

The Minister's Retirement Program of the
Original Free Will Baptists of North Carolina

As Amended and Restated

January 1, 2010

THE MINISTER'S RETIREMENT PROGRAM
OF THE
ORIGINAL FREE WILL BAPTISTS OF NORTH CAROLINA

The State Convention of the Original Free Will Baptists of North Carolina, acting through the North Carolina Board of Superannuation, does hereby amend and restate in its entirety its Ministerial Retirement System, effective January 1, 2010. The intent of this amendment and restatement is to consolidate all previous amendments into a single plan document and to make the changes required by the final regulations under Section 403(b) of the Internal Revenue Code of 1986 ("Code"). This Plan is known as the Minister's Retirement Program of the Original Free Will Baptists of North Carolina. It is a tax sheltered annuity plan under Section 403(b) of the Code.

ARTICLE I
DEFINITIONS

As used herein, the following words and phrases shall have the meaning indicated unless otherwise defined or required by the context:

Section 1.01 ACCOUNTING DATE - The words "Accounting Date" shall mean the last day of each Plan Year (December 31).

Section 1.02 ACCRUED BENEFIT - The words "Accrued Benefit" shall mean the accumulated monthly retirement benefit as of December 31, 1982 standing to the credit of each member of the Prior Plan, as shown on the records maintained by the Board.

Section 1.03 ACCUMULATION FUND - The words "Accumulation Fund" shall mean the sums of money, adjusted for gains or losses thereon, credited to Members' Individual Accounts under the TSA Plan.

Section 1.04 ANNUITY FUND - The words "Annuity Fund" shall mean a separate and distinct fund maintained as a part of this amended and restated Minister's Program for the purpose of funding the benefits provided by the Supplemental Annuity Plan.

Section 1.05 BENEFICIARY - The word "Beneficiary" shall mean the person or persons (who may be designated contingently or successively or may be an entity other than an actual person) designated by the Member from time to time as his Beneficiary or Beneficiaries to whom his plan benefits are paid if he dies before receipt of all such benefits. Each Beneficiary Designation shall be in a form prescribed by the Board during the Member's lifetime. Each Beneficiary Designation filed with the Board will cancel all Beneficiary Designations previously filed with the Board. The revocation of the Beneficiary Designation, no matter how effected, shall not require the consent of any designated Beneficiary.

If any Member fails to designate a Beneficiary in the manner provided above or the Beneficiary designated by a Member dies before the Member or before complete distribution of the Member's benefit, such Member's benefit (or the balance thereof) shall be paid as follows:

- (a) To the surviving spouse of the Member.
- (b) If there is no surviving spouse, in equal shares to the living children of the Member and to the issue of a deceased child who shall take, per stirpes, the share the deceased child would have received if living.
- (c) If there is no surviving spouse and no surviving issue, to the estate of the last to die of such Member and his Beneficiary or Beneficiaries (if any).

Section 1.06 BOARD - The word "Board" shall mean The Free Will Baptist Minister's Program.

Section 1.07 CHURCH - The word "Church" shall mean each local congregation of the Original Free Will Baptists of North Carolina, which calls and employs its ministers from a list of ordained ministers maintained by the Conference of which the individual congregation is a member.

Section 1.08 COMPENSATION - The word "Compensation" shall mean the total salary, wages, overtime, bonuses or other compensation paid to a Member during a Plan Year by the Church, the Conference, the Convention, or agency or board thereof.

Section 1.09 CONFERENCE - The word "Conference" means the organization of Churches in a particular region, with the Conference having final authority in any dispute which may arise in a local Church. The Conference ordains ministers and, from this list of ordained ministers, the Churches employ their own individual ministers without the necessity of obtaining approval of the Conference or Convention.

Section 1.10 CONVENTION - The word "Convention" shall mean the State Convention of the Original Free Will Baptists of North Carolina, which by Resolution created and sponsors for the benefit of the Conferences and the Churches, which are members of each of the Conferences, the Board of Superannuation, the Church Finance Association, the Free Will Baptists Children's Home, Cragmont Assembly, and Mt. Olive College. Once each year the Conferences meet to approve the work of the State Convention.

Section 1.11 DISABILITY - The word "Disability" shall mean the permanent and total disability by reason of any medically determinable physical or mental infirmity of a Member to perform his usual services with his Employer. The determination of the existence of disability shall be made by the Board on the basis of the certification of a physician appointed by the Board and such other medical reports as the Board shall deem necessary and desirable. The Board may find disability permanent and total if it can be expected to be of long continued and of indefinite duration without reasonable likelihood of improvement or to result in death.

Section 1.12 EFFECTIVE DATE - The word “Effective Date” shall mean the effective date of this amended and restated Plan, which shall be January 1, 2010, except as such other subsequent effective dates are provided herein as to specific provisions of this Plan.

Section 1.13 EMPLOYEE - The word “Employee” means a duly ordained minister or lay employee employed by a Church, Conference, Convention or agency or board thereof of the Original Free Will Baptists of North Carolina.

Section 1.14 EMPLOYER - The word “Employer” means a Church, Conference, Convention, or agency or board thereof of the Original Free Will Baptists of North Carolina.

Section 1.15 FLOOR PENSION - The words “Floor Pension” mean the sum of the projected monthly retirement benefit under the Prior Plan, on the assumption that the 1982 contributions to such Plan would continue until Normal Retirement Date and provide monthly retirement benefits as determined by the Prior Plan based upon such contributions, plus the Accrued Benefit as of December 31, 1982. The total of these two benefits will represent a minimum monthly income benefit guaranteed for all members of the Prior Plan who became Members of this amended and restated Plan effective January 1, 1983 and will assure that they will receive not less at retirement than they would have under the former plan if it had been continued in effect. The Floor Pension will be adjusted downward for any year in which the actual contributions are less than the assumed 1982 level.

