

Standard Form Disaffiliation Agreement-TN-Western Kentucky Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 17 day of June 2022, by and between Chestnut Mound UMC (“Local Church”) and Tennessee-Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

WHEREAS, Local Church is a United Methodist church within the boundaries of Annual Conference;

WHEREAS, Local Church has held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of *The Book of Discipline of The United Methodist Church* (“*Discipline*”), at which at least two-thirds (2/3) of the professing members present at the church conference of Local Church voted to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.”

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Local Church holds its real and personal, tangible and intangible property “in trust for The United Methodist Church and subject to the provisions of its *Discipline*.”

WHEREAS, property subject to ¶ 2501.1 “can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*.” (¶ 2501.2)

WHEREAS, ¶ 2553 provides a specific circumstance in which property subject to ¶ 2501.1 can be released from the trust imposed by that paragraph.

WHEREAS, ¶ 2553.4 requires the terms and conditions of Local Church’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them, and Local Church wishes to acquire from Annual Conference all of Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council *Decision* 1379.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Local Church and Annual Conference agree as follows:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:
 - a. *Church Conference Vote*. At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote to disaffiliate from The United Methodist Church "for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow." Local Church must provide documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and shall be included as EXHIBIT A to this Disaffiliation Agreement.
 - b. *Annual Conference Vote*. This Disaffiliation Agreement must be "ratified by a simple majority of the members . . . present and voting" at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1b(3).

Should either of the above not occur, this Disaffiliation Agreement shall immediately become null and void.

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on June 17, 2022 ("Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above.

4. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

a. *Payments.* Prior to the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:

i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.

ii. Any unpaid current year Connectional Commitment based on the Annual Conference approved formula, totaling 0.00;

iii. An additional twelve (12) months of Connectional Commitment based on the Annual Conference approved formula, totaling 2883.00;

iv. Any past due Direct Bill Pension or Health Insurance payments 0.00;

v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling 25883.00;

b. *Other Liabilities.* Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans

and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Local Church shall remain liabilities of Local Church's new entity and shall not become liabilities of Annual Conference.

- c. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same."
- d. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.

5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 5.

6. Property. On the Disaffiliation Date, Local Church will have full ownership of the property and assets listed in EXHIBIT B to this Agreement. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne

by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. Time Limit. Should the Local Church fail to satisfy all of its obligations set forth herein by December 31, 2023, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits (Wespath) to the extent permitted by federal law, and provided that Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

10. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

Representatives of the Local Church

Jenee Sprauyle Chair, Administrative Board

Date 4-27-2022

William J. Oda Chair, Board of Trustees

Date 4-27-2022

Representatives of the Annual Conference

Anna Panemore District Superintendent

Date 27 Apr 22

J.R. W. Authorized Member, Board of Trustees Date 5-5-2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

**OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE**

MEMBERS OF THE CHESTNUT MOUND UNITED METHODIST CHURCH

I, Jeneil Sproungle, as the undersigned officer or authorized designee of Chestnut Mound United Methodist Church ("Church") certify the vote of the Church members that was taken to disaffiliate from the United Methodist Church pursuant to Paragraph 2553 of the *Book of Discipline of the United Methodist Church*.

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on April 27, 2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 26 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*. 8 voted "No;" against disaffiliation; 18 voted "Yes," to disaffiliate; and -0- abstained. Copies of the ballots are available for inspection upon request.

Jeneil Sproungle

OFFICER/AUTHORIZED DESIGNEE

SECURED/UNSECURED

NOTES:

N/A

THREATENED

OR

PENDING

LITIGATION

N/A

SUCCESSOR

ENTITY:

N/A Chestnut Mound Christian Fellowship

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE NAMES OF TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

William T. Duke
Raymond Lawrence
Kevin Comstock

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Brenda Blaw

OFFICER/AUTHORIZED

DESIGNEE

Standard Form Disaffiliation Agreement-Tennessee-Western Kentucky Conference
As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 4th day of May 2022, by and between Christ (McMinnville) UMC (“Local Church”) and Tennessee-Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

WHEREAS, Local Church is a United Methodist church within the boundaries of Annual Conference;

WHEREAS, Local Church has held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of *The Book of Discipline of The United Methodist Church* (“*Discipline*”), at which at least two-thirds (2/3) of the professing members present at the church conference of Local Church voted to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.”

