

**STEL, INC. 403(B) PLAN**  
**SUMMARY OF 403(B) PLAN PROVISIONS**

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## STEL, INC. 403(B) PLAN

### SUMMARY OF 403(B) PLAN PROVISIONS

#### INTRODUCTION TO YOUR PLAN

STEL, Inc. 403(b) Plan ("Plan") has been adopted to provide you with the opportunity to save for retirement on a tax-advantage basis. This Plan is a type of retirement plan commonly referred to as a 403(b) plan or TSA (Tax Sheltered Annuity). This Summary of 403(b) Plan Provisions contains valuable information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this Summary of 403(b) Plan Provisions to get a better understanding of your rights and obligations under the Plan.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this Summary does not answer all of your questions, please contact the Administrator. The name and address of the Administrator can be found in the Article of this Summary entitled "General Information About The Plan."

This Summary describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language under this Summary and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This Summary describes the current provisions of the Plan, as designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS). We may also amend or terminate this Plan. If the provisions of the Plan that are described in this Summary change, we will notify you.

#### ARTICLE I PARTICIPATION IN THE PLAN

##### **Am I eligible to participate in the Plan?**

You are eligible to participate in the Plan, if you are not an excluded employee. The following employees are excluded employees and are not eligible to participate in the Plan:

- employees who are non-resident aliens.
- employees who are enrolled as students and are regularly attending classes offered by the Employer.

##### **When am I eligible to participate in the Plan?**

Provided you are not an excluded employee, you will be eligible to participate in the Plan commencing on your date of hire. This means that you may elect to make elective deferrals commencing with your first paycheck from the Employer.

## **What happens if I'm a participant, terminate employment and then I'm rehired?**

If the Employer rehires you following your prior termination of employment, you may commence elective deferrals immediately upon your re-hire unless you are an excluded employee. If you leave the Employer to enter qualified military service and the Employer re-hires you under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), you will have the right to make-up the elective deferrals which you could have made while engaged in qualified military service. If you think this may apply to you, ask the Administrator for more information.

## **ARTICLE II CONTRIBUTIONS**

### **What kind of contributions may I make to the Plan and how do my contributions affect my taxes?**

As a participant under the Plan, you may elect to reduce your compensation by a specific percentage or dollar amount and have that amount contributed to the Plan as an elective deferral. There are two types of elective deferrals, pre-tax deferrals and Roth deferrals.

If you make pre-tax deferrals, then your taxable income is reduced by the elective deferral contributions so you pay less in federal income taxes. Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Federal income taxes on the pre-tax deferral contributions and on the earnings are only postponed. See "What are my tax consequences when I receive a distribution from the Plan?".

If you elect to make Roth deferrals, the deferrals are subject to federal income taxes in the year of deferral. However, the Roth deferrals and, if you meet certain conditions, the earnings on the Roth deferrals, are not subject to federal income taxes when distributed to you. This means that the earnings on the Roth deferrals may never be subject to federal income tax. See "What are my tax consequences when I receive a distribution from the Plan?".

Both your pre-tax and Roth deferrals will be subject to Social Security taxes at the time of deferral.

### **How much may I contribute to the Plan?**

Your total elective deferrals in any calendar year may not exceed a certain dollar limit which is set by law ("elective deferral limit"). The elective deferral limit for 2009 is \$16,500. After 2009, the elective deferral limit may increase for cost-of-living adjustments. You may also defer more than the elective deferral limit if you are eligible to make one of "catch-up deferrals" described below.

If you are age 50 or will attain age 50 before the end of a calendar year, you may make additional deferrals (called "age 50 catch-up deferrals") for that year. If you meet the age 50 requirement and exceed the elective deferral limit described above, then any excess amount will be an age 50 catch-up deferral. The maximum age 50 catch-up deferral that you may make in 2009 is \$5,500. After 2009, the maximum age 50 catch-up deferral may increase for cost-of-living adjustments.

You should also be aware that the annual elective deferral limit is an aggregate limit which applies to all deferrals you may make under this Plan and any other 403(b) plans, simplified employee pensions or 401(k) plans in which you may be participating, including those of another employer. Generally, if your total deferrals under all of these arrangements for a calendar year exceed the annual elective deferral limit, then you must include the excess deferrals in your income for the year. If you make excess deferrals you should request in writing that the excess deferrals be returned to you. If you fail to request such a return, you may be taxed a second time when the excess deferral is ultimately distributed from the Plan.

You must decide which plan you would like to have return the amount of any excess deferral. If you decide that this Plan should distribute the excess, you should communicate this in writing to the Administrator no later than the March 1st following the close of the calendar year in which you made the excess deferrals. However, if you contribute excess deferrals in this Plan or any other plan maintained by us, then you will be deemed to have notified the Administrator of the excess. The Administrator will then return the excess deferrals and any earnings thereon to you by April 15 of the year following the calendar year in which you made the excess deferrals.