Section 1.16 FORFEITURE - The word “Forfeiture” shall mean the part of the Employer Contribution Account balance of a Member which he forfeits by operation of the Plan.

Section 1.17 INCLUDIBLE COMPENSATION - The words “Includible Compensation” shall mean includible compensation as defined in Code Section 403(b)(3) of the Internal Revenue Code of 1986.

Section 1.18 INDIVIDUAL ACCOUNT - The words “Individual Account” shall mean an account for each Member maintained under the TSA Plan, consisting of the following subaccounts:

- (a) Member Contributions Account - The amounts identified by detailed records of contributions made by each Member in accordance with Section 3.01 and earnings or losses credited or charged to each Member on such amounts in accordance with terms of the Plan; and
- (b) Employer Contribution Account - The amounts identified by detailed records of Matching Contributions made on behalf of a Member, and earnings and losses credited or charged on such accounts in accordance with the terms of the Plan; and
- (c) Prior Plan Account - This applies only to members of the Prior Plan and is an amount equal to the greater of (1) the actuarial present value as of December 31, 1982 of the Accrued Benefit of the member, or (2) the total of his Prior Plan

contributions to December 31, 1982, without interest, and earnings or losses credited or charged to each Member on such amounts in accordance with the terms of the Plan.

Section 1.19 MATCHING CONTRIBUTIONS - The words “Matching Contributions” shall mean Employer contributions made on behalf of Members in accordance with Section 3.02.

Section 1.20 MEMBER - The word “Member” shall mean any Employee who elects to become a member of this Plan pursuant to the procedures provided in Article II.

Section 1.21 MEMBER CONTRIBUTIONS - The words “Member Contributions” shall mean contributions made by Members by salary reduction in accordance with Section 3.01.

Section 1.22 NONTRANSFERABLE - The word “Nontransferable” shall refer to the restrictions required by Section 401(g) of the Internal Revenue Code as they relate to the TSA Plan.

Section 1.23 NORMAL RETIREMENT DATE - The words “Normal Retirement Date” shall mean the 65th birthday of a Member.

Section 1.24 PLAN - The word “Plan” shall mean The Minister’s Retirement Program, consisting of the TSA Plan plus the Supplemental Annuity Plan, as contained herein, as amended and restated effective January 1, 1983, as amended and restated again, effective January 1, 1988, and as amended and restated again hereby, effective January 1, 2010, and as it may be further amended from time to time. The Plan shall comply with those portions of Section 403(b) of the Internal Revenue Code of 1986 which apply to churches and conventions of churches.

Section 1.25 PLAN YEAR - The words “Plan Year” shall mean each 12-month period beginning with January 1 and ending December 31 of each year.

Section 1.26 PRIOR PLAN - The words “Prior Plan” shall mean the Ministerial Retirement System as it existed on or prior to December 31, 1982. Any benefits payable to a Member because of entitlement occurring after December 31, 1982 shall be determined and paid in accordance with the provisions of the Plan instead of the provisions of the Prior Plan.

Section 1.27 QUALIFIED MILITARY SERVICE - Effective December 12, 1994, notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code.

Section 1.28 RETIRED MEMBER - The words “Retired Member” shall mean any member who has retired from the Church and is entitled to receive retirement benefits provided by the Plan.

Section 1.29 SALARY REDUCTION AGREEMENT - The words “Salary Reduction Agreement” shall mean an agreement between a Member and the Employer to reduce the

Member's compensation for the purpose of making contributions to the Member's TSA Plan as called for in Section 3.01.

Section 1.30 SUPPLEMENTAL ANNUITY PLAN - The words "Supplemental Annuity Plan" shall mean that part of the Plan whose purpose is (a) to assume and continue lifetime annuity payments to retirees of the Prior Plan, (b) to provide a supplemental Floor Pension Plan for participants in the Prior Plan under the Plan, and (c) to provide, when future members reach Normal Retirement Date, for the conversion of their Individual Accounts accumulated under the TSA Plan to annuities payable for their lifetimes.

Section 1.31 TSA PLAN - The words "TSA Plan" shall mean that part of the Minister's Program whose purpose is (a) to accumulate contributions on behalf of each Member made pursuant to his Salary Reduction Agreement as provided in Section 3.01 and to accumulate Matching Contributions made pursuant to Section 3.02, (b) to invest these contributions as provided in Section 3.04, and (c) to maintain the Prior Plan Contributions described in Section 4.03 in order to provide for each Participant's retirement, death and disability benefits.

Section 1.32 YEARS OF SERVICE - The words "Years of Service" shall mean the years of service of a Member as defined in Section 403(b)(4) of the Internal Revenue Code of 1986.

ARTICLE II ELIGIBILITY AND PARTICIPATION

Section 2.01 CONDITIONS OF ELIGIBILITY - An Employee is eligible to participate in this Plan on the first day of the calendar quarter following the date the Employer and Employee execute a Salary Reduction Agreement and the Employer agrees to make matching contributions required by the Plan.

Section 2.02 DURATION OF AGREEMENT - An election to participate shall become effective the first day of the calendar quarter specified in the Salary Reduction Agreement and shall continue until such Salary Reduction Agreement is revised or terminated or until termination of the Plan as provided in Article VII.

Section 2.03 AGREEMENT CHANGES - A Member may revise a Salary Reduction Agreement from time to time but not more than once in a 12-month period. Such a revision may include a change, termination, or resumption of a Salary Reduction Agreement.

