

**YEAR-END MEETING
NORTH AMERICAN DIVISION COMMITTEE**

Silver Spring, Maryland
October 30, 2001, 8:00 a.m.

DEVOTIONAL MESSAGE

David Osborne, Secretary of North American Division Ministerial Association, spoke on the topic, "Reluctant Hero." We learned yesterday that everybody is always looking at us. Jesus said, "You are the salt of the earth, and if the salt loses its saltiness, then how can it be made salty?" When salt has lost its saltiness it should be thrown out. It is good for nothing but to be trampled under foot. Jesus said, "We are the light of the world, the light that should be on a hill, not covered under a bushel. Who was Jesus speaking to when He spoke those words? He was talking to the villagers. He said "You are the light of the world." He was not talking to Athenians. He was not talking to the Romans and the imperial might of the army. He was not talking to Plato or Socrates or Aristotle. He was talking to the hillbillies of the day, the Galileans. They were the country cousins, they were the bumpkins of their day and Jesus said, "You are the light of the world."

What would He say today? He would say that you and I are the salt of the earth. He did not say we will be, we should be, we ought to be, we have the potential to be. He said "You are the salt of the earth, you are the light of the world."

The Bible is full of stories of God taking ordinary people and doing extraordinary things. So it was with Gideon. It was 200 years since Joshua had stormed the walls of Jericho, and Israel found themselves in what seemed to be a very familiar situation. They were in a contaminated, obscene culture that had preoccupation with sexual perversions. They were greedy. They were seeking their own interests. They were building roads and building homes and leaving God to good intentions. They were beginning to lose the mission and destiny and suddenly there was a catastrophe. The nation was under attack. They had trampled God's law. In despair they had turned away from Him, and now when they were under attack. Suddenly, when the nation was bankrupt emotionally, spiritually, and economically, they desperately turned to God.

Why is it that so many times this is what happens to us. Sometimes it takes tragedies and death; it takes trials, and problems for us turn to God. I am so glad that God does not treat us like we treat Him. God is still there and He always delivers.

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God began to look for a hero and He came across one interesting resume, that of Gideon. *Experience:* Well, he was a poor farmer from a small clan. *Battle Experience:* None, in fact he will flee and hide in a cave at the first sign of an enemy. *Faith:* Weak, he must have a sign in order to believe.

To many people Gideon is the guy who runs around and leaves the Bibles in hotel rooms. He was just an ordinary man. He had not done anything spectacular. He was not connected. He did not know the right people. He was not from a powerful family. He was not a hero. He was not decisive. He was the timid type. He was one of those people that wanted to have every "t" crossed and ever "i" dotted and even then he could not make up his mind. And so God sent an angel who sat down under an oak tree and he watched Gideon.

By the way, Gideon was threshing wheat. But you don't thresh wheat where Gideon was threshing wheat. He was threshing wheat down in a winepress. There is no place for the wind to take off all the dust and chaff. So Gideon was down there coughing. His eyes were burning and he could hardly get his breath. He was looking up to see if there were any Midianites coming and he saw an angel.

The angel said, "Hail, mighty man of valor, God is with you." What would you do if you were faced with an angel? Would you have been stunned? Would you have been frightened? Not Gideon, there was no awe, no worship, no terror, and no cowering. There was no bending in adoration. Gideon was mad, and he let the angel have it. He said, "Where is this God? If you are from God, where is this God that has delivered us? Where is this God that would allow all these things to happen to us? Where is this God that is supposed to love us and care for us?"

He was full of self-pity. He had implied that somehow God had tricked him. He did not believe that there was a God who loved and would care for Him. If you have ever had a day when you have wondered whether there was a God in Heaven, then maybe this story is also for you. If you have ever had a time when you had a clear view of God, when you knew all of your plans were being carried out, you knew how God worked; but suddenly your window was cracked by a pebble of pain. You found out as a child that your parents were getting a divorce. Or maybe you got a telephone call from the police that said they had your son down at the station. Maybe all of a sudden you find your life shattered and pain spreading like a spider's web across every area of your life, then this is for you.

If the Lord be with us how could all of this happen? You ask the same question when you find out you have cancer and face chemotherapy. You find that you cannot pay your employees and the creditors are after you. Where are all those wonders that God told us about? But that is the very point, if God delivered Israel out of Egypt, He is not going to let Israel fall now. If God saved us He is not going to let us die now. "He who has begun a good work in you is going to carry it out until completion, until the day of Jesus Christ."

Gideon said, "Why me?" But that is precisely the point. Gideon was not the president of anything. He was not the ministerial secretary. He was not a pastor. He was not even a graduate of the "Joshua War College." He was just a poor, scared farmer, and he said, "I don't remember seeing any mighty warriors around here today."

In this audience there are mighty wives and mighty husbands. There are mighty children at home, there are mighty pastors, and lawyers, and doctors and businessmen. They are not mighty because of who they are or what they are, but mighty because through the eyes of God they can be used by Him for mighty things. For when God is for us who can be against us! When we are in the hands of God, He can use ordinary people to do extraordinary, mighty things. He used a shepherd called David. He used a deceiver called Jacob. He used a coward called Jonah and brought him home on a foam blubber mattress.

God is not interested in the facts. So Gideon said, "Alright, if you are an angel, wait right here." You know God is wonderful. He takes all of our doubts, He takes all of our worries, all of our fears and He waits for us and cares for us. I love that kind of God!

There were 135,000 Midianite soldiers, we might call them the special forces. They came on camels, with long spears against a bunch of farmers. It didn't look good, and as you remember, Gideon could not stand it. He had to have another sign. He put out the word and 32,000 farmers showed up, the odds are now four to one.

You remember what God told him, "If you win this war four to one you will think you did it. You will think it is because of your handbill. You will think its because of your really slick video. You will think it is because of your training that you accomplished this. You will think that it was because of your wonderful gifts that you were successful. You have too many. Send them home if they are afraid." Twenty-two thousand went home.

Now there are only 10,000 against 135,000. God said, "You still have too many. Send them down to the river." He sent them down to the river and they were divided into two groups, those that lapped the water like a dog and those that held the water in their hands. There were 9,700 who lapped. God said, "Send them home."

