

SUMMARY PLAN DESCRIPTION

for the

**SEATTLE PACIFIC UNIVERSITY
EMPLOYEE SAVINGS PLAN-403(b)**

This Summary reflects the Plan as of July 1, 2011.

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**SEATTLE PACIFIC UNIVERSITY
EMPLOYEE SAVINGS PLAN – 403(b)
SUMMARY PLAN DESCRIPTION**

I. INFORMATION ABOUT THE PLAN

A. General.

Seattle Pacific University (the “University”) established a 403(b) retirement plan on July 1, 1944, to supplement the income of employees upon retirement, and to provide benefits in the event of an employee’s death or termination of employment prior to normal retirement. That retirement plan consisted of University-employer contributions and employee 403(b) salary reduction contributions. Effective July 1, 1989, the University froze that retirement plan. No employee 403(b) salary reduction contributions or University-employer contributions were made to the frozen plan on or after July 1, 1989. Unless a plan Participant has requested a distribution of benefits, all accounts in the frozen plan as of July 1, 1989 have remained in the plan and continued to participate in the gains and losses of the funding vehicles in which they were invested.

Effective July 1, 1989 the Seattle Pacific University Frozen 403(b) Retirement Plan (the “Frozen Plan”) was replaced with two plans, a non-ERISA 403(b) tax-deferred annuity plan, referred to as the Seattle Pacific University 403(b) Tax-Deferred Annuity Plan (“Seattle Pacific University TDA”) which was comprised solely of employee 403(b) salary reduction contributions, and an ERISA 401(a) pension plan, referred to as the Seattle Pacific University Defined Contribution Retirement Plan, which is comprised solely of University contributions.

Effective July 1, 2010, the Frozen Plan and the Seattle Pacific University TDA were merged into one Plan. The new plan is named the

Seattle Pacific University Employee Savings Plan – 403(b) (the “Plan”). This summary plan description describes the Plan as of July 1, 2011.

Eligible employees may make Elective Deferrals to Plan. In addition, the Plan holds the accounts from the Frozen Plan, as of July 1, 1989, and the accounts for the Seattle Pacific University TDA. As described later in this summary, accounts from the merged plans will continue to participate in the gains and losses of the investment funds in which they are invested.

If after reading the summary you have any questions, please contact the Pension & Data Specialist at 206-281-2837 or jbelz@spu.edu.

This summary is a highlight of the more important provisions of the Plan. However, if there is conflict between a statement in this summary plan description and in the Plan document, the terms of the Plan document will control.

The legal name, address and Federal employer identification number of the employer are -

Seattle Pacific University EIN: 91-0565553
3307 Third Avenue West
Seattle, WA 98119-1957

B. Identification of Plan.

Plan Name: Seattle Pacific University Employee Savings Plan - 403(b).

Plan Number: The University has assigned 001 as the Plan identification number. The Plan Year which is the period on which the Plan maintains its records is July 1 through June 30.

C. Type of Plan.

The Plan is commonly known as a “403(b) plan.” This Plan, which holds the accounts from the Frozen Plan and the SPU TDA, as well as your Elective Deferrals made to this Plan, is intended to be subject to the Employee Retirement Income Security Act of 1974 (“ERISA”). See Section VIII for a description of your ERISA rights.

Under this Plan, there is no fixed dollar amount of retirement benefits. Your actual retirement benefit will depend on the amount of your accounts at the time of retirement. Your accounts will reflect all the contributions made to the Frozen Plan as of July 1, 1989, which include your deferral contributions, made through salary reduction contributions and the University’s annual contributions, all the Elective Deferrals you made to the SPU TDA on or after July 1, 1989, and any Elective Deferrals you make to this Plan, as well as the length of time you participate in the Plan and the success of your investing and re-investing the assets of your accounts.

While a governmental agency known as the Pension Benefit Guaranty Corporation (PBGC) insures the benefits payable under plans which provide for fixed and determinable retirement benefits, this Plan does not provide a fixed and determinable retirement benefit and the PBGC does not include this Plan within its insurance program.

D. Contact Information.

If you have any general questions about the Plan, please contact the Human Resources Department.

Ms. Jackie Belz
Human Resource Department
Seattle Pacific University
3307 Third Avenue West
Seattle, WA 98119
206-281-2837

If you have any questions about your specific account, you should contact the applicable Investment Company. The investment companies that hold assets for the Plan are Diversified Investment Advisors, Fidelity and TIAA-CREF. The Investment Company is responsible for providing you with information specific to your Annuity Contract or Custodial Account. You may contact the Investment Company for your Annuity Contract or Custodial Account by using the following information:

Diversified Investment Advisors (Diversified)
www.divinvest.com
440 Mamaroneck Avenue
Harrison, NY 10528
1-800-755-5801

Fidelity
49 North 400 West
Salt Lake City, UT 84101-1368
1-800-343-0860

TIAA-CREF
730 Third Avenue
New York, NY 10017
1-800-842-2776

E. Plan Administrator.

The University has appointed an Advisory Committee to serve as the Plan Administrator. The Human Resource Department assists with the duties of Plan Administrator. You may contact Ms. Jackie Belz, Human Resources, at the University’s address, listed below, or by calling 206-281-2837.

The Plan Administrator is responsible for providing you and other Participants information regarding your rights and benefits under the Plan. The Plan Administrator also has the primary authority for filing the reports, forms and returns that may be required by the Department of Labor and the Internal Revenue Service.

The name of the person designated as agent for service of legal process and the address where a processor may serve legal process upon the Plan are –

Jackie Belz
Pension & Data Specialist
Seattle Pacific University
3307 Third Avenue West
Seattle, WA 98119-1957

A legal processor also may serve the Plan Administrator.