Section 2.04 PARTICIPATION AND ACCEPTANCE - The establishment of the Plan or any modification thereof shall not give any Member or other person any legal or equitable right against the Employer not specifically provided for in the Plan. No provision of the Plan shall be deemed to abridge or limit any managerial right of the Employer or to give any Employee of such organizations or Member the right to be retained in employment of the Employer or to interfere with the right of the Employer to discharge any Employee or Member at any time regardless of the effect which such discharge will have upon him as a Member. Each

member, for himself and for his heirs, assigns, and Beneficiaries, shall be deemed, conclusively, by his act or participation herein to agree to and accept the terms and conditions of the Plan.

ARTICLE III
CONTRIBUTIONS

Section 3.01 MEMBER CONTRIBUTIONS –

(a) CONTRIBUTION LIMITS - The Employer shall make contributions on behalf of each Member in the amount and at the time elected by the Member in his Salary Reduction Agreement. Such amounts shall be credited to the Member's Member Contributions Account. Such amounts for a Plan Year shall not be less than \$30 per year and not more than the lesser of :

(1) Salary Deferral Limit - The dollar limit in effect under Code § 402(g) (the "402(g) limit"); or for all Members who have attained age 50 before the close of the Plan Year, the 402(g) limit, plus catch-up contributions made in accordance with, and subject to the limitations of, Code § 414(v).

(2) Defined Contribution Limit - An amount, when added to Employer Contributions as provided in Section 3.02, that does not exceed the lesser of 100% (25% before 2002) of the Member's 415 Compensation for the Plan Year, or the dollar limit in effect for the Plan Year under Code § 415(c).

For employees, "415 Compensation" means the total wages within the meaning of Code § 3401(a) (for purposes of income tax withholding at the source) but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code section 3401(a)(2)), plus any elective deferrals as defined in Code section 402(g)(3) and any amount which is contributed by the Employer at the election of the Member and which is not includible in the Member's gross income by reasons of Code sections 125, 457, or effective January 1, 2001, 132(f)(4).

For Members who are not employees, "415 Compensation" means "earned income" within the meaning of Code § 401(c)(2), plus any elective deferrals as defined in Code section 402(g)(3) and any amount which is contributed by the Employer at the election of the Member and which is not includible in the Member's gross income by reasons of Code sections 125, 457, or effective January 1, 2001, 132(f)(4).

415 Compensation for any Plan Year will be limited to such amount as may apply under Code sections 403(b)(12) and/or 401(a)(17).

Effective January 1, 2008, payments made after the Member severs employment with the Employer shall not be included in Compensation unless:

- (A) The payment is made by the later of 2 1/2 months after a Member's termination from employment or the end of the Plan Year that includes the date of the Member's termination from employment; and
- (B) The payment is for regular compensation for services during the Member's regular working hours; compensation for services outside the Member's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; or compensation to cash out paid time off and sick bank, where applicable; and
- (C) The payment would have been paid to the Member if the Member had continued in employment.

Section 3.02 EMPLOYER CONTRIBUTIONS –

- (a) EMPLOYER CONTRIBUTION - The Employer shall contribute to the Plan for the current Plan Year an amount equal to 25% of the aggregate Member Contributions made during the Plan Year

Further, for the Plan Year ending December 31, 2002, the Convention shall contribute to the Plan an amount determined by the Board. Such contribution shall be referred to herein as the "2002 Employer Contribution." The 2002 Employer Contribution shall be allocated to the Employer Contribution Accounts of all Members who are active Employees of the Employer on December 31, 2001. The 2002 Employer Contribution shall be allocated among such active Employees pro rata on the basis of their Accumulation Account balances determined as of December 31, 2001.

Such Employer contributions shall be credited to the Member's Employer Contribution Account.

- (b) ACCUMULATION FUND - The Employer contributions shall be paid into the Accumulation Fund at the same time that the Member Contributions are remitted to such Fund.
- (c) MAXIMUM EMPLOYER CONTRIBUTIONS - Notwithstanding subsection (a) of this Section, the maximum amount of contributions made by the Employer on

behalf of any Member shall not, when added to Member Contributions, exceed the Defined Contribution Limit set forth in Section 3.01(a)(2).

Section 3.03 TIME OF PAYMENT OF CONTRIBUTIONS - Contributions as deducted from the Member's compensation, together with the Employer matching contribution, will be remitted to the Board within 10 days from the end of the month in which deducted.

Section 3.04 MEDIUM OF FINANCING THE PLAN - The Board will invest contributions made to the Plan in deposits insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Corporation. Any payment of benefits will be handled by the Board out of liquid funds which it will maintain for this purpose.

Section 3.05 EXCLUSIVE BENEFIT - It shall be impossible for any part of the Accumulation Fund to be used for, or diverted to, purposes other than for the exclusive benefit of Members or their Beneficiaries. However, upon the Employer's request, contributions which were made by mistake of fact shall be returned to the Employer within one year after the payment of the contributions.

Section 3.06 INDIVIDUAL STATEMENTS - The Board shall inform each Member annually of the then balance of his Employer Contribution Account under the Accumulated Fund.