You talk about how brave Gideon was, talk about how brave 300 warriors are against 135,000. But the ratio was just right. It was one to four hundred and fifty, the same ratio that Elijah had on Mt. Carmel. Those are the kinds of odds that God likes. He chooses what is foolish in the world to shame the wise and what is weak in the world to shame the strong. He has brought down the powerful and He has lifted up the lowly. He has filled the hungry with good things and he has sent the rich away hungry, and empty.

Are you aware of your failing? You are just the sort of person that God can use. Are you afraid? Great, you are the kind of person that God can use. Have you ever been afraid as

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a parent? Good! Now God can use you as a leader. If you have been afraid, God can use you. You see, God takes our weaknesses and uses them for His strengths.

In the middle of the night when the enemy slept, Gideon's army surrounded the camp. Three hundred men surrounding a camp of 135,000 sleeping soldiers is pretty thin. Around the camp they went. At midnight when the enemy was sound asleep, in those first hours when the REM sleep is the deepest, all of a sudden the trumpets begin to blow and the shouts begin to soar to the Lord. Pitchers were smashed, and they let their light shine. They just stood there and let it shine.

That's what Jesus said, "Let your light shine." It may be that you are timid and frightened, but you don't have to have a Dale Carnegie course just to invite your neighbor to church. You can do it when you are frightened and weak. You do not need to be an orator to pray when someone is sick. You do not have to be financially secure to faithfully return your tithe. You can be frightened and still pray for a person in need. Let your light shine!

A mother and daughter were going to a cathedral when they saw the beautiful stained glass windows. The little girl said, "Who are those people?" The mother said, "Those are saints." She thought this was a teachable moment for her daughter and she said, "Do you know what saints are?" The little girl thought and she said, "Yes, they are people the light shines through."

A little boy asked his father one time, "Dad how tall am I?" The dad replied, "About 4½ feet tall." The son asked, "Well how tall is Jesus?" His father answered, "Probably about 6 ft. tall." "Well," said the little boy, "If I am 4½ feet tall, and Jesus is 6 feet tall, when Jesus is in me he will stick out won't He?"

Let your light shine. The power belongs to God. God is looking for individuals who will listen to Him and do what He asks. God is looking for those who have the faith to follow what he wants them to do. God is looking for those who believe that He is the almighty God. He takes our inadequacies. He puts His arms about us. He makes us the melodious voice of His salvation. We are the salt of the earth. We are the light of the world.

CALL TO ORDER

Don Schneider, Chair called to order the second business session of the 2001 North American Division Committee Year-end Meeting.

PRAYER William Miller, President of the Minnesota Conference

IGNITE CANADA— IT IS WRITTEN, CANADA

Shawn Bunstra, Co-speaker for the "It Is Written Broadcast" in Canada, gave a report of the "It Is Written" work in Canada and narrated a slide show which related stories of soul winners in Canada and the success they have had. Canadian church members have been started on the DVD projects, the Bible Study Graphics. Members are giving in-home Bible studies and are requesting that they be allowed to conduct evangelistic meetings. Workshops to train them for conducting these meetings are being held across Canada. Emphasis is placed on the importance of having laypeople to take ownership of evangelism— to understand that evangelism does not belong to the preachers and evangelists but to everyone. He appealed to the membership to catch the spirit of evangelism. As William Carey said, "Attempt great things for God, expect great things from God." Jesus longs to see something more happen. Ellen G White stated, "Tell our brethren to be of good cheer, tell them to have faith in God and to expect great things, to undertake great things and in His strength to go forward. Tell them not to fear or to look back." In the words of Teddy Roosevelt, "In the battle of life it is not the critic that counts, not the man who points out the strong men who stumble, or where the doer of a deed could have done better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly, who errs and comes short again because there is not effort without error and shortcoming, who at the best knows in the end the triumph of high achievement, who at the worst, if he fails, at least fails while daring greatly so that his place shall never be with those cold and timid souls who have tasted neither victory or defeat." You can take out that last word because Jesus says there will be no defeat.

INVESTMENT SCHEMES

Phil Hiroshima, Esq, who serves as a counsel for the Seventh-day Adventist Church, spoke to the committee regarding certain agents of the church who became involved in investments that turned out to be a conflict of interest or fraudulent. He sounded a warning, directing the leaders and agents of the church not to be involved in such matters. He related several instances of investment schemes in which some Seventh-day Adventists have been involved, and reminded the group that when church leaders lose credibility because of financial involvement and/or conflict of interest, there is a serious problem with church leadership. Keep in mind that there are two things which are your primary mission: 1.) selling religion, 2.) selling credibility.

The church operates through people called agents. These agents are one of three kinds: the actual agent, apparent agent, and ostensible agent. Ostensible authority is the most troubling. Your reaction to ostensible authority is either by ratification or repudiation. You can ratify conduct by doing nothing. You can also vote to accept the conduct. The way to settle correctly those issues involving serious conflict of interest is to repudiate them. When you hear of a situation, you need to respond in a timely manner to that situation by adequately

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disciplining and/or terminating an employee for his conduct. Unless you, the conference, repudiate that action you are going to buy it.

There is a need to keep this issue before the leaders and agents of the church. Many church leaders do not recognize conflict of interest. Use legal counsel in your local areas to give lectures concerning conflict of interest on board members responsibilities because many of you sit on many boards. Be aware that there are financial opportunities that will be given to you because you are a leader of the church, and allowing yourselves to be used creates a tremendous potential exposure to the church. When you find out about these matters, I would encourage you to repudiate these matters clearly and unequivocally. Let it be known that action has been taken to solve problems which arise.

I have been asked by the Office of General Counsel and by the General Conference to coordinate the financial scams which occur in the North America Division. If you hear of them, please contact Tom Wetmore or Robert Nixon at the office of General Counsel. Contact me to advise our office of what is happening because unless we hear of these problems, we cannot do much about them.