The Plan Administrator has the responsibility for making all discretionary determinations under the Plan. The members of the Advisory Committee may change from time to time. You may obtain the names of the current members of the Advisory Committee from the Human Resource Department.

F. Investment Companies.

The approved Investment Company for the Plan is Diversified Investment Advisors (Diversified). Your Elective Deferrals to the Plan may be invested, at your direction, among the investment funds offered by Diversified.

Any assets you have previously invested in investment funds offered by Fidelity Investments or TIAA-CREF will remain in those investment funds until you elect to redirect those assets to investment funds held by Diversified.

Vanguard is no longer holding assets in this Plan. Any assets you had invested in the SPU

TDA in investment funds offered by Vanguard were transferred effective October 1, 2010, to investment funds with comparable risk and return characteristics offered by Diversified.

Your investment options are described in Section VI of this summary plan description.

II. ELIGIBILITY

A. Who Is Eligible to Participate in the Plan? All employees of the University are eligible to make Elective Deferrals to this Plan, except for Employees who are students of the University and whose salary or wages are exempt from FICA taxes, and employees who are non-resident aliens. A “student” is an individual enrolled and regularly attending class at the University and whose compensation for employment by the University is paid through student employment.

III. PLAN CONTRIBUTIONS

A. Employee Deferral Contributions.

1. Elective Deferrals. This Plan permits you to elect to have the University contribute on your behalf, out of your Compensation, a certain amount to the Plan through Elective Deferral contributions. Compensation eligible for Elective Deferrals is your W-2 wages.

2. General Rule. If you are an eligible employee, you may commence participation in the Plan by contacting Diversified Investment Advisors, either by using the website at www.divinvest.com or by phone at 1-800-755-5801. All eligible employees may participate in the Plan effective as of the first day of any pay period following their hire by the University. An employee shall become a Plan Participant as soon as administratively practicable following the date

the employee elects to contribute by contacting Diversified.

The election you make regarding the amount of your Elective Deferral contribution shall include your selection of the investment funds in which Elective Deferrals shall be invested. Your contribution and investment elections shall remain in effect until you notify Diversified that you wish to change your election.

If you do not elect to make Elective Deferrals upon hire, you may elect to make contributions at any time in the future. You may elect to commence Elective Deferrals effective the first day of any payroll period, by contacting Diversified, as described above.

3. Change in Elective Deferrals Election. You may change the amount of your Elective Deferrals or your investment direction for Elective Deferrals effective as of the first day of any payroll period by first contacting Diversified Investment Advisors by phone at 1-800-755-5801 or at the website, www.divinvest.com.

You may cease making Elective Deferrals with respect to amounts not yet earned by contacting Diversified. You may resume Elective Deferrals by contacting Diversified. Any election will become effective on the first payroll date coinciding with or immediately following your election.

4. Contributions Made Promptly. Elective Deferrals under the Plan shall be transferred to the applicable investment fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, unless an earlier date is required by applicable law or the terms of employment.

5. Leave of Absence. If you are absent from work as a result of a paid leave of absence, Elective Deferrals to the Plan shall continue, unless you elect otherwise.

B. Limitation on Elective Deferrals.

For any calendar year, your Elective Deferrals may not exceed a specified dollar amount, known as the “402(g) limit.” In 2011, the limit is \$16,500 and is thereafter indexed annually for inflation. Eligible Employees may contribute up to 100% of their compensation to the Plan, up to the limits under Code Section 402(g).

If your Elective Deferrals for a particular calendar year exceed the 402(g) limit, then the insurance company, Investment Company, or custodian will refund any excess amount, plus earnings (or less loss) to you.

If you participate in another 403(b) plan or any other similar arrangement which is subject to the 402(g) limitation, then your total deferral contributions to all plans may not exceed the 402(g) limitation for a calendar year. If you exceed the 402(g) limit for a calendar year because you contributed to more than one plan, you must decide which plan holds the excess amount. If you decide this Plan holds the excess amount, you must notify the Human Resource Department by March 1 of the year following the calendar year of the excess contribution. The Human Resource Department will then see that the insurance company, Investment Company, or custodian, whichever is applicable, distributes the excess amount to you, plus earnings (or less loss).

1. Special Section 403(b) Catch-up Contribution. If you have completed 15 Years of Service with the University, you may increase your annual Elective Deferrals by the lesser of the following:

- (a) \$3,000 or
- (b) \$15,000 minus amounts not included in your income in prior years by virtue of this “Catch-Up Election;” or
- (c) The excess of \$5,000 times your Years of Service with the University minus prior Elective Deferrals to all University plans under Code Sections 401(k), 403(b) and 408(k)(6).

If you think you may be eligible to make this special 15-Year Catch-Up Contribution, please contact Diversified.

2. Age 50 Catch-up

Elective Deferral Contributions. If you will attain age 50 or more by the end of the calendar year you are permitted to elect an additional amount of Elective Deferrals, up to the maximum catch-up Elective Deferrals for the year under Code Section 414(v). To make this special catch-up contribution, you must first make Elective Deferrals up to the Code § 402(g) limit, which currently is \$16,500. The maximum dollar amount of the age 50 catch-up Elective Deferrals for a year is \$5,500 for 2011, and is adjusted for cost-of-living after 2011 under the Code.

3. Coordination of

Limitation Exceptions. Elective Deferrals that exceed the basic annual limitation (\$16,500 in 2011), shall be allocated first to the special 403(b) catch-up, and next as an age 50 catch-up contribution. However, in no event can the amount of the Elective Deferrals for a year be more than 100% of your Compensation for the year.

C. Employer Contributions – Frozen Plan.

No University-employer contributions shall be made to this Plan. However, accounts and contracts merged into this Plan from the Frozen

Plan may hold assets attributable to University-employer contributions. The Plan will continue to separately account for University-employer contributions made on your behalf under the Frozen Plan.