ARTICLE IV
ADMINISTRATION AND ALLOCATION OF CONTRIBUTIONS

Section 4.01 MEMBER'S CONTRIBUTIONS -

- (a) The Board shall establish and maintain within the Accumulation Fund a separate account for each Member known as the Member's Contribution Account. The Board shall keep all necessary records concerning each Member's Contribution Account.
- (b) The Board shall adjust each Member's Contribution Account each year as of the Accounting Date to reflect the effect of annual Member Contributions and the effect of any income received or accrued, realized and unrealized profits and losses, expenses, and all other transactions of the preceding year. These adjustments shall be reflected in an annual statement furnished to each Member by the Board.
- (c) The determination of the Board as to the proportion of net increase or decrease in the value of the Accumulation Fund attributable to Members' contributions to be allocated among the Members shall be conclusive. The Board shall incur no liability for any determination required hereunder if made in good faith.
- (d) The fact that allocations shall be made and credited to a Member's Contribution Account shall not vest in such Member any right, title or interest in and to any assets except at the time or times and upon the terms and conditions expressly set forth in this Plan.
- (e) The Member's Contribution Account shall at all times be fully vested and nonforfeitable but shall only be paid under conditions and at times set forth in Article VI. There shall be no distribution or withdrawal from the Member's Contribution Account except in accordance with the provisions of Article VI of the Plan.

Section 4.02 EMPLOYER'S CONTRIBUTION -

- (a) The Board shall establish and maintain within the Accumulation Fund a separate account for each Member known as the Employer Contribution Account. The Board shall keep all necessary records concerning each Employer Contribution Account.
- (b) The Board shall adjust each Member's Employer Contribution Account each year as of the Accounting Date to reflect the effect of the additional Employer contributions and the effect that any income received or accrued, realized or unrealized profits and losses, expenses and all other transactions of the preceding period. These adjustments shall be reflected in an annual statement furnished to each Member by the Board.

- (c) The determination of the Board as to the proportion of net increase or decrease in the value of the Accumulation Fund attributable to Employer contributions to be allocated among the Members shall be conclusive. The Board shall incur no liability for any determination required hereunder if made by it in good faith.
- (d) The Employer's Contribution Account shall at all times be fully vested and nonforfeitable but shall only be paid under conditions and at times set forth in Article VI. There shall be no distribution or withdrawal from the Employer's Contribution Account of a Member except in accordance with the provisions of Article VI of the Plan.

Section 4.03 PRIOR PLAN CONTRIBUTIONS -

- (a) The Board shall establish and maintain within the Accumulation Fund for each member of the Prior Plan a separate account for such member known as the Prior Plan Contribution Account. The Board shall keep all necessary records concerning each Prior Plan Contribution Account.
- (b) The Board shall adjust each Member's Prior Plan Contribution Account each year as of the Accounting Date to reflect the effect of any income received or accrued, realized and unrealized profits and losses, expenses and all other transactions of the preceding period. These adjustments shall be reflected in an annual statement furnished to each Member by the Board.
- (c) The Board shall maintain as part of its records on the Prior Plan Contribution Account the sum total of the Member's Prior Plan Contributions, with interest.
- (d) The Prior Plan Contributions Account shall at all times be fully vested and nonforfeitable but shall only be paid under conditions and at times set forth in Article VI. There shall be no distribution or withdrawal from the Prior Plan Contribution Account of a member except in accordance with the provisions of Article VI of the Plan.

Section 4.04 INDIVIDUAL ACCOUNT OF MEMBER -

- (a) The Member's Individual Account will be the basis for determining his retirement, death and disability benefits.
- (b) At retirement, the Member's Individual Account will be transferred to the Annuity Fund and a lifetime annuity income will be provided to the Member and/or his Beneficiary from this Fund.

ARTICLE V

ADMINISTRATION AND VALUATION OF SUPPLEMENTAL ANNUITY PLAN

Section 5.01 PURPOSE OF SUPPLEMENTAL ANNUITY PLAN - The purpose of the Supplemental Annuity Plan is to provide a way and means of continuing lifetime annuity payments to Retired Members as of the date of this amendment and restatement of the Plan, to provide for deficiency in income benefits for participants of the Prior Plan under the Floor Pension guarantees of the revised and amended Plan, and to provide a way and means of distributing the Accumulation Fund for each Member under the TSA Plan.

Section 5.02 ACTUARIAL ASSUMPTIONS UTILIZED - In determining the actuarial present value of the Accrued Benefit to be transferred over to the TSA Plan as a Prior Plan Contribution Account for each Member, the 1971 Group Annuity Mortality Table and 7% interest rate has been utilized. To convert the Member's Individual Account to a monthly annuity pursuant to Section 6.01(b), the following actuarial assumptions will be utilized:

- (a) Prior to January 1, 1997: 1971 Group Annuity Mortality Table, and 7% interest.
- (b) January 1, 1997 through December 31, 2006: UP 1984 Mortality Table set forward one (1) year, and the PBGC immediate annuity rate in effect on the January 1 coinciding with or preceding the retirement date.
- (c) January 1, 2007 and forward: RP-2000 Male Mortality Table; and the average 10-year Treasury Bond rate for the month of November preceding the calendar year of retirement, minus 1/2 of 1%.

Effective January 1, 1997, at the discretion of the Board the annuity form of payment may be provided by the purchase of an annuity contract from an insurance carrier selected by the Board with an amount equal to the Member's Individual Account, in which case the monthly amount payable to the Member shall be the amount payable under the monthly annuity.

The actuarial assumption for purposes of actuarial valuations of Plan liabilities will be selected by a qualified actuary and will be reviewed periodically and revised if necessary to reflect the emerging experience of the Supplemental Annuity Plan.

Section 5.03 ANNUAL ACTUARIAL VALUATION - The Annuity Fund will be valued annually by a qualified actuary and the amount of funds required to be on hand determined and suitable contingency reserved established to protect and guarantee the continued payment of annuity benefits under the Plan.