RET/Steering01YE/01YE to DJ

540-01N REGIONAL CONFERENCE RETIREMENT PLAN AGREEMENT

VOTED, To adopt the Regional Conference Retirement Plan Agreement which reads as follows with the understanding that final editing will be done by the North American Division Administration in consultation with the Negotiating Committee:

AGREEMENT

This Agreement is entered into as of the ____ day of _____, 2001, by and between the North American Division of the Seventh-Day Adventist Church (hereafter, "NAD"); the South Central Conference; the Lake Region Conference; the Southwest Region Conference; the Allegheny East Conference; the South Atlantic Conference; the Southeastern Conference; the Northeastern Conference; the Central States Conference; and the Allegheny West Conference (collectively, and together with their respective affiliated organizations, the "Regional Conferences"); the Seventh-Day Adventist Retirement Plan of the North American Division, a defined benefit plan (hereafter, "DB Plan"); General Conference Corporation of Seventh-Day Adventists, as Trustee of the DB Plan (hereafter "Trustee"); the Adventist Retirement Plan, a defined contribution plan (hereafter, "ARP") and the Regional Conference Retirement Plan (hereafter, "RCRP").

WHEREAS, each of the aforementioned Regional Conferences has in the past been a participating employer in the DB Plan, and

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WHEREAS, effective December 31, 1999, service credit in the DB Plan was frozen except for situations specifically provided in that plan, and

WHEREAS, effective January 1, 2000, the Adventist Retirement Plan, a defined contribution plan, has been made available for employees of participating employers, and

WHEREAS, since on or about January 1, 2000, the Regional Conferences have not remitted the contributions to the DB Plan required of the Regional Conferences under applicable NAD policy, and

WHEREAS, the parties desire to resolve issues respecting retirement benefit obligations, provide a structure by which the Regional Conferences shall no longer be participating employers in the DB Plan and the ARP, clarify the DB Plan's ongoing obligations and provide a means for the Regional Conferences to assume certain obligations and responsibilities to their employees and retirees as set forth herein;

NOW, THEREFORE, the parties, for good and valuable mutual consideration, hereby agree as follows:

1. Effective January 1, 2000, each of the Regional Conferences, having adopted the Regional Conference Retirement Plan ("RCRP") and being participating employers in the RCRP, shall no longer be participating employers in the DB Plan. The DB Plan documents shall be amended consistent with the terms of this Agreement.
2. The DB Plan shall retain its obligations, according to the terms and conditions of the DB Plan, to former employees of the Regional Conferences who had retired as of December 31, 1999, to the extent of service credit earned prior to January 1, 2000 ("retired employees").
3. The DB Plan shall retain its obligations, according to the terms and conditions of the DB Plan, to other former employees of the Regional Conferences as of December 31, 1999, to the extent that said other former employees earned service credit prior to January 1, 2000, but have not yet become eligible to receive retirement benefits under the terms of the DB Plan ("deferred vested participants").
4. Effective as of the date of this Agreement, or the date on which a Regional Conference ceased remitting employer or employee contributions to the ARP, whichever is earlier, each of the Regional Conferences shall no longer be participating employers in the Adventist Retirement Plan ("ARP"). The ARP plan documents shall be amended consistent with the terms of this Agreement.
5. Effective as of the date of this Agreement, or the date on which a Regional Conference ceased remitting employer or employee contributions to the ARP, whichever is earlier, employees of the Regional Conference shall no longer be eligible to contribute to the ARP. Participants may withdraw the money in their ARP accounts, subject to the terms and conditions of the ARP and any other applicable legal requirements.
6. In the case of any or all active employees of the Regional Conferences, as of January 1, 2000, with service credit under the DB Plan for service prior to January 1, 2000, such employees shall: (a) be credited with such prior service for purposes of benefit accrual under the RCRP; (b) not be entitled to any benefits from the DB Plan; and (c) not be subject to any offset now provided in the RCRP for any benefits payable under the DB Plan, provided that such employees

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execute an Acknowledgment and Release as set forth in paragraph 12 of this Agreement. If an employee does not execute the Acknowledgment and Release and return it to the employee's Regional Conference employer within _____ days of receipt, then the employee will execute a Waiver acknowledging the waiver and forfeiture of any benefits from the RCRP for services prior to January 1, 2000; such employee will maintain service credit with the DB Plan, and benefits will be paid to the employee by the DB Plan in accordance with the terms and conditions of the DB Plan; provided, however, that the actuarially determined present value of said obligations will be added to the total payments to be made by the Regional Conferences to the DB Plan as set forth in paragraph 8 of this Agreement.

7. The parties acknowledge that, prior to the execution of this Agreement, the obligation for future retirement benefits for retired employees, deferred vested participants and active employees of the Regional Conferences under the DB Plan was partially funded by assets held by the DB Plan, and to the extent such future retirement benefits were not so funded, the Regional Conferences were obligated to provide such funding. The parties also acknowledge that, prior to the execution of this Agreement, an obligation also existed to retired employees, deferred vested participants and active employees of the Regional Conferences for future retiree health care benefits, such obligation being partially funded by assets held under the NAD retiree Health Care Assistance Plan, and to the extent not so funded, the Regional Conferences were obligated to provide such funding. The parties presently believe that the present value of these assets and obligations are as follows:

- a. The present value of the liability for future retirement benefits under the DB Plan of retired, deferred vested, and active employees of the Regional Conferences – \$85.3 Million
- b. The present value of the liability for future health care benefits under the NAD retiree Health Care Assistance Plan due Regional Conference employees and former employees – \$23.9 Million
- c. The pro rata share of the assets of the DB Plan attributable to the Regional Conferences, which amount shall be retained by the DB Plan as a credit against the Regional Conferences' funding obligation for the obligations retained by the DB Plan \$27.9 Million
- d. The pro rata share of the assets of the NAD retiree Health Care Assistance Plan attributable to the Regional Conferences, which amount shall be retained by the NAD retiree Health Care Assistance Plan as a credit against the Regional Conferences' funding obligation for the obligations retained by such plan – \$7.6 Million
- e. The present value of the retirement obligation under the DB Plan to active employees, which is assumed by the RCRP under the terms of this Agreement and which is treated as a credit against the Regional Conferences' funding obligation for the obligations retained by the DB Plan – \$27.6 Million
- f. The present value of the retiree health care benefit obligation under the NAD retiree Health Care Assistance Plan to active employees which is assumed by the RCRP under the terms of this Agreement – \$6.7 Million