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Local Church holds its real and personal, tangible and intangible property “in trust for The United Methodist Church and subject to the provisions of its *Discipline*.”

WHEREAS, property subject to ¶ 2501.1 “can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*.” (¶ 2501.2)

WHEREAS, ¶ 2553 provides a specific circumstance in which property subject to ¶ 2501.1 can be released from the trust imposed by that paragraph.

WHEREAS, ¶ 2553.4 requires the terms and conditions of Local Church’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them, and Local Church wishes to acquire from Annual Conference all of Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council *Decision* 1379.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Local Church and Annual Conference agree as follows:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:

- a. *Church Conference Vote*. At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.” Local Church must provide documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and shall be included as EXHIBIT A to this Disaffiliation Agreement.
- b. *Annual Conference Vote*. This Disaffiliation Agreement must be “ratified by a simple majority of the members . . . present and voting” at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1b(3).

Should either of the above not occur, this Disaffiliation Agreement shall immediately become null and void.

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on June 17, 2022 ("Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above.

4. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

a. *Payments.* Prior to the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:

i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.

ii. Any unpaid current year Connectional Commitment based on the Annual Conference approved formula, totaling \$4,563.00;

iii. An additional twelve (12) months of Connectional Commitment based on the Annual Conference approved formula, totaling \$18,252.00;

iv. Any past due Direct Bill Pension or Health Insurance payments \$0

v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$81,932.00;

b. *Other Liabilities.* Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans

and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Local Church shall remain liabilities of Local Church's new entity and shall not become liabilities of Annual Conference.

c. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same."

d. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.

5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 5.

6. Property. On the Disaffiliation Date, Local Church will have full ownership of the property and assets listed in EXHIBIT B to this Agreement. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne

by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. Time Limit. Should the Local Church fail to satisfy all of its obligations set forth herein by December 31, 2023, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits (Wespath) to the extent permitted by federal law, and provided that Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

10. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

Representatives of the Local Church

Nancy Priest Chair, Administrative Board
James Fuller Chair, Board of Trustees

Date 5/4/22

Date May 4, 2022

Representatives of the Annual Conference

Ann Parramore District Superintendent
J. H. Authorized Member, Board of Trustees

Date 5/4/22

Date 6-1-2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE
MEMBERS OF THE CHRIST (MCMINNVILLE) UNITED METHODIST CHURCH

I, Carol Lee Hamblen, as the undersigned officer or authorized designee of Christ (McMinnville) United Methodist Church ("Church") certify the vote of the Church members that was taken to disaffiliate from the United Methodist Church pursuant to Paragraph 2553 of the *Book of Discipline of the United Methodist Church*.

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on May 4, 2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.
2. There were 48 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*. 3 voted "No," against disaffiliation; 45 voted "Yes," to disaffiliate; and 0 abstained. Copies of the ballots are available for inspection upon request.

Carol Lee Hamblen, Treasurer

OFFICER/AUTHORIZED DESIGNEE

**EXHIBIT B TO DISAFFILIATION AGREEMENT
LIST OF ASSETS TO BE TRANSFERRED AND LIABILITIES TO BE ASSUMED**

REAL PROPERTY: Address, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds or survey containing property description. If multiple properties, attached a list on a separate sheet.)

see separate form

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is be released.

