SUMMARY OF MATERIAL MODIFICATIONS

THE EMERITI RETIREE HEALTH MODEL PLAN

AND

THE EMERITI FULLY-INSURED RETIREE HEALTH MODEL PLAN

for

FIVE COLLEGES, INCORPORATED

NOTE TO EMERITI PLAN SPONSORS: This document is a summary of material modifications to your Emeriti Plan and changes in plan administration and investment options that have been incorporated into the new Plan Document and Summary Plan Description (SPD) we are providing you. It is a draft document that you may adapt and use for an explanation to your Plan Participants of the changes from their current SPD. Please note that some of the language below is italicized and in blue: The italicized language represents features that may not be relevant to your Participants, depending on Program design decisions that you have made as Plan Sponsor. Language bracketed and highlighted in green requires plan-specific information provided by you as Plan Sponsor.

1. General.

This is a Summary of Material Modifications regarding your Emeriti Retiree Health Model Plan (the “VEBA Trust Plan”) and your Emeriti Fully-Insured Retiree Health Model Plan (the “Fully-Insured (Grantor Trust) Plan). It describes important changes to the terms of your Plan(s), as well as changes in plan administration and investment options.

This Summary of Material Modifications is intended to highlight the changes from the Summary Plan Description (“SPD”) previously provided to you for each plan. You should retain your new SPD which replaces the SPD previously provided to you.

2. Summary description of material modifications to your VEBA Trust Plan.

The changes outlined below have been made to your Plan.
a. **Account access at severance from employment**

As a Participant in the Plan, you may obtain reimbursements of Qualified Medical Expenses from your Employee After-Tax Contribution Account (and, to the extent, you satisfy the Plan’s vesting criteria, from your Employer Contribution Account) upon your termination of employment with your Employer. The $5,000 limitation before attaining age 55 has been eliminated.

Following the Affordable Care Act (ACA) standard for retiree health plans the provisions for terminal illness or injury and catastrophic medical expenses are now only available after termination of employment.

b. **Changes in dependent status of children**

Health insurance coverage is extended to children (of an eligible Participant) up to age 26, following the ACA standard, where the Emeriti’s Program’s health insurance provider agrees to do so. At this time, such coverage has been extended by Emeriti’s primary health insurer, Aetna, in 49 states and the District of Columbia. Different rules apply where Aetna coverage is not available in Minnesota. (Please note that the ACA does not impose a mandate relating to the extension of health insurance coverage to age 26 on retiree health plans and, therefore, this is a voluntary extension of coverage under the Plan.)

We have explicitly included a provision extending dependent child eligibility to include handicapped children.

c. **Change in vendors**

As you have been previously informed, the Plan’s investment manager and record keeper is TIAA-CREF and its directed trustee is the TIAA-CREF Trust Company, effective January 1, 2012. Effective as of the same date, the Savitz Organization is the third party administrator responsible for benefits processing, including the administration of health insurance coverage elections, the collection and payment of health insurance premium payments, and the administration of Qualified Medical Expense reimbursement claims.

As a result of the change in the Emeriti Program’s vendors, the following, additional changes have been made:

d. **Investment options**: The Plan now provides the following core set of TIAA-CREF Life Cycle Funds – retirement class in lieu of the series of lifecycle funds provided by the Emeriti Program’s previous investment manager and record keeper, Fidelity:

TIAA-CREF Life Cycle Fund 2010, Retirement Class Ticker: TCLEX
TIAA-CREF Life Cycle Fund 2015, Retirement Class Ticker: TCLIX
| TIAA-CREF Life Cycle Fund 2020, Retirement Class | Ticker: TCLTX |
| TIAA-CREF Life Cycle Fund 2025, Retirement Class | Ticker: TCLFX |
| TIAA-CREF Life Cycle Fund 2030, Retirement Class | Ticker: TCLNX |
| TIAA-CREF Life Cycle Fund 2035, Retirement Class | Ticker: TCLRX |
| TIAA-CREF Life Cycle Fund 2040, Retirement Class | Ticker: TCLOX |
| TIAA-CREF Life Cycle Fund 2045, Retirement Class | Ticker: TTFRX |
| TIAA-CREF Life Cycle Fund 2050, Retirement Class | Ticker: TLFRX |
| TIAA-CREF Life Cycle Fund 2055, Retirement Class | Ticker: TTRLX |
| TIAA-CREF Life Cycle Retirement Income Fund, Retirement Class | Ticker: TLIRX |

In lieu of the money market fund options previously available, the Plan now provides as part of the core set of funds:

| TIAA-CREF Money Market Mutual Fund | Ticker: TIEXX |

e. **Default investment:** If you do not affirmatively elect an investment option (or options) in which to invest your contributions and contributions made by your Employer on your behalf, the contributions will be invested in the TIAA-CREF lifecycle option appropriate to your age.

f. **Limitations on asset transfers:** You may transfer assets in your Emeriti Health Account among available investment options of your Plan at any time in amounts of $1,000 or more, or the full value of an investment position, if less than $1,000.

g. **QME reimbursement procedures:** Reimbursements for Qualified Medical Expenses are drawn only from the amounts you have invested in your Money Market Fund.

h. **Fees:** The Emeriti Program assesses the following fees: If you are an active (currently employed) Participant, you are charged a total fee of $6.67 monthly, which is comprised of a $5.00 Emeriti services fee, $1.00 Savitz services fee, and $0.67 fee charged by TIAA for trust and other services. In addition, you pay investment management fees, which are reflected in the prospectuses for the investment options made available to you under the Plan. If you are a retired Participant or a Participant who has severed service with your Employer, you are charged a total fee of $11.67 monthly, which includes the $5.00 Emeriti services fee, the $0.67 TIAA-CREF services fee, and the $6.00 Savitz services fee for transactional processing of premiums and QMEs.

Five Colleges, Inc. pays the Emeriti fee while you are employed.

### 3. **Summary description of material modifications to your Fully-Insured Grantor Trust Plan**

a. The following modifications to the VEBA Trust Plan described above also apply to the Fully-Insured (Grantor Trust) Plan:
- changes in dependent status of children
- change in vendors
- clarification of fees

b. **Fully insured benefits**: You may now seek reimbursement for other fully insured benefits from a Grantor Trust account established on your behalf, in addition to the payment of health insurance premiums provided by the Emeriti Program. (Please note that uninsured benefits may only be reimbursed from Employer-Contributions and Employee-Contributions VEBA Trust accounts).

**Please note**: The practice of charging Participant fees only one time has not changed: If you are a Participant in both the VEBA Trust Plan and the Fully-Insured Grantor Trust Plan, you will be charged the fees described above only once monthly on a per participant basis, not on a per-account basis. There are no separate fees for your eligible Dependents.