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8. In consideration of NAD's agreement to retain the retirement benefit and retiree health care benefit obligations to the retired employees and deferred vested participants of the Regional Conferences, and in consideration of the existing obligations of the Regional Conferences, the Regional Conferences, jointly and severally, agree to pay the sum of \$39.4 million (\$39,400,000), which sum represents the agreed upon estimated actuarial value of the DB Plan's and NAD retiree Health Care Assistance Plan's continuing funding obligations for DB Plan and retiree health care obligations attributable to the retired employees and deferred vested participants of the Regional Conferences. Said sum shall be paid in monthly payments as a percentage of gross Conference tithe, but not less than one percent of said tithe, through the normal tithe and offering remittance system of the NAD, or a mutually agreed alternative, beginning on January 1, 2002, and ending on or before December 31, 2021. Such payments shall include interest as set forth in Exhibit A, which is attached hereto and made a part hereof. Such interest shall be assessed quarterly on the funding balance as of the end of the previous quarter. In addition to the sum of \$39.4 million set forth in this paragraph, the Regional Conferences, jointly and severally, agree to pay to the DB Plan the actuarially determined present value of the obligations set forth in paragraph 6 of this Agreement with respect to employees who do not execute and return the Acknowledgment and Release.

9. In the case of transfers of employment occurring after December 31, 1999, eligibility and vesting service credit earned by Regional Conference employees who participated in the DB Plan or the ARP (to the extent not disregarded under such plans) shall be given credit for purposes of eligibility and vesting in the RCRP and the Regional Conference retiree health care benefit program, and eligibility and service credit earned by Regional Conference employees who participated in the RCRP (to the extent not disregarded under such plan) shall be given credit for purposes of eligibility and vesting in the ARP, the DB Plan, and the NAD retiree Health Care Assistance Plan. The plan documents for the DB Plan, the ARP and the RCRP shall be amended to so provide. NAD and the Regional Conferences agree to provide each other with appropriate information so that service can be properly credited in accordance with this paragraph.

10. In consideration for the obligations assumed herein by RCRP and the Regional Conferences, NAD agrees to deposit into an escrow account the sum of \$6.0 million (\$6,000,000) for the benefit of the Regional Conferences. The escrow agent shall release these funds upon satisfaction of all of the following conditions: (a) receipt of conference executive committee resolutions from all of the Regional Conferences; and (b) receipt of executed Acknowledgment and Release or Waiver forms from all Regional Conference employees pursuant to paragraph 6. In addition, NAD agrees to repay the appropriate Regional Conference or Conferences for contributions made by the Regional Conferences to the DB Plan on or after January 1, 2000.

11. The Regional Conferences, jointly and severally, hereby represent, warrant and agree that they will fund the RCRP at a level adequate to provide the benefits promised therein to employees and retirees; that they will provide and adequately fund a health care benefit program for retirees with benefits as determined by the Regional Conferences, which benefits are not required to be substantially equivalent to those heretofore provided by the NAD retiree Health Care Assistance Plan; that they will use their best efforts to ensure that the RCRP complies with all applicable laws and regulations; that they will take no action which would jeopardize the benefits

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or tax advantages promised to employees and retirees; and that they will obtain and maintain adequate fiduciary liability insurance with respect to their plan fiduciary obligations, as determined by the Regional Conferences Retirement Board.

12. The parties agree that an Acknowledgment and Release in the form attached hereto as Exhibit B shall be sent to all Regional Conference employees and former employees described in paragraph 6 of this Agreement. Any such employee or former employee not returning an executed copy of the Acknowledgment and Release, shall execute the Waiver, in the form attached hereto as Exhibit C.

13. The Regional Conferences hereby agree to defend, indemnify, and hold harmless NAD, the DB Plan, and the ARP from and against any and all claims, losses, damages, or expenses that may arise in any way out of any breach by the Regional Conferences or the RCRP of the performance of the terms and conditions of this Agreement, or that relate in any way to: (a) retirement or retiree health care benefits of Regional Conference employees who are being credited with service prior to January 1, 2000, for purposes of benefit accrual under the RCRP; or (b) the administration or operation of the RCRP, or the administration or operation of the retiree health care benefits program maintained by the Regional Conferences for their active employees; provided, however, that this indemnification and hold harmless agreement shall not apply to the obligations of NAD, the DB Plan or the ARP under this Agreement.

14. The NAD hereby agrees to defend, indemnify, and hold harmless the Regional Conferences and the RCRP, from and against any and all claims, losses, damages, or expenses that may arise in any way out of any breach by NAD, the DB Plan or the ARP of the performance of the terms and conditions of this Agreement, or that relate in any way to the administration or operation of the DB Plan, the ARP or the NAD retiree Health Care Assistance Plan as applied to Regional Conference retired employees, Regional Conference deferred vested participants, and employees and retirees of the employers participating in such plans who are not the Regional Conferences; provided, however, that this indemnification and hold harmless agreement shall not apply to the obligations of the Regional Conferences and the RCRP under this Agreement.

15. The Regional Conferences, individually and collectively, and the RCRP, hereby release and forever discharge the NAD, the DB Plan, the Trustee, the ARP, the General Conference, the General Conference Corporation, and each of their respective affiliated organizations, corporations, governing bodies, boards, officers and directors, from any and all claims, whether known or unknown, which arise out of, or are alleged to arise out of, the subject matter of this Agreement and any matters reasonably related thereto, including specifically any and all claims relating to the terms of the retirement benefit obligation of the DB Plan or the ARP or the retiree health care obligation of the NAD retiree Health Care Assistance Plan for past and present employees of the Regional Conferences and the Regional Conferences' obligations to the DB Plan and the ARP to fund these benefits; provided, however, that this release shall not apply to any claims for breach or non-performance of the terms and conditions of this Agreement or to NAD's indemnification obligation under paragraph 14 above.