D. Contribution Rights for Military Service.

An Employee whose employment is interrupted by qualified military service shall be allowed to make any contributions that are permitted or required under Code Section 414(u).

E. Rollover Contributions to the Plan.

If you are a Plan Participant, you may roll over a distribution from another eligible retirement plan to this Plan if certain conditions are met. You may roll over an eligible rollover distribution from a Code Section 401(a) or 403(a) qualified retirement plan, a Code Section 403(b) plan, or a Code Section 457(b) governmental deferred compensation plan. You may also roll over an eligible rollover distribution from an IRA account described in Code Section-408(a) or (b). An ordinary IRA to which you contribute cannot be rolled over to this Plan. You should consult Human Resources as to the conditions and procedures for making a rollover contribution. The amount of any rollover contribution will be invested along with the other assets of the Plan, but will be held for you in a separate rollover account and will be at all times 100% vested (nonforfeitable).

IV. VESTING

Your 403(b) accounts in this Plan are 100% vested at all times.

V. DISTRIBUTIONS

A. Timing of Payment of Benefits.

The Plan maintains individual accounts for each Participant. The payment of benefits under the Plan is governed by the terms of the Plan document, Code Section 403(b), and the investment contract distribution options and restrictions of the Investment Company and investment fund.

Distribution from assets held in a *custodial account* are available only upon the following events: (i) retirement at age 65 or older; (ii) termination of employment with the University, (iii) attainment of age 59½, even while still employed by the University unless limited by the terms of the investment fund, (iv) disability, and (v) death. Amounts attributable to Elective Deferrals may also be distributed on account of a hardship.

“Disability” under the Plan for purposes of qualifying for a distribution of your accounts means (i) a period of disability during which you qualify for disability benefits under SPU’s long-term disability plan, or (2) if you do not participate in the SPU long-term disability plan, or SPU discontinues the long-term disability plan, a period of disability during which you are determined to be totally and permanently disabled by the Social Security Administration.

Distributions from assets held in an annuity contract are available for distribution based on the terms of the annuity contract. Contact TIAA-CREF for that information.

The law requires that you commence distribution of your accounts no later than April 1 of the calendar in which you attain age 70 ½, unless you are still employed by the University on that date.

You shall be treated as having terminated employment with the University and therefore eligible for a distribution of your Elective Deferrals during any period you perform qualified military service for more than 30 days. If you elect to take a distribution under these circumstances, you may not make additional Elective Deferrals to the Plan for six (6) months.

B. Loans.

Loans may be taken from any of your assets under the Plan, as long as the assets are held in Diversified accounts. If you are married at the time you request a loan, your spouse must consent to the loan. You are limited to the following:

1. You may have only one loan from the Plan at a time.

2. The amount of the loan is limited to the lesser of (1) \$50,000, reduced by the highest outstanding loan balance incurred by you during the 12-month period ending on the day before the date on which the loan was made, or (2) 50% of the value of your accounts in the Plan.

3. Loans must be at least \$1000.

Diversified administers loans from the Plan. Please contact Diversified if you wish to take a loan from the Plan, and they will provide you with the Plan’s Loan Policy.

C. Hardship Withdrawals.

Hardship distributions are available from your Elective Deferrals held in Diversified accounts. Effective October 1, 2010, hardship distributions ceased to be available from assets held with Fidelity Investments or TIAA-CREF. If you wish to take a hardship distribution from assets held by these investment companies, you must transfer the applicable assets to

Diversified investment funds first, and then elect the hardship withdrawal.

A hardship distribution will only be approved if you have an immediate and heavy financial need and the distribution is necessary to satisfy the need. The amount of the need may include any amount necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution. If approved, your hardship distribution will only be the amount necessary to prevent or alleviate the hardship. Amounts attributable to investment earnings on your Elective Deferrals after January 1, 1989 are not eligible for distribution on account of hardship.

The following are considered heavy and immediate financial needs:

- (a) medical expenses described in Code Section 213(d) that have already been incurred by you, your spouse, your dependents, or your designated Beneficiary or Beneficiaries, or that are necessary for these persons to obtain such medical care;
- (b) purchase (excluding mortgage payments) of your principal residence;
- (c) payment of tuition, related educational fees, and room and board expenses for the next twelve months of post-secondary education for you, your spouse, your children, your dependents, or your designated Beneficiary or Beneficiaries;
- (d) the payment of amounts necessary to prevent your eviction from your principal residence or the foreclosure on the mortgage of your principal residence;
- (e) payment of burial or funeral expenses for your deceased parent, spouse, child,

dependent, or your designated Beneficiary or Beneficiaries;

- (f) expenses for the repair of damage to your principal residence that would qualify as a casualty loss deduction under Code Section 165 (determined without regard to whether the loss deduction exceeds 10% of the Participant's adjusted gross income); or
- (g) other circumstances as may be specified in regulations under the Internal Revenue Code.

Further, a distribution will be treated as necessary to satisfy a financial need if you reasonably represent that the need cannot be relieved:

- (a) through reimbursement or compensation by insurance or otherwise;
- (b) by reasonable liquidation of your assets (or the assets of your spouse or child that are available to you) to the extent the liquidation would not cause hardship;
- (c) by stopping your Elective Deferrals; or
- (d) by other distributions or nontaxable loans from SPU plans, including a loan from this Plan, or by borrowing from commercial sources on reasonable terms.

If you take a hardship distribution from the Plan, you cannot make additional Elective Deferrals to this Plan or any other deferred compensation plan maintained by Seattle Pacific University, for six (6) months measured from the time you receive the hardship distribution.

