year, a participant's account balance will be credited with interest equal to the product of the participant's account balance multiplied by the average of the 1 year U.S. Treasury Bill yield during 3rd calendar quarter of the previous year.

- New Plan benefit

On January 1, 2008 all active participants were given the option to stay with the Old Plan formula or switch to the New Plan formula. For those that elected to switch, the Old Plan benefit would receive no additional service credits. Their future accruals under the New Plan are detailed below. All new participants after January 1, 2008 will be placed in the New Plan.

Service Credits: The service credit is equal to the percentage of compensation detailed in the table below for plan years in which a participant earns 1,000 hours of service.

Years of Service	Contribution Percentage
1 – 5	2.0%
6 – 10	2.5%
11 – 15	3.0%
16 – 20	4.0%
21 – 25	5.0%
26+	6.0%

Interest Credit: As of the last day of each Plan Year, a participant's account balance will be credited with interest equal to the product of the participant's account balance multiplied by the average of the 10 year U.S. Treasury Bill yield during August of the previous year.

Schedule SB, Part V - Summary of Plan Provisions - Continued

Early retirement	
▪ Eligibility	First day of the month following age 55 and three (3) years of Vesting Service.
▪ Benefit	Account balance as defined for Normal Retirement, with accruals through the Early Retirement Date.
▪ Early Retirement Factors	A reduction of 1/3% will be applied for each month prior to the participant's normal retirement date for grandfathered benefits only.
Late retirement	
▪ Eligibility	The first day of the month subsequent to the member's normal retirement date and following actual termination of employment.
▪ Benefit	The account balance as defined for Normal Retirement, with accruals through the Late Retirement Date.
Deferred vested	
▪ Eligibility	Completion of three (3) years of Vesting Service.
▪ Benefit	Account balance as defined for Normal Retirement, with accruals through the date of termination. Interest Credits are credited to the account balance up until the balance is distributed.
Disability	
▪ Eligibility	Based on determination of total and permanent disability with three (3) years of Vesting Service.
▪ Benefit	Account balance as defined for Normal Retirement, with accruals through the date of disability. Interest Credits are credited to the account balance up until the balance is distributed.
Pre-retirement death	
▪ Eligibility	If a member dies after becoming vested, but before retiring, his surviving spouse or beneficiary is entitled to a preretirement death benefit.
▪ Benefit	A one-time payment equal to the participant's cash balance account. A surviving spouse also has the option of receiving a life only monthly benefit that is actuarially equivalent to the participant's cash balance as of the date of death.

Schedule SB, Part V - Summary of Plan Provisions - Continued

Form of benefits	
▪ Automatic form for unmarried participants	Single life annuity
▪ Automatic form for married participants	Actuarially reduced joint and 50% survivor annuity
▪ Optional forms	Life only Life and five years certain Life and ten years certain Life and fifteen years certain Joint and 50% survivor Joint and 75% survivor Joint and 100% survivor Level income Lump sum
▪ Actuarial equivalence	Mortality assumption: Applicable Mortality Table described in IRC 417(e). Interest rate: Funding interest assumption
Miscellaneous	
▪ Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2009 the limit is \$245,000.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2009, the limit is \$195,000.
▪ Changes since prior valuation	Maximum compensation and maximum benefits were updated from 2008 to 2009.

Schedule SB, Part V - Summary of Plan Provisions - Continued

Benefits included or excluded – effective January 1, 2009

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Late retirement increases:**
 - *Active participants:* The participant continues to accrue interest and service credits.
 - *Deferred vested participants:* The participant continues to accrue interest credits.
- **Shutdown benefits:** We are not aware of any corporate actions that would create shutdown benefits; therefore, they are excluded.
- **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

Schedule SB, Line 25 – Change in Method

Beginning with the 2009 valuation, the following changes were made:

- Expected expenses are added to the normal cost.
- The asset method was changed from 25-month monthly average to 24-month annual average as permitted under the Worker, Retiree, and Employer Recovery Act of 2008.
- Interest discounts were updated from segmented yield curve discount rates to full yield curve in accordance with PPA and sponsor elections.

Schedule SB, Line 26 - Schedule of Active Participant Data

Attained Age	Years of credited service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
Under 25		68 29,902	6							
25-29		89 37,698	47 33,659	7						
30-34	1	66 39,789	63 40,834	25 43,681	1					
35-39		65 42,320	56 48,323	27 45,956	14	3				
40-44	3	68 51,693	59 46,154	29 46,717	13	16				
45-49	1	51 39,752	63 45,868	34 46,936	16	28 60,522	12	2		
50-54		59 47,243	53 41,960	26 42,881	18	15	15	22 65,128	4	
55-59	1	24 40,617	37 44,335	16	13	14	16	19	11	1
60-64		13	22 40,315	8	8	6	5	4	7	9
65-69		3	5	2	2	4	2	2	1	1
70+		2	1		1					

In each cell, the top number is the count of active participants for each age/service combination. The lower number is the average compensation of the active participants in that group. Average pay is not shown for cells with fewer than 20 participants.

Schedule SB, Line 26 - Schedule of Active Participant Data

Attained Age	Years of credited service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
Under 25		68 1,780	6							
25-29		89 2,418	47 58,35	7						
30-34	1	66 2,165	63 7,874	25 11,869	1					
35-39		65 2,213	56 8,950	27 12,334	14	3				
40-44	3	68 3,465	59 8,341	29 13,844	13	16				
45-49	1	51 2,101	63 7,962	34 14,515	16	28 29,189	12	2		
50-54		59 3,902	53 8,679	26 15,143	18	15	15	22 53,463	4	
55-59	1	24 2,189	37 8,744	16	13	14	16	19	11	1
60-64		13	22 7,705	8	8	6	5	4	7	9
65-69		3	5	2	2	4	2	2	1	1
70+		2	1		1					

In each cell, the top number is the count of active participants for each age/service combination. The lower number is the average account balance of the active participants in that group. Average account balance is not shown for cells with fewer than 20 participants.