1st National Bank of McMinnville, McMinnville, TN 37110 **Checking Account**

PERSONAL PROPERTY: Trust clause is to be released in:

All personal property, other than property bearing "United Methodist Church" or the Cross and Flame

All personal property, with the exception of the following:

(List any property that will be retained by the Annual Conference)

EXISTING LIABILITIES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF LIABILITY OR TRANSFER OF LIABILITY TO SUCCESSOR ENTITY):

MORTGAGES: NONE

SECURED/UNSECURED NOTES: NONE

THREATENED OR PENDING LITIGATION NONE

SUCCESSOR ENTITY: CHRIST CHAPEL OF MCMINNVILLE, TN

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE NAMES OF TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-TN-Western Kentucky Conference
As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 17 day of June 2022, by and between McDonald Chapel (“Local Church”) and Tennessee-Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

WHEREAS, Local Church is a United Methodist church within the boundaries of Annual Conference;

WHEREAS, Local Church has held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of *The Book of Discipline of The United Methodist Church* (“*Discipline*”), at which at least two-thirds (2/3) of the professing members present at the church conference of Local Church voted to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.”

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Local Church holds its real and personal, tangible and intangible property “in trust for The United Methodist Church and subject to the provisions of its *Discipline*.”

WHEREAS, property subject to ¶ 2501.1 “can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*.” (¶ 2501.2)

WHEREAS, ¶ 2553 provides a specific circumstance in which property subject to ¶ 2501.1 can be released from the trust imposed by that paragraph.

WHEREAS, ¶ 2553.4 requires the terms and conditions of Local Church’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them, and Local Church wishes to acquire from Annual Conference all of Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council *Decision* 1379.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Local Church and Annual Conference agree as follows:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:

- a. *Church Conference Vote*. At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.” Local Church must provide documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and shall be included as EXHIBIT A to this Disaffiliation Agreement.
- b. *Annual Conference Vote*. This Disaffiliation Agreement must be “ratified by a simple majority of the members . . . present and voting” at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1b(3).

Should either of the above not occur, this Disaffiliation Agreement shall immediately become null and void.

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on June 17, 2022 ("Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above.

4. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

a. *Payments.* Prior to the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:

i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.

ii. Any unpaid current year Connectional Commitment based on the Annual Conference approved formula, totaling \$2,134.00;

iii. An additional twelve (12) months of Connectional Commitment based on the Annual Conference approved formula, totaling \$2,109.00;

iv. Any past due Direct Bill Pension or Health Insurance payments 0.00;

v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$9,467.00;

b. *Other Liabilities.* Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans

and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Local Church shall remain liabilities of Local Church's new entity and shall not become liabilities of Annual Conference.

- c. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same."
- d. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.

5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 5.

6. Property. On the Disaffiliation Date, Local Church will have full ownership of the property and assets listed in EXHIBIT B to this Agreement. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne

by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other; and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. Time Limit. Should the Local Church fail to satisfy all of its obligations set forth herein by December 31, 2023, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits (Wespath) to the extent permitted by federal law, and provided that Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

10. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

Representatives of the Local Church

Joan Seels Chair, Administrative Board
Levy C. ... Chair, Board of Trustees

Date 05/05/22

Date 05/05/22

Representatives of the Annual Conference

Nina ... District Superintendent
J. ... Authorized Member, Board of Trustees

Date 05/05/22

Date 6-1-2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE

MEMBERS OF THE MCDONALD CHAPEL UNITED METHODIST CHURCH

I, Jerry A. Myers, as the undersigned officer or authorized designee of McDonald United Methodist Church ("Church") certify the vote of the Church members that was taken to disaffiliate from the United Methodist Church pursuant to Paragraph 2553 of the *Book of Discipline of the United Methodist Church*.

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on May 5, 2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 15 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*. 0 voted "No;" against disaffiliation; 15 voted "Yes," to disaffiliate; and 0 abstained. Copies of the ballots are available for inspection upon request.

Jerry A. Myers
OFFICER/AUTHORIZED DESIGNEE

**EXHIBIT B TO DISAFFILIATION AGREEMENT
LIST OF ASSETS TO BE TRANSFERRED AND LIABILITIES TO BE
ASSUMED**

REAL PROPERTY: Address, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds or survey containing property description. If multiple properties, attached a list on a separate sheet.)

508 Eastport Dock Road
Book WD 05/32 Church
273 Beatty Swamp Road
Book 87 pg 416, Parsonage

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is to be released.

PERSONAL PROPERTY:

Trust clause is to be released in:

All personal property, other than property bearing "United Methodist Church" or the Cross and Flame

All personal property, with the exception of the following:

(List any property that will be retained by the Annual Conference)

None

EXISTING LIABILITIES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF LIABILITY OR TRANSFER OF LIABILITY TO SUCCESSOR ENTITY):

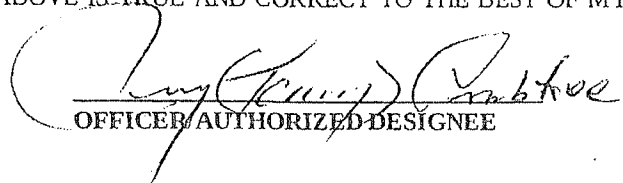
MORTGAGES: None

SECURED/UNSECURED NOTES: None

THREATENED OR PENDING LITIGATION None

SUCCESSOR ENTITY: McDonalds Chapel Church
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE NAMES OF TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-TN-Western Kentucky Conference
As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 17 day of June 2022, by and between Mt. Zion UMC (“Local Church”) and Tennessee-Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

WHEREAS, Local Church is a United Methodist church within the boundaries of Annual Conference;

WHEREAS, Local Church has held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of *The Book of Discipline of The United Methodist Church* (“*Discipline*”), at which at least two-thirds (2/3) of the professing members present at the church conference of Local Church voted to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.”

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Local Church holds its real and personal, tangible and intangible property “in trust for The United Methodist Church and subject to the provisions of its *Discipline*.”

WHEREAS, property subject to ¶ 2501.1 “can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*.” (¶ 2501.2)

WHEREAS, ¶ 2553 provides a specific circumstance in which property subject to ¶ 2501.1 can be released from the trust imposed by that paragraph.

WHEREAS, ¶ 2553.4 requires the terms and conditions of Local Church’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them, and Local Church wishes to acquire from Annual Conference all of Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council *Decision* 1379.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Local Church and Annual Conference agree as follows:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:
 - a. *Church Conference Vote*. At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.” Local Church must provide documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and shall be included as EXHIBIT A to this Disaffiliation Agreement.
 - b. *Annual Conference Vote*. This Disaffiliation Agreement must be “ratified by a simple majority of the members . . . present and voting” at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1b(3).

Should either of the above not occur, this Disaffiliation Agreement shall immediately become null and void.

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on June 17, 2022 ("Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above.

4. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

a. *Payments.* Prior to the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:

i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.

ii. Any unpaid current year Connectional Commitment based on the Annual Conference approved formula, totaling 2285.00;

iii. An additional twelve (12) months of Connectional Commitment based on the Annual Conference approved formula, totaling 2285.00;

iv. Any past due Direct Bill Pension or Health Insurance payments 0.00;

v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling 10,257.00;

b. *Other Liabilities.* Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans

and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Local Church shall remain liabilities of Local Church's new entity and shall not become liabilities of Annual Conference.

c. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same."

d. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.

5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 5.

6. Property. On the Disaffiliation Date, Local Church will have full ownership of the property and assets listed in EXHIBIT B to this Agreement. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne

by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. Time Limit. Should the Local Church fail to satisfy all of its obligations set forth herein by December 31, 2023, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits (Wespath) to the extent permitted by federal law, and provided that Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

10. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

Representatives of the Local Church

Travis Holt Chair, Administrative Board

Date 3-6-22

Robert Wright Chair, Board of Trustees

Date 3/5/2022

Representatives of the Annual Conference

Wanda D. Purnell District Superintendent

Date 3/5/22

Raúl B. Alegre Authorized Member, Board of Trustees

Date 4/19/2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE
MEMBERS OF THE MT.ZION UNITED METHODIST CHURCH

I, Rodney Wright, as the undersigned officer or authorized designee of Mt. Zion United Methodist Church ("Church") certify the vote of the Church members that was taken to disaffiliate from the United Methodist Church pursuant to Paragraph 2553 of the *Book of Discipline of the United Methodist Church*.

