

**AVERETT UNIVERSITY
TAX SHELTERED ANNUITY PLAN**

Summary Plan Description

June 2011 Edition

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INTRODUCTION

The Averett University Tax Sheltered Annuity Plan (the Plan) is a tax-sheltered retirement plan described in § 403(b) of the Internal Revenue Code (IRC). It is maintained by Averett University for the benefit of its eligible employees.

In addition to the retirement income you will derive from your savings and Social Security, you may receive retirement benefits through your participation in the Plan. Through participation in this Plan, you will share in contributions by Averett University and you will save part of your earnings on a before-tax basis for retirement.

The employers participating in the Plan are sometimes referred to as the Participating Employers. A listing of the Participating Employers is available from the Payroll/Benefits Department on request. As of January 1, 2011, only Averett University participates in the Plan.

This explanation of the Plan is a Summary Plan Description. It describes the Plan as of January 1, 2011. It is, however, only a summary and does not constitute the Plan itself. Because it is only a summary, it explains the Plan in simple terms. If anything in this summary is inconsistent with the legal documents which govern the Plan, the legal documents will govern. Copies of the Plan documents are available for your review during regular business hours in the Payroll/Benefits Department. Copies of the Plan documents may be obtained if you pay the copying costs.

PLAN FINANCING

The Plan is financed through contributions made by you and contributions made by Averett University. Also, you may roll over or directly transfer qualifying funds from other 403(b) plans, and thereby increase the amount held for your benefit under the Plan. The determination of the amount contributed by Averett University is explained in the section entitled **Where the Contributions Come from**.

The Plan is funded through several funding arrangements which are described in the section entitled **How Contributions Are Invested**.

ELIGIBILITY

Eligible Employee Classification

Only persons classified as “eligible employees” may actively participate in the Plan. Eligible employees are all employees of Averett University, except for:

- . Any employee who normally works less than 20 hours per week.
- . Any employee who is a student enrolled and regularly attending classes offered through Averett University and whose employment is incidental to his or her educational program.
- . Any employee who is a member of Averett University’s adjunct faculty. Note that if an employee works in two capacities, one of which is a member of Averett University’s adjunct faculty, the employee may still participate in the Plan with respect to his non-adjunct faculty services.

Participation

If you are an eligible employee and you are not already a participant in the Plan, you will become a participant on the first day of the calendar month after the date you are employed, provided you are an eligible employee on that first day of the calendar month. Remember, however, that while you may technically be a participant, you must file an application with the Plan Administrator and agree to make contributions to the Plan from your earnings in order to actively participate in the benefits of the Plan.

Eligibility after Reemployment

If your employment with Averett University terminates, and you are later reemployed as an eligible employee, you will become, or again may become, an active participant on the first day of the calendar month after the date you are reemployed, provided you are an eligible employee on that first day of the calendar month. However, while you may technically again be a participant, you must file an application with the Plan Administrator and agree to make contributions to the Plan from your earnings in order to again actively participate in the benefits of the Plan.

WHERE THE CONTRIBUTIONS COME FROM

Benefits under the Plan come from contributions made by participants and from Averett University's contributions. The following discussion will explain just how contributions to the Plan are made.

Employee Contributions

There are three types of contributions which you may make or cause to be made on your behalf -- Elective Contributions (including Catch-up Contributions), Rollover Contributions and Transfer Contributions. The Plan has been designed to provide you, as an eligible employee, a convenient method of saving part of your earnings by making Elective Contributions to the Plan. In addition, the Plan has been designed to permit you to make Rollover Contributions by rolling over qualifying distributions from other 403(b) plans and by directing that funds in other 403(b) plans be transferred to this Plan as Transfer Contributions.

Elective Contributions. While you are not required to make contributions under the Plan, making Elective Contributions will result in your receiving a Matching Contribution to the Plan.

If you elect to make Elective Contributions, you must contribute a minimum of 1% of your covered compensation to the Plan (unless the Plan Administrator determines otherwise). You may contribute more than 1% of your covered compensation as provided on your contribution election form, subject to Plan limitations. Elective Contributions may be made only by payroll deduction.

Your covered compensation is your IRS Form W-2 taxable pay as an eligible employee, plus any employee pre-tax salary reduction or similar contributions to this Plan, any other 403(b) or qualified retirement plan or any cafeteria plan participated in by Averett University, but excluding any amount which is not payable in cash or which is not considered base pay as determined by the Administrator in accordance with the Employer's pay practices in effect from time to time and any compensation for services as a member of Averett University's adjunct faculty. Any such compensation in excess of the IRC's compensation (currently \$245,000 per Plan Year (the compensation limit)) is disregarded. This limit is increased prospectively from time to time for inflation. In certain cases, the compensation limit must be prorated among plans maintained by Averett University.

Elective Contributions are made on a before-tax basis and entitle you to exclude the amount you contribute to the Plan from your Federal taxable income and, in most cases, from your state and local taxable income.

Elective Contributions may only come from compensation which is earned after the time the election to contribute is made.

You may start, change or recommence your election to make Elective Contributions on a quarterly basis, effective as of the beginning of the calendar quarter. You may completely discontinue your Elective Contributions at any time by providing written notice to the Plan Administrator. Any such discontinuance is effective for the remainder of the calendar quarter.

All contributions and elections are subject to the rules and regulations established by the Plan Administrator.

Federal tax laws limit your total Elective Contributions to the “402(g)” dollar limit for a calendar year. The “402(g)” dollar limit is set by law and changes each year for inflation. For 2011, the “402(g)” dollar limit is normally \$15,500. In the future, it will be subject to adjustment for inflation.

In addition to the 402(g) dollar limit, your total Elective Contribution limit for a year will be increased by the “catch-up” amount if you are, or will be, at least age 50 by the end of the calendar year. For 2011, the catch-up amount is \$5,500. In the future, it will be subject to adjustment for inflation. You may make an additional Elective Contributions (sometimes called a “Catch-Up Contribution”) over the regular “402(g)” or other Plan limits not to exceed the catch-up amount. Finally, a lifetime catch-up is provided in certain situations. The lifetime catch-up is available only to employees with 15 or more years of service with a qualified organization. The lifetime catch-up may allow you to increase your Elective Contributions above your otherwise applicable limit by up to \$3,000 per year, up to a lifetime catch-up limit of \$15,000. To qualify, you must be a long-term employee who has contributed on average less than \$5,000 a year to your 403(b) plan(s).

Catch-Up Contributions are made by payroll deduction just like other Elective Contributions. Catch-Up Contributions are not matched.

Any Elective Contributions you make are allocated to your Elective Account.

Rollover Contributions. If you were a participant in another 403(b) plan and you are eligible to receive a distribution from that other plan which is an eligible rollover distribution, you may be able to rollover that distribution (other than any portion consisting of after-tax employee contributions) into the Plan by making a Rollover Contribution to this Plan. A Rollover Contribution to this Plan is made by your depositing the distribution into this Plan or by your having the other plan make a “direct” rollover for you into this Plan. For details, please contact the Payroll/Benefits Department.

Any Rollover Contributions you make are allocated to your Rollover Account.

Transfer Contributions. If you are a participant in another 403(b) plan and you are eligible to direct that all or part of the funds held in that other 403(b) plan be transferred to this Plan, you may direct that the other plan transfer those funds in a Transfer Contribution to this Plan. For details, please contact the Payroll/Benefits Department.