D. Federal Income Taxation of Benefits Paid.

If you receive a distribution from the Plan prior to your attaining age 59½, the law, with limited exceptions, imposes a 10% penalty on the amount of the distribution you receive to the extent you must include the distribution in your gross income. You should consult a tax advisor regarding this 10% penalty.

Existing Federal income tax laws do not require you to report currently as income amounts you have contributed as Elective Deferrals on the amounts the University contributed on your behalf to the Frozen Plan. However, when the insurance company and/or custodian ultimately distributes your accounts to you, such as upon your retirement, you must report as income the Plan distributions you receive. Also, it may be possible for you to defer Federal income taxation of a distribution by making a rollover to an individual retirement account, another 403(b) plan, or another eligible retirement plan. You will receive a notice explaining your rollover rights at the time a distribution from the Plan is made to you.

Mandatory income tax withholding rules apply to some distributions if you do not roll over the distribution directly to another eligible plan. At the time you receive a distribution, you will also receive an explanation of the withholding requirements and the options available to you. You should consult your own tax adviser with respect to the proper method of reporting any distribution you receive from the plan.

E. Forms of Benefit Payment.

At any time following your termination of employment with Seattle Pacific University, retirement at or over the age of 65, or attainment of age 59½, but subject to an investment fund's rates for in-service withdrawal if you remain employed by the University, you may elect to receive a distribution under any one of the following methods:

- (a) Various annuity forms, including a qualified joint and survivor annuity, a qualified optional survivor annuity, a qualified preretirement survivor annuity, or a single life annuity for the life of the Participant.
- (b) Lump sum. (Note: A lump sum is not available under certain Funding Vehicles, including the TIAA-CREF Retirement Annuities. Please contact TIAA-CREF at 1-800-842-2777 regarding certain "repurchase" options.)
- (c) Periodic Installment Payments.
- (d) A specific dollar amount as directed from time to time. (Note: This form of payment may not be available from every investment fund.)

1. What is a joint and survivor annuity?

A joint and survivor annuity provides level monthly payments to you for life and, upon your death, level monthly payments of at least 50% of your monthly payment amount to your surviving spouse for the remainder of his or her life. A 50% joint and survivor annuity with your spouse as the joint annuitant is referred to as a qualified joint and survivor annuity (QJSA), and a 75% joint and survivor annuity with your spouse as the joint annuitant is referred to as a qualified optional survivor annuity (QOSA).

For example, if, under the joint and survivor annuity, a Participant was receiving (or would have received) a monthly benefit of \$400 at the time of his death, the surviving spouse would receive a monthly pension of \$200 upon the Participant's death for the remainder of his or her life.

If you are married, your spouse must consent in writing to any election *not* to take a joint and

survivor annuity form of payment. Your spouse's written consent must be witnessed by a notary public or a Plan representative and must be obtained during the election period which commences not more than 180 days before the date your benefit payments commence.

To provide the joint and survivor annuity, the Plan would use your accounts to purchase that type of annuity contract from an insurance company. The exact monthly annuity payable to you would depend upon the amount of your accounts and the insurance company's annuity rates at the time of the purchase.

No more than 180 days prior to your distribution date, the Plan will provide you a written notice explaining the joint and survivor annuity, your waiver rights and the spousal consent requirements. The Plan will provide you an appropriate form to elect to receive your benefits in the form of a joint and survivor annuity, or to elect not to receive your benefits in that form. The form the Plan will provide you will explain the economic effect of taking your benefits in the form of a joint and survivor annuity.

In-Service Withdrawals from Rollover Accounts. In addition to the rules described above, if you have a separate account attributable to rollover contributions, it may be permissible for you to elect to receive a distribution of all or any portion of the amount held in the rollover account. Please contact the applicable Vendor to determine if there are restrictions to in-service withdrawals from your rollover account that are imposed by your specific investment funds.

2. What is a single life annuity?

A single life annuity provides level monthly payments to you for life, with all payments ceasing upon your death.

If you are not married at the time benefit payments commence, the normal form of payment under the Plan is a single life annuity, unless you elect to receive your benefits in a different form.

3. How is the amount of my annuity determined?

The annuity is purchased from an insurance company with the amount of your vested Account balances. How much you will receive each month depends on

- the value of your vested Account balances at the time benefit payments are to commence,
- the form of annuity you choose (whether joint and survivor, single life, etc.),
- your age and the age of your joint annuitant (if any) at the time benefits commence, and
- the insurance company's rates then in effect.

Prior to your retirement or the payment of your benefit, the Fund Sponsor will give you information about the amount of the annuity payments.

4. Can I waive the joint and survivor (or single life) annuity form of benefit and why might I want to?

You can waive the joint and survivor (or single life) annuity. You might want to do so if you want your benefit paid in

- a single lump sum or direct rollover or

- any other form allowed by the Plan as described below.

5. How do I waive the joint and survivor (or single life) annuity form of benefit?

- First, you must obtain a waiver and consent form from the Plan Administrator;
- Next, you must complete the waiver form and, if you are married, obtain your spouse's written consent to your waiver; and
- Finally, you must submit the completed waiver form (and consent, if required) to the Plan Administrator during the 180-day period ending on the date payment of your benefit is to begin.

Your spouse's consent to your waiver must be in writing and must be witnessed by a notary public or Plan representative. Your waiver of the joint and survivor annuity form of benefit is not effective without your spouse's consent.

6. If I waive the joint and survivor (or single life) annuity form of benefit, can I later revoke the waiver?

You may revoke your waiver at any time prior to the date as of which payment of your benefit is paid or commences to be paid.

7. What other forms of payment are available if I waive the joint and survivor (or single life) annuity form of benefit?

If you (and your spouse, if you are married) waive the joint and survivor (or single life) annuity, you may elect an alternate form of payment from the options that are available with respect to the accounts held by the respective Fund Sponsors:

(a) DIVERSIFIED INVESTMENT ACCOUNTS

The following distribution options are available with respect to vested Account balances held in mutual funds offered through Diversified:

- **Systematic Withdrawal Plan:** Under this option, you can elect to receive installments under several payment methods. Specific Dollar Method, paying specific amounts which you designate, either monthly, quarterly or annually; Specific Period Method, paying base amounts either monthly, quarterly, or annually for a specified number of years. If your distribution is a Minimum Required Distribution (MRD) then you would be able to take a distribution either monthly, quarterly or annually, paying amounts that are determined under IRS tables based on the joint life expectancy for yourself and your designated beneficiary.
- **Income Annuity:** Under this option, you can elect to purchase an annuity through Transamerica Financial Life Insurance Company. Alternately, you have the option to research outside companies for different annuities, and you can transfer your funds to those companies if you so elect.
- **Direct Rollover:** Under this option, you can elect a direct rollover of assets to either an IRA (including a Roth IRA) or to another eligible retirement plan.
- **Partial Withdrawal:** Under this option, you can elect to withdraw a portion of your account in the amounts and from the sources you designate.
- **Full Withdrawal:** Under this option, you can elect to withdraw all of your account.

(b) TIAA/CREF ACCOUNTS

The following distribution options are available with respect to Account balances held with TIAA/CREF:

- **Full or Partial Cash Withdrawal:** Cash withdrawals from the TIAA Traditional Annuity are subject to a 2.5% surrender charge and must be made no later than 120 days after termination of employment. After the 120-day period ends, you can still receive cash withdrawals from the TIAA Traditional Annuity over a 10-year period in approximately equal annual installments without a surrender charge, through the TIAA Transfer Payout Annuity. There are no surrender charges or time limits on withdrawals from the TIAA Real Estate Account or the CREF Accounts.
- **Systematic Withdrawal Service:** Under this option, you can elect to receive the TIAA Real Estate Account and CREF Account accumulations through a series of systematic payments over a period that does not exceed your life expectancy or the joint life expectancy of you and your designated beneficiary. You may specify the amount and frequency of payments. The initial amount must be at least \$100 per Account. Once payments begin they continue for the period specified. You can change the amount and frequency of payments as well as stop and restart payments.
- **Annuities:** You may elect a single life annuity, an annuity with a 5-, 10-, 15- or 20-year guarantee period, but not exceeding your life expectancy, or a joint and survivor annuity, with the survivor annuity equal to 50%, 66-2/3%, 75%, or 100% of the monthly amount payable to you during your life, or with 5-, 10-, 15- or 20-year guarantee periods, but not exceeding your life expectancy or the joint life expectancy of you and your designated beneficiary.
- **Fixed Period Payment Option:** You may elect a fixed period payment from 2 to 30 years from your TIAA Real Estate Account and CREF Accounts (but not exceeding your life expectancy or the joint life expectancies of you and your designated beneficiary).
- **Minimum Distribution Option:** If you are age 70½ or older, you may elect to receive the minimum distribution amount required under Internal Revenue Service regulations.
- **Interest Payment Retirement Option (“IPRO”):** If you are between the ages of 55 and 69½, you may elect to receive payments of the interest that would otherwise be credited to your TIAA accumulation. The IPRO is available for all or a portion (at least \$10,000) of your TIAA Traditional Annuity accumulation.
- **Retirement Transition Benefit:** Under this option, if you select a lifetime annuity, you can also elect to receive up to 10% of your annuity amount in a single sum cash payment when payment commences.
- **Small-Sum Payments:** Under this option, if you have terminated employment, you may elect to receive your entire Group Retirement Annuity (“GRA”) accumulation in a single sum, provided the total TIAA Traditional Annuity GRA accumulation is \$2,000 or less and you do not have a TIAA Transfer Payout Annuity.

(c) FIDELITY ACCOUNTS

The Custodian shall process distributions from the Account in any of the following forms at the Participant's or, if applicable, a Beneficiary's election provided that such distribution form is required or permitted under the Plan or the Plan's distribution election/direction forms:

- **Lump Sum Payment.** A total distribution of the Account in a single payment;
- **Eligible Rollover Distribution.** An Eligible Rollover Distribution (as further described in this Summary Plan Description);
- **Periodic installment payments;**
- **A specific dollar amount as directed from time to time;**
- **A fixed or variable annuity contract.** A fixed or variable annuity contract purchased from an insurance company at the Participant's instruction and distributed to the Participant, providing for periodic payments over any of the following periods as specified by the Participant: the life of the Participant, the lives of the Participant and the Participant's surviving spouse or other beneficiary, or a period certain not to exceed the period permitted under Code section 401(a)(9) and the regulations there under;
- **Annuities:** An annuity contract purchased from an insurance company which constitutes a "qualified joint and survivor annuity" as described in ERISA section 205(d)(1), a "qualified optional survivor annuity" as described in ERISA section 205(d)(2), a "qualified preretirement survivor

annuity" as described in ERISA section 205(e), or a single life annuity for the life of the Participant; or

- **Substantially equal periodic payments:** Substantially equal periodic payments as provided for in Code section 72(t)(2)(A)(iv) or its successor, provided the Participant has a severance from employment with the Employer (regardless of when it occurred), before the attainment of age 59 1/2.

8. When will my Accounts be valued for distribution purposes?

Your Accounts will be valued as of the processing date immediately preceding the date on which distribution is made to you.

F. Payment of Benefits upon Death.

If you die before you commence distribution of your accounts, except as provided below in the case of a married Participant, the accounts will be paid to your designated beneficiary. If you are married, your beneficiary will be your surviving spouse. However, you may designate someone else to receive 50% of your Account with your spouse's formal written consent.