You should be aware that there is also another limit (known as the "415 limit"), which may apply to you if you participate in other retirement plans maintained by the Employer or by certain other employers. Beginning in 2009, this total cannot exceed the lesser of \$49,000 or 100% of your "includible compensation." The dollar limit may be adjusted after 2008 for cost-of-living increases. If you participate in other plans, you should obtain additional information about possible application of the 415 limit from the Administrator.

### **May I contribute after I have terminated employment?**

No, you may not make elective deferrals to the Plan after you terminate employment with the Employer, except that any salary reduction agreement you have in effect will apply to your last paycheck, even if you receive the paycheck after you terminate.

### **Am I vested in my elective deferrals and earnings?**

You will always be 100% vested in your elective deferrals to the Plan and in the earnings on your deferrals. This means that when you become entitled to a distribution from the Plan, you will always be entitled to all amounts that are in your Plan account. The amount in your account will be affected by the Plan investments. See "How is the money in the Plan invested?" below.

### **How do I make an election to defer?**

You must enter into a salary reduction agreement, which the Administrator will provide to you. The salary reduction agreement will explain various rules, including any minimum or maximum amount, which you may defer.

### **How often can I modify the amount I contribute?**

You will be permitted to modify your deferral election (or stop your deferrals) at least once during the Plan year, as set forth in the salary reduction agreement.

### **Will the Employer contribute to my account?**

No. This Plan only permits you to make elective deferrals.

### **To what compensation does my salary reduction agreement apply?**

For the purposes of applying your Salary Reduction Agreement under the Plan (e.g., you elect to defer 5% of compensation), compensation is all your compensation from the Employer that the Employer reports on your W-2 Form, but excluding the following:

- reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation, and welfare benefits

### **Is there a limit on the amount of compensation which can be considered?**

The Plan, by law, cannot recognize compensation in excess of a certain dollar limit. The limit for the Plan year beginning in 2009 is \$245,000. This amount will be adjusted after 2009 for cost-of-living increases.

### **May I make "rollover" contributions to the Plan?**

At the discretion of the Administrator, you may be permitted to deposit into the Plan distributions you have received from other plans and IRAs, provided such distributions are legally qualified to be rolled over into this Plan. Such a deposit is called a "rollover" and may result in tax savings to you. You may ask your prior plan administrator to directly transfer (a "direct rollover") to this Plan all or a portion of any amount which you are entitled to receive as a distribution from a prior plan. Alternatively, if you received a distribution from a prior plan, you may elect to deposit any amount eligible for rollover within 60 days of your receipt of the distribution. You should consult a qualified tax advisor to determine if a rollover to this Plan is permitted and in your best interest.

Your rollover will be placed in a separate account called a "rollover account." You will always be 100% vested (your ownership rights) in your "rollover account." This means that you will always be entitled to all of your rollover contributions. Rollover contributions will be affected by any investment gains or losses. In addition, any Roth deferrals that are accepted as rollovers in this Plan shall be accounted for separately.

The Administrator will inform you of the plans and IRAs from which you may make "rollover" contributions.

### **How is the money in the Plan invested?**

The Plan assets may be invested only in mutual funds offered by approved vendors. The two (2) approved vendors are: 1) Vanguard, and 2) P&A 403(b) Investment Platform. See the Administrator for further details regarding permissible investments.

You will be able to direct the investment of your Plan account, including your elective deferrals and any rollover balances. The Administrator will provide you with information on the investment choices available to you, the frequency with which you can change your investment choices and other information. Periodically, you will receive a benefit statement that provides information on your account balance and your investment returns. If you have any questions about the investment of your Plan accounts, please contact the Administrator. If you do not direct the investment of your Plan account, then your account will be invested in accordance with the default investment alternatives the Employer establishes under the Plan.

When you direct investments, your account is segregated for purposes of determining the earnings or losses on these investments. Your account does not share in the investment performance for other participants who have directed their own investments.

You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur. The Employer and the Administrator will not provide investment advice or guarantee the performance of any investment you choose.

## **ARTICLE III DISTRIBUTIONS**

### **When may I receive a distribution of my Plan account?**

You may elect to receive distribution of your account, after you terminate employment with the Employer for any reason and at any age. You may also be able to receive a plan distribution while you

are still employed by the Employer. See "May I receive a distribution from my account while I am still working for the Employer?" below.