Any Transfer Contributions you cause to be made which were subject to withdrawal restrictions required by law in the other plan generally continue to be subject to those withdrawal restrictions in this Plan.

Any Transfer Contributions you cause to be made are allocated to your Transfer Account.

Employer Matching Contributions

If you make Elective Contributions to the Plan, Averett University will make a Matching Contribution to the Plan for you. The amount of your Matching Contribution for a payroll period is 100% of the first 5% of your covered compensation you contribute as Elective Contributions (excluding any Catch-up Contributions) for the payroll period. Covered compensation is defined in the section entitled **Employee Contributions**. Averett University's Matching Contribution is made and allocated to your Matching Account at least monthly.

Normally, no part of Averett University's contribution or any investment income earned by it may be returned to Averett University. However, if a contribution is made by mistake, it may be returned to Averett University within one year after its payment to the Plan.

YOUR ACCOUNTS UNDER THE PLAN

All contributions you make to the Plan and those made by Averett University on your behalf are credited to an account in your name under the Plan. Your total account (sometimes called your accrued benefit) is divided into the following accounts for administrative purposes, depending on your savings decision. These are:

- . **Elective Account.** This account holds the Elective Contributions (including Catch-up Contributions) you make to the Plan.
- . **Matching Account.** This account holds Averett University's Matching Contribution made to the Plan for you.
- . **Rollover Account.** This account holds any Rollover Contributions you elect to roll into this Plan.
- . **Transfer Account.** This account holds any Transfer Contributions you elect to transfer from another 403(b) plan to this Plan.

HOW CONTRIBUTIONS ARE INVESTED

Each participant has different short- and long-range financial goals. These goals may be directly affected by the benefits to be received from the Plan. It is important that the Plan be made to work in a way to help you meet these goals. This can be done through the choice of investment options available to you under the Plan, since the options produce different financial returns on the money in your accounts.

Your choice of investment options should be your own, based on your personal financial situation and goals. The following description is intended to describe briefly the features of these investment options without making a recommendation on any of the options. If you feel you need further advice, you should talk with an investment counselor.

The Plan offers two groups of investment funds: (1) the TIAA-CREF Investment Funds and (2) the VALIC Investment Funds. The entities which offer these groups of investment funds are sometimes referred to as the Investment Fund Providers.

Averett University's current selection of Investment Fund Providers and investment funds is not intended to limit future additions or deletions of fund sponsors and investment funds. You will be notified of any additions or deletions.

Any investment entails a degree of risk. The market value of the investment funds, as well as securities or other assets in which those funds invest, can be volatile and often is not related to the actual performance of a company but to external factors such as general economic or business conditions and political events. Neither Averett University nor any of the other Participating Employers guarantees that the market values of any investment fund purchased for your account(s) will be equal to or greater than the purchase price or that the total amount distributable or subject to withdrawal will be equal to or greater than the amount of your contributions. You assume all risk of any decrease in the market value of the investments allocated to your account(s). For particular risks related to each investment fund, each participant should read carefully the prospectus or other available investment information for the investment fund.

Plan administrative expenses may either be paid by the Plan Sponsor or charged to participants' accounts in the Plan, as determined by the Plan Administrator. To the extent charged to participants' accounts in the Plan, they may be charged on a per capita basis, a usage basis or an account balance basis, as determined by the Plan Administrator consistent with the type of expense involved.

The following is a general explanation of the investment funds offered under the Plan. Please refer to your individual annuity contracts, certificates, or custodial account agreements with each Investment Fund Provider and the related investment information and prospectuses provided by each Investment Fund Provider.

TIAA-CREF Investment Funds

Teachers Insurance and Annuity Association (TIAA) is an insurance company incorporated under the laws of the State of New York.

College Retirement Equities Fund (CREF) is registered with the Securities and Exchange Commission as an open-end diversified investment company. A CREF prospectus, which contains more information about CREF certificates, can be obtained by writing to CREF, 730 Third Avenue, New York, N.Y. 10017. You also can receive a CREF prospectus by calling 1 (800) 842-2733.

A participant's TIAA-CREF contract/certificate/prospectus contains detailed rules and should be carefully reviewed. The terms of TIAA-CREF contract/certificate/prospectus contract/certificate contains control in the event of any conflict.

TIAA-CREF Investment Options. Contributions may be invested in one or more of the following TIAA and/or CREF funding vehicles which are currently available under the Plan:

A. Teachers Insurance and Annuity Association (TIAA):

- TIAA Retirement Annuity
- TIAA Retirement Loan Contract (if you borrow from your Plan account)
- TIAA Real Estate Account
- TIAA Traditional Account

B. College Retirement Equities Fund (CREF):

- CREF Retirement Annuity
- CREF Stock Account
- CREF Money Market Account
- CREF Bond Market Account
- CREF Social Choice Account

CREF Global Equities Account
CREF Equity Index Account
CREF Growth Account
CREF Inflation-Linked Account

Any additional CREF accounts offered by TIAA-CREF under institutional retirement plans will automatically be made available to you under this Plan unless Averett University elects otherwise.

TIAA Retirement Annuities. Contributions to a TIAA Retirement Annuity are used to purchase a contractual or guaranteed amount of future retirement benefits for you. Once purchased, the guaranteed benefit of principal plus interest cannot be decreased, but it can be increased by dividends. Once you begin receiving annuity income, your accumulation will provide an income consisting of the contractual, guaranteed amount plus dividends that are declared each year and which are not guaranteed for the future. Dividends may increase or decrease, but changes in dividends are usually gradual.

For a recorded message of the current interest rate for contributions to TIAA, call 1 (800) 842-2252.

CREF Retirement Annuities. You have the flexibility to accumulate retirement benefits in any of the CREF variable annuity accounts approved for use under the Plan, as indicated above. Each CREF account has its own investment objective and portfolio of securities. Contributions to a CREF account are used to buy Accumulation Units, or shares of participation in an underlying investment portfolio. The value of the Accumulation Units changes each business day. For more information on the CREF accounts, you should refer to the CREF prospectus.

For a recorded message of the latest Accumulation Unit Values for the CREF accounts and the 7-day yield for the CREF Money Market Account, call 1 (800) 842-2252. The recording is updated each business day.

Allocating Contributions among the TIAA Annuity and the CREF Accounts. You may allocate contributions among the TIAA annuity and the CREF accounts in any whole-number proportion, including full allocation to any annuity or account. You specify the percentage of contributions to be directed to TIAA or the CREF accounts or both on the "Application for Retirement Annuity Contracts" when you begin participation. You may change your allocation of future contributions at any time after participation begins by calling the Automated Telephone Service toll free at 1 800 842-2252. The automated service is available between the hours of 8:00 a.m. and 8:00 p.m. Eastern time, Monday through Friday. When you receive your Retirement Annuity contracts, you will also be sent a Personal Identification Number (PIN). The PIN enables you to change your allocation by using the Automated Telephone Service. For more information on allocations, ask for the TIAA-CREF booklet *Guiding Your Retirement Savings*.

Transferring Accumulations in TIAA-CREF. Accumulations may be transferred among the CREF accounts. Accumulations in the CREF accounts also may be transferred to a TIAA annuity. Complete transfers may be made at any time. Partial transfers may be made from a CREF account to a TIAA annuity, or among CREF accounts at any time as long as at least \$1,000 is transferred each time. Transfers may be made until the date annuity income begins. There is no charge for transferring accumulations in the TIAA-CREF system.