16. The NAD, the DB Plan, the Trustee and the ARP, hereby release and forever discharge the Regional Conferences, the RCRP, and each of their respective affiliated organizations,

corporations, governing bodies, boards, officers and directors, from any and all claims, whether known or unknown, which arise out of, or are alleged to arise out of, the subject matter of this Agreement and any matters reasonably related thereto, including specifically any and all claims relating to the terms of the retirement benefit obligation of the BD Plan or the ARP or the retiree health care obligation of the NAD retiree Health Care Assistance Plan for past and present employees of the Regional Conferences and the Regional Conferences' obligations to the DB Plan and the ARP to fund these benefits; provided, however, that this release shall not apply to any claims for breach or non-performance of the terms and conditions of this Agreement or to the Regional Conferences' indemnification obligation under paragraph 13 above.

17. Any dispute between or among the parties arising out of this Agreement shall first be referred for mediation in accordance with rules and procedures upon which the parties agree, taking into account the nature of the dispute. If the parties cannot agree on rules and procedures, then the dispute will be mediated in accordance with the mediation rules of the American Arbitration Association then in effect. If mediation is unsuccessful, then the dispute shall be referred for binding arbitration in accordance with rules and procedures upon which the parties agree, taking into account the nature of the dispute. If the parties cannot agree on rules and procedures, then the dispute will be submitted for binding arbitration in accordance with the arbitration rules of the American Arbitration Association then in effect. The mediation and arbitration will take place in Silver Spring, Maryland in NAD's offices unless the parties agree otherwise.

18. The Agreement shall be governed by the law of the State of Maryland, to the extent that state law applies.

19. Each party acknowledges that it is being represented or has the right to be represented by counsel and that it is not acting in reliance on statements of other parties that are not included in this Agreement.

20. Execution of this Agreement does not constitute, and is not evidence of, any admission of liability as to any other party hereto, other than as provided herein.

21. Each signatory to this Agreement has full authority to enter into this Agreement on behalf of the party he represents.

22. This Agreement shall become effective upon passage by the Executive Committee of each Regional Conference and by the North American Division Committee of a Resolution, in the form attached hereto and made a part hereof, marked as Exhibits C and D respectively, authorizing the execution of this Agreement.

In Witness Whereof, the parties hereto have executed this Agreement on the day and year first above written.

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DATE: _____

SEVENTH-DAY ADVENTIST RETIREMENT PLAN OF
THE NORTH AMERICAN DIVISION

By: _____

Its: _____

Action Number and Date

DATE: _____

GENERAL CONFERENCE CORPORATION OF
SEVENTH-DAY ADVENTISTS, AS TRUSTEE OF
THE SEVENTH-DAY ADVENTIST RETIREMENT
PLAN OF THE NORTH AMERICAN DIVISION

By: _____

Its: _____

Action Number and Date

DATE: _____

NORTH AMERICAN DIVISION OF THE SEVENTH-DAY
ADVENTIST CHURCH

By: _____

Its: _____

Action Number and Date

DATE: _____

ADVENTIST RETIREMENT PLAN

By: _____

Its: _____

Action Number and Date

DATE: _____

SOUTH CENTRAL CONFERENCE

By: _____

Its: _____

Action Number and Date

DATE: _____

LAKE REGION CONFERENCE

By: _____

Its: _____

Action Number and Date

DATE: _____

SOUTHWEST REGION CONFERENCE

By: _____

Its: _____

Action Number and Date

DATE: _____

ALLEGHENY EAST CONFERENCE

By: _____

Its: _____

Action Number and Date

DATE: _____

SOUTH ATLANTIC CONFERENCE

By: _____

Its: _____

Action Number and Date

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DATE: _____

SOUTHEASTERN CONFERENCE

By: _____

Its: _____

Action Number and Date

DATE: _____

NORTHEASTERN CONFERENCE

By: _____

Its: _____

Action Number and Date

DATE: _____

CENTRAL STATES REGION CONFERENCE

By: _____

Its: _____

Action Number and Date

DATE: _____

ALLEGHENY WEST CONFERENCE

By: _____

Its: _____

Action Number and Date

DATE: _____

REGIONAL CONFERENCE RETIREMENT PLAN

By: _____

Its: _____

Action Number and Date

EXHIBIT A

| Annual Interest Rates | |
|-----------------------|------|
| 2000 | 0% |
| 2001 | 0% |
| 2002 | 0% |
| 2003 | 0% |
| 2004 | 0% |
| 2005 | 0% |
| 2006 | 5% |
| 2006 | 5% |
| 2007 | 5% |
| 2008 | 5% |
| 2009 | 5% |
| 2010+ | 7.5% |

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EXHIBIT B

**REGIONAL CONFERENCE EMPLOYEE
ACKNOWLEDGMENT AND RELEASE**

I, the undersigned employee of the _____ Conference, have been provided with information by my employer explaining the retirement plan and retiree health care benefit program sponsored by my employer and several other Regional Conferences.

After reviewing the information provided to me on the new Regional Conference Retirement Plan and retiree health care benefit program, I understand and acknowledge that:

1. I will be credited with my service to the Church prior to January 1, 2000 for purposes of determining my retirement benefit under the Regional Conference Retirement Plan and retiree health care benefit program;
2. Neither the North American Division nor its existing retirement plans will be responsible for providing retirement benefits to me if the new Regional Conference Retirement Plan or retiree health care benefit program fails to provide the retirement benefits promised by my employer;
3. The responsibility and liability for providing me with retirement benefits and retiree health care benefits now rests solely with my employer and the Regional Conference Retirement Plan and retiree health care benefits program;
4. The North American Division has not participated in the design or development of the Regional Conference Retirement Plan or retiree health care benefit program and is neither responsible for nor guarantees the accuracy of any information or representations that my employer has provided me about this plan or program;
5. The North American Division does not have any ongoing responsibility for funding the Regional Conference Retirement Plan and retiree health care benefit program; and
6. By signing and returning this Acknowledgment and Release, and in consideration for my opportunity to participate in the Regional Conference Retirement Plan and program, I agree to release the North American Division from responsibility and liability as set forth in paragraphs 2 through 5 above.