ARTICLE VI
BENEFITS

Section 6.01 PAYMENT OF BENEFITS -

- (a) Written Application For Benefits - Payments of all benefits under the Plan shall be subject to written application by the Member or Beneficiary, as the case may be, submitted in such form as the Board may direct from time to time.
- (b) Normal Retirement - Normal Retirement Benefits shall be paid as a monthly annuity for the lifetime of the Member with or without survivorship benefits, as he may elect under the provisions of Section 6.02. The Member's Individual Account under the TSA Plan will be transferred to the Annuity Fund and utilized under the actuarial assumptions established from time to time for the Supplemental Annuity Plan to provide the annuity requested. The annuity will normally be provided directly by the Board but the Board reserves the right to purchase a commercial annuity, from a life insurance company licensed to do business in North Carolina, to provide such benefit, if, in its sole discretion, it deems such action to be in the best interest of the Plan and the Members.
- (c) Death, Disability, and Termination of Employment - Any benefit due to death, disability, or termination of employment shall be paid in a lump sum; or, if the Member or Beneficiary so elects, it may be paid out in installments not to exceed five years.
- (d) Determination of Individual Account Value - The Individual Account of the Member will be determined as of the Accounting Date preceding the determination of benefits, adjusted for Member Contributions and matching Employer contributions that may have been made since such date up to the date of determination of the benefit.

Section 6.02 METHODS OF PAYMENT AT RETIREMENT -

- (a) The normal method of payment of the benefit to which a Member is entitled at Normal Retirement, Early Retirement, or Delayed Retirement Date shall be a single life annuity with income payments terminating at the Member's death. However, if that Member was also a Member of the Prior Plan, the normal method of payment shall be a modified cash refund annuity under which there will be a minimum guaranteed payout of the sum of Member Contributions, without interest, under the Prior Plan.
- (b) However, at the request of a Member, one of the following options may be elected:
 - (1) A reduced annuity to be payable for a term certain such as 120 months and life thereafter.

- (2) A reduced annuity for the lifetime of the Member with 100% of the annuity continued to the contingent annuitant for life following the death of the Member.
- (3) A reduced annuity payable for the lifetime of the Member with 50% of the annuity continued to the contingent annuitant for life following the death of a Member.
- (4) Any actuarially equivalent method of payment involving a life annuity, provided that any certain period shall not exceed the life expectancy of the Member, or if applicable, the joint life expectancy of the Member and his contingent annuitant.
- (5) A single lump sum payment equal to the Member's Individual Account. Any retiree retiring on or after January 1, 1997, but prior to the adoption of this amendment, who elected an annuity form of payment will be offered a one-time election to receive a lump sum payment in lieu of continuing the annuity payments. The lump sum payment will be equal to the Member's Individual Account on the date annuity payments commenced, increased at the same rate used to convert the Member's Individual Account to an annuity, and reduced by benefit payments already received.

Any payment made in the form of an annuity shall be made by either:

- (1) Providing payments directly from the Plan, with a guarantee by the Employer against its general assets that in the event any annuity payments cannot be made from the Plan, the Employer will pick up and pay any remaining payments; or
 - (2) At the discretion of the Board the annuity form of payment may be provided by the purchase of an annuity contract from an insurance carrier selected by the Board. At the discretion of the Board a Nontransferable annuity contract for this purpose may be distributed to the Member.
- (c) Eligible Rollover Distributions. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- (1) Definitions. For purposes of this Section, the following terms shall have the following meanings:

- (A) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments made (not less frequently than annually) for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code section 401(a)(9); any distribution which is made upon the hardship of the Participant; and any other distribution which is not an eligible rollover distribution under applicable law. The maximum amount which may be transferred in an eligible rollover distribution shall not exceed the maximum amount as defined in Code section 402(c)(2). A portion of the distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax Member Contributions which are not includible in gross income. Notwithstanding the provisions of subsection 6.11(b)(2) below, such portion may only be transferred: (i) in a direct rollover to an annuity plan described in Code section 403(b), which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible; or (ii) to an individual retirement account or annuity described in Code section 408(a) or 408(b).
- (B) Eligible retirement plan: An eligible retirement plan is any one of the following to the extent that it accepts the distributee's eligible rollover distribution: an individual retirement account described in Code section 408(a), an individual retirement annuity described in Code section 408(b), an annuity contract described in Code section 403(b) (including custodial accounts described in section 403(b)(7) of the Code and retirement income accounts described in section 403(b)(9) of the Code), a qualified trust described in Code section 401(a), an annuity plan described in Code section 403(a), an eligible deferred compensation plan described in Code section 457(b) which is maintained by an eligible employer described in Code section 457(e)(1)(A), or any other plan or arrangement determined to be, under applicable law, an eligible retirement plan with respect to a distribution from a retirement income account described in Code section 403(b)(9).
- (C) Distributee: A distributee includes a Member or former Member. In addition, the Member's or former Member's surviving Spouse and the Member's or former Member's Spouse or former Spouse

who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p), are distributees with regard to the interest of the Spouse or former Spouse.

- (D) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

Section 6.03 NORMAL RETIREMENT BENEFITS - Each Member upon attaining his 65th birthday shall be eligible to retire on that date and his Individual Account shall be fully vested and nonforfeitable. The amount in his Individual Account shall be determined as provided in Section 6.01(d). The benefit payable will be a life annuity with or without survivorship benefits. For this purpose the amount in the Accumulation Fund will be transferred to the Annuity Fund and applied under the Supplemental Annuity Plan to provide such annuity.

Section 6.04 DELAYED RETIREMENT BENEFITS - The Member may remain in the active employment of the Employer beyond his Normal Retirement Date. He shall be eligible to retire on his Delayed Retirement Date, which shall be the first day of any month following his Normal Retirement date, provided he gives the Board at least 30 days prior written notice of his intended retirement date. The Member may continue his Salary Reduction Agreement and the Employer continue to make matching contributions during this continued employment and the Member's Individual Account will share in all earnings and losses during such period. Upon actual retirement, the Member shall be entitled to the benefit of his Individual Account as provided in Section 6.01(d), which may be converted to an annuity through the Supplemental Annuity Plan at the Member's then attained age.