If you transfer your entire accumulation in a CREF account to a TIAA annuity and decide later to allocate premiums to a CREF account, you are not required to complete another application. Your account stays open as long as you have an accumulation remaining in TIAA or one of the CREF accounts.

You may complete CREF transfers either by phone or in writing. CREF transfers, as well as premium allocation changes, will be effective as of the close of the New York Stock Exchange (usually 4:00 p.m. Eastern time) on the day the instructions are received by CREF, unless you choose the last day of the current month or any future month.

Instructions received after the close of the New York Stock Exchange are effective as of the close of the Stock Exchange on the next business day. The toll-free number to reach the Automated Telephone Service is 1 (800) 842-2252.

TIAA accumulations may be transferred to any of the CREF accounts through the Transfer Payout Annuity (TPA). Transfers will be made in substantially equal annual amounts over a period of 10 years. Transfers made under the TPA contract are subject to the terms of that contract. The minimum transfer from TIAA to a CREF account is \$10,000 (or the entire accumulation if it totals less than \$10,000).

Alternatively, if your total TIAA accumulation is \$2,000 or less, you can transfer your entire TIAA accumulation in a single sum to any of the CREF accounts. If you have an existing TIAA TPA contract in force, you will not be eligible to make this single sum TIAA to CREF transfer. Instead, you must transfer your TIAA accumulation based on the 10-year TPA.

VALIC Investment Funds

The Variable Annuity Life Insurance Company (VALIC) is incorporated in the state of Texas. VALIC specializes in marketing and administering tax-favored retirement programs for the not-for-profit sector. You may receive more information concerning VALIC, including any VALIC prospectus, by contacting VALIC at:

The Variable Annuity Life Insurance Company (VALIC)
2929 Allen Parkway
Houston, Texas 77019
1-(800) 448-2542

A participant's VALIC contract/certificate contains detailed rules and should be carefully reviewed. The terms of VALIC contract/certificate contains control in the event of any conflict.

VALIC Investment Options - PORTFOLIO DIRECTOR. VALIC's PORTFOLIO DIRECTOR contract offers a combination of fixed and variable options designed to provide the investment choices and flexibility to help achieve retirement savings goals. Participants can select from an array of proprietary funds. VALIC is the adviser for the proprietary funds and hires sub advisers to manage the portfolios. Each sub adviser specializes in a specific asset class and has a unique investment style. Participants also have access to a few publicly available funds.

Contributions may be invested in one or more of the following PORTFOLIO DIRECTOR investment options which are currently available under this Plan:

Investment Option	Morningstar Category
Asset Allocation Fund	Conservative Allocation
SunAmerica 2020 High Watermark Fund	Conservative Allocation
International Equities Fund	Foreign Large Blend
International Growth I Fund	Foreign Large Growth
Foreign Value Fund	Foreign Large Value
International Small Cap Equity Fund	Foreign Small/Mid Growth
Health Sciences Fund	Health
High Yield Bond Fund	High Yield Bond
Inflation Protected Fund	Inflation-Protected Bond
Government Securities Fund	Intermediate Government
Capital Conversation Fund	Intermediate-Term Bond

Core Bond Fund	Intermediate-Term Bond
Core Equity Fund	Large Blend
Growth & Income Fund	Large Blend
Socially Responsible Fund	Large Blend
Stock Index Fund	Large Blend
Blue Chip Growth Fund	Large Growth
Capital Appreciation Fund	Large Growth
Growth Fund	Large Growth
Large Cap Core Fund	Large Growth
Large Capital Growth Fund	Large Growth
Lou Holland Growth Fund	Large Growth
Nasdaq-100(r) Index Fund	Large Growth
Broad Cap Value Income Fund	Large Value
Dividend Value Fund	Large Value
Large Cap Value Fund	Large Value
Value Fund	Large Value
Vanguard Windsor II Fund	Large Value
Vanguard Long Term Treasury Fund	Long Government
Vanguard Long Term Intermediate Grade Fund	Long-Term Bond
Ariel Appreciation Fund	Mid-Cap Blend
Ariel Fund	Mid-Cap Blend
Mid Cap Index Fund	Mid-Cap Blend
Mid Cap Growth Fund	Mid-Cap Growth
Mid Cap Strategic Growth Fund	Mid-Cap Growth
Mid Cap Value Fund	Mid-Cap Value
Vanguard Wellington Fund	Moderate Allocation
Money Market I Fund	Money Market Taxable
Money Market II Fund	Money Market Taxable
Strategic Bond Fund	Multi-sector Bond
Global Real Estate Fund	Real Estate
Small Cap Fund	Small Blend
Small Cap Index Fund	Small Blend
Small Cap Aggressive Growth Fund	Small Growth
Small Cap Growth Fund	Small Growth
Small-Mid Growth Fund	Small Growth
Small Cap Special Values Fund	Small Value
Small Cap Value Fund	Small Value
Science & Tech Fund	Technology
Global Strategy Fund	World Allocation
International Government Bond Fund	World Bond
Global Equity Fund	World Stock
Global Social Awareness Fund	World Stock
Conservative Growth Lifestyle Fund	Lifestyle Series
Vanguard LifeStrategy Conservative Growth Fund	Lifestyle Series
Vanguard LifeStrategy Growth Fund	Lifestyle Series
Aggressive Growth Lifestyle Fund	Lifestyle Series
Moderate Growth Lifestyle Fund	Lifestyle Series
Vanguard LifeStrategy Moderate Growth Fund	Lifestyle Series
VALIC Fixed Account Plus	Stable Value

Allocating Contributions among VALIC Accounts. During the accumulation period, you may allocate contributions as desired among the fixed and variable investment options available within the PORTFOLIO DIRECTOR contract at no charge. You will need to specify allocation of contributions upon enrollment into the contract. However, you may change the allocation of future contributions at any time as your investment priorities dictate.

Transfers within the PORTFOLIO DIRECTOR Contract. During the accumulation period, you may transfer monies between the VALIC variable accounts and from the variable accounts to the fixed accounts at any time. However, once a transfer is made to the Short-Term Fixed Account, no further transfers from this account will be permitted for 90 days. Each contract year, you may transfer up to 20% of the accumulation value under Fixed Account Plus to any other PORTFOLIO DIRECTOR investment option. Additionally, to discourage excessive trading and market timing, if you sell fund shares valued at \$5,000 or more, whether through an exchange, transfer, or any other redemption, you will not be able to make a purchase payment of \$5,000 or more in that same fund for 30 calendar days. Certain exceptions apply to the excessive trading and market timing policy. VALIC may change these restrictions and limitations from time to time.

Transfers from the PORTFOLIO DIRECTOR Contract to Other Investment Fund Providers. While within the Plan, transfers to another carrier from the variable accounts and the Short-Term Fixed Account may be made at any time. In-service transfers of up to 20% of the accumulated account value of the Fixed Account Plus (long-term) may be transferred to another carrier per contract year. Therefore, total in-service transfers to another carrier from the Fixed Account Plus would be accomplished over a 5-year period.

Withdrawals from the PORTFOLIO DIRECTOR Contract. Withdrawals are subject to the applicable requirements and restrictions of the IRC, contract/certificate terms and conditions, and Plan provisions.

Fees. Separate Account fees and Net Annual Expenses depending on the contract/certificate and the variable investment options selected, will apply. Fund Annual Expenses are subject to change. The Fixed Account options are not variable investments and, therefore, Separate Account fees and Fund Annual Expenses do not apply.

General Account Information and Questions. VALIC representatives are available Monday-Friday, 7 a.m. to 8 p.m. Central time at 1 (800) 448-2542.

