

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 1st day of May, 2022, by and between Benton (KY) First United Methodist Church (“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 30, 2022 ("Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above. Notwithstanding that the Disaffiliation Date shall not occur until after Annual Conference's ratification, the parties agree that upon Local Church's completion of its local church conference vote and execution of this Agreement by Local Church's authorized representative, neither Annual Conference nor the Bishop for the Episcopal area shall have any obligation to appoint clergy to Local Church, nor shall Local Church have any obligation to accept clergy so appointed, and Local Church shall be, from said date, solely responsible for selection and supervision of its own clergy.

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 \$4,504.00.
 - iii. An additional twelve (12) months of Connectional Commitment based on the Annual Conference approved formula, totaling \$54,054.00;
 - iv. Past due Direct Bill Pension or Health Insurance payments, totaling \$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 \$242,645.00;

- 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. The real property shall be conveyed to Local Church by quitclaim deed on or before the

Disaffiliation Date, but in no event prior to approval by Conference at its June, 2022 session. 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, 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

Lloyd B. Colson Chair, Administrative Board

Date 5-4-22

Barney L. Matthews Chair, Board of Trustees

Date 5-5-22

Representatives of the Annual Conference

Nancy E. Vande District Superintendent

Date 5-9-22

J. 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 BENTON FIRST UNITED METHODIST CHURCH

I, LLOYD B COLSON, as the undersigned officer or authorized designee of Benton First 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 Sunday, May 1, 2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 140 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*. 10 voted "No;" against disaffiliation; 130 voted "Yes," to disaffiliate; and 1 abstained. Copies of the ballots are available for inspection upon request.

Lloyd B Colson

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. Church building located at 845 U.S. Hwy, 641 Spur, Benton, KY, DB 283, p. 603.
2. Parsonage located at 101 Merrywood Drive, Benton, KY, DB 437, p. 414.

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is to be released. BFUMC GENERAL CHECKING, BUILDING FUND AND RESTRICTED FUND AT FIRST KY BANK; HELPING HANDS FOOD PANTRY ACCOUNT AT COMMUNITY FINANCIAL SERVICES BANK (CFSB); REV. DAVID ATKINSON ENDOWMENT FUND, INC. ACCOUNT AT FIRST KY BANK; CARING FOR YOU COUNSELING, INC. ACCOUNT LOCATED AT CFSB; BENTON FIRST UNITED METHODIST CHURCH ENDOWMENT FOUNDATION, INC. ACCOUNT LOCATED AT LPL FINANCIAL AT CFSB.

PERSONAL PROPERTY: Trust clause is to be released in:

 X 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: FIRST KY BANK IN THE ORIGINAL PRINCIPAL AMOUNT OF \$1,000,000, DATED JUNE 22, 2021 OF RECORD AT MORTGAGE BOOK 979, PAGE 308.

SECURED/UNSECURED NOTES: NONE OTHER THAN MORTGAGE LISTED ABOVE

THREATENED OR PENDING LITIGATION: NONE

SUCCESSOR ENTITY: THREE CROSSES CHURCH, INC.

(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 – 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 10th day of May, 2022, by and between Bethel UMC and Tennessee-Western Kentucky Conference of the United Methodist Church.

WHEREAS, Bethel is a United Methodist church within the boundaries of Tennessee-Western Kentucky Annual Conference;

WHEREAS, Bethel UMC 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*, at which at least two-thirds (2/3) of the professing members present at the church conference of Bethel UMC 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*, Bethel UMC 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 Bethel UMC’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Bethel UMC and Tennessee-Western Kentucky Annual Conference wish to (1) resolve all matters between them, and Bethel UMC wishes to acquire from Tennessee-Western Kentucky Annual Conference all of Tennessee-Western Kentucky Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Bethel UMC 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, Bethel UMC and Tennessee-Western Kentucky Annual Conference agree as follows:

1. Conditions Precedent. Bethel UMC and Tennessee-Western Kentucky 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 Bethel UMC 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.” Bethel UMC must provide documentation, to the satisfaction of Tennessee-Western Kentucky 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 Bethel UMC 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 the Tennessee-Western Kentucky 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. Bethel UMC acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Bethel UMC holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Bethel UMC timely comply with all of its obligations as set forth herein, Bethel UMC's disaffiliation from The United Methodist Church will be effective on June 30, 2022. Such Disaffiliation Date must be subsequent to the Tennessee-Western Kentucky Annual Conference's ratification referenced in Section 1 above.

4. Bethel UMC's Obligations. Unless a different date is specified, Bethel UMC shall, by no later than June 30, 2022, do the following:

a. *Payments.* Prior to June 30, 2022, Bethel UMC shall pay to Tennessee-Western Kentucky Annual Conference, in a manner specified by Tennessee-Western Kentucky Annual Conference, the following:

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

ii. Any unpaid current year Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$1,149.00 ;

iii. An additional twelve (12) months of Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$2,298.00 ;

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

v. An amount equal to Bethel UMC's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Tennessee-Western Kentucky Annual Conference's unfunded pension obligations, based on

Tennessee-Western Kentucky 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 \$10,316.00 ;

- b. *Other Liabilities.* Bethel UMC 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. Bethel UMC must provide sufficient documentation of same to Tennessee-Western Kentucky Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Bethel UMC shall remain liabilities of Bethel UMC's new entity and shall not become liabilities of Tennessee-Western Kentucky Annual Conference.
 - c. *Intellectual Property.* Bethel UMC shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Tennessee-Western Kentucky Annual Conference, including the removal of all signage containing the same."
 - d. *Group Tax Exemption Ruling.* As of June 30, 2022, Bethel UMC shall cease to use, and also shall ensure that any affiliates of Bethel UMC which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Bethel UMC is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Bethel UMC and any of its affiliates which have been included in the group tax exemption ruling will be removed as of June 30, 2022.
5. Organizational Transition. Bethel UMC 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 Tennessee-Western Kentucky Annual Conference. Bethel UMC shall indemnify, defend, and hold harmless Tennessee-Western Kentucky 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 Bethel UMC's failure to take all necessary steps as required by this Section 5.

6. Property. On June 30, 2022, Bethel UMC 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 June 30, 2022. Any costs resulting from such transfers or other transactions shall be borne by Bethel UMC. Tennessee-Western Kentucky Annual Conference shall fully cooperate with Bethel UMC, as needed and applicable, to ensure that such transfers and other transactions convey all of Tennessee-Western Kentucky 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 Bethel UMC.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Tennessee-Western Kentucky Annual Conference and Bethel UMC, 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 Tennessee-Western Kentucky Annual Conference or Bethel UMC 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 Bethel UMC 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 Bethel UMC, after June 30, 2022, 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 Bethel UMC 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 Bethel UMC

Clyde H. Rowland Chair, Administrative Board

Date 5-10-22

Bobby Rowland Chair, Board of Trustees

Date 5-10-2022

Representatives of Tennessee-Western Kentucky Annual Conference

Mary S. Vank District Superintendent

Date 5-10-2022

J. Vank 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 Bethel UNITED METHODIST CHURCH

I, Clyde A Rowland, as the undersigned officer or authorized designee of Bethel 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 10, 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.

Clyde A. Rowland

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 Sheet

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

See ATTACHED Sheet

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)

All red um Hymnals, and anything
with united Methodist ~~sign~~ emblem.

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

Mary Redden, Bobby Rowland, Clyde Rowland, Tim Ray, Brigitte Ray, Susan Evans
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Susan Evans
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 10th day of May, 2022, by and between Brooks Chapel UMC and Tennessee-Western Kentucky Conference of the United Methodist Church.

WHEREAS, Brooks Chapel is a United Methodist church within the boundaries of Tennessee-Western Kentucky Annual Conference;

WHEREAS, Brooks Chapel UMC 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*, at which at least two-thirds (2/3) of the professing members present at the church conference of Brooks Chapel UMC 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*, Brooks Chapel UMC 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 Brooks Chapel UMC’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Brooks Chapel UMC and Tennessee-Western Kentucky Annual Conference wish to (1) resolve all matters between them, and Brooks Chapel UMC wishes to acquire from Tennessee-Western Kentucky Annual Conference all of Tennessee-Western Kentucky Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Brooks Chapel UMC 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, Brooks Chapel UMC and Tennessee-Western Kentucky Annual Conference agree as follows:

1. Conditions Precedent. Brooks Chapel UMC and Tennessee-Western Kentucky 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 Brooks Chapel UMC 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." Brooks Chapel UMC must provide documentation, to the satisfaction of Tennessee-Western Kentucky 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 Brooks Chapel UMC 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 the Tennessee-Western Kentucky 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. Brooks Chapel UMC acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Brooks Chapel UMC holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Brooks Chapel UMC timely comply with all of its obligations as set forth herein, Brooks Chapel UMC's disaffiliation from The United Methodist Church will be effective on June 30, 2022. Such Disaffiliation Date must be subsequent to the Tennessee-Western Kentucky Annual Conference's ratification referenced in Section 1 above.

4. Brooks Chapel UMC's Obligations. Unless a different date is specified, Brooks Chapel UMC shall, by no later than June 30, 2022, do the following:

a. *Payments.* Prior to June 30, 2022, Brooks Chapel UMC shall pay to Tennessee-Western Kentucky Annual Conference, in a manner specified by Tennessee-Western Kentucky Annual Conference, the following:

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

ii. Any unpaid current year Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$3,580.00 ;

iii. An additional twelve (12) months of Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$7,161.00 ;

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

v. An amount equal to Brooks Chapel UMC's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Tennessee-Western Kentucky Annual Conference's unfunded pension obligations, based

on Tennessee-Western Kentucky 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 \$32,145.00 ;

- b. *Other Liabilities.* Brooks Chapel UMC 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. Brooks Chapel UMC must provide sufficient documentation of same to Tennessee-Western Kentucky Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Brooks Chapel UMC shall remain liabilities of Brooks Chapel UMC's new entity and shall not become liabilities of Tennessee-Western Kentucky Annual Conference.
- c. *Intellectual Property.* Brooks Chapel UMC shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Tennessee-Western Kentucky Annual Conference, including the removal of all signage containing the same."
- d. *Group Tax Exemption Ruling.* As of June 30, 2022, Brooks Chapel UMC shall cease to use, and also shall ensure that any affiliates of Brooks Chapel UMC which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Brooks Chapel UMC is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Brooks Chapel UMC and any of its affiliates which have been included in the group tax exemption ruling will be removed as of June 30, 2022.

5. Organizational Transition. Brooks Chapel UMC 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 Tennessee-Western Kentucky Annual Conference. Brooks Chapel UMC shall indemnify, defend,

and hold harmless Tennessee-Western Kentucky 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 Brooks Chapel UMC's failure to take all necessary steps as required by this Section 5.

6. Property. On June 30, 2022, Brooks Chapel UMC 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 June 30, 2022. Any costs resulting from such transfers or other transactions shall be borne by Brooks Chapel UMC. Tennessee-Western Kentucky Annual Conference shall fully cooperate with Brooks Chapel UMC, as needed and applicable, to ensure that such transfers and other transactions convey all of Tennessee-Western Kentucky 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 Brooks Chapel UMC.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Tennessee-Western Kentucky Annual Conference and Brooks Chapel UMC, 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 Tennessee-Western Kentucky Annual Conference or Brooks Chapel UMC 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 Brooks Chapel UMC 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 Brooks Chapel UMC, after June 30, 2022, 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 Brooks Chapel UMC 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 Brooks Chapel UMC

Eddie Ramsey Chair, Administrative Board Date 5-10-2022
Geneva Hatfield Chair, Board of Trustees Date 5-10-2022

Representatives of Tennessee-Western Kentucky Annual Conference

Raymond J. Vard District Superintendent Date 5-10-2022
J. W. Authorized Member, Board of Trustees Date 6-1-2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE

MEMBERS OF THE BROOKS CHAPEL^{OF THE} UNITED METHODIST CHURCH

I, EDDIE RAMSEY, as the undersigned officer or authorized designee of BROOKS 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 5-10-2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 21 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; 18 voted "Yes," to disaffiliate; and 3 abstained. Copies of the ballots are available for inspection upon request.

Eddie Ramsey

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 Attachment A

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

See Attachment B.

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)

Black & Red Methodist Hymnals, Wall Hanging,
UMW Creed

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

Denevia Hatfield, Eugene Dick, Andre Szemerdy, Shawn Stort, Jamie Mitchell
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Denevia Hatfield
OFFICER/AUTHORIZED DESIGNEE
Trustee, Chair

Eric
Ramsley

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 3rd day of May, 2022, by and between Calvary UMC and Tennessee-Western Kentucky Conference of the United Methodist Church.

WHEREAS, Calvary is a United Methodist church within the boundaries of Tennessee-Western Kentucky Annual Conference;

WHEREAS, Calvary UMC 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*, at which at least two-thirds (2/3) of the professing members present at the church conference of Calvary UMC 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*, Calvary UMC 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 Calvary UMC’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Calvary UMC and Tennessee-Western Kentucky Annual Conference wish to (1) resolve all matters between them, and Calvary UMC wishes to acquire from Tennessee-Western Kentucky Annual Conference all of Tennessee-Western Kentucky Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Calvary UMC 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, Calvary UMC and Tennessee-Western Kentucky Annual Conference agree as follows:

1. Conditions Precedent. Calvary UMC and Tennessee-Western Kentucky 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 Calvary UMC 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.” Calvary UMC must provide documentation, to the satisfaction of Tennessee-Western Kentucky 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 Calvary UMC 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 the Tennessee-Western Kentucky 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. Calvary UMC acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Calvary UMC holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Calvary UMC timely comply with all of its obligations as set forth herein, Calvary UMC's disaffiliation from The United Methodist Church will be effective on June 30, 2022. Such Disaffiliation Date must be subsequent to the Tennessee-Western Kentucky Annual Conference's ratification referenced in Section 1 above.

4. Calvary UMC's Obligations. Unless a different date is specified, Calvary UMC shall, by no later than June 30, 2022, do the following:

a. *Payments.* Prior to June 30, 2022, Calvary UMC shall pay to Tennessee-Western Kentucky Annual Conference, in a manner specified by Tennessee-Western Kentucky Annual Conference, the following:

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

ii. Any unpaid current year Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$2,031.00 ;

iii. An additional twelve (12) months of Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$8,448.00 ;

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

v. An amount equal to Calvary UMC's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Tennessee-Western Kentucky Annual Conference's unfunded pension obligations, based on

Tennessee-Western Kentucky 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 \$37,922.00 ;

- b. *Other Liabilities.* Calvary UMC 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. Calvary UMC must provide sufficient documentation of same to Tennessee-Western Kentucky Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Calvary UMC shall remain liabilities of Calvary UMC's new entity and shall not become liabilities of Tennessee-Western Kentucky Annual Conference.
 - c. *Intellectual Property.* Calvary UMC shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Tennessee-Western Kentucky Annual Conference, including the removal of all signage containing the same."
 - d. *Group Tax Exemption Ruling.* As of June 30, 2022, Calvary UMC shall cease to use, and also shall ensure that any affiliates of Calvary UMC which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Calvary UMC is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Calvary UMC and any of its affiliates which have been included in the group tax exemption ruling will be removed as of June 30, 2022.
5. Organizational Transition. Calvary UMC 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 Tennessee-Western Kentucky Annual Conference. Calvary UMC shall indemnify, defend, and hold harmless Tennessee-Western Kentucky 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 Calvary UMC's failure to take all necessary steps as required by this Section 5.

6. Property. On June 30, 2022, Calvary UMC 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 June 30, 2022. Any costs resulting from such transfers or other transactions shall be borne by Calvary UMC. Tennessee-Western Kentucky Annual Conference shall fully cooperate with Calvary UMC, as needed and applicable, to ensure that such transfers and other transactions convey all of Tennessee-Western Kentucky 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 Calvary UMC.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Tennessee-Western Kentucky Annual Conference and Calvary UMC, 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 Tennessee-Western Kentucky Annual Conference or Calvary UMC 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 Calvary UMC fail to satisfy all of its obligations set forth herein by June 30, 2022, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Calvary UMC, after June 30, 2022, 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 Calvary UMC 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 Calvary UMC

Brookellow Chair, Administrative Board Date 5-3-2022

Jimmy Rattle Chair, Board of Trustees Date 5-3-22

Representatives of Tennessee-Western Kentucky Annual Conference

Nancy E. Vander District Superintendent Date 5-3-2022

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

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

I, _____, as the undersigned officer or authorized designee of _____ 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 3, 2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 25 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; 24 voted "Yes," to disaffiliate; and 1 abstained. Copies of the ballots are available for inspection upon request.



OFFICER/AUTHORIZED DESIGNEE

Calvary

**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.)

2029 STATE ROUTE 303
MAYFIELD, KY 42066
Church's OUTREACH GRAVES COUNTY COURTHOUSE
DEED BOOK 308 PAGE 233

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

First Kentucky Bank
223 S. 6th St
Mayfield, KY 42066

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: _____

SECURED/UNSECURED NOTES: _____

THREATENED OR PENDING LITIGATION _____

SUCCESSOR ENTITY: Calvary Community 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.

[Signature]
OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 26 day of Oct., 2021, by and between Cole's Campground (“Local Church”) and Memphis *Name* 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 10/26, 2021 ("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 _____;
- iii. An additional twelve (12) months of Connectional Commitment based on the Annual Conference approved formula, totaling _____;
- iv. Any past due Direct Bill Pension or Health Insurance payments _____
- 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 _____;

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.

- 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

Danny Pruitt Chair, Administrative Board
James Meier Chair, Board of Trustees

Date 10-26-2021

Date 10-26-2021

Representatives of the Annual Conference

Mary E. Warden District Superintendent

Date Nov. 4, 2021

Raúl B. Alegre Authorized Member, Board of Trustees Date 4/22/2022

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.)

Deed 114.554

Deed 20.586

Deed 20.557

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is be released. The Murray Bank - Church 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)

Flag and hymnals

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

MORTGAGES: _____

SECURED/UNSECURED NOTES: _____

THREATENED

OR

PENDING

LITIGATION

SUCCESSOR ