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March 11, 1996

Summary Plan Description
U.S. Department of Labor Pension
and Welfare Benefit Programs
200 Constitution Avenue, N.W.
Room N5638
Washington, D.C. 20210

RE: Pension Plan of BryLin Hospital
EIN: 16-1163586
PLN: 001

Dear Sirs:

Pursuant to Part 1 of Title 1 of ERISA which requires a Summary Plan Description must be filed with the Department of Labor, enclosed please find the Summary Plan Description for the Pension Plan of BryLin Hospital which was restated and signed December 29, 1994.

If there are any questions or if additional information will be required, please feel free to telephone me at (518) 433-6912.

Sincerely,

Edward W. Brown, FSA
Consulting Actuary

MCM/mjs
Enc.
Brylin.wltr/BHD

cc: Mary Kluczycki
Raymond Barr

General Information

Name of Plan

The name of the Plan is the Pension Plan of BryLin Hospital.

Effective Date

The Plan became effective on June 1, 1974. The Plan was last amended effective January 1, 1996.

Type of Plan

The Plan is a defined benefit pension plan.

Source of Contributions

All contributions to the Plan are made by your employer.

Plan Sponsor

The Plan is sponsored and maintained by:

BryLin Hospitals, Inc.
1263 Delaware Avenue
Buffalo, New York 14209
(716) 886-8200

Plan Administrator

The Plan Administrator is:

BryLin Hospitals, Inc.
1263 Delaware Avenue
Buffalo, New York 14209
(716) 886-8200

Plan Trustee

The Plan Trustee is:

SBS Trust Company
Suite 905
201 North Walnut Street
Wilmington, Delaware, 19801
(302) 573-5829

Employer and Plan Identification

Some information about the Plan is filed with the Internal Revenue Service and the Department of Labor. Should you wish to write to either agency, you must refer to the following Employer Identification Number and Plan Identification Number:

Employer Identification Number: 16-1163586
Plan Identification Number: 001

Plan Year

The Plan Year is the 12-month period used for maintaining the financial records for the Plan. The Plan Year begins on each January 1 and ends on each December 31.

Legal Process

The agent for service of legal process is the Plan Administrator. Service of legal process may also be made upon the Trustee.

Participation in the Plan

Eligibility

You are covered by the Plan if you are an employee of BryLin Hospitals, Inc. provided you are not a leased employee or an independent contractor.

As a covered employee, you will become eligible to participate in the Plan on the first January 1 or July 1 which coincides with or immediately follows your attainment of age 21 and the completion of 1 Year of Eligibility Service. In general, you will be credited with a Year of Eligibility Service for each 12 consecutive months of employment if you worked at least 1,000 hours during that 12 consecutive month period which will be measured from the date on which you first completed an hour of service and anniversaries of that date.

For information concerning your continued participation in the Plan during an unpaid leave of absence, you should contact the Plan Administrator.

If your employment terminates and you are rehired by your employer as an eligible employee and you formerly were a participant in the Plan, and you have not lost your eligibility service, you will be eligible to become a participant in the Plan on the date on which you are reemployed. Otherwise, you must satisfy the requirements to become eligible to participate following your reemployment. If your employment terminates and you are rehired, you will retain the Years of Eligibility Service you have earned provided that:

- (i) you were vested when you terminated or,
- (ii) if you were not vested when you terminated, you have not incurred five or more consecutive one year breaks-in-service.

If your employment status changes so that you no longer are an eligible employee, you will no longer be eligible to participate in the Plan. Should you have a change in employment status so that you are again an eligible employee, you will become a participant in the Plan on the date you satisfy the eligibility requirements for becoming a participant. A change in your employment status will not be considered a separation from employment.

Pension Benefits Upon Retirement

Normal Retirement Pension Benefit

You are eligible to receive a Normal Retirement Pension Benefit if you retire on your Normal Retirement Date.

Your Normal Retirement Date is the first day of the month which coincides with or next follows the later of the date on which you:

- (a) Attain age 65, and
- (b) If you started working on or after the attainment of age 62, attain the fifth anniversary of the date on which you commenced participation in the Plan.

Your Normal Retirement Pension Benefit is a monthly pension benefit commencing on your Normal Retirement Date payable as a Lifetime Pension, 10 Year Certain Annuity (a monthly pension benefit payable to you for your lifetime with a guaranteed minimum of 120 payments) in an amount equal to:

<p style="text-align: center;">37% of your Average Monthly Compensation plus 13% of your Excess Average Monthly Compensation reduced by 1/20 for each year by which your number of completed years is less than 20</p>
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Definition of Terms

Average Monthly Compensation: Determined by dividing the total Compensation that you received during the 5 consecutive calendar years during the last 10 calendar years of service (excluding fractional years of employment) for which your Compensation was highest by the number of months during such period for which you received Compensation.

Benefit Service: In general, your aggregate periods of employment with your employer for which you receive Compensation. Please see the Glossary for additional explanation.

Compensation: In general, your W-2 wages plus any amounts which are treated as salary reduction contributions under a 401(k) plan, a cafeteria plan or a qualified flexible benefits plan. Please see the Glossary for additional explanation.

Excess Average Monthly Compensation: That portion, if any, of your Average Monthly Compensation which is in excess of your average Social Security Wage Cap.

Social Security Wage Cap: The average of the Social Security taxable wage bases in effect for each calendar year during the 35-year period ending with the calendar year in which you attain your Social Security Retirement Age. For example, the Social Security taxable wage base was \$4,800 in 1965 and increased to \$48,000 in 1989, to \$51,300 in 1990, to \$53,400 in 1991, \$55,500 in 1992, \$57,600 in 1993, \$60,600 in 1994, \$61,200 in 1995, and \$62,700 in 1996.

EXAMPLE

**Normal Retirement Pension Benefit
(Greater than 20 Years of Service)**

Suppose you retire at age 65 with 30 years of Benefit Service. Also assume that your Average Monthly Compensation is \$2,600 and that your Average Social Security Wage Cap is \$1,800. Your Excess Average Monthly Compensation would be \$800 (\$2,600 minus \$1,800).

Your Normal Retirement Pension Benefit would be \$1066.00 per month and would be determined as follows:

$$(a) \quad 37\% \times \$2,600 = \$962.00$$

$$(b) \quad 13\% \times \text{plus } \$800 = \underline{\$104.00}$$

$$\text{Normal Retirement Pension Benefit} = \$1066.00$$

In this example, your monthly Normal Retirement Pension Benefit payments would commence on your Normal Retirement Date.

EXAMPLE

**Normal Retirement Pension Benefit
(Less than 20 Years of Service)**

Suppose you retire at age 65 with 15 years of Benefit Service. Also assume that your Average Monthly Compensation is \$2,600 and that your Average Social Security Wage Cap is \$1,800. Your Excess Average Monthly Compensation would be \$800 (\$2,600 minus \$1,800).

Your Normal Retirement Pension Benefit would be \$799.50 per month and would be determined as follows:

$$(a) \quad 37\% \quad \times \quad \$2,600 \quad = \quad \$962.00$$

$$(b) \quad 13\% \quad \times \quad \text{plus} \quad \$800 \quad = \quad \$104.00$$

$$(c) \quad 15/20 \quad \text{multiplied by} \quad = \quad \underline{\quad .75 \quad}$$

$$\text{Normal Retirement Pension Benefit } (a + b) \times c \quad = \quad \$799.50$$

In this example, your monthly Normal Retirement Pension Benefit payments would commence on your Normal Retirement Date.

Accrued Pension Benefit

Your Accrued Pension Benefit represents the amount of deferred monthly pension benefit (commencing on your Normal Retirement Date) that you have earned or "accrued" as of any given date. Your Accrued Pension Benefit is calculated in the same manner as your Normal Retirement Pension Benefit taking into account your Average Monthly Compensation and Years of Benefit Service as of the determination date except that if your expected number of Years of Benefit Service at Normal Retirement Date are greater than 20, the reduction factor in the Normal Retirement Benefit formula will reflect the expected number of Years of Benefit Service at Normal Retirement Date.

EXAMPLE

Accrued Pension Benefit

Suppose that, as of your 50th birthday, you have 15 Years of Benefit Service; also assume that, as of the same date, your Average Monthly Compensation is \$2,800 and that your average monthly Social Security Wage Cap is \$1,800; therefore, your Excess Average Monthly Compensation is equal to \$1,000 (\$2,800 minus \$1,800). If you remain in employment until your Normal Retirement Date, you will have accumulated 30 total Years of Benefit Service.

Your monthly Accrued Pension Benefit would be equal to \$583 per month and would be determined as follows:

(a)	37%	x	\$2,800	=	\$1036.00
			plus		
(b)	13%	x	\$1,000	=	\$ 130.00
			multiplied by		
(c)	15/30			=	<u> .5000</u>
			Accrued Pension Benefit (a + b) x c	=	\$ 583.00

In this example, your monthly Accrued Pension Benefit payments would commence on your Normal Retirement Date.

Early Retirement Pension Benefit

You may be eligible to receive an Early Retirement Pension Benefit if you retire before your Normal Retirement Date. You can begin receiving an Early Retirement Benefit as of the first day of the month so elected by you which coincides with or next follows the date upon which you satisfy the following requirements:

- (a) Attain age 55, and
- (b) Complete 10 Years of Service, and
- (c) Complete 5 years of Participation.

The date on which your Early Retirement Pension Benefit commences is referred to as your Early Retirement Date.

Monthly pension benefit payments may start on the first day of the month coincident with or next following the date on which you satisfy the early retirement eligibility requirements; on your Normal Retirement Date; or on the first day of any intervening month.

If the payment of your monthly pension benefit commences prior to your Normal Retirement Date, the amount of your monthly pension benefit will be equal to your monthly Accrued Pension Benefit, determined as of the date upon which you cease to be an employee, reduced actuarially for each month that your Early Retirement Date precedes your Normal Retirement Date to take into account your younger age and the earlier commencement date of your monthly pension benefit payments. This reduction reflects the expectation that you will receive benefit payments for a longer period of time than

if your monthly pension benefit payments commence at your Normal Retirement Date. The following table illustrates the early retirement reduction at various ages:

Age Benefit Begins	Percent of Average Monthly Compensation
65	100.00%
64	91.72%
63	83.44%
62	75.16%
61	66.88%
60	58.60%
59	54.40%
58	50.20%
57	46.00%
56	41.80%
55	37.60%

EXAMPLE

Early Retirement Pension Benefit

Suppose you retire at age 60 with 20 Years of Benefit Service. Also assume that your Average Monthly Compensation is \$2,800 and that your Average Social Security Wage Cap is \$1,800. Your Excess Average Monthly Compensation would be \$1,000 (\$2,800 minus \$1,800).

Your monthly Early Retirement Pension Benefit would be \$546.62 per month and would be determined as follows:

(a)	37%	x	\$2,800	=	\$1036.00
			<i>plus</i>		
(b)	13%	x	\$1,000	=	\$130.00
			multiplied by		
(c)	Years of Benefit Service ÷ Expected Years of Benefit Service at Normal Retirement Date	=	20/25	=	<u>.8000</u>
(d)	Accrued Pension Benefit (a + b) x c	=		=	\$932.80
(e)	Early Retirement Adjustment	=		=	<u>58.60%</u>
(f)	Early Retirement Pension Benefit d x e	=		=	\$546.62

Late Retirement Pension Benefit (Retirement After Normal Retirement Date)

If you work beyond your Normal Retirement Date, your monthly pension benefit will not commence until the first day of the month coincident with or next following the day which you actually retire.

The date on which your Late Retirement Pension Benefits commence is referred to as your Late Retirement Date.

Your monthly Late Retirement Pension Benefit will be equal to your Accrued Pension Benefit calculated on your Late Retirement Date or, if greater, the Actuarial Equivalent of your Normal Retirement Pension Benefit.

Deferred Pension Upon Termination of Employment

In the event that your employment ends for any reason other than for retirement or death, you may be eligible to receive a monthly pension benefit from the Plan when you reach age 65.

The amount of your deferred monthly pension benefit will be equal to your Accrued Pension Benefit, multiplied by your "Vesting Percentage" calculated as of the date of your separation from employment. Your "Vesting Percentage" is based on your completed years of vesting service to the date of termination, determined from the following schedule:

<u>Years of Completed Vesting Service</u>	<u>Vesting Percentage</u>
Less than 5 years	0%
5 years or more	100%

If you qualify for a deferred monthly pension benefit, the commencement of the payment of your monthly pension benefit will normally be deferred until your Normal Retirement Date. However, you will qualify to have payments begin in a reduced amount following your attainment of age 55 provided that you have completed at least 10 Years of Service and 5 years of Participation prior to your termination. In the event that you so qualify, the Plan Administrator will advise you as to the applicable options from which you may make a selection.

Survivor Benefits in the Event of Your Death

In the event of your death prior to the date on which you begin to receive a monthly pension benefit under the Plan, and after your completion of 5 Years of Vesting Service, your surviving spouse, if any, will be entitled to receive a monthly pension benefit, commencing on your earliest retirement date, equal to 50% of the monthly pension benefit which would have been payable had you retired on the day before your death and elected a Joint and 50% Contingent Survivor Pension. A Joint and 50% Contingent Survivor Pension provides a monthly pension benefit payable for your lifetime; and, upon your death, if your spouse survives you, a monthly pension benefit continuing for the remaining lifetime of your surviving spouse in an amount equal to 50% of the monthly pension benefit which would have been payable during the joint lifetime of you and your surviving spouse.

If you have completed at least 15 Years of Service or have attained age 55 and you die while in active service with BryLin Hospitals, Inc., your beneficiary will be entitled to receive a death benefit equal to the Actuarial Equivalent of your Accrued Benefit determined as of the date of your death in lieu of the above described death benefit.

If you have not completed 5 Years of Vesting Service at your date of death, no benefits will be payable from the Plan.

Form of Monthly Pension Benefit

You have several choices as to the form or method of payment of your monthly pension benefit.

The first step in determining the amount of your monthly pension benefit, no matter what form you choose, is to calculate the monthly pension benefit which you will receive upon retirement under the normal benefit form of payment. The normal benefit form of payment is a Lifetime Pension, 10 Years Certain.

From that, the equivalent monthly pension benefit payable under any optional form of pension benefit can be determined by multiplying your monthly pension benefit under the normal benefit form by a factor that takes into account your remaining life expectancy and that of your spouse or other beneficiary, if applicable. This is called an Actuarial Equivalent adjustment and makes the total value of your monthly pension the same (on the average) at the time payments start, no matter what form you choose. The longer the time period over which your monthly pension is likely to be paid, the smaller the monthly amount will be.

You should notify the Plan Administrator of your impending retirement as far in advance as possible of your expected date of retirement. The Plan Administrator will furnish you with an application form to select a form of payment of your retirement benefits. This application will provide you with both an explanation and the dollar amount of each alternative form of payment.

The alternative forms of payment from which you may select are described below.

- ***Lifetime Pension*** — Monthly pension benefit payable for your lifetime.
- ***Lifetime Pension, 10 Years Certain*** — Monthly pension benefit payable for your lifetime with payment guaranteed for 10 Years.
- ***Joint and 50% Contingent Pension*** — Monthly pension benefit payable during the joint lifetime of you and your joint annuitant; reduces to 50% of the original amount upon *your* death.
- ***Joint and 66-2/3% Contingent Pension*** — Monthly pension benefit payable during the joint lifetime of you and your joint annuitant; reduces to 2/3 of the original amount upon *your* death.
- ***Joint and 100% Contingent Pension*** — Monthly pension benefit payable for as long as either you or your joint annuitant is alive.
- ***Old Age Benefit Adjustment Option*** — Monthly pension benefit which decreases upon commencement of governmental old age benefits so that the total

monthly benefit payments from the Plan and the government before and after the commencement of governmental old age benefits is level (or as level as possible).

- **Lump Sum** — You may elect to receive a single sum at retirement. If you terminate employment prior to retirement, you may elect to receive a single sum if the Actuarial Equivalent value is \$10,000 or less.

If you are married on the date your benefits commence and you desire to elect a form of monthly pension benefit payment other than a Joint and 50% Contingent Pension with your spouse, your application and election form (which will be supplied to you by the Plan Administrator) must be consented to and signed by your spouse. Your spouse's signature must be witnessed by either a representative of the Plan Administrator or a Notary Public.

If the Actuarial Equivalent single-sum value of your monthly benefit is \$3,500 or less, you will be paid a single lump-sum benefit. If you receive a lump-sum benefit, it represents payment of all benefits due to you from the Plan.

Filing a Claim for Benefits

To receive a monthly pension benefit when you retire, you should notify the Plan Administrator of your impending retirement as far in advance as possible of your expected date of retirement. A written request for a monthly pension benefit should be made at least two months in advance of the first month for which pension benefit payments are to commence. For example, if you wish your pension to start on November 1st, your written request should be mailed or delivered to the Plan Administrator before September 1st.

After the amount of monthly pension benefit payable to you has been calculated, the Plan Administrator will furnish you with an election form so that you can select the form in which your retirement benefits are to be paid to you. This election form will provide you with both an explanation and the dollar amount of each alternative form of payment. The Plan Administrator will be pleased to answer questions you may have concerning your retirement benefits.

If you make a written request for benefits and your request is partially or wholly denied, the Plan Administrator will explain, in writing, the basis for the denial. This will ordinarily be done in 90 days; but, in unusual circumstances, this period may be extended by up to 90 additional days if you are given notice of the extension during the additional 90-day period.

The written notification from the Plan Administrator will tell you if any information is needed to perfect your claim to benefits. In addition, the notification will tell you how and when an appeal should be made.

For your convenience, the appeal process is outlined below:

- (a) After you receive notice of denial of benefits, you may appeal to the Plan Administrator, in writing, within 60 days. If you do not make your written appeal within 60 days, the original decision of the Plan Administrator will become final.
- (b) You may include in your written appeal any reasons for appeal and any information to support your rights to benefits. You may use legal assistance and you may examine any related plan documents.
- (c) The Plan Administrator will then reexamine all of the facts and come to a final decision. You will be notified of this decision within 60 days of the time you submit your written appeal unless there are special circumstances, such as a hearing. You will be notified if an extension is required. However, in no case will you receive the Plan Administrator's decision later than 120 days after your appeal is received. The notice of final decision will include specific reasons for the decision and identify the plan provisions relied upon in making the decision.

Social Security Benefits

Benefits you may receive from the Social Security Administration will be paid to you in addition to any benefits you may receive from this Plan. Social Security benefits may be payable in the event of your death or disability, as well as your retirement.

With the amendments made to the Social Security Act in recent years, these benefits may have become a large part of your total benefit program.

Retirement Benefits

You may be eligible for Social Security monthly income benefits when you reach your Social Security Normal Retirement Age. When your spouse reaches his or her Social Security Normal Retirement Age, he or she may be eligible for a benefit equal to one-half of your benefits or, if greater, a benefit based on his or her own work record.

Social Security retirement benefits are payable as early as age 62, but in a permanently reduced amount.

Your Social Security Normal Retirement Age depends upon your year of birth and can be determined from the following table:

If you were born in	Your age for full benefits is	If you were born in	Your age for full benefits is
Before 1938	65 yrs	1955	66 yrs, 2 mos.
1938	65 yrs, 2 mos.	1956	66 yrs, 4 mos.
1939	65 yrs, 4 mos.	1957	66 yrs, 6 mos.
1940	65 yrs, 6 mos.	1958	66 yrs, 8 mos.
1941	65 yrs, 8 mos.	1959	66 yrs, 10 mos.
1942	65 yrs, 10 mos.	After 1959	67 yrs
1943-1954	66 yrs.		

Disability Benefits

If you become disabled, you and your family may be eligible for Social Security disability benefits. These benefits become payable after you have been totally disabled for five full calendar months. Your dependent spouse is eligible for additional benefits from Social Security if he or she is at least age 62 or is caring for a child eligible for children's Social Security benefits. Additional children's Social Security benefits are payable if you have dependent children under age 18.

Death Benefits

Your family may be eligible for Social Security benefits after your death. If you die leaving dependent children, family benefits may be payable until your children reach age 18. After your children reach age 18, your spouse may be eligible for Social Security benefits again at age 62.

Please Note: Your local Social Security Administration office will assist you and your family with any questions you may have regarding your Social Security benefits.

Contributions to the Plan

Contributions

The Plan provides that your employer will make contributions to the Trust Fund on behalf of its employees who participate in the Plan. The amount that your employer will contribute to the Trust Fund for each fiscal year (business year for financial purposes) is determined by the Plan's actuary using standards set forth in the Employee Retirement Income Security Act of 1974. The contributions are made yearly to ensure that adequate funds are accumulated to provide any benefits to which you are entitled from the Plan when you end your employment.

The benefits under the Plan are provided solely from your employer's contributions. Employees are not required nor permitted to make any contributions to the Trust Fund.

Plan Investments

All Trust Fund contributions are paid to the Trustee to be invested in a Trust Fund that has been set up solely for the participants in the Plan. There are important reasons for using a Trust Fund. Once your employer has made a contribution to the Fund, for example, it cannot be used for the benefit of any person other than participants or their beneficiaries. Tax advantages are another good reason to use a Trust Fund. Although investments are being accumulated to provide you a future benefit, you owe no income tax on these investments until you actually receive benefits from the Plan. Also, the Trust Fund pays no taxes on the income that it earns or on any gains in the market value of its investments.

The contributions to the Trust Fund are used to buy stocks and bonds and to make other investments. Because there are good years and bad years for investments, investments always involve risk as well as opportunity. The Trustee is subject to strict rules concerning administration of the Trust Fund and its investments to assure – as much as is humanly possible – that the Trust Fund and its investments are handled with care, skill, prudence and diligence for the good of all participants in the Plan. The Trust Fund is managed in this way:

- (a) The Trustee is appointed by your employer; your employer may appoint a Corporate Trustee, such as a bank or a trust company, or it may appoint a single individual or a group of individuals as Trustee.
- (b) Investment managers may also be selected by your employer to invest a portion of the Trust Fund and to give investment advice to the Trustee.
- (c) The Trustee holds the assets of the Trust Fund and pays out benefits to participants or beneficiaries as directed by the Plan Administrator.

- (d) The Trust Fund may be invested in common or preferred stocks, bonds, notes, debentures, mortgages, real estate, annuity policies, insurance policies and other investments.

Additional Information

Plan Document

This booklet is a general summary of the Plan, designed to highlight certain of its most important general provisions. It does not contain every detail or the specific terms of the Plan. **Therefore, if there is any question or conflict between what is said in this summary and the language in the Plan, the Plan will prevail.** This summary is provided for your information and neither this summary nor the providing of benefits is to be viewed as a promise of continued employment with your employer.

If you wish to examine the official plan document or other plan forms, you may contact the Plan Administrator and arrange to see a copy during business hours. If you desire, a copy of any of these documents will be sent to you for a reasonable copying charge if you send a written request to the Plan Administrator.

A pension plan is a complex legal agreement. Many concepts and terms used may be confusing to you. You are encouraged to see the Plan Administrator about any questions or problems you may have about the Plan or your retirement in general. The Plan Administrator will help you find the answers to your questions or problems.

No Right to Employment

Your employer reserves the right to discharge any employee without regard to whether he or she is a participant in or entitled to a benefit under the terms of the Plan. The Plan is not an employment contract and does not give any employee the right to remain in employment.

Reduction for Overpayment

If any payments are made to you from the Trust in excess of the amount due, you are expected to make prompt repayment. If you do not make repayment when requested, the Plan Administrator may recoup the amount owed by directing the Trustee to reduce future payments to you or to take other appropriate actions.

Plan Expenses

The expenses of administering the Plan and Trust, including the fee paid to the Trustee, will be paid from the Trust unless your employer pays them.

Notification of Address

You should notify the Plan Administrator of the address to which your benefit checks should be mailed. If any benefit checks are returned because you are no longer residing at the address you furnished the Plan Administrator, your benefit checks will not be mailed to you until you provide the Plan Administrator with your current address. At that time, past payments due will be paid.

General Limitations

This Plan should not be considered an employment contract between you and your employer. It does not guarantee you the right to be continued in your employer's employment, nor does it limit your employer's right to discharge any employee.

Upon termination of employment, no employee will have the right to or interest in any of the Plan's assets except for the benefit for which he or she is entitled under the Plan.

Government Protection of Benefits and Plan Termination

Although your employer intends to continue the Plan indefinitely, it realizes that circumstances not now foreseen or circumstances beyond its control may make it either impossible or inadvisable to continue to make its contributions to the Plan. Therefore, your employer reserves the right to terminate or partially terminate the Plan at any time. If the Plan is terminated or partially terminated, your Vested Percentage will be 100% as of the date of termination if you are an affected participant.

Benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most Normal Retirement Pension Benefits, vested deferred pension benefits, and certain disability and survivor's pension benefits. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of guaranteed benefit is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan has been in effect less than five years before it terminates or if benefits have been increased within the five years before the plan termination, the whole amount of the Plan's vested benefits or the benefit increase may not be fully guaranteed. In addition, there is a ceiling on the amount of monthly benefit that the PBGC guarantees, which is adjusted periodically.

Upon termination of the Plan, the assets of the Plan will be liquidated and allocated in the following manner:

- First, to those participants who have been receiving benefit payments for at least three years before the plan termination date, including those participants who could have been receiving payments for at least three years but chose to defer their retirement past the Early or Normal Retirement Date.

- Second, to cover all other benefits payable under the Plan which are insured by the PBGC. Generally, the PBGC guarantees most vested normal retirement pension benefits, early retirement pension benefits, and certain disability and survivor's pension benefits. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations and a maximum guarantee ceiling.
- Third, to all other non-PBGC-guaranteed benefits which were nonforfeitable immediately prior to the plan termination.
- Fourth, to all other benefits under the Plan.
- If any balance in the assets of the Trust remain after the Trustee has made such distributions and after all liabilities with respect to Participants and Beneficiaries, if any, have been satisfied, then the Trustee shall return such balance to the Employer, and the Trust shall terminate.

For more information on the PBGC insurance protection and its limitations, ask the Plan Administrator or the PBGC. Inquiries to the PBGC should be addressed to the Office of Communications, PBGC, 1200 K Street, NW, Washington, DC 20005-4026. The PBGC Office of Communications may also be reached by calling (202) 326-4000.

Nontransferability of Benefits

Generally, your pension benefits under the Plan may not be alienated; that is, sold, used as collateral for a loan, given away or otherwise transferred. Also, your creditors may not attach, garnish or otherwise interfere with your pension benefits under the Plan.

However, the Plan may be required by law to recognize obligations you incur as a result of court-ordered child support or alimony. The Plan must honor a "qualified domestic relations order," which is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your benefits under the Plan to your spouse, former spouse, child or other dependent. If such an order is received by the Plan Administrator, all or a portion of your pension benefits may be used to satisfy the obligation.

The Plan Administrator will determine the validity of any domestic relations order received.

Top-heavy Rules

Under a complicated set of rules and mathematical calculations set out in the Plan, as required by the Internal Revenue Code, the Plan may be a Top-heavy Plan. Simply stated, a Top-heavy Plan is one where more than 60% of the contributions or benefits have been allocated to "Key Employees." Key Employees are generally owners, officers, shareholders or highly compensated individuals. The Plan Administrator is responsible each year for determining whether the Plan is a Top-heavy Plan.

If the Plan becomes top-heavy in any year, then you may be entitled to certain minimum benefits and special rules will apply. For example, the Plan may be required to provide you with a minimum benefit equal to 2% of your average monthly earnings multiplied by your Years of Benefit Service with your employer after January 1, 1984, during which the Plan was a Top-heavy Plan; limited, however, to a maximum benefit equal to 20% of your average monthly earnings. In addition, a vesting schedule which vests you more quickly would apply.

Your Rights Under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974. ERISA provides that all plan participants are entitled to:

- Examine, without charge, at the office of the Plan Administrator all plan documents, including insurance contracts, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- Obtain copies of all plan documents and other plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The plan must provide the statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including the Plan Administrator or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have a right to have the Plan Administrator review and reconsider your claim. Under ERISA, there are legal steps you can take to enforce these rights.

If it should happen that plan fiduciaries misuse the Plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay the court costs and legal fees. If you are

successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees (e.g., if it finds your claim is frivolous).

It is your employer's hope that this booklet provides you with full and complete information about the Plan and your rights under ERISA. If you have any questions, please contact the Plan Administrator or, if you prefer, you may contact the nearest Area Office of the U.S. Labor-Management Service Administration, Department of Labor, or the U.S. Department of Labor, Pension and Welfare Benefit Administration, 200 Constitution Avenue, NW, Room N5638, Washington, DC 20210, (202) 219-8771.

Glossary

Accrued Pension Benefit

Your Accrued Pension Benefit represents the amount of deferred monthly pension benefit (commencing at your Normal Retirement Date) that you have earned or "accrued" as of any given date. As of any given date, your Accrued Pension Benefit is calculated using the same formula which is used to calculate the monthly pension benefit that you would receive at your Normal Retirement Date except that if your expected number of Years of Benefit Service at Normal Retirement Date are greater than 20, the reduction in the Normal Retirement Benefit formula will reflect the expected number of Years of Benefit Service at Normal Retirement Date.

Actuarial Equivalent

Actuarial Equivalent means a form of benefit differing in time, period and/or manner of payment from another form of benefit but having the same value when computed based upon the following interest and mortality assumptions:

<i>Interest:</i>	The interest rate on 30-year treasury securities as specified by the Commissioner of Internal Revenue Service for the month of November preceding the Plan Year in which the distribution is made.
<i>Mortality:</i>	1983 Group Annuity Mortality Table 50% Male 50% Female.

Average Monthly Compensation

Your Average Monthly Compensation, as of a given date, is determined by dividing the total Compensation that you received during the 5 consecutive calendar years during the last 10 calendar years of service (excluding fractional years of employment) for which your Compensation was highest by the number of months during such period for which you received Compensation.

Compensation

Compensation reflects that Compensation which is treated as FICA wages without regard to the Social Security taxable wage base.

Compensation also includes any amounts which are treated as salary reduction contributions under a 401(k) plan, a cafeteria plan or a qualified flexible benefits plan.

However, Compensation in excess of the statutory mandated compensation ceiling is disregarded. The statutory compensation ceiling (which is adjusted each calendar year for inflation) is \$209,200 for 1990, \$222,220 for 1991, \$228,860 for 1992, \$235,840 for 1993, and \$150,000 for 1994, 1995, and 1996.

The Compensation Period is the 12 consecutive month period which begins each January 1 and ends each December 31.

Effective Date

The Effective Date of the Plan is June 1, 1974. The Plan was last amended effective January 1, 1996.

Excess Average Monthly Compensation

Your Excess Average Monthly Compensation is that portion, if any, of your Average Monthly Compensation which is in excess of your Average Social Security Wage Cap. Your Average Social Security Wage Cap is the average of the Social Security taxable wage bases in effect for each calendar year during the 35-year period ending in the calendar year in which you attain your Social Security retirement age. Your Average Social Security Wage Cap is rounded to the nearest whole multiple of \$12.

Fiscal Year

Fiscal Year means the taxable Year of your employer. The Fiscal Year of your employer is the 12-month period beginning January 1 and ending December 31.

Normal Retirement Age

Your Normal Retirement Age is the later of the date on which you:

- (a) Attain age 65, and
- (b) If you started working on or after the attainment of age 62, attain the fifth anniversary of the date on which you commenced participation in the Plan.

Normal Retirement Date

Your Normal Retirement Date is the first day of the month which coincides with or next follows the date on which you attain Normal Retirement Age.

One-year Break-in-Service

A One-year Break-in-Service occurs in any Plan Year during which you complete 500 or less Hours of Service.

Plan Administrator

The Plan Administrator is responsible for administering the Plan. The Plan Administrator is BryLin Hospital, Inc.. The Plan Administrator is responsible for making all rules necessary to administer the Plan, keeping employee records, informing the members of all changes or amendments to the Plan, bringing the Plan into conformity with governmental laws and regulations, and making available to all participants reports and documents as prescribed by law. The Plan Administrator has the responsibility to interpret and enforce all Plan provisions; however, any exercise of discretion by the Plan Administrator must be exercised in a uniform and nondiscriminatory manner.

If for any reason you wish to contact the Plan Administrator, you may do so at the following address:

BryLin Hospitals, Inc.
1263 Delaware Avenue
Buffalo, New York 14209
(716) 886-8200

Plan Year

The Plan Year is the 12-month period beginning January 1 and ending December 31.

Trustee

The Trustee holds and administers the assets of the Trust Fund. The Trustee is SBS Trust Company. The Trustee is subject to strict rules concerning the administration of the Trust Fund and its investments to assure – as much as humanly possible – that the Trust Fund and its investments are handled with care, skill, prudence and diligence for the good of all participants in the Plan. If for any reason you wish to contact the Trustee, you may do so at the following address:

SBS Trust Company
Suite 905
201 North Walnut Street
Wilmington, Delaware 19801
(302) 573-5829

Vested Accrued Benefit

Your Vested Accrued Benefit as of a given date is equal to the product of your Accrued Pension Benefit multiplied by your Vested Percentage as of that same date.

Vesting Schedule

Your Vested Percentage is determined according to the following table:

Years of Vesting Service	Vested Percentage
Less than 5	0%
5 or more	100%

Year of Service

➤ **For Eligibility Purposes**

Years of Service for purposes of eligibility to participate in the Plan are referred to as Years of Eligibility Service. A Year of Eligibility Service is credited for each Computation Period during which you are credited with at least 1,000 Hours of Service

➤ **For Benefit Purposes**

Years of Service, for purposes of computing pension benefits are referred to as Years of Benefit Service. A Year of Benefit Service is credited as follows:

Prior to January 1, 1995 :

Service from date of employment to January 1, 1995 rounded to the nearest 1/12th of a year.

January 1, 1995 and thereafter:

A Year of Benefit Service is credited for each Plan Year in which you are credited with at least 1,000 Hours of Service.

➤ **For Vesting Purposes**

Years of Service, for purposes of computing your Vested Percentage, are referred to as Years of Vesting Service. A Year of Vesting Service is credited for each Plan Year in which you are credited with at least 1,000 hours. Only full Years of Vesting Service are credited.

All of your Years of Vesting Service are taken into account in determining your Vested Percentage.

Pension Plan of BryLin Hospital

Summary Plan Description

***Published
February, 1996***

1996
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Introduction

This is your Summary Plan Description.

Your Summary Plan Description summarizes the provisions of the Pension Plan of BryLin Hospital ("the Plan") which were in effect as of January 1, 1989. It is intended to assist you in understanding your benefits which are provided by the Plan.

The Plan is sponsored by BryLin Hospitals, Inc. ("your employer"). The plan benefits are provided through contributions made by your employer. You are not required to make any contributions to the Plan. All contributions are paid into a Trust Fund which has been set up solely for the participants in the Plan. These contributions, together with investment earnings of the Fund, are used to finance your plan benefits.

You should read this booklet carefully because it describes the lifetime retirement benefits offered by the Plan. Your spouse should also read it, because in benefiting you, the Plan also benefits your family. If you have difficulty understanding any part of this booklet or if you would like more information, please contact the Plan Administrator.

Some special words are used throughout this booklet; they are capitalized each time they are used. You will need to know the meaning of these words to understand the Plan. Each of these words has been defined in a Glossary which is the last section of this booklet.

There are official Plan and Trust documents which state the provisions of the Plan and Trust. A copy of these documents are available for your examination at the office of the Plan Administrator during regular business hours. You can also obtain a copy by making a written request to the Plan Administrator; however, there will be a reasonable charge to photocopy the documents.

This booklet is a general summary of the Plan, designed to highlight certain of its most important general provisions. It does not contain every detail or the specific terms of the Plan. **Therefore, if there is any question or conflict between what is said in this summary and the language in the Plan, the Plan will prevail.** This summary is provided for your information and neither this summary nor the providing of benefits is to be viewed as a promise of continued employment with your employer.

It is your employer's hope that the Plan will give you an added feeling of security for the future, for you and for your family. The success of the Plan depends on the continued success of your employer and, in turn, your employer's success depends on each of you. By working together, there is added assurance of future income, both before and after retirement.

*BryLin Hospitals, Inc.
February, 1996*

Table of Contents

	<i>Page</i>
General Information.....	1
Participation in the Plan	3
Pension Benefits Upon Retirement	4
Survivor Benefits in the Event of Your Death	10
Form of Monthly Pension Benefit.....	11
Filing a Claim for Benefits.....	13
Social Security Benefits	14
Contributions to the Plan	16
Additional Information.....	18
Glossary.....	23