Automated Services. VALIC automated service representatives are available 24-hours a day, 7 days a weeks at 1 (800) 248-2542 (TDD services for the hearing impaired).

General Rules for Transfer between the Groups of Investment Funds

You generally may transfer your Plan benefits from one group of investment funds to another subject to the rules, limits, and procedures of each Investment Fund Provider. Please contact the Payroll/Benefits Department or the Investment Fund Providers for more information.

If you are married, any transfer between the three groups of investment funds you make normally must be consented to by your spouse.

VESTING

Vesting means that you are entitled to all or a percentage of your accrued benefit in the Plan whether or not you continue to work for Averett University or any of its affiliates: that is, it can never be taken away from you (although it can be adjusted for its share of investment earnings or losses under the Plan). However, although you are absolutely entitled to your vested accrued benefit, you generally may not receive payment of it until a later time determined under the Plan.

You are always 100% vested in all of your accounts in the Plan.

DISTRIBUTION OF BENEFITS

Time of Distribution to Participants

You generally will be eligible for payment of your Plan benefit after retirement or other separation from service with Averett University. However, if the amount of your benefit is over \$1,000, payment cannot be made until you reach age 65 unless you consent in writing to an earlier payment.

You generally may leave your funds in the Plan for a period of time after you cease to be employed by Averett University if your Plan benefit exceeds \$1,000. Please refer to your individual annuity contracts, certificates, or custodial account agreement with each Investment Fund Provider.

Federal law requires that you be paid your benefit at the April 1 following the later of the calendar year you reach age 70½ or the calendar year you retire. Any subsequent payment made at or after you reach age 70½ will be added to your previous payment then in effect, made in a lump sum payment, or started in another payment form. Please refer to your individual annuity contracts, certificates, or custodial account agreement with each Investment Fund Provider.

For purposes of determining your entitlement to payment of your Plan benefit only, you will be considered to have separated from service 5 months after you become disabled and notify the Plan Administrator of your disability. You will be considered disabled for the first 24 months if by reason of any medically determinable physical or mental impairment you are unable to perform your usual occupation and thereafter you will be considered disabled if you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration. You will not be considered disabled unless you provide proof of the existence of your disability in a form and manner that the Plan Administrator may require.

Form of Distribution to Participants

When you are paid your Plan benefit, your account will normally be paid in a lump sum payment. However, your payment will be subject to the rules, limitations, and procedures of each Investment Fund Provider in which your Plan benefit is held. Some of the Investment Fund Providers make payments in the form of life annuities and at least one does not make a lump sum payment (but rather makes payments over 10 years). Please refer to your individual annuity contracts, certificates, or custodial account agreements with each Investment Fund Provider. If you are married, your individual annuity contracts, certificates, or custodial account agreement may or may not require the consent of your spouse. For purposes of the Plan, a spouse must be of the opposite sex from the Plan participant.

Where life annuities are available from an Investment Fund Provider as a payment option, the election and any spousal consent to waive a joint and spouse survivor annuity or other payment option may be made only during the 180-day

period before the commencement of benefits. The election and any spousal consent also may be revoked during the same period. It may not be revoked after an annuity income begins.

You can obtain further information regarding the choices available for the payment of your benefit at retirement or other termination of employment, including estimates of the amounts payable in various options, by contacting the applicable Investment Fund Provider(s). You may also contact the Payroll/Benefits Department for more information.

The necessary forms will be provided to the participant by each Investment Fund Provider and must be filed in accordance with their instructions.

Naming Your Beneficiary

You may designate a beneficiary to receive any benefit payments payable after your death by filing a beneficiary designation form with the Payroll/Benefits Department. Separate beneficiary designations are made for each Investment Fund Provider. The necessary forms will be provided to you by each Investment Fund Provider and must be filed in accordance with their instructions.

Normally, you may name more than one beneficiary to share in your Plan benefit invested with each Investment Fund Provider, and you may name a contingent beneficiary to receive the benefit if your first-choice beneficiary dies. Normally, you also may change your designation of a beneficiary at any time, subject to the requirement of spousal consent.

Subject to the rules of the applicable Investment Fund Provider, your beneficiary designation must be consented to, in writing, by your spouse if you are married at your death (whether or not you are married when you designate your beneficiary); or if your benefit is being paid or is payable as a life annuity, your beneficiary designation must be consented to, in writing, by your spouse to whom you are married at your benefit commencement date.

Spousal Consent

When your spouse is required to consent to your elected payment (or as described elsewhere, to your naming of another beneficiary, to a withdrawal, transfer, or loan), your spouse's consent must be in writing, must acknowledge its effect (that is, that your spouse's rights or benefit amount after your death could be reduced because the benefit may be lower), and must be witnessed by a Plan representative or a notary public.

You will not need to obtain your spouse's written consent in certain limited situations (such as where your spouse cannot be found or where your spouse has abandoned you, if that fact is evidenced by a court order). The applicable Investment Fund Provider or Plan Administrator can provide more information about these special situations.

The necessary forms will be provided to you by each Investment Fund Provider and must be filed in accordance with their instructions.

Time and Form of Distribution to Beneficiaries

Spouse's Mandatory Pre-retirement Death Benefit (if Not Waived). Unless your spouse has consented to your naming of another beneficiary and waived his or her pre-retirement death benefit, if you die before your Plan benefit held by an Investment Fund Provider begins, your surviving spouse must receive a benefit that is at least 50% of the full current value of your Plan benefit held by that Investment Fund Provider (pre-retirement death benefit), payable in a single lump sum or under one of the income options offered by that Investment Fund Provider. Your spouse should refer to your individual annuity contracts, certificates, or custodial account agreements with each Investment Fund Provider.

The necessary forms will be provided to your spouse by each Investment Fund Provider and must be filed in accordance with their instructions.

Waiver of Spouse's Mandatory Pre-retirement Death Benefit. Married participants and their spouses may waive the spousal entitlement if a written waiver of the benefit signed by the participant with spousal consent is filed. The necessary forms will be provided to the participant by each Investment Fund Provider and must be filed in accordance with their instructions.

Where life annuities are available from an Investment Fund Provider as a payment option, the period during which you and your spouse may elect to waive the pre-retirement spouse death benefit begins on the first day of the Plan Year in which you attain age 35. The period continues until the earlier of your death or the date you start receiving annuity income. If you die before attaining age 35 (that is, before you have had the option to make a waiver) at least half of the full current value of the annuity accumulation is payable automatically to your surviving spouse in a single sum, or under one of the income options offered by the applicable Investment Fund Provider. If you terminate employment before age 35, the period for waiving the pre-retirement spouse death benefit begins no later than the date of termination. The waiver also may be revoked during the same period. Depending on rules of the applicable Investment Fund Provider, a participant may also be able to waive the pre-retirement spouse death benefit before age 35, but the waiver will automatically be revoked at age 35 (and a new waiver may be filed then).

Payment to Other Beneficiaries. In the event of your death before your benefit payment begins, any Plan benefit not then in pay status and not required to be paid to your spouse under the spouse's mandatory pre-retirement death benefit will be paid to your beneficiary in a single lump sum or under one of the income options offered by that Investment Fund Provider.

Your beneficiary should refer to your individual annuity contracts, certificates, or custodial account agreements with each Investment Fund Provider.

The necessary forms will be provided to the beneficiary by each Investment Fund Provider and must be filed in accordance with their instructions.

TRANSFERS TO OTHER 403(B) PLANS

The Plan permits you to transfer all or part of your Plan benefit to any other 403(b) plan maintained by Averett University. Any transfer is subject to spousal consent and to the rules, limits, and procedures of each Investment Fund Provider, the recipient plan, the Plan and the IRC.

The Plan also permits you to transfer all or part of your Plan benefit which is currently distributable to you to any 403(b) plan which is not maintained by Averett University. Any transfer is subject to spousal consent and to the rules, limits, and procedures of each Investment Fund Provider, the transferor plan, the Plan and the IRC.

WITHDRAWALS DURING EMPLOYMENT

The Plan is meant to provide you with a source of retirement income, but you may, if you choose, make certain withdrawals from your accounts before retirement while you are still employed by Averett University or any of its affiliates as described below.

Withdrawals are classified as “non-hardship” or “hardship” withdrawals. As explained below, different rules apply to the two types of withdrawals. No more than one non-hardship withdrawal may be made from your account in any Plan Year.

If you elect to make a withdrawal from your account, you must submit a written request to the Payroll/Benefits Department. Because of processing time, you should allow approximately 30 or more days for receipt of your money.

Any withdrawal will be subject to income taxes and possibly an additional 10% excise tax.

If you are married, any withdrawal normally must be consented to by your spouse.

Please refer to your individual annuity contracts, certificates, or custodial account agreements with each Investment Fund Provider.

Non-Hardship Withdrawals

Subject to the rules, limitations, and procedures of each Investment Fund Provider in which your Plan benefit is held, you may make “non-hardship” withdrawals as follows:

- . **Elective Account.** If you have reached age 59-1/2, you may withdraw funds held in this account.
- . **Matching Account.** You may not withdraw funds held in this account.
- . **Rollover Account.** You may make withdrawals of funds in this account if and to the extent those funds are not currently or have not in the past been held in a custodial account. If you have reached age 59-1/2, you may also withdraw funds which have been held in a custodial account.
- . **Transfer Account.** You may make withdrawals of funds in this account if and to the extent those funds are not currently or have not in the past been held in a custodial account. If you have reached age 59-1/2, you may also withdraw funds which have been held in a custodial account.

If funds in this account are attributable to salary reduction elective pre-tax contributions, you may not withdraw those funds until you attain age 59-1/2. In addition, if funds in this account are attributable to contributions by Averett University, you may not withdraw those funds at all.

Hardship Withdrawals

Subject to the rules, limitations, and procedures of each Investment Fund Provider in which your Plan benefit is held, you may also make “hardship” withdrawals from certain of your accounts if you experience a hardship. A hardship will be considered to exist if you have an immediate and heavy financial need under the following circumstances:

- . Your financial need arises from one of the following reasons:
 - . You need the funds to pay uninsured and unreimbursed medical expenses that would be deductible by you for Federal income tax purposes (determined without regard to whether the expenses exceed seven and one-half percent (7.5%) of adjusted gross income).
 - . You need the funds to pay expenses directly related to the acquisition of your principal home (excluding mortgage payments).

- . You need the funds to meet financial obligations for college or higher education expenses and room and board for the next 12 months for yourself, your spouse or your dependents (as determined for Federal income tax purposes).
- . You need the funds to prevent your eviction from, or mortgage foreclosure on, your principal residence.
- . You need the funds to pay burial or funeral expenses for your parents, spouse, children or dependents (as determined for Federal income tax purposes).
- . You need the funds to pay for repairs to your principal residence that would qualify for a casualty loss deduction (determined without the 10% of adjusted gross income limitation) for Federal income tax purposes.

AND

- . You cannot obtain a loan or other withdrawal from the Plan or any other plan maintained by Averett University or any of its affiliates.

The amount of your hardship withdrawal cannot exceed the amount needed to satisfy the financial need, plus the amount of any Federal, state, or local income taxes or penalties reasonably anticipated to result from the hardship distribution.

You may make a hardship withdrawal up to the amounts (without adjustment for Plan earnings) you have contributed to your Elective Account. In addition, you may make hardship withdrawals from your Transfer Account up to the amounts (without adjustment for Plan earnings) you have contributed as salary reduction pre-tax contributions to the plan(s) from which the transfer was made. You may not make hardship withdrawals from your other Plan accounts.

If you make a hardship withdrawal, you will be suspended from making Elective Contributions to the Plan, and from making similar contributions to any other plan maintained by Averett University or any of its affiliates, for 6 months. For details, please contact the Payroll/Benefits Department.

LOANS

Another way of obtaining funds from your account under the Plan is to receive a loan from the Plan. Loans are not permitted from all of the investment funds, and the particular loan rules, limits, and procedures vary among the investment funds which permit loans.

You generally may borrow up to one-half of the vested amount in your account, but not over \$50,000. The \$50,000 maximum amount must be reduced by the highest outstanding amount you owed under any other loans from this or any of Averett University's other plans within the last 12 months. The minimum amount you can borrow is \$1,000. The interest rate depends on the investment fund from which you borrow and prevailing market conditions. The maximum term for repayment of a loan is 5 years (or in some cases greater if the loan proceeds are used to purchase your home), and a shorter term may be required depending on the amount borrowed.

If you borrow, you actually will be borrowing from your own account in the Plan. Loan proceeds will be taken from your available accounts. Your loan will be treated as a directed, segregated investment by you and your account in the Plan will be required to be pledged as security for repayment. For more details, including any loan fees and charges, please contact the Payroll/Benefits Department or the investment fund provider.

If you are married, any loan you receive normally must be consented to by your spouse.

TIAA-CREF Loans

Loans are available using your TIAA accumulation as collateral, and are administered by TIAA-CREF. Specific loan provisions are described below:

How to Apply for a Loan. To apply for a loan from TIAA, call the TIAA-CREF Participant Information Center toll free at 1 (800) 842-2776.

How Much You Can Borrow from TIAA. Generally, the minimum loan amount is \$1,000, and the maximum loan amount is \$50,000. The maximum amount you can borrow may be less, however, depending on two factors: (1) the amount of your Retirement Annuity accumulation, and (2) whether you have had any other loans from this or any of Averett University's other plans within the last year.

If you have not had a plan loan in the previous year, your maximum loan is the least of: (1) \$50,000; or (2) 45% of your combined TIAA and CREF Retirement Annuity accumulation attributable to participation under the Retirement Plan of this Institution; or (3) 90% percent of your CREF Retirement Annuity accumulation attributable to participation under this Plan.

If you have had another loan from any plan of Averett University within the last 12 months, the maximum you can borrow will be reduced by that amount. Also, if more than one employer contributed to your annuities, you can only take loans against the amount you accumulated under Averett University's Plan. You should check with your other employers for their rules on loans.

Securing Your Loan. The collateral for your loan must be transferred from your CREF accumulation to TIAA, where it will be held in the TIAA Retirement Loan Contract, an annuity that is separate and distinct from your other retirement funds. Your collateral will initially equal 110% of the loan amount; as you repay your loan, the excess collateral will be periodically transferred to your CREF Money Market Account.

If you die before repaying your loan, the remaining loan balance will be repaid from the collateral held in the TIAA Retirement Loan Contract. Any money that remains will go to the beneficiary named under your originating CREF certificate at the time you signed your loan application, unless you changed the beneficiary under the Retirement Loan Contract at any time after the loan was issued.

Repayment. You have from one to five years to repay your loan. There is one exception: if you use the loan solely to purchase your primary residence, you can take up to 10 years to repay. The term of the loan usually cannot extend past April 1st of the year after the year you attain age 70 1/2 (or any later date permitted by TIAA).

Your first payment will be due the first day of the third month after your loan is issued, and every three months thereafter. You can repay your loan early with no penalties. You can also make partial prepayments any time. If you do, whatever you prepay will be applied directly to the principal amount of your loan. (Regularly scheduled payments are applied first to interest, then to principal.) Any prepayments will reduce the *amount* of future repayments, not the number of payments.

TIAA offers a free automatic loan repayment service. Your bank will debit your checking account and send your repayment to TIAA on the date it is due. If you prefer to repay your loan directly, TIAA will send you a bill every three months, at least 10 days before the payment is due.

As you repay your loan, TIAA will continue to hold 110% of your remaining loan balance as security in the Retirement Loan Contract. As the amount you owe decreases, so will the amount TIAA will need as security. Periodically, TIAA will transfer the excess above 110% of your outstanding loan balance back to the Money Market Account under your originating CREF certificate. You will get written confirmation of each transfer, which will also appear on your Quarterly Confirmation of Transaction reports.

Defaults. If TIAA does not receive your loan repayment by the last day of the month it is due, the payment (not the entire loan balance) will be in default. The total amount in default will be the missed payment plus all interest accrued to date.

To the extent permitted by Federal tax law, TIAA will deduct the amount in default from the collateral held in TIAA and apply it toward repaying the loan. It is very important to keep in mind, however, that the IRS requires TIAA to report the default amount as income you actually received. That means defaults are taxable as ordinary income in the year they occur. If you are under age 59-1/2, your default may also be subject to an additional 10% Federal tax penalty. TIAA assumes no responsibility for the tax consequences resulting from loan defaults.

If you default on a payment and Federal tax law prevents TIAA from deducting the amount in default from your collateral, TIAA will hold the amount until they can deduct it. Not only will the defaulted amount be taxable to you as ordinary income in the year the default occurs, but the interest earned every year on the collateral held for the defaulted amount will also be counted in your taxable income every year until TIAA can deduct it. For defaults on loans of Elective Contributions made by salary reduction or any funds which were ever held in a custodial account, the amount in default generally will not be deducted until you terminate employment, attain age 59-1/2, become disabled, or die.

For More Information. If you have any questions about loans, you can call TIAA-CREF's Participant Information Center toll-free at 1 (800) 842-2776.

VALIC Loans

You may borrow funds from your VALIC account accumulation in either of the fixed investment options of PORTFOLIO DIRECTOR (Fixed Account Plus or Short-Term Fixed Account). If you have funds accumulating in a variable investment option, funds can be transferred to either Fixed Account Plus or Short-Term Fixed Account. If you have funds accumulating in a variable investment option, funds can be transferred to either Fixed Account Plus or Short-Term Account at the time of the loan request. There is **no charge** for loan set-up or processing, and loans can be obtained for any reason. Specific loan provisions are described below.

How to Apply for a Loan. To apply for a loan from your VALIC account, call the Baltimore Regional Office at 1 (800) 44-VALIC. VALIC's specialists will assist you in completing the proper paperwork and will be responsible for forwarding the request to the Home Office for processing. All loan processing is handled at VALIC's headquarters in Houston, Texas. Upon receipt of the completed loan agreement in VALIC's Home Office and verification that all requirements have been met, the loan will be processed. A check for the principal amount will be issued to you at the address requested on the loan application within 5 to 7 working days.

How Much Can You Borrow from VALIC. VALIC's loans comply with Federal statutes regarding loans from retirement plans. The minimum loan principal amount is \$1,000. You may have multiple loans: either separate loans on different accounts or two loans on the same account. The loan amount shall not exceed the IRC limitation of the lesser of \$50,000 or 50% of the vested account value. The \$50,000 limit is reduced by the excess, if any, of the highest outstanding loan balance from the plan (during the one year period ending on the day before the date on which such loan was made). The 50% limit does not apply to loans of \$10,000 or less.

Securing Your Loan. To secure the loan, the account value of the policy against which the loan is requested (applicable to accounts with \$10,000 or less) must equal the amount of the loan plus the first quarter's interest payment. Loan amounts over \$10,000 will require that the account have two times the loan amount in the account.

Repayment. The length of time that you are required to repay a loan depends on the purpose for the loan. Loans made to help purchase a principal residence must be repaid within 10 years. Loans for all other purposes must be repaid in 5 years or less. Amortized payments of loans principal and interest are due on the last day of each quarter of the loan year. VALIC will send a billing notice with a self-addressed envelope 35 days before the scheduled payment is due. Participants may remit the scheduled payment in one amount each quarter or smaller payments more frequently. Payments in excess of the scheduled amount are accepted on any payment due date. The loan may be repaid in full at any time.

Defaults. If the loan payment is not made within 30 days following the due date, the entire loan outstanding, plus any interest due, will be treated as a taxable distribution. If the loan is secured by amounts subject to withdrawal restrictions, the loan will remain outstanding.

MISCELLANEOUS MATTERS

Plan Amendment or Termination

Averett University reserves the right to amend or terminate the Plan at any time. Each Participating Employer also reserves the right to discontinue its contributions to the Plan at any time.

Upon termination of the Plan, all funds held in the Plan may continue to be held in the Plan's investment funds until the regular payment time under the Plan or may be distributed to you, as determined by Averett University in accordance with the provisions of the Plan and applicable law.

Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation on the Plan's termination because the Pension Benefit Guaranty Corporation does not insure benefits under tax-sheltered annuity plans.

Income Tax Withholding and Eligible Rollover Distributions

All benefit payments (whether withdrawals or other distributions) from the Plan are subject to elective or mandatory Federal income tax and, in some cases, state or local income tax withholding. The Plan Administrator will provide further information on tax withholding shortly before a benefit payment is made.

Participants and spouses (whether alternate payees under qualified domestic relations orders or beneficiaries of deceased participants) may roll over all or a portion of an eligible rollover distribution from the Plan to a traditional (non-Roth) or a Roth Individual Retirement Account or Annuity (IRA) or another eligible retirement plan (such as an employer tax-qualified retirement plan, a Section 403(b) tax-deferred annuity or a governmental Section 457(b) plan) which will accept the rollover. Rollovers may be made in a "direct rollover" (where the payment is transferred directly from the Plan to the IRA or eligible retirement plan) or by distribution to the benefit recipient, subject to mandatory tax withholding (where the payment is then paid by the benefit recipient to the IRA or eligible retirement plan).

In addition, non-spouse beneficiaries who are individuals may roll over distributions that qualify as eligible rollover distributions directly to an IRA. The recipient IRA must be treated as an "inherited" IRA, which means the IRA must identify itself as an IRA with respect to a deceased person (i.e., the participant) and must identify the participant and

non-spouse beneficiary (for example, assume John Smith is the participant and Tom Smith is the non-spouse beneficiary, then the IRA would be established for “Tom Smith as beneficiary of John Smith”). In addition, the non-spouse beneficiary will be subject to the same minimum distribution rules as would apply to a non-spouse IRA beneficiary of a deceased IRA owner.

Generally, eligible rollover distributions are subject to mandatory Federal income tax withholding unless rolled over in a “direct rollover”; and distributions that are not eligible rollover distributions cannot be rolled over and are subject to voluntary Federal income tax withholding.