Section 6.05 EARLY RETIREMENT BENEFITS - A Member who has attained age 60 may elect to retire on his Early Retirement Date which shall be the first of any month following satisfaction of the age requirement provided he gives the Board at least 30 days prior notice of his intended retirement date. He shall be entitled to a benefit of his Individual Account balance as provided in Section 6.01(d), which may be converted to an annuity through the Supplemental Annuity Plan at the Member's then attained age; provided, however, in no case shall such annuity for a Member of the Prior Plan be less than such Member's accrued benefit as of December 31, 1982, converted to an immediate early retirement benefit under the Prior Plan's early retirement reduction factors.

Section 6.06 PERMANENT DISABILITY BENEFITS - If a Member suffers Disability, his retirement shall be effective as of the date of the determination of the Board of the existence of the Disability and he shall be entitled to a benefit of all of his Individual Account as provided in Section 6.01(d), paid in the manner elected by the Member.

Section 6.07 DEATH BENEFITS - If a Member dies, his Beneficiary shall be entitled to a benefit of all of his Individual Account as provided in Section 6.01(d) paid in the manner elected by the Member.

Section 6.08 TERMINATION OF EMPLOYMENT - A Member shall terminate his participation in this Plan if he ceases to be an Employee of the Employer for any reason other

than retirement, death, or disability as set forth above. In such event a Member shall be entitled to the following benefits paid in accordance with Section 6.01(d).

- (a) Member Contribution Account - It shall be determined as of the last preceding Accounting Date, adjusted for any Member Contributions made from that date up to the date of termination of participation, and shall, together with interest earnings thereon up to the last Accounting Date, be fully vested and nonforfeitable.
- (b) Employer Contribution Account - It shall be determined as of the last preceding Accounting Date, adjusted for any Employer contributions made from that date up to the date of termination of participation, and shall, together with interest earnings thereon up to the last Accounting Date, be fully vested and nonforfeitable.
- (c) Prior Plan Contribution Account - It shall be determined as of the last preceding Accounting Date and shall, together with interest earnings thereon up to the last Accounting Date, be fully vested and nonforfeitable.

Section 6.09 HARDSHIP WITHDRAWALS - A Member may request the Board on grounds of hardship for a withdrawal of all or a portion of the amounts contributed by to the Member's Contribution Account and the Employer Contribution Account under Article III hereof. The minimum amount of any such hardship shall be One Thousand Dollars (\$1,000.00). A participant may not make more than one (1) hardship withdrawal in any twelve (12) calendar months. Income earned from and after January 1, 1989, may not be withdrawn. Income earned prior to that date is not subject to this restriction. "Hardship" shall mean the financial inability of the participant to meet an immediate and heavy financial need which he is unable to eliminate out of other resources which are reasonably available to him. If the Board, in its sole discretion determines that hardship exists or is imminent, it may permit withdrawal of a portion of such Member's Contribution Account and Employer Contribution Account. The amount of any such withdrawal shall not exceed the amount determined by the Board to be reasonably necessary to prevent or relieve such hardship. Neither the application for nor payment of any hardship withdrawal in accordance with this Section shall have the effect of terminating a Member's participation in the Plan. The Board may prescribe the use of such forms, conduct such investigation, and require the making of such representations and warranties, as it deems desirable to carry out the purpose of his hardship withdrawal provision. Upon an attempt by a Member or Beneficiary to use his interest in the Trust and Plan as security for any type of obligation or to alienate, dispose of or in any manner encumber or upon an attempt by any third person to attach, levy upon or in any manner convert the use or enjoyment of any such interest of a Member, the right to withdraw any portion of his interest pursuant to this Section shall automatically terminate.

Section 6.10 PRIOR PLAN BENEFITS FROZEN - If a Member of the Prior Plan elected within a reasonable period (deemed to be 6 months) after January 1, 1983, not to participate in this Plan, his Accrued Benefit determined as of December 31, 1982, shall stand to his credit under this Plan as a frozen benefit. Any contributions made inadvertently after

December 31, 1982 shall be refunded to him. The Member shall have the right at any time to elect to participate in the TSA Plan and his total benefit at Normal Retirement will be the sum of his Member Contributions Account and his Employer Contributions Account converted to a monthly annuity plus his Accrued Benefit determined as of December 31, 1982.

Section 6.11 DISTRIBUTION RESTRICTIONS –

(a) General.

- (1) **Effective Date.** The effective date of these provisions for purposes of determining required minimum distributions shall be for calendar years beginning with the 2003 calendar year.
- (2) **Precedence.** The requirements of this section will take precedence over any inconsistent provisions of the Plan.
- (3) **Requirements of Treasury Regulations Incorporated.** All distributions required under this section will be determined and made in accordance with the Treasury regulations under Section 401(a)(9) of the Code.

(b) Time and Manner of Distribution.

- (1) **Required Beginning Date.** The Member's entire interest will be distributed, or begin to be distributed, to the Member no later than the Member's required beginning date. "Required beginning date" means April 1 of the calendar year following the later of (A) the calendar year in which the Member attains age 70 ½, or (B) the calendar year in which the Member retires.
- (2) **Death of Member Before Distributions Begin.** If the Member dies before distributions begin, the Member's entire interest will be distributed, or begin to be distributed, no later than as follows:
 - (A) If the Member's surviving Spouse is the Member's sole designated Beneficiary, distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by December 31 of the calendar year in which the Member would have attained age 70½, if later.
 - (B) If the Member's surviving Spouse is not the Member's sole designated Beneficiary, distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

- (C) If there is no designated Beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
- (D) If the Member's surviving Spouse is the Member's sole designated Beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse begin, this subsection (b)(2), other than subsection (b)(2)(A), will apply as if the surviving Spouse were the Member.