**May I elect to postpone my distribution after I terminate employment?**

Yes, unless the provisions of the investment product you select provide otherwise. You must begin taking Plan distributions by April 1 of the year which follows the later of the calendar year in which you: (i) attain age 70 1/2; or (ii) terminate employment with the Employer. See the Administrator for more information regarding required minimum distributions at your required beginning date.

**What is the Plan's normal retirement age?**

The Plan's normal retirement age is 65. Normal retirement age does not control when you can receive distributions under the Plan.

**What form of distribution will I receive after I terminate employment?**

You will have whatever distribution options are available to you under the investment product you select.

**May I elect to roll over my account to another plan or IRA?**

If you are entitled to a distribution of more than \$200, then you may elect whether to receive the distribution or to roll over the distribution to another retirement plan such as an individual retirement account ("IRA"). For this purpose, your Roth deferral account is treated separately. If you terminate employment and your vested interest in the Plan exceeds \$1,000 and does not exceed \$5,000 and you do not elect either to receive or to roll over the distribution, then your distribution must be rolled over to an IRA ("automatic rollover"). The IRA provider will invest the automatic rollover funds in a type of investment designed to preserve principal and provide a reasonable rate of return and liquidity (e.g., an interest-bearing account, a certificate of deposit or a money market fund). The IRA provider will charge your account for any expenses associated with the establishment and maintenance of the automatic rollover IRA and with the IRA investments. You may transfer the IRA funds to any other IRA you choose. You will be provided with details regarding your distribution rights and the automatic rollover IRA at the time you are entitled to a distribution. However, you may contact the Plan Administrator at the address and telephone number indicated below for further information regarding the Plan's automatic rollover provisions, the IRA provider, and the fees and expenses associated with the IRA.

**May I receive a distribution from my account while I am still working for the Employer?**

You may not receive any distributions from your account while you are still working for the Employer before you attain age 59 1/2 EXCEPT in the event of:

1. death; or
2. disability.

You may be able to receive a distribution before you attain age 59 1/2 if you have a financial hardship. Please see your Administrator for further details.

**May I receive a loan from the Plan?**

No. Loans are not available under the Plan.



## **ARTICLE IV DEATH BENEFITS**

### **What happens if I die while working for the Employer?**

If you die while still employed, then your entire account balance will be used to provide your beneficiary with a death benefit.

### **Who is the beneficiary of my death benefit?**

Your beneficiary is the person or persons whom you designate on a form the Administrator provides for this purpose. If you are married, your spouse will be the beneficiary of the death benefit, unless you elect to change the beneficiary.

If no valid designation of beneficiary exists, or if the beneficiary is not alive when you die, then the death benefit will be paid in the following order, unless the investment provider's documentation says otherwise:

- (a) Your surviving spouse;
- (b) Your children, including adopted children, and if a child dies before you, to their children, if any;
- (c) Your surviving parents, in equal shares; or
- (d) Your estate.

### **How will the death benefit be paid to my beneficiary?**

The death benefit will be paid to your beneficiary in a method available for the investment product you have selected. This may include a single lump-sum payment in cash or installments over a period of not more than your beneficiary's assumed life expectancy. The Administrator will advise you if you are entitled to elect installment payments.

### **When must the last payment be made to my beneficiary?**

If your designated beneficiary is a person (other than your estate or most trusts) then minimum distributions of your death benefit must generally begin within one year of your death and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the beneficiary, the start of payments may be delayed until the year in which you would have attained age 70 1/2. Generally, if your beneficiary is not a person, then your entire death benefit must be paid within five years after your death. Some investment products may allow a person to use this five year rule. See the Plan Administrator for further details.

Since your spouse has certain rights in the death benefit, you should immediately report any change in your marital status to the Administrator.

### **What happens if I'm a participant, terminate employment and die before receiving all my benefits?**

If you terminate employment with the Employer and subsequently die, your beneficiary will be entitled to your remaining account balance at the time of your death. However, if you are receiving an annuity distribution at the time of your death, your designated beneficiary, if any, may receive nothing or may be entitled to any remaining payments according to the annuity contract.

## **ARTICLE V DISABILITY BENEFITS**

### **How is disability defined?**

Under the Plan, disability is defined as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. A particular investment product may use a different definition. You may be required to submit to a physical examination to determine whether you are disabled.

### **What happens if I become disabled?**

If you become disabled while a participant, you will be entitled to distribution of your account balance. Payment of your disability benefits will be made to you as if you had terminated employment without disability.

## **ARTICLE VI TAX TREATMENT OF DISTRIBUTIONS**

### **What are my tax consequences when I receive a distribution from the Plan?**

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution.

If you receive distribution of a Roth deferral, since you paid current federal income tax on the deferral contribution in the year of deferral, the deferrals are not subject to federal income taxes when distributed to you. The earnings on Roth deferrals are also tax free upon distribution if you receive a "qualified distribution" from your Roth deferral account.