With respect to amounts held in annuity contracts, if you are married when you die, your spouse will receive not less than 50% of your accounts paid in the form of a preretirement survivor annuity. This means your spouse would receive an annuity for life. Your spouse may waive the survivor annuity and elect a different form of payment. To purchase this annuity, the Plan would use not less than 50% of your accounts to purchase that type of an annuity contract from an insurance company. The exact monthly annuity payable to your surviving spouse would depend upon

the amount of your accounts and the insurance company's annuity rates at the time of the purchase.

If your death occurs after you have commenced distributions under the Plan, the preretirement survivor annuity does not apply and your surviving spouse's interest in your remaining accounts is subject to the distribution elections described in Paragraph E.

If you are not married or if you name someone other than your spouse as your primary beneficiary, the Plan will pay the death benefit to the beneficiary as soon as administratively practicable after your death. Your beneficiary will designate the form and the commencement date of the distribution. Special rules apply under the Internal Revenue Code with respect to the form and the commencement date of this death benefit.

If you die while on leave from employment by the University, performing qualified military service, you will be treated under the Plan as though you died while actively employed by University.

G. Loss or Denial of Benefits.

If the investment options you choose decrease in value, there will be a corresponding decrease in the value of your accounts. Therefore, it is possible that your accounts could be less than your Elective Deferrals contributions and the University-employer contributions.

H. Qualified Domestic Relations Order (QDRO).

The Plan may pay benefits from the Plan to someone other than you, even while you are still working, if required by a qualified domestic relations order (QDRO). A QDRO is a court order providing for child support, alimony, or marital property rights to a spouse, former spouse, child, or other dependent under

a state domestic relations law. You may obtain without charge a copy of the procedures governing QDROs from Diversified. If you have assets with a different vendor, please contact the Human Resource Department.

VI. INVESTING YOUR PLAN ACCOUNT

A. Insurance Company/Insurance Contracts and Custodian/Mutual Fund.

The University has appointed an Investment Committee to select the investment funds under the Plan. You may direct your current Elective Deferrals to an investment fund offered by Approved Investment Company (also referred to herein as an Approved Vendor). Any investment you made with former investment companies (also referred to herein as Former Vendors) other than Vanguard will remain in those investment funds, until you elect to transfer them to an investment fund of an Approved Investment Company. If you wish to transfer all or a portion of your plan assets held in investment funds of a Former Vendor to investment funds of an Approved Vendor, the transfer may be subject to certain restrictions. Please contact Diversified for details.

Approved Vendor: Diversified Investment Advisors.

Former Vendors (still holding accounts):

Teachers Insurance and Annuity Association (TIAA)
College Retirement Equities (CREF)
Fidelity Investments

The specific investment choices offered by Diversified Investment Advisors will be described to you in separate materials which you must carefully review before making your investment decision. Please see Exhibit A of this Summary Plan Description for a listing of

the current investment funds offered under the Plan. This Exhibit A may be updated from time to time.

The investment objectives, risk and return characteristics, and information about the type and diversification of each investment option will be available to you from Diversified. Also, immediately prior to or immediately following your initial investment in an investment option, subject to the Securities Act of 1933, you will receive a copy of the most recent prospectus of that option.

All withdrawals and benefit payments will be made directly by the applicable insurance company or custodian.

May I change my investments at an Investment Company?

Yes. Diversified offers multiple investment options and you may transfer among the options periodically. To obtain information concerning your rights to transfer among the options, or to transfer money from formerly approved investment companies to Diversified, contact Diversified.

B. Participant Direction of Investment.

You determine how your Plan Accounts are invested. Since you direct the investment of those Accounts, your return will depend on how you manage your investment, as well as investment performance of the funds.

Under the terms of the Plan, you are entitled to give investment instructions to the Plan Administrator, who is obligated to comply. You may request written confirmation that your instructions were carried out.

More details are available from Diversified (or if you have trouble obtaining this information, contact Human Resources), including:

- Annual operating expenses of each investment option offered under the Plan (investment management fees, trustees' fees, administrative and transaction costs) which are charged to your Account as a percentage of average net assets.
- Prospectuses, financial statements, and reports or other materials relating to the investment options.
- A list of assets in the portfolio of each fund, including values and the percent of the fund's cash assets.
- For fixed rate investment contracts, the name of the bank or insurance company issuing the contract, as well as the contract term and rate of return.
- Current information on the value of shares or units in mutual funds offered under the Plan with current investment performance (net of expenses).
- The value of shares or units in your account.

This Plan is intended to comply with Section 404(c) of the Employee Retirement Income Security Act and Title 29 of the Code of Federal Regulations, Section 2550.404(c)-1. Plan fiduciaries (the University and Plan Administrator) are not liable for any loss occurring as a result of your investment instructions. While the University believes the assets will appreciate in value, the University does not guarantee of investment performance.

While the University has selected the investment companies which offer investment options to you under the Plan, the University does not monitor the performance of each and every investment option offered by the Investment Company. The University does monitor the core lineup of investment funds offered by Diversified. However, the investment funds of TIAA-CREF and Fidelity are not monitored by the University.

The offerings under Diversified include fixed and variable annuities and mutual funds. The variable annuities and the mutual funds offer a broad spectrum of asset classes for investment including funds that invest in government or corporate bonds, real estate, and common stocks. The funds that invest in common stocks also offer a wide variety of asset classes including small cap, mid-cap, international, large cap, growth and value. Each of the investment companies offers you tools to determine your comfort level with risk and your investment objectives. Each of the investment companies offers asset allocation funds which are already set up to diversify across a broad spectrum of asset classes (these include the Fidelity Freedom Funds and the TIAA-CREF Sample Portfolios).