For purposes of this subsection (b)(2) and subsection (e), distributions are considered to begin on the Member's required beginning date (or, if subsection (b)(2)(D) applies, the date distributions are required to begin to the surviving Spouse under subsection (b)(2)(A)). If annuity payments irrevocably commence to the Member before the Member's required beginning date (or to the Member's surviving Spouse before the date distributions are required to begin to the surviving Spouse under subsection (b)(2)(A)), the date distributions are considered to begin is the date distributions actually commence.

- (c) **Form of Distribution.** Unless the Member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with subsections (c), (d) and (e). If the Member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the Member's interest that is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.
- (d) **Determination of Amount to be Distributed Each Year.**
 - (1) **General Annuity Requirements.** If the Member's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
 - (A) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;
 - (B) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in subsection (d) or (e);

- (C) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
 - (D) payments will either be nonincreasing or increase only as follows:
 - (i) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - (ii) to the extent of the reduction in the amount of the Member's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in subsection (d) dies or is no longer the Member's Beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code;
 - (iii) to provide cash refunds of Member Contributions upon the Member's death; or
 - (iv) to pay increased benefits that result from a Plan amendment.
- (2) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Member's required beginning date (or, if the Member dies before distributions begin, the date distributions are required to begin under subsection (b)(2)(A) or (B)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bimonthly, monthly, semi-annually, or annually. All of the Member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's required beginning date.
- (3) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Member in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.
- (e) Requirements for Annuity Distributions that Commence During Member's Lifetime.

- (1) Joint Life Annuities Where the Beneficiary is not the Member's Spouse. If the Member's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Member and a nonspouse Beneficiary, annuity payments to be made on or after the Member's required beginning date to the designated Beneficiary after the Member's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Member using the table set forth in Q&A-2 of Section 1.401(a)(9)-6T of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Member and a nonspouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated Beneficiary after the expiration of the period certain.
 - (2) Period Certain Annuities. Unless the Member's Spouse is the sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Member's lifetime may not exceed the applicable distribution period for the Member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Member reaches age 70, the applicable distribution period for the Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Member as of the Member's birthday in the year that contains the Annuity Starting Date. If the Member's Spouse is the Member's sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Member's applicable distribution period, as determined under this subsection (d)(2), or the joint life and last survivor expectancy of the Member and the Member's Spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Member's and Spouse's attained ages as of the Member's and Spouse's birthdays in the calendar year that contains the Annuity Starting Date.
- (f) Requirements For Minimum Distributions Where Member Dies Before Date Distributions Begin.
- (1) Member Survived by Designated Beneficiary. If the Member dies before the date distribution of his or her interest begins and there is a designated Beneficiary, the Member's entire interest will be distributed, beginning no later than the time described in subsection (b)(2)(A) or (B), over the life of the designated Beneficiary or over a period certain not exceeding:

- (A) unless the Annuity Starting Date is before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death; or
 - (B) if the Annuity Starting Date is before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year that contains the Annuity Starting Date.
- (2) No Designated Beneficiary. If the Member dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Member's death, distribution of the Member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
 - (3) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Member dies before the date distribution of his or her interest begins, the Member's surviving Spouse is the Member's sole designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this subsection (e) will apply as if the surviving Spouse were the Member, except that the time by which distributions must begin will be determined without regard to subsection (b)(2)(A).
- (g) Definitions.
- (1) Designated Beneficiary. The individual who is designated as the Beneficiary under Section 1.04 of the Plan and is the designated Beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-Q&A-4, of the Treasury regulations.
 - (2) Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year, which contains the Member's required beginning date. For distributions beginning after the Member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to subsection (b)(2).
 - (3) Life Expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.
 - (4) Required Beginning Date. The date specified in subsection (b).

ARTICLE VII
AMENDMENT AND TERMINATION

Section 7.01 AMENDMENT OF THE PLAN - The Board, with the approval of the Convention, shall have the right at any time to modify, alter or amend the Plan in whole or in part by instrument in writing duly executed; provided, however, that no amendment shall cause or permit any part of the funds accumulated hereunder to be used for or diverted to purposes other than for the exclusive benefit of Member's, retired Members or their Beneficiaries; that no amendment, unless it is necessary to meet the requirements of any state or federal law or regulations, shall operate to deprive any Member of any benefits which have vested in him prior to such amendment; and that no amendment shall have the effect of reverting to the Employer any portion of the funds accumulated.

Section 7.02 TERMINATION OF THE PLAN - The Board expects the Plan to be continued indefinitely, but it reserves the right to terminate the Plan at any time. Such termination may be made without the consent of the Members or their Beneficiaries or any other person.

Section 7.03 DISTRIBUTION ON TERMINATION - If the Board shall desire to terminate the Plan, the Plan shall be terminated as of the date to be specified in a resolution of the Board, approved by the Convention, so providing.

The Board, upon receipt of such resolution, will proceed with the following steps:

- (a) Determine the cost of purchasing, from a life insurance company licensed to do business in North Carolina, annuities to provide the lifetime benefits being guaranteed to Retired Participant and/or Beneficiaries and arrange for such purchase from the Annuity Fund.
- (b) If, after satisfaction of the foregoing liabilities, any funds remain in the Annuity Fund, such funds shall be allocated pro rata among the Retired Members and the Members of the Plan who have Floor Pension benefit guarantees under this Plan.
- (c) The Accumulation Fund shall be brought up to date and the amount in each Member's Individual Account distributed to Members in cash.

