SUMMARY PLAN DESCRIPTION

FOR THE

BLUFFTON UNIVERSITY

DEPENDENT CARE EXPENSE REIMBURSEMENT PLAN

This Summary Plan Description explains the most important features of the Bluffton University Dependent Care Expense Reimbursement Plan as of January 1, 2010. READ this booklet, SHARE its contents with other members of your family, and KEEP it for future reference. BUT NOTE: THIS IS A SUMMARY ONLY. In all cases, it is the actual Plan document that controls participants' rights and benefits. If you would like to see the Plan document, copies are available upon request.
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PART I

INTRODUCTION

Bluffton University (the "Employer") has adopted the Bluffton University Dependent Care Expense Reimbursement Plan (the "Plan") to enable eligible employees to pay for qualifying dependent care expenses on a pre-tax basis. The amounts contributed to and reimbursed from the Plan are not subject to Federal and State income taxes (although your contributions may be subject to some local taxes). This Plan is intended to qualify as a dependent care assistant program under Section 129 of the Internal Revenue Code of 1986, as amended (the “Code”).

We believe this Summary Plan Description provides answers to most of the questions you might have about the Plan. If you ever have any question that is not answered by this document, please contact the Plan Administrator at the address listed on the last page.
PART II

PARTICIPATION

You may participate in the Plan on the first day of the calendar month coincident with or following the date you become an Eligible Employee. You are an Eligible Employee if you are either (i) a permanent instructional faculty member, (ii) a non-faculty salaried permanent employee, or (iii) an employee who is paid on an hourly basis, and you either are a full-time employee or you are determined to be a not-less-than-half-time employee, as determined under the Employer's Full-time Equivalence Test. Even though you may qualify to participate in the Plan, participation is voluntary. If you don't want to participate, please contact the Plan Administrator at the address shown on the last page. If you are eligible to participate, you may elect to contribute a portion of your compensation to your Plan account.

The Plan Year is January 1 through December 31. During the month of December (the "Annual Election Period"), you may elect to participate in the Plan by making an election under the Employer's Flexible Benefits Plan to reduce your compensation and allocate it to your Plan account. You may also elect under the Flexible Benefits Plan to allocate all or any of your Flex Dollars to this Plan. Such elections are made on an enrollment form (which may be obtained from the Plan Administrator) and must specify the portion of your compensation and the amount of your Flex Dollars that you want to contribute to the Plan; however, you may not contribute more than $5,000 or, if less, your annual earned income to the Plan in any one year.

The election to participate is made each Annual Election Period, although a new eligible employee may elect to participate if he or she submits an election form to the Plan Administrator within 15 days from his or her date of hire. If a Participant fails to return a completed enrollment form during the Annual Election Period, he or she will be deemed to have elected not to participate in the Plan for the following Plan Year. You should refer to the Summary Plan...
Description for the Flexible Benefits Plan for restrictions on your ability to change your election during the Plan Year.

PART III

QUALIFIED EXPENSES

You may be reimbursed from your Plan account only for Employment-Related Dependent Care Expenses that you have incurred during the Plan Year. Employment-Related Dependent Care Expenses are household expenses and child and dependent care expenses that allow you, and if you are married, your spouse to work or actively look for work. If you are married and your spouse does not work, you may not utilize this Plan unless your spouse is a full-time student or incapable of self-care.

In order for child care expenditures to be eligible for reimbursement, your child must be under age 13 and claimed on your income tax return as a dependent. If the expenditures are made to care for someone who is not your child under the age of 13, that person must be your spouse or dependent who is physically or mentally unable to care of himself or herself. Additionally, expenditures incurred for services provided outside your home will only be eligible for reimbursement if made to care for your child or children under age 13 or for a physically or mentally disabled spouse or dependent who regularly spends at least 8 hours a day in your home. Please note that child or dependent care expenses paid to your child who is under age 19 or to someone who is your dependent will not qualify for reimbursement. Some examples of eligible dependent care expenses include:

- Day care centers; care by a housekeeper whose duties include dependent care; day care centers for other qualifying eligible dependents (such as elder care centers); care by a relative who cares for your dependents, so long as that relative is not another one of your dependents or under age 19; and day camp tuition.
Eligible expenses do not include:

The cost of food, clothing and education; the cost of transportation between your house and the place where day care services are provided; expenses for which the federal child care income tax credit is taken; medical and dental expenses for you and your eligible dependents; and nursing home expenses if your dependent is confined to a nursing home.