It is up to you to determine how to invest your assets in the Plan. You should review all of the available information very carefully. Please keep in mind the following general concepts as you choose and monitor your investments:

- The Plan does not guarantee the performance of any of your investments. What you ultimately receive depends on the market value and interest or dividend yield.
- You assume all the risks related to your investments. The University is not responsible for any loss that results from your exercise of control over your accounts and your choice of investments.
- Past performance is no guarantee of future results. The fact that a fund or investment receives a high rating based on past performance provides no guarantee that future performance will continue.
- The University cannot and will not provide you with investment advice. So, in making your investment choices among the options available, you have

to rely on your own research or on an expert that you trust.

- Evaluations of investment options provided you by the investment companies (TIAA-CREF and Fidelity) or any other advisor you may look to have not been endorsed by the University. These evaluations are solely the option of the entity preparing the report and are limited by the assumptions and methods that they use.
- All investments carry the risk of loss. Money market funds or fixed annuities are the least volatile and offer the least risk.
- It would not be wise to invest everything in one option. You should consider selecting a mix of investments which appropriately balances your return objectives with your tolerance for risk and is diversified.
- Consider the investment objectives, risk and return characteristics and historical performance information for each investment option.
- Before investing, study the prospectus for the applicable investment option carefully.
- Fees and expenses are one of the factors that will affect your investment return and retirement income. Compare all services received with the total cost. Cheaper is not necessarily better.
- Trying to time the market usually does not work. Pick an asset allocation strategy which suits your tolerance for risk and stay with it. Asset allocation models are available from the investment companies.
- Review information about general financial and investment concepts, such as risk and return, diversification, the effects of inflation, estimates of retirement needs, and risk tolerance. Each asset class (i.e., equities, bonds, cash, real estate) has different risks and

objectives and performs differently during various market cycles.

- Interactive investment materials may help you develop your investment strategy. These include worksheets, questionnaires and software designed to help you estimate your retirement needs and consider the effect of varying asset choices on your retirement income. These are available from the investment companies.

VII. CLAIMS PROCEDURE

You need not file a formal claim with the Plan Administrator in order to receive your benefits under the Plan. When an event occurs which entitles you to a distribution of your benefits under the Plan, you should contact Diversified regarding the distribution of your benefits. If you disagree with the determination of the amount of your benefits under the Plan or with respect to any decision the Plan Administrator may make regarding your interest in the Plan, the Plan contains the appeal procedure you should follow.

In brief, if the Plan Administrator determines it should deny benefits to you or to your beneficiary making a claim for benefits, the Plan Administrator will give you or your beneficiary adequate notice in writing setting forth specific reasons for the denial and referring you or your beneficiary to the pertinent provisions of the Plan supporting the Plan Administrator's decision. If you or your beneficiary disagrees with the Plan Administrator, you or your beneficiary, or a duly authorized representative, must appeal the adverse determination in writing to the Plan Administrator within 60 days after the receipt of the notice of denial of benefits. If you or your beneficiary fails to appeal a denial within the 60-day period, the Plan Administrator's determination will be final and binding.

If you or your beneficiary appeals to the Plan Administrator, you, or your duly authorized representative, must submit the issues and comments you feel are pertinent to permit the Plan Administrator to re-examine all facts and make a final determination with respect to the denial. The Plan Administrator, in most cases, will make a decision within 60 days of a request on appeal unless special circumstances would make the rendering of a decision within the 60-day period unfeasible. If the Plan Administrator needs an extension of time to process the appeal, you must be furnished with a written notice of extension. In any event, the Plan Administrator must render a decision within 120 days after its receipt of a request for review.

A. Retired Participant, Separated Participant with a Benefit, Beneficiary Receiving Benefits.

If you are a retired Participant or beneficiary receiving payments under the Plan, the payments you are presently receiving will continue in the same amount and for the same period you selected at retirement. If you are a Participant who has terminated employment with the University, but still has an Account in the Plan, you may obtain a statement of the dollar amount of your accounts upon request to the specific vendor. There is no Plan provision which reduces, changes, terminates, forfeits, or suspends the benefits of a retired Participant, a beneficiary receiving benefits or a separated Participant's benefit amount.

VIII. PARTICIPANT'S RIGHTS UNDER ERISA

As a Participant in the Seattle Pacific University Employee Savings Plan – 403(b), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA provides that all Plan Participants are entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specific locations, such as worksites, all documents governing the Plan, including insurance contracts, and a copy of the latest available 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 Pension & Welfare Benefits Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts, and copies of the latest available annual report (Form 5500 Series) and updated summary plan description. The Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's latest available annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.
- Obtain a statement of your account balance under the Plan. 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.

Prudent Elections by Plan Fiduciaries. In addition to creating rights for Plan Participants, ERISA imposes duties upon the people responsible for the operation of employee benefit plans. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in your interest and that of other Plan 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 benefit or exercising your rights under ERISA.

Enforcement of Your Rights. If your claim for a 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 thirty (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 Administrator.

If you have a claim for benefits that 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 qualified status of a domestic relations order, 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 your 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.