Signed this _____ day of _____, 2001.

(Print name)

(Spouse)

EXHIBIT C

REGIONAL CONFERENCE EMPLOYEE WAIVER

I, the undersigned employee of the _____ Conference, having been provided with information by my employer explaining the Regional Conference Retirement Plan and retiree healthcare benefit program sponsored by my employer and several other Regional Conferences.

After reviewing the information provided to me on the Regional Conference Retirement Plan and retiree healthcare benefit program, I understand and acknowledge that:

1. I have been provided a copy of a document entitled "Regional Conference Employee Acknowledgment and Release" and have refused to sign that document;
2. By refusing to execute the Acknowledgment and Release I am waiving and forfeiting any benefits from the Regional Conference Retirement Plan for services prior to January 1, 2000.
3. I will maintain my service credits with the Retirement Plan of the North American Division for my services before January 1, 2000 and benefits for those services will be paid according to the terms of that Plan.

Signed this _____ day of _____, 2001.

(Print name)

(Spouse)

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EXHIBIT D

**REGIONAL CONFERENCE EXECUTIVE
COMMITTEE RESOLUTION**

WHEREAS, the members of the Executive Committee of the _____ Regional Conference have been provided with a copy of that certain Agreement to be entered into by and among this Regional Conference, other Regional Conferences, the North American Division of the General Conference of Seventh-day Adventists, the existing retirement plans of the North American Division and the Regional Conferences, and the General Conference Corporation in its capacity as Trustee of the existing North American Division retirement plans (a copy of such Agreement being included in the minutes of this meeting); and

WHEREAS, the members of the Executive Committee have reviewed such Agreement, have had the opportunity to ask questions about it, and are satisfied that they understand all its essential terms; and

WHEREAS, the members of the Executive Committee believe that execution of this Agreement is in the best interest of the _____ Regional Conference and its employees and former employees;

Now, therefore, be it RESOLVED that the appropriate officer of the _____ Conference is hereby authorized to execute such Agreement as the official act of this Conference.

EXHIBIT E

NORTH AMERICAN DIVISION COMMITTEE RESOLUTION

WHEREAS, the members of the North American Division Committee have been provided with a copy of that certain Agreement to be entered into by and among the Regional Conferences, the North American Division of the General Conference of Seventh-day Adventists, the existing retirement plans of the North American Division and the Regional Conferences, and the General Conference Corporation in its capacity as Trustee of the existing North American Division retirement plans (a copy of such Agreement being included in the minutes of this meeting); and

WHEREAS, the members of this Committee have reviewed such Agreement, have had the opportunity to ask questions about it, and are satisfied that they understand all its essential terms; and

WHEREAS, the members of this Committee believe that execution of this Agreement is in the best interest of the North American Division and its employers, employees and former employees;

Now, therefore, be it RESOLVED that the appropriate officer of the North American Division of the Seventh-day Adventist Church is hereby authorized to execute such Agreement as the official act of this division.

Adjournment

Don C Schneider, Chair
Rosa T Banks, Secretary
Harold W Baptiste, Editorial Secretary
Marilynce Gibson, Devotional Recording Secretary
Esther Jones, Recording Secretary

**YEAR-END MEETING
NORTH AMERICAN DIVISION COMMITTEE**

Silver Spring, Maryland
October 30, 2001 2:30 p.m.

CALL TO ORDER

Don C Schneider, President of the North American Division, called the third business session of the 2001 Year-end Meeting to order.

PRAYER James L Stevens, President of Texico Conference

VIDEO - HEARING GOD'S CALL

The video entitled *Hearing God's Call A Personal Invitation to Ministry* was shown. It featured young people who answered the call to ministry.

01YE to JRP

LOAN FROM THE GENERAL CONFERENCE

Following the approval of the Agreement between the North American Division and the Regional Conferences, the Division is required to pay the sum of six million dollars as called for in the Agreement. Therefore, it is

VOTED, To make a request to the General Conference for a loan of six million dollars in order to make the payment to the Regional Conference Retirement Plan as required in the Agreement.

RET/NAD&UnSec01YE/NAD&UnTre01YE/NADUn&GCO01YE/01YE to DJ&HWB

**541-01N DEFINITIONS (RETIREMENT PLAN POLICIES)—
POLICY AMENDMENT**

VOTED, To amend NAD Z 10 05, Definitions (Retirement Plan Policies), paragraph 19, to read as follows:

19. *Participating Employer*—An organization which, with the approval of the

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Committee and NADCOM, has adopted this Plan for the benefit of its employees. Loma Linda Foods, Inc. shall be treated as a participating employer only from such date through December 31, 1983. Notwithstanding the preceding sentence, Loma Linda Foods, Inc. shall be treated as a participating employer only for purposes of vesting under Z 20 from January 1, 1984 through December 31, 1988. La Loma Foods, Inc. shall be treated as a participating employer only for purposes of vesting under Z 20 and only from January 1, 1989 through December 31, 1989. The preceding two sentences shall apply only in the case of a participant who has at least one hour of service with a participating employer other than Loma Linda Foods, Inc. or La Loma Foods, Inc. after the later of the participant's separation from service with Loma Linda Foods, Inc. or La Loma Foods, Inc.

Notwithstanding any plan provision to the contrary, the following employers have been declared non-participants in this plan effective January 1, 2000 by the North American Division and are thus exempt from the terms and provisions of this plan: Allegheny East Conference, Allegheny West Conference, Central States Conference, Lake Region Conference, Northeastern Conference, South Atlantic Conference, South Central Conference, Southeastern Conference, and Southwest Region Conference. Individuals who were employees of such employers as of December 31, 1999 shall not be eligible to receive any earned benefits under the terms and provisions of this plan.