A participant may roll over an eligible rollover distribution from the Plan to an IRA or another eligible retirement plan which will accept the rollover. A participant’s surviving spouse or his alternate payee who is his spouse or former spouse under a QDRO also may roll over an eligible rollover distribution to an IRA or another eligible retirement plan.

Normally, an eligible rollover distribution is any distribution unless it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- . the recipient’s lifetime (or life expectancy), or
- . the recipient’s lifetime and his or her beneficiary’s lifetime (or life expectancies), or
- . a period of ten years or more.

However, hardship withdrawals received before severance from employment are not eligible rollover distributions and cannot be rolled over. In addition, certain payments (such as mandatory minimum distributions required under applicable tax laws; a return of certain elective deferrals, excess contributions under a 401(k) plan, excess aggregate contributions (employee after-tax contributions or matching contributions); loans treated as taxable distributions; or any other item designated by the IRS) are not eligible rollover distributions and thus are also subject to voluntary Federal income tax withholding.

Alienation of Plan Interest

Except as specifically authorized by ERISA, the Plan does not permit you to create liens on funds or securities held in your account or to assign or alienate your accrued benefit in any manner. However, the Plan does require your account to be security for a loan from the Plan to you; and the Plan will comply with qualified domestic relations orders pertaining to your accrued benefit.

The Plan Administrator will determine whether a domestic relations order is a qualified domestic relations orders (QDRO) within a reasonable time after the order is delivered to it. If the order is a QDRO, the Plan Administrator will comply with its terms. Before a determination is made, benefit payments from the Plan will be suspended. You and the alternate payee will be notified in writing of the Plan Administrator’s decision on review of the order. A copy of the Plan’s QDRO procedure is available, without charge, upon request to the Plan Administrator.

Limitations on Contributions

Federal law places limits on the total amount of contributions that can be made by or for you in any one calendar year. The total amount of contributions for any year may not exceed the limits imposed by IRC §§ 401(m), 402, 403(b), and 415. These limits may be adjusted from time to time for inflation. The following is a brief explanation of these limits, but is not intended to be all inclusive or descriptive of every participant’s situation. For more information on these limits, please contact the Payroll/Benefits Department or consult your tax advisor.

Federal tax rules applicable to the Plan limit the percentage of Matching Contributions (expressed as a percentage of total compensation) allocated to highly-compensated participants for a Plan Year by the percentage of Matching Contributions for all other participants (and participants in any other plan participated in by Averett University which is aggregated for testing purposes with this Plan) for the applicable Plan Year. The average percentage for the highly-compensated participants must not exceed one and one-quarter times the average percentage for other participants for the applicable Plan Year. Alternatively, it must not exceed the average percentage for the applicable Plan Year for other participants by more than two percentage points and must not be more than two times as large. If you are a highly-compensated participant, this limit may require some of your Matching Contributions and earnings to be returned to you. This limit will be inapplicable for any Plan Year beginning on or after January 1, 1998 if the plan meeting certain safe harbor employer contributions requirements (which it is currently expected to meet).

The maximum aggregate contributions of Averett University and its affiliates (Averett) and forfeitures which may be allocated to a participant in any Plan Year under the Plan (and in some cases all other defined contribution plans maintained by Averett or in other cases other plans contributed to by you) plus all of the contributions (other than Catch-up Contributions, Rollover and Transfer Contributions) a participant makes are generally limited to the lesser of \$40,000 or 100% of his or her total compensation from Averett. One or more alternative limits may apply depending on your circumstances. For this purpose, a participant's total compensation is determined by including his or her before-tax contributions to any 401(k) or 403(b) plan, premium conversion, or pre-tax welfare or transportation fringe plan of Averett. The \$40,000 limitation has been increased to \$49,000 for 2011 and will be increased from time to time to reflect cost of living adjustments. This limit may require some of your Elective and/or Matching Contributions and earnings or other contributions to be returned to you.

The Plan details procedures to be followed in limiting contributions to the Plan in order to comply with these limitations. These procedures may require some return of contributions to the participant (and income thereon) or some lowering of contributions by Averett University. These procedures may also require inclusion of a participant's contributions (and income thereon) in his taxable income for the year of contribution, the year of return, or both. Because the rules on limitations on contributions are very complex, the above summary is just that and does not purport to explain all the possible limitations or the procedures by which the limitations may be complied with.

Special Rules for Rehired Veterans

The Plan complies with the service crediting, benefit accrual and other requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), which revised and restated the Federal law protecting veterans' reemployment rights. Under USERRA, an employee who leaves a civilian job for qualified military service generally is entitled to be reemployed by the civilian employer if the individual returns to employment within a specified time period.

In addition to reemployment rights, a reemployed veteran also is entitled to certain retirement benefits under plans such as the Plan that would have accrued, but for the veteran's absence due to the qualified military service. The employer's contribution (called a make-up contribution) is normally made after the veteran timely returns to the employer's employment (but not earlier than it normally would have been made if the veteran had remained an employee). The veteran's compensation to be used for purposes of determining make-up contributions is the pay (based on rate of pay) the veteran would have received but for the military service. If the pay is not readily determinable, the veteran's compensation will be deemed to be his or her average compensation for the 12-month period (or actual shorter period of employment) immediately preceding the military service.

USERRA and the Plan also provide that the reemployed veteran is entitled to any contributions by Averett University that are contingent on the making of, or derived from, employee contributions or elective deferrals (that is, Elective Contributions) only to the extent the reemployed veteran timely makes payment to the Plan of such contributions or

deferrals. No such payment may exceed the amount the reemployed veteran would have been permitted or required to contribute had he remained continuously employed by Averett University throughout the period of qualified military service. Any such payment by the reemployed veteran to the Plan must be made during the period beginning with the date of reemployment and ending at the earlier of the reemployed veteran's subsequent cessation of employment, 5 years after the date of reemployment or a period of reemployment equal to 3 times the reemployed veteran's period of qualified military service. Neither USERRA nor the Plan requires any earnings to be credited to a reemployed veteran with respect to any contribution before the make-up contribution is actually made.

The Plan also provides that if a participant dies while performing qualified military service on or after January 1, 2007, the participant will be deemed to have died while an employee for vesting and death benefit purposes under the Plan.

In addition, the Plan provides that effective for differential pay provided to a participant by the Employer on or after January 1, 2009, any such differential pay will be considered compensation for Plan purposes, and the participant will be considered employed by the Employer for Plan purposes, while the participant is performing qualified military service while on active duty for more than 30 days. If a differential pay is provided to a participant by the Employer on or after January 1, 2009, that participant may treat his commencement of qualified military service for more than 30 days as a severance from employment for purposes of receiving a distribution from his Plan accrued benefit, and he may elect to receive but if he receives a distribution from his Elective Account under the Plan. However, if he receives a distribution (at his election), he will be suspended from active participation in the Plan for 6 months (i.e., he cannot make Elective Contributions for 6 months).

USERRA and the Plan generally provide that for a reemployed veteran service in the uniformed services is considered service with by Averett University for Plan vesting and benefit accrual purposes.

GENERAL ADMINISTRATIVE INFORMATION

Plan Name and Number

The formal name of the Plan is Averett University Tax Sheltered Annuity Plan. The number assigned to the Plan for reporting and disclosure purposes under ERISA is 001.

Plan Sponsor

Averett University is the Plan Sponsor for Plan. The Internal Revenue Service has assigned Averett University the Employer Identification Number 54-0129860. Averett University's principal mailing address is 420 West Main Street, Danville, Virginia 24541.