**PART IV**

**PAYMENT FROM ACCOUNT**

You may request a reimbursement of your Dependent Care Expenses, but only up to the amounts you have already contributed to your account during the year. Claims for reimbursements shall be made by submitting a reimbursement form to the Plan Administrator. That application must specify:

(a) the amount, date and nature of the expense for which reimbursement is requested;

(b) the name and age of the dependent with respect to whom the Expense was paid or incurred;

(c) the name, address and, except for entities exempt from federal income tax under Section 501(c)(3) of the Code, the taxpayer identification number of the person or entity to or with whom the expense was paid or incurred; and

(d) any other information required by the Employer.

The application also must be accompanied by original bills, invoices, receipts, canceled checks or other statements showing the amounts of the expenses, together with any additional substantiation which the Employer may request. Please note that any unclaimed amounts remaining in your Dependent Care Expense Account after the end of the reimbursement period for a Plan Year will be forfeited. Consequently, you should select your annual contribution amount very carefully because you will lose the amounts you do not use.
All applications for payment or reimbursement for a Plan Year must be submitted to the Plan Administrator no later than 60 days following the end of the Plan Year in which the claim was incurred (currently by March 1st). Generally, if you submit an acceptable (completed, timely and fully-documented) claim, you should receive your reimbursement check no later than the following payroll period.

To the extent that all or a portion of a claim for payment or reimbursement is not paid because of an insufficient balance in your Dependent Care Expense Account at the time the claim is submitted, those expenses will be carried over and paid if and when you have added sufficient contributions to your Dependent Care Expense Account.

Not later than January 31 of each calendar year, you will receive a written statement showing the amounts paid to you from your Dependent Care Expense Account during the prior calendar year.

**PART V**

**THE PLAN VS. THE DEPENDENT CARE TAX CREDIT**

There are two ways you may reduce your taxes when paying for dependent care -- utilize a dependent care plan like this one, or claim the federal child care tax credit (which is part of your federal income tax return). However, you cannot use this Plan and the federal child care tax credit for the same expenses. Thus, you must choose which one to use.

The federal child care tax credit equals 35% of your eligible dependent care expenses up to $3,000 for one dependent and $6,000 for more than one dependent, where the 35% figure is reduced by one percentage point for every $2,000 that your adjusted gross income exceeds $15,000, but not to be reduced below 20%. For example, if your adjusted gross income is $45,000, you are single and have one child, and your dependent care expenses for the year amount to $5,000, your tax credit would be $600 (20% of $3,000). However, if you utilized the
Plan and contributed $5,000 to your account in 2005, you would have saved $1,250 in taxes (25% marginal tax rate x $5,000).

You will need to decide if you want the tax advantage of this Plan or if you want to utilize the federal income tax credit. The best outcome for you will vary depending on your income level and the amount you spend on dependent care. To help you decide which option is better for you, please see your tax advisor.

**PART VI**

**CLAIMS AND APPEALS PROCEDURES**

If you have a claim denied by the Plan, you will receive written notice within 60 days of the receipt of your claim. You may file an appeal with the Plan Administrator. That appeal must be delivered within 60 days after you receive the Committee's written notice denying your claim. The Committee will decide your appeal and notify you of its decision, in writing, within 60 days or receiving your appeal, or within 120 days if special circumstances require an extension. You may appear before the Committee to present your claims. The decision by the Committee will be final and conclusive.

**PART VII**

**AMENDMENT AND TERMINATION**

While the Employer expects to continue the Plan, it reserves the right to amend or terminate the Plan at any time. However, the Plan may not be amended or terminated with respect to any claims already incurred, except that the Employer may amend the Plan to comply with any laws or regulations relating to tax-qualified retirement plans or trusts, even if that amendment reduces benefits you already have earned.
PART VIII

MISCELLANEOUS

Neither the creation of the Plan nor any amendment to it gives any legal or equitable right to any person against the Employer, its officers or employees, except as provided in the Plan. All liabilities under the Plan will be satisfied, if at all, only through the Plan. Participation in the Plan does not give any Participant any right to continued employment.

The Plan will be construed and enforced according to the laws of the State of Ohio to the extent those laws are not preempted by federal law.

PART IX

GENERAL PLAN INFORMATION

A. PLAN NAME: Bluffton University Dependent Care Expense Reimbursement Plan.

B. PLAN NUMBER: 503.

C. PLAN TYPE: Code Section 129 Dependent Care Assistance Program.

D. PLAN YEAR: January 1 through December 31.

E. PLAN ADMINISTRATOR AND EMPLOYER:

Bluffton University Dependent Care Expense Reimbursement Plan Committee
1 University Dr.
Bluffton, Ohio 45817-2104
TELEPHONE: (419) 358-3000
EIN #: 34-4428207

F. AGENT FOR RECEIPT OF LEGAL PROCESS:

Bluffton University Dependent Care Expense Reimbursement Plan Committee
1 University Dr.
Bluffton, Ohio 45817-2104
TELEPHONE: (419) 358-3000