RET/TREn/Steering01YE/01YE to DJ

**550-01N SEVENTH-DAY ADVENTIST RETIREMENT PLAN
(SOURCES OF FUNDING)—POLICY SUSPENSION**

Whereas an agreement between the regional conferences and the North American Division has resulted in the obligation of the NAD to pay \$6 million to the Regional Conference Retirement Plan, it is

VOTED, 1. That paragraphs 1, 2, and 3 of NAD Z 10 25 referring to contributions to the Retirement Plan by General Conference, North American Division and Union Conferences of a special percentage of gross tithes (.250% in 2002, .3% in 2003) shall be suspended and the funds remitted against the six million dollar loan until the obligation has been met in full, further

2. That these contributions will continue and will be paid to the North American Division rather than to the Retirement Plan, and further

3. That upon the fulfillment of the obligation to repay the loan, Z 10 25 shall be reinstated as published.

RPC/NAD&UnSec01YE/NAD&UnTec01YE/NADUn&GCO01YE/01YE to DJ&HWB

**542-01N ORGANIZATIONS NOT PARTICIPATING IN THE
RETIREMENT PLANS—POLICY AMENDMENT**

VOTED, To amend NAD X 45 07, Organizations Not Participating in the Retirement Plans, to read as follows:

X 45 07 Organizations not Participating in the Retirement Plans—Some denominational organizations that are currently listed in the *Seventh-day Adventist Yearbook* are not participating in one of the denominational retirement plans. Administrators of these organizations have the responsibility to inform their employees in writing that they are not covered by one of the denominational retirement plans and are not earning denominational service credit.

Notwithstanding any X 45 provision to the contrary, the following employers have been declared non-participants in any NAD retirement plan effective January 1, 2000 by the North American Division and are thus exempt from this policy: Allegheny East Conference, Allegheny West Conference, Central States Conference, Lake Region Conference, Northeastern Conference, South Atlantic Conference, South Central Conference, Southeastern Conference, and Southwest Region Conference. Individuals who were employees of such employers as of December 31, 1999 who have signed an affidavit authorizing the transfer of personal pre-2000 service credit to the Regional Conference Retirement Plan shall not be eligible to receive any earned benefits under the terms and policies of the Seventh-day Adventist Retirement Plan of the North American Division or the Health Care Assistance Plan for Participants in the Seventh-day Adventist Retirement Plan of the North American Division.

TREn/NADCOA/NAD&UnSec01YE/NAD&UnTre01YE/NADUn&GCO01YE/01YE to HWB

522-01N RETIREMENT ALLOWANCE—POLICY AMENDMENT

VOTED, To amend NAD X 45 12, Retirement Allowance, paragraph 8, to read as follows:

8. *Sharing Cost of Contribution*—If an individual is employed by another denominational employer after passing his/her 60th birthday, his/her previous denominational employer shall be responsible for, and shall pay to the new employer at the time(s) the allowance is paid, a portion of the contribution required to provide his/her retirement allowance based on the following formula: 50 percent of the contribution plus 10 percent for each year that the

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employee's age exceeded 60 at the time of transfer. In no case shall an amount greater than 100 percent of the benefit be granted. Payment(s) shall be made directly to the eligible employee by the last denominational employer who shall take responsibility for collection of shared amounts from the other employer(s) involved. Signed agreements by employers to share the contribution on a different basis shall be honored. ~~If the individual is called to another organization after age 65, the former denomination employer shall be responsible for the full amount of the contribution required to provide a retirement allowance.~~

TREn/RemTaskForce/01YE to JRP

520-01N REMUNERATION TASK FORCE REPORT

VOTED, To receive the Remuneration Task Force Report. (A copy is filed with the Official Minutes.)

NAD Remuneration Taskforce Report Summary to the NAD Executive Committee 2001

Voted, To approve the Remuneration Task Force action number one which reads as follows:

1) Move from the 150% remuneration scale to an equivalent 100% based remuneration scale. *(08).

VOTED, To approve the Remuneration Task Force recommendation number two which reads as follows:

2) Opening of the upper end of the 100% remuneration scale by 10 percentage points, allowing the decompression of the positions presently classified at the 150% level.(09).

VOTED, To refer the Remuneration Task Force recommendation number three to the appropriate committee which reads as follows:

3) Eliminating the use of cost of living categories for the purposes of assigning compensation. Use of the Economic Research Institute (ERI) software to determine compensation by geographical area. (15).

VOTED, To refer the Remuneration Task Force recommendation number four which reads as follows:

4) Classification of several positions as representatives of the remuneration scale. A few philosophical statements are included, as selected positions have been slotted at different levels.(12).

VOTED, To approve the Remuneration Task Force recommendation number five which reads as follows:

5) Use of the CPI-U as the basis for remunerating church employees, instead of the lower of tithe or CPI increase. (04). Date and type of the CPI to be brought back to the taskforce for a final determination. (04)

VOTED, To refer the Remuneration Task Force recommendation number six to the appropriate committee which reads as follows:

6) Recommend a cost of living increase of 5% in the U.S, that will include a 2.6% catch-up, and an additional 2.4% to help improve the living standard of church employees. This is to be phased in over a maximum of five years. Financial impact studies to be conducted. Canadian remuneration may need to be studied separately. (13).

VOTED, To refer the Remuneration Task Force recommendation number seven to the appropriate committee which reads as follows:

7) Use of community wage for non-exempt staff. (07).

VOTED, To refer the Remuneration Task Force recommendation number eight to the appropriate committee which reads as follows:

8) Discontinue tuition assistance for new non-exempt employees with grandfather provisions made for those presently eligible. (05).

VOTED, To refer the Remuneration Task Force recommendation number nine to the appropriate committee which reads as follows:

9) Extend the span of time for an ordained pastor to reach the maximum in the wage scale beyond six years. (11).

VOTED, To approve the Remuneration Task Force recommendation number ten which reads as follows:

10) Remuneration to employees, other than those regulated by the NAD

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Remuneration Wage Scale, should be reported annually to governing committees.(01).

VOTED, To approve the Remuneration Task Force recommendation number eleven which reads as follows:

11) Inform church leadership that employee remuneration issues are of the highest priority. (06)

VOTED, To refer the Remuneration Task Force recommendation number twelve to the appropriate committee which is to be appointed by the Chair which reads as follows:

12) Implementation of proposed changes starting July 1, 2002, - the beginning of the 2002-2003 fiscal year for the educational system.(14).