Plan Administrator

Averett University is the Plan Administrator for the Plan. The Plan Administrator may be contacted through the Payroll/Benefits Department, care of Averett University, 420 West Main Street, Danville, Virginia 24541, telephone (434) 791-5613.

Plan Year

The records of the Plan are maintained on the basis of the Plan Year, which is the calendar year.

Type of Plan

The Plan is a tax-sheltered annuity plan described in IRC § 403(b).

Plan Continuation

Averett University intends to continue the Plan indefinitely but reserves the right to amend or terminate any part or all of the Plan at any time.

Plan Documents

In preparing this Summary Plan Description, much effort has gone into providing clear concise descriptions of your benefits under the Plan. We have been careful to avoid contract language and legal terms wherever possible. The aim has been to present essential information about your benefits in words that will not be obscure nor likely to be misunderstood.

However, the Plan is contained in explicit legal documents. The documents include the official plan text for the Plan. This means that should any question ever arise about the nature and extent of your benefits, the formal language of the plan documents (and not the informal wording of this Summary Plan Description) will govern.

Investment Fund Providers

Plan assets are held in the Investment Fund Providers described in the section entitled **How Contributions Are Invested**. The names and addresses of the Investment Fund Providers are as follows:

TIAA-CREF

Teachers Insurance and Annuity Association
College Retirement Equities Fund
730 Third Avenue, New York, NY 10017
1 (800) 842-2733

VALIC

The Variable Annuity Life Insurance Company
2929 Allen Parkway
Houston, Texas 77019
1 (800) 42-VALIC

Administration of the Plan

The Plan is administered by the Plan Administrator. The assets of the Plan are held in the annuity contracts and custodial accounts issued by the Investment Fund Providers. Day-to-day administrative matters are normally handled by the Payroll/Benefits Department.

If for any reason you wish to start legal action against the Plan, you may serve legal process on the Plan Administrator at the above address or on the Investment Fund Providers at the above address.

CLAIMS PROCEDURE

Benefits under the Plan are normally payable automatically without any need for you to file a formal claim. The following procedure applies to you if you disagree with the benefit provided to you under the Plan or wish to claim a benefit which has not been provided to you.

If you wish to file a claim for benefits with the Plan Administrator, you should do so in writing, addressed to the Plan Administrator, and you should deliver it to the Plan Administrator. The Plan Administrator (or any claims fiduciary appointed by the Plan Administrator) will notify you in writing of its decision within 90 days after the Plan Administrator initially received your benefit claim. The Plan Administrator may schedule and hold a hearing. The 90 day period may be extended to 180 days by the Plan Administrator so long as you are provided with written notice and the reason for the extension prior to the expiration of the 90 day period. If your claim is wholly or partially denied, the written notice will include:

- (1) the specific reason or reasons for the denial;
- (2) the specific provisions of the Plan or other relevant records, documents or information on which the denial was based;
- (3) any additional material or information necessary for you to process your claim and an explanation of why such material or information is necessary; and
- (4) an explanation of the claims review procedure, including the time limits applicable to such procedure, as well as a statement notifying you of your right to file suit in Federal or state court if your claim for benefits is denied, in whole or in part, on review.

If your claim has been denied, you have the right to file a written request for review of the claim denial. You must file this written request for review within 60 days after you receive written notification of the denial of your claim. You should deliver it to the Plan Administrator.

You may submit written comments, documents, records or other information relating to your claim for the Plan Administrator (or any claims fiduciary appointed by the Plan Administrator) to consider as part of the review of your claim. You may also obtain, upon written request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits. The Plan Administrator may schedule and hold a hearing.

The Plan Administrator will notify you in writing of its decision within 60 days after receiving your request for review. The 60 day period may be extended to 120 days by the Plan Administrator so long as you are provided with written notice and the reason for the extension prior to the expiration of the 60 day period. If the claim for benefits is wholly or partially denied on review, the written notice of denial will set forth the specific reason or reasons and Plan provisions or other relevant records, documents or information on which any denial of your claim is based, as well as a statement notifying you of your right to file suit in Federal or state court and your right to receive, upon written request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits.

The Plan Administrator's decision is final, although you have the right to file suit in Federal or state court if the claim for benefits is denied, in whole or in part, on review. If you file suit in state court, the Plan has the right to remove the suit to Federal court. Your right to file suit in Federal or state court first requires that you exhaust the Plan's

administrative remedies (i.e., file a claim and complete the Plan's review process for the initial claims denial) or that the filed claim be ignored or otherwise not responded to under the Plan's claims procedure.

If an extension of time to respond to a claim or a review of a claim denial is due to your failure to submit necessary information, the deadline for providing the written notice of decision may be suspended until you provide the necessary information.

You may have an authorized representative act on your behalf under the claims procedure, but you must advise the Plan Administrator in writing of the identity of the representative.

If your claim involves a determination of your disability by the Plan Administrator or another Plan representative (other than acceptance of a determination of disability for other purposes such as a determination by the Social Security Administration for Social Security disability purposes), then an alternative claims procedure will apply. A copy of the alternative claims procedure will be provided upon written request and free of charge. Under the alternative claims procedure, the first 90 day response period will be reduced to 45 days and may be extended twice for up to 30 days each time. A request for a review of a claim denial must be made within 180 days (rather than 60 days) after the claim denial. The review will be a de novo review giving no weight to the initial denial; the claims reviewer cannot be the same individual (or his or her subordinate) who denied the claim; and, where applicable, a different medical professional will be used by the reviewer. In connection with the review, you may be entitled, upon written request and free of charge, to be provided with the identification of any medical or vocational expert whose advice was obtained on behalf of the Plan in connection with the denial of your claim. The decision on review will be provided within 45 days, although the 45 day period may be extended to 90 days by the Plan Administrator so long as you are provided with written notice and the reason for the extension prior to the expiration of the 45 day period. Other information may also be provided to you.

A copy of the Plan's claims procedure is available, without charge, upon request to the Plan Administrator.

YOUR RIGHTS UNDER ERISA

As a participant in the Plan you are entitled to certain rights and protections under ERISA. ERISA provides that all participants are entitled to:

- (1) Examine, without charge, at the office of the Plan Administrator and at other locations such as certain worksites, all documents governing the Plan, including insurance contracts (if any) and collective bargaining agreements (if any), and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- (2) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements (if any), and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- (3) 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.
- (4) Obtain a statement telling you whether you have a right to receive a retirement benefit at Normal Retirement Age (age 65) and if so, what your retirement benefit would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a retirement benefit, the statement will tell you how many more

years you have to work to get a right to a retirement benefit. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

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

If your claim for a retirement benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the status of a domestic relations order as a QDRO, you may file suit in Federal court. 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 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, for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

A FEW CLOSING WORDS

This Summary Plan Description is intended to be a broad summary of information you should know about Averett University and the Averett University Tax Sheltered Annuity Plan. The information is general in nature, and should questions or discrepancies arise, established procedures and Plan documents will be consulted for complete details and will supersede the Summary Plan Description in every occasion. The policies, benefits, and rules contained in this Summary Plan Description may be changed, modified, or deleted at any time.

You should understand that neither this Summary Plan Description nor any other communication by a management representative is intended in any way to create a contract of permanent employment. Further, as your employment is voluntarily entered into, you are free to resign at any time. Similarly, Averett University may terminate the employment relationship with you where it believes it is appropriate.

Please confer with your Supervisor or the Payroll/Benefits Department if you have any questions which are not answered by this Summary Plan Description.