ARTICLE VIII
ADMINISTRATION OF THE PLAN

Section 8.01 ADMINISTRATION BY THE BOARD - The Board shall be charged with the responsibility of investing the funds that are contributed by Members and Employers under the TSA Plan. The Board shall annually report to each participating Member in the TSA Plan the amount in his Individual Account, including contributions, interest earnings, and the total amount available at the end of the reporting period. The Board will also administer the Supplemental Annuity Plan, which is a part of the Minister's Program, arrange to have actuarial

valuations performed annually, and take such other steps to assure that this is operated in a sound and responsible manner to provide lifetime income to Retired Members. No part of the funds paid into the Minister's Program or the earnings thereon shall be used for any purpose other than those specifically set forth in this document.

The Board reserves the right with respect to the Supplemental Annuity Plan to make adjustments in the benefits payable to the extent that it deems adjustments to be necessary to maintain the soundness of the Supplemental Annuity Plan, unless additional funds are made available to the Board through additional individual and Church donations, endowment funds or excess interest earnings within the present Minister's Program.

Section 8.02 APPLICATION FOR BENEFITS - Benefits will be paid upon application by a Member on a form established and approved by the Board.

Section 8.03 EXPENSES - The Board is authorized to employ outside counsel, actuaries, consultants, accountants, and any other whose services may be needed to establish and administer this Plan. Such expenses will be paid by the Board out of the donations received from individuals and Churches, endowment funds, and excess interest earnings on the total funds administered by the Board. Any excess of expenses over receipts by the Board will be charged back to the Annuity Fund and Accumulation Funds as part of the operating costs of the Funds.

Section 8.04 ELECTION OF INVESTMENT FUND - The Board may authorize the use for investment purposes of one or more Investment Funds. As Investment Funds become available, a Member may elect to utilize such available Investment Funds for the investment of his Individual Account. The Board shall notify each eligible Employee of the investment Fund options prior to his becoming a Member and shall notify each Member of changes in the available Investment Fund options. Each eligible Employee shall elect, prior to becoming a Member, how all contributions made on his behalf to the Plan shall be invested. The percentage of contributions which may be placed in any one investment Fund shall be either 25%, 50%, 75%, or 100% of those contributions.

Each Member may make an election, to be effective as of such date as the Board shall determine, to change the manner in which future contributions to his Individual Account shall be invested and to make transfers between Investment Funds. Such election must be made in writing 15 days prior to the date it is effective. The percentage of contributions which may be placed in any one Investment Fund shall be either 25%, 50%, 75%, or 100% of the total of his individual Account.

The Board shall invest the investment Funds in accordance with the investment directions of the Members.

ARTICLE IX
MISCELLANEOUS

Section 9.01 HEADINGS - The headings and sub-headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

Section 9.02 CONSTRUCTION - In the construction of the Plan, the masculine shall include the feminine, the singular the plural, in all cases where such meanings would be appropriate. The Plan shall be construed in accordance with the provisions of the Internal Revenue Code Section 403(b) and, where not preempted by such law, under the laws of the State of North Carolina.

Section 9.03 SPENDTHRIFT CAUSE - No benefit of the Member under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge; and any attempt to so anticipate, alienate, sale, transfer, assign, pledge, encumber or charge shall be void; nor shall any such benefit be in any manner payable to any assignee, receiver, or trustee or be liable for the Member's debts, contracts, liabilities, engagements, or torts or be subject to any legal process, levy upon or attach.

Section 9.04 CLAIMS - Any payments of benefits to a Member or Beneficiary or to their legal representative according to the provisions of the Plan shall, to the extent of the method of computation, as well as the amount thereof, constitute full satisfaction of all claims hereunder against the Board, which may require such Member, Beneficiary or Legal Representative as the condition precedent to such payment, to execute a receipt in release thereof in such form as shall be determined by the Board.

In the event of a claim by a Member or Beneficiary as to the amount of any distribution or its method of payment, such Member or Beneficiary shall present the reason for his claim in writing to the Board. The Board in its total discretion may request a meeting to clarify any matters it deems pertinent. The Board shall consider such claim and shall within 60 days either approve it or deny it. Each denial shall be in writing setting forth specific reasons for such denial and written in manner calculated to be understood by the Member or Beneficiary and the Board shall afford a reasonable opportunity to any Member or Beneficiary whose claim is denied for full and fair review by the Board of the decision denying the claim. Except as hereinafter provided, all interpretations, determinations, and decisions of the Board with respect to any matter hereunder shall be final, conclusive and binding upon the Board, Members, and Beneficiaries and all other persons claiming any interest under the Plan. Claimants will be given the right to request a review within 60 days from the receipt of the notice of the denial. The claimant shall also have the right to have representations, review documents relating to the denial of the claim, and submit the issues and comments in writing.

Section 9.05 LEGALLY INCOMPETENT - If a Member or Beneficiary is a minor or is, in the judgment of the Board, otherwise legally incapable of personally receiving and giving a valid receipt for any payment due hereunder, the Board may, unless and until its claim shall have been made by a duly appointed guardian or conservator of such person, direct that such payment

or any part thereof be made to such person's spouse, child, parent, brother or sister or other person deemed by the Board to be a proper person to receive such payment. Any payments so made shall be a complete discharge of any liability of the Plan for such payment.

IN WITNESS WHEREOF, the Board has caused the Plan to be signed and adopted this _____ day of _____, 2009.

NORTH CAROLINA BOARD OF SUPERANNUATION

By: _____
Director-Treasurer

By: _____
Chairman