Fidelity Investments
49 North 400 West
Salt Lake City, UT 84101-1368
Telephone: 1-800-343-0860
Website: www.fidelity.com

A. Plan Directory.

Below is listed the contact information for various offices and individuals that are involved in the administration of your Plan:

Human Resources
Seattle Pacific University
3307 Third Avenue West
Seattle WA 98119-1957
Telephone: 206-281-2837
Email: jbelz@spu.edu

Diversified Investment Advisors
440 Mamaroneck Avenue
Harrison, NY 10528
www.divinvest.com
1-800-755-5801

TIAA-CREF
730 Third Avenue
New York, NY 10017-3206
Telephone: 1-800-842-2776
Website: www.tiaa-cref.org

EXHIBIT A

FUND SPONSORS AND INVESTMENT FUNDS AS OF JANUARY 1, 2011

Current Fund Sponsor:

1) Diversified Investment Advisors:

Guaranteed Pooled Fund (TFLIC)
PIMCO Low Duration Instl Fund(0bps)(MF)
PIMCO Total Return Instl Fund (0bps)(MF)
American Indep US Infl-Idx I Fund (0bps)(MF)
Principal High Yield Inst Fund (0bps)(MF)
Oakmark Equity & Income I Fund (40bps)(MF)
BlackRock Equity Dividend I Fund (25bps)(MF)
Manning & Napier Pro-Blend Max Term I Fund (20bps)(MF)
Vanguard 500 Index Signal Fund (0bps)(MF)
Alger Capital Appreciation Instl I Fund (50bps)(MF)
T. Rowe Price Mid-Cap Value Fund (15bps)(MF)
Vanguard Mid Capitalization Index Signal Fund (0bps)(MF)
BlackRock US Opportunities Instl Fund (25bps)(MF)
Target Small Capitalization Value T Fund (5bps)(MF)
Vanguard Small Cap Index Signal Fund (0bps)(MF)
Royce 100 Invmt Fund (10bps)(MF)
MFS International Value R4 Fund (15bps)(MF)
American Funds EuroPacific Gr R6 Fund (0bps)(MF)
AIM International Growth I Fund (35bps)(MF)
First Eagle Overseas I Fund (0bps)(MF)
Oppenheimer Developing Markets Y Fund (10bps)(MF)
First Amer Real Estate Secs Fund (25bps)(MF)
Vanguard Target Retirement Income Fund (0bps)(MF)
Vanguard Target Retirement 2010 Fund (0bps)(MF)
Vanguard Target Retirement 2015 Fund (0bps)(MF)
Vanguard Target Retirement 2020 Fund (0bps)(MF)
Vanguard Target Retirement 2025 Fund (0bps)(MF)
Vanguard Target Retirement 2030 Fund (0bps)(MF)
Vanguard Target Retirement 2035 Fund (0bps)(MF)
Vanguard Target Retirement 2040 Fund (0bps)(MF)
Vanguard Target Retirement 2045 Fund (0bps)(MF)
Vanguard Target Retirement 2050 Fund (0bps)(MF)

Schwab Personal Choice Retirement Account® -- Benefit payments and loans are not permitted directly from this Investment Option.

The default fund in which the accounts of Participants are invested if the Participant makes no election among the available Plan investment funds is selected by the Plan Advisory Committee, and is currently the Vanguard Target Retirement Fund listed above closest to when a Participant attains age 65.

Former Fund Sponsors (still holding accounts):

2) Teachers Insurance and Annuity Association (TIAA) - Group Retirement Annuity

3) College Retirement Equities (CREF):

CREF Equity Index	CREF Social Choice Account
CREF Stock Account	CREF Bond Market Account
CREF Global Equities	CREF Growth Account
CREF Money Market Account	TIAA Real Estate Account
CREF Inflation Linked Bond Account	

4) Fidelity Investments:

Below is a list of the investment funds offered by Fidelity Investments that hold Plan assets as of July 1, 2010. Participants who have all or a portion of their Plan Account invested in Fidelity funds may move those plan assets from a Fidelity fund to any other Fidelity fund, even if the receiving fund is not in the list below.

0003-FID FIDELITY FUND
0004-FID PURITAN
0009-FID SEL CONS STAPLES
0015-FID GNMA
0021-FID MAGELLAN
0022-FID CONTRAFUND
0023-FID EQUITY INC
0025-FID GROWTH
COMPANY
0027-FID GROWTH & INC
0028-FID SEL SOFTWARE
0032-FID INTERMED BOND
0039-FID VALUE
0041-FID SEL GOLD
0043-FID SEL ENERGY SVCS
0060-FID SEL ENERGY
0064-FID SEL TECHNOLOGY
0093-FID OTC PORTFOLIO
0094-FID OVERSEAS
0122-FID LEVERGD CO STK
0300-FID NEW MILLEN
0301-FID EUROPE
0302-FID PACIFIC BASIN
0303-FID REAL ESTATE INVS
0304-FID BALANCED
0305-FID INTL DISCOVERY
0312-FID BLUE CHIP GR
0314-FID ASSET MGR 50%

0315-FID DISCIPLND EQTY
0316-FID LOW PRICED STK
0319-FID EQUITY INC II
0321-FID ASSET MGR 70%
0325-FID DIVERSIFD INTL
0330-FID DIVIDEND GR
0337-FID MID CAP STOCK
0340-FID SMALL CAP STOCK
0349-FID LATIN AMERICA
0351-FID EMERGING ASIA
0352-FID CHINA REGION
0354-FID SEL MED EQ & SYS
0355-FID FOUR IN ONE IDX
0370-FID FREEDOM 2000
0373-FID FREEDOM 2030
0450-FID SHORT TERM BOND
0511-FID SEL CONSTR/HOUSE
0512-FID SEL TRANSPORT
0513-FID SEL NATURAL GAS
0514-FID SEL NATURAL RES
0516-FID SEL ENV ALT ENGY
0630-FID RETIRE MMKT
0631-FID RET GOVT MM
0650-SPTN 500 INDEX INV
0651-FID US BD INDEX
0718-FID FREEDOM 2040
0820-FID TOTAL BOND
1313-FID FREEDOM 2015
1314-FID FREEDOM 2025
1315-FID FREEDOM 2035
1368-FID INTL REAL ESTATE
1561-SPTN INT TR IDX INV
1618-FID FREEDOM 2050
1959-FID ASSET MGR 60%