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on March 6, 2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 15 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*. 1 voted "No;" against disaffiliation; 14 voted "Yes," to disaffiliate; and 0 abstained. Copies of the ballots are available for inspection upon request.

Rodney Wright

OFFICER/AUTHORIZED DESIGNEE

**EXHIBIT B TO DISAFFILIATION AGREEMENT
LIST OF ASSETS TO BE TRANSFERRED AND LIABILITIES TO BE ASSUMED**

REAL PROPERTY: Address, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds or survey containing property description. If multiple properties, attached a list on a separate sheet.)

1635 Mt. Zion Rd. McMinville, Tenn. Parcel # 115 013.01

Property will continue to be used as a church.

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is to be released.

Regions Bank, McMinville, TN.

Checking Account

PERSONAL PROPERTY: Trust clause is to be released in:

 All personal property, other than property bearing "United Methodist Church" or the Cross and Flame

 All personal property, with the exception of the following:

(List any property that will be retained by the Annual Conference)

EXISTING LIABILITIES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF LIABILITY OR TRANSFER OF LIABILITY TO SUCCESSOR ENTITY):

MORTGAGES: N/A

SECURED/UNSECURED NOTES: N/A

THREATENED OR PENDING LITIGATION N/A

SUCCESSOR ENTITY:

 Mt. Zion Church
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE NAMES OF TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

 Robey Wright
OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-TN-Western Kentucky Conference
As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 17 day of June 2022, by and between New Union (“Local Church”) and Tennessee-Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

WHEREAS, Local Church is a United Methodist church within the boundaries of Annual Conference;

WHEREAS, Local Church has held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of *The Book of Discipline of The United Methodist Church* (“*Discipline*”), at which at least two-thirds (2/3) of the professing members present at the church conference of Local Church voted to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.”

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Local Church holds its real and personal, tangible and intangible property “in trust for The United Methodist Church and subject to the provisions of its *Discipline*.”

WHEREAS, property subject to ¶ 2501.1 “can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*.” (¶ 2501.2)

WHEREAS, ¶ 2553 provides a specific circumstance in which property subject to ¶ 2501.1 can be released from the trust imposed by that paragraph.

WHEREAS, ¶ 2553.4 requires the terms and conditions of Local Church’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them, and Local Church wishes to acquire from Annual Conference all of Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council *Decision* 1379.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Local Church and Annual Conference agree as follows:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:

- a. *Church Conference Vote*. At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote to disaffiliate from The United Methodist Church "for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow." Local Church must provide documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and shall be included as EXHIBIT A to this Disaffiliation Agreement.
- b. *Annual Conference Vote*. This Disaffiliation Agreement must be "ratified by a simple majority of the members . . . present and voting" at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1b(3).

Should either of the above not occur, this Disaffiliation Agreement shall immediately become null and void.

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on June 17, 2022 ("Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above.

4. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

a. *Payments*. Prior to the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:

i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.

ii. Any unpaid current year Connectional Commitment based on the Annual Conference approved formula, totaling \$2,063.00;

iii. An additional twelve (12) months of Connectional Commitment based on the Annual Conference approved formula, totaling \$4,125.00;

iv. Any past due Direct Bill Pension or Health Insurance payments 0.00;

v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$18,517.00;

b. *Other Liabilities*. Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans

and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Local Church shall remain liabilities of Local Church's new entity and shall not become liabilities of Annual Conference.

- c. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same."
- d. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.

5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 5.

6. Property. On the Disaffiliation Date, Local Church will have full ownership of the property and assets listed in EXHIBIT B to this Agreement. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne

by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. Time Limit. Should the Local Church fail to satisfy all of its obligations set forth herein by December 31, 2023, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits (Wespath) to the extent permitted by federal law, and provided that Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

10. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

Representatives of the Local Church

Paul R. Curran Chair, Administrative Board

Date 05/12/22

Anthony Jippe Chair, Board of Trustees

Date 05/12/22

Representatives of the Annual Conference

David Parnham District Superintendent

Date 5/12/22

J.R. Van Authorized Member, Board of Trustees Date 6-1-2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE
MEMBERS OF THE NEW UNION UNITED METHODIST CHURCH

I, Samuel L. Young, D.Min, as the undersigned officer or authorized designee of New Union United Methodist Church ("Church") certify the vote of the Church members that was taken to disaffiliate from the United Methodist Church pursuant to Paragraph 2553 of the *Book of Discipline of the United Methodist Church*.

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on May 11, 2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.
2. There were 24 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

0 voted "No;" against disaffiliation;

23 voted "Yes," to disaffiliate;

and 1 abstained.

Copies of the ballots are available for inspection upon request.

SL Young D.Min
OFFICER/AUTHORIZED DESIGNEE

**EXHIBIT B TO DISAFFILIATION AGREEMENT
LIST OF ASSETS TO BE TRANSFERRED AND LIABILITIES TO BE
ASSUMED**

REAL PROPERTY: Address, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds or survey containing property description. If multiple properties, attached a list on a separate sheet.)

see attached

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is be released.

PERSONAL PROPERTY: Trust clause is to be released in:

All personal property, other than property bearing "United Methodist Church" or the Cross and Flame

All personal property, with the exception of the following:
(List any property that will be retained by the Annual Conference)

EXISTING LIABILITIES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF LIABILITY OR TRANSFER OF LIABILITY TO SUCCESSOR ENTITY):

MORTGAGES: n/a

SECURED/UNSECURED NOTES: n/a

THREATENED OR PENDING LITIGATION n/a

SUCCESSOR ENTITY: New Union ~~Church~~ Methodist Church
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE NAMES OF TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

David K. Garrison
OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-TN-Western Kentucky Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 15 day of June 2022, by and between Shady Grove (“Local Church”) and Tennessee-Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

WHEREAS, Local Church is a United Methodist church within the boundaries of Annual Conference;

WHEREAS, Local Church has held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of *The Book of Discipline of The United Methodist Church* (“*Discipline*”), at which at least two-thirds (2/3) of the professing members present at the church conference of Local Church voted to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.”

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Local Church holds its real and personal, tangible and intangible property “in trust for The United Methodist Church and subject to the provisions of its *Discipline*.”

WHEREAS, property subject to ¶ 2501.1 “can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*.” (¶ 2501.2)

WHEREAS, ¶ 2553 provides a specific circumstance in which property subject to ¶ 2501.1 can be released from the trust imposed by that paragraph.

WHEREAS, ¶ 2553.4 requires the terms and conditions of Local Church’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them, and Local Church wishes to acquire from Annual Conference all of Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council *Decision* 1379.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Local Church and Annual Conference agree as follows:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:
 - a. *Church Conference Vote*. At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.” Local Church must provide documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and shall be included as EXHIBIT A to this Disaffiliation Agreement.
 - b. *Annual Conference Vote*. This Disaffiliation Agreement must be “ratified by a simple majority of the members . . . present and voting” at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1b(3).

Should either of the above not occur, this Disaffiliation Agreement shall immediately become null and void.

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on June 15, 2022 ("Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above.

4. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

a. *Payments*. Prior to the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:

i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.

ii. Any unpaid current year Connectional Commitment based on the Annual Conference approved formula, totaling \$833.00;

iii. An additional twelve (12) months of Connectional Commitment based on the Annual Conference approved formula, totaling \$1,667.00;

iv. Any past due Direct Bill Pension or Health Insurance payments 0.00;

v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$7,483.00;

b. *Other Liabilities*. Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans

and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Local Church shall remain liabilities of Local Church's new entity and shall not become liabilities of Annual Conference.

c. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same."

d. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.

5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 5.

6. Property. On the Disaffiliation Date, Local Church will have full ownership of the property and assets listed in EXHIBIT B to this Agreement. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne

by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. Time Limit. Should the Local Church fail to satisfy all of its obligations set forth herein by December 31, 2023, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits (Wespath) to the extent permitted by federal law, and provided that Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

10. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

Representatives of the Local Church

Michael D. Ull Chair, Administrative Board

Date 05/11/2022

Earl R. Jared Chair, Board of Trustees

Date 05/11/2022

Representatives of the Annual Conference

Roma Pannan District Superintendent

Date 5/11/22

J U Authorized Member, Board of Trustees Date 6-1-2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE
MEMBERS OF THE SHADY GROVE UNITED METHODIST CHURCH

I, Donna Wainwright, as the undersigned officer or authorized designee of Shady Grove United Methodist Church ("Church") certify the vote of the Church members that was taken to disaffiliate from the United Methodist Church pursuant to Paragraph 2553 of the *Book of Discipline of the United Methodist Church*.

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on May 11, 2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.
2. There were 60 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

_____ voted "No;" against disaffiliation;

60 voted "Yes," to disaffiliate;

and _____ abstained.

Copies of the ballots are available for inspection upon request.

Donna Wainwright

OFFICER/AUTHORIZED DESIGNEE

EXHIBIT B TO DISAFFILIATION AGREEMENT
LIST OF ASSETS TO BE TRANSFERRED AND LIABILITIES TO BE ASSUMED

REAL PROPERTY: Address, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds or survey containing property description. If multiple properties, attached a list on a separate sheet.)

Shady Grove Church, 1155 Lowery Rd
Walling Sparta, TN ~~38583~~ 38587
Book - B Page - 477-478
Shady Grove Parsonage
12420 Old Kentucky Rd, Walling TN 38587
Book - WD96 Pages 99 and 100

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is to be released.

U.S. Bank - Both Accounts
Checking Account - Church
Checking Account - Parsonage

PERSONAL PROPERTY: Trust clause is to be released in:

All personal property, other than property bearing "United Methodist Church" or the Cross and Flame

All personal property, with the exception of the following:

(List any property that will be retained by the Annual Conference)

EXISTING LIABILITIES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF LIABILITY OR TRANSFER OF LIABILITY TO SUCCESSOR ENTITY):

MORTGAGES: N/A

SECURED/UNSECURED N/A NOTES: N/A

THREATENED OR PENDING LITIGATION N/A

SUCCESSOR ENTITY:

Shady Grove Church

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE NAMES OF TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Chaz Barrow

OFFICER/AUTHORIZED

DESIGNEE

{02224756.1}

Standard Form Disaffiliation Agreement-TN-Western Kentucky Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 17 day of June 2022, by and between Tollett’s Chapel UMC (“Local Church”) and Tennessee-Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

WHEREAS, Local Church is a United Methodist church within the boundaries of Annual Conference;

WHEREAS, Local Church has held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of *The Book of Discipline of The United Methodist Church* (“*Discipline*”), at which at least two-thirds (2/3) of the professing members present at the church conference of Local Church voted to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.”

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Local Church holds its real and personal, tangible and intangible property “in trust for The United Methodist Church and subject to the provisions of its *Discipline*.”

WHEREAS, property subject to ¶ 2501.1 “can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*.” (¶ 2501.2)

WHEREAS, ¶ 2553 provides a specific circumstance in which property subject to ¶ 2501.1 can be released from the trust imposed by that paragraph.

WHEREAS, ¶ 2553.4 requires the terms and conditions of Local Church’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them, and Local Church wishes to acquire from Annual Conference all of Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council *Decision* 1379.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Local Church and Annual Conference agree as follows:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:
 - a. *Church Conference Vote*. At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.” Local Church must provide documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and shall be included as EXHIBIT A to this Disaffiliation Agreement.
 - b. *Annual Conference Vote*. This Disaffiliation Agreement must be “ratified by a simple majority of the members . . . present and voting” at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1b(3).

Should either of the above not occur, this Disaffiliation Agreement shall immediately become null and void.

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on June 17, 2022 ("Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above.

4. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

a. *Payments.* Prior to the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:

i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.

ii. Any unpaid current year Connectional Commitment based on the Annual Conference approved formula, totaling 1011.00;

iii. An additional twelve (12) months of Connectional Commitment based on the Annual Conference approved formula, totaling 4046.00;

iv. Any past due Direct Bill Pension or Health Insurance payments 0.00;

v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling 18,162.00;

b. *Other Liabilities.* Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans

and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Local Church shall remain liabilities of Local Church's new entity and shall not become liabilities of Annual Conference.

- c. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same."
- d. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.

5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 5.

6. Property. On the Disaffiliation Date, Local Church will have full ownership of the property and assets listed in EXHIBIT B to this Agreement. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne

by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. Time Limit. Should the Local Church fail to satisfy all of its obligations set forth herein by December 31, 2023, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits (Wespath) to the extent permitted by federal law, and provided that Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

10. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

Representatives of the Local Church

Ceraleine M. Parker Chair, Administrative Board

Date 4-22-22

Michael F. Ramsey Chair, Board of Trustees

Date 4-22-22

Representatives of the Annual Conference

Anna Bannan District Superintendent

Date 4/22/22

J.R. White Authorized Member, Board of Trustees Date 5-5-22

EXHIBIT A TO DISAFFILIATION AGREEMENT

**OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE
MEMBERS OF THE TOLLETTS CHAPEL UNITED METHODIST CHURCH**

I, Dayan Taylor, as the undersigned officer or authorized designee of Tolletts Chapel United Methodist Church ("Church") certify the vote of the Church members that was taken to disaffiliate from the United Methodist Church pursuant to Paragraph 2553 of the *Book of Discipline of the United Methodist Church*.

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on April 22, 2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 12 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*. 0 voted "No;" against disaffiliation; 12 voted "Yes," to disaffiliate; and 0 abstained. Copies of the ballots are available for inspection upon request.

Dayan Taylor
OFFICER/AUTHORIZED DESIGNEE

EXHIBIT B TO DISAFFILIATION AGREEMENT
LIST OF ASSETS TO BE TRANSFERRED AND LIABILITIES TO BE ASSUMED

REAL PROPERTY: Address, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds or survey containing property description. If multiple properties, attached a list on a separate sheet.)

- ① 95 Tabor Loop, Crossville, TN 38571 Deed Book 22 Page 354
Church Building

- ② 95 Tabor Loop, Crossville, TN 38571 Deed Book 164 Page 579
Church Building and Cemetery

- ③ 144 Tabor Loop, Crossville, TN 38571 Deed Book 183 Page 550
Parsonage
- ④ 5336 Pawnee Road, Crossville, TN 38572 Deed Book 1095 Page 1952
Lot @ Lake Tomsu

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is be released.
See attached list.

PERSONAL PROPERTY: Trust clause is to be released in:
 All personal property, other than property bearing "United Methodist Church" or the Cross and Flame
 All personal property, with the exception of the following:
(List any property that will be retained by the Annual Conference)

EXISTING LIABILITIES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF LIABILITY OR TRANSFER OF LIABILITY TO SUCCESSOR ENTITY):

MORTGAGES: None

SECURED/UNSECURED NOTES: None

THREATENED OR PENDING LITIGATION None

SUCCESSOR ENTITY:
Tolletts Chapel Church, a Tennessee nonprofit corporation

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE NAMES OF TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Margaret L. Roland Secretary/Treasurer
OFFICER/AUTHORIZED DESIGNEE