VOTED, To refer the Remuneration Task Force recommendation number thirteen to the appropriate committee which reads as follows:

13) Request to have the North American Division Executive Committee express itself about the actions taken by several colleges and universities with regard to remuneration. (10).

VOTED, To approve the Remuneration Task Force recommendation number fourteen which reads as follows:

14) Endorsement of GC Y 05 5 7a, referring to criteria for variations to denominational wage scale. (03).

VOTED, To refer the Remuneration Task Force recommendation number fifteen to the appropriate committee which reads as follows:

15) There needs to be forms of accountability following responsibilities. Adjustments to remuneration will be based on performance standards and accountability. (02).

**[The numbers in parenthesis following each item in the summary refers to the corresponding action in the text following the Summary.]*

NAD REMUNERATION TASK FORCE—RECOMMENDATIONS

The North American Division Committee discussed each of the following actions and took separate actions dealing with each one individually. These recommendations are as follows:

RemTF-01 (Non-Standard Wage Scales)

“VOTED, To recommend that any remuneration scale and benefits other than those published by the denomination should be reported at the annual meeting of the appropriate Board and at the Division Year-end Meeting.”

RemTF-02 (Accountability)

“VOTED, To recommend that it be formally recognized that within the church there are unique employee responsibilities and, therefore, there need to be corresponding forms of accountability. It is being recommended that adjustments to remuneration will be based on performance standards and accountability.”

RemTF-03 (Variations to Denominational Wage Scale)

“VOTED, To recommend the endorsement of GC Y O5 5-7a which reads as follows:

Variations:

- a. Institutional—The Board/governing committees of institutions/organizations of the Church whose viability rests on their success in the commercial environment and who do not receive denominational appropriations may establish remuneration levels and/or compensation benefits (allowances) which reflect more closely the remuneration level of the local environment. Such variations shall be made within criteria established by the General Executive Committee, and shall require approval of the division executive committee.

“In divisions where health care institutions are managed as separate but allied structures, the remuneration scale shall be determined by a method as approved by the division/General Conference Executive Committee.”

RemTF-04 (Salary Increases—Method for Calculating)

“VOTED, To recommend
(1) to use the CPI as the basis for computing salary increases with provision made for necessary “catch up” and

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(2) that a recommendation regarding the date and type of the CPI be brought back to the Task Force for consideration.”

RemTF-05 (Tuition Assistance)

“VOTED, To recommend to discontinue tuition assistance for non-exempt employees with the provision to grandfather as necessary the assistance for those presently eligible in organizations where they are currently employed.”

RemTF-06 (Administration of Remuneration)

“VOTED, To recommend that church leadership be informed that employees salaries are an issue of highest priority. Organizations are encouraged to ensure that all allowances, including appropriate geographical cost of housing categories, be fully disclosed and given to the employee.”

RemTF-07 (Community Wage Scale)

“VOTED, To recommend that all non-exempt staff be placed on a community wage scale and that this scale is not to exceed the North American Division remuneration scale.”

RemTF-08 (Remuneration Scale)

“VOTED, To recommend that we move to a 100% scale. This means that the former remuneration of 150% would equal 100%.”

RemTF-09 (Decompression of Scale)

“VOTED, To recommend that an additional 10% be added to the remuneration range to provide the opportunity for more incremental salary levels.”

RemTF-10 (Higher Education)

“WHEREAS, The NAD Remuneration Task Force recognizes that there are remuneration issues that are unique to higher education and that considerable work has been done by previous committees, local colleges/universities and the NAD Higher Education Cabinet which represent reasonable attempts to meet special remuneration issues within higher education, and

“WHEREAS, This Task Force finds itself unable to reconcile the action of the North American Division in 1992 on Institutional Governance and the actions of some of the

institutions of higher education in reference to systems of remuneration, we

“THEREFORE are unable to incorporate into the remuneration system of the church the higher salaries which have already been implemented by several institutions and have in so doing developed by default a separate pay scale, we therefore

“REQUEST the Executive Committee of the North American Division and the General Conference to express themselves about the actions already taken by several colleges and universities with regard to remuneration.”

RemTF-11 (Expanded Span of Time for Maximum Salary)

“VOTED, To recommend that the span of time for an ordained pastor to reach the maximum in the wage scale be expanded beyond six years.”

RemTF-12 (Remuneration Percentage Proposal)

“VOTED, To recommend the revision of the NAD Remuneration Percentages as per the attached document. This proposed revision decompresses the current wage scale making allowance for an increased spread in percentages between various levels in the administrative, pastoral and K-12 educational remuneration scales. It also uses a 100% scale rather than the 150% scale presently being used. Because of the proposed increases, there may need to be a phase-in period for these changes. The task force recommends that administration develop a proposed phase-in between two to five years and be based on financial impact studies conducted by the various organizations. This phase-in of increased percentages should be applied first to those below the Division, Union and Conference administrative levels if there are not sufficient funds to implement the increase for all positions.

RemTF-13 (Wage Factor)

“VOTED, To recommend that the wage factor be increased by 5% overall. This increase incorporates a catch-up provision of 2.6% for the amount that wages have fallen behind the CPI since 1968 plus an additional 2.4% to grant an overall enhancement to the standard of living for denominational employees. This proposed 5% increase in the wage factor is in addition to future cost-of-living adjustments, which we recommend be based on the increase in the CPI. This additional 5% may be phased in over a maximum of five years. The committee recommends that administration develop a proposed phase in based on financial impact studies conducted by the various organizations.”

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RemTF-14 (Effective Date)

“VOTED, To recommend that the NAD seek to implement the proposed changes starting July 1, 2002—the beginning of the 2002-03 fiscal year for the educational system.”

RemTF-15 (Housing)

“VOTED, To recommend the use of Economic Research Institute (ERI) system as proposed by the NAD Housing Task Force rather than to continue using “Categories A through F” as is currently being done.”

Adjourned.

Don C Schneider, Chair
Rosa T Banks, Secretary
Alvin Kibble, Editorial Secretary
Carolyn Rochester, Recording Secretary