In order to be a "qualified distribution," the distribution must occur after one of the following: (1) your attainment of age 59 1/2, (2) your disability, or (3) your death. In addition, the distribution must occur after the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning on the calendar year in which you first make a Roth contribution to the Plan (or to another 401(k) plan or 403(b) plan if such amount was rolled over into the Plan) and ending on the last day of the calendar year that is 5 years later. For example, if you make your first Roth deferral under this Plan on November 30, 2006, your participation period will end on December 31, 2010. This means that you could take a qualified distribution as early as January 1, 2011. It is not necessary that you make a Roth contribution in each of the five years.

If a distribution from your Roth deferral account is not a qualified distribution, the earnings distributed with the Roth deferrals will be taxable to you at the time of distribution (unless you roll over the distribution to a Roth IRA or other 401(k) plan or 403(b) plan that will accept the rollover). In addition, in some cases, there may be a 10% excise tax on the earnings that are distributed.

### **Can I reduce or defer tax on my distribution?**

You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

- (a) The rollover of all or a portion of the distribution you actually receive to a traditional Individual Retirement Account (IRA) or another qualified employer plan. This will result in no tax being due until you begin withdrawing funds from the traditional IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances all or

a portion of a distribution may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, the direct rollover option described in paragraph (b) below would be the better choice.

(b) For most distributions, you may request that a "direct rollover" of all or a portion of the distribution to either a traditional Individual Retirement Account (IRA) or another qualified employer plan willing to accept the rollover. A direct rollover will result in no tax being due until you withdraw funds from the traditional IRA or other qualified employer plan. Like the 60-day rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct rollover, e.g., a distribution of less than \$200 will not be eligible for a direct rollover. If you elect to actually receive the distribution rather than request a direct rollover, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

WHENEVER YOU RECEIVE A DISTRIBUTION, THE ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH A QUALIFIED TAX ADVISOR BEFORE MAKING A CHOICE.

## **ARTICLE VII CLAIMS AND BENEFITS**

### **Can the Plan be amended?**

Yes. The Employer may amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account.

### **What happens if the Plan is discontinued or terminated?**

The Employer may terminate the Plan at any time. Upon termination, you may not make any additional elective deferrals to the Plan. The Administrator will distribute your account following Plan termination in a manner permitted by the Plan as soon as practicable. The Administrator will notify you of any modification or termination of the Plan.

### **How do I submit a claim for Plan benefits?**

You or your beneficiaries may make a request for any Plan benefits to which you believe you are entitled. Any such request should be in writing and should be made to the Administrator or investment provider. An investment provider may have specific forms for this purpose.

If the Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

### **What if my benefits are denied?**

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Administrator will provide you with a written or electronic notification of the Plan's adverse determination.

**ARTICLE VIII  
PLAN EXPENSES**

The Plan permits the payment of Plan expenses to be made from the Plan assets. If the Employer does not pay these expenses, then the expenses paid using the Plan's assets will generally be allocated among the accounts of all participants in the Plan. These expenses will be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of participants in the Plan. The method of allocating the expenses depends on the nature of the expense itself. For example, certain administrative (or recordkeeping) expenses would typically be allocated equally to each participant. If the Plan pays \$1,000 in expenses and there are 100 participants, your account balance would be charged \$10 (\$1,000/100) of the expense.

**ARTICLE IX  
GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article.

**General Plan Information**

The full name of the Plan is STEL, Inc. 403(b) Plan.

The provisions of the Plan become effective on January 1, 2009.

The Plan's records are maintained on the basis of a twelve-month period of time. This is known as the "Plan year." The Plan year begins on January 1 and ends on December 31.

Certain valuations are made on or as of the Accounting Date of the Plan. This date is the last day of the Plan year.

The Plan will be governed by the laws of New York.

Benefits provided by the Plan are NOT insured by the Pension Benefit Guaranty Corporation (PBGC).

**Employer Information**

The Plan sponsor's name, address, and identification number are:

Southern Tier Environments for Living, Inc.  
715 Central Avenue  
Dunkirk, New York 14048  
22-2360739

**Administrator Information**

The Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation and directs the payment of your account at the appropriate time. The Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan and your participation, you should contact the Administrator. The Administrator may designate another person or persons to perform some duties of the Administrator, and some duties are the responsibility of the investment provider(s) to the plan.

The Employer, or the person or persons the Employer designates, is the Plan Administrator.

**Service of Legal Process**

The name and address of the Plan's agent for service of legal process are:

Southern Tier Environments for Living, Inc.  
715 Central Avenue  
Dunkirk, New York 14048

Service of legal process may also be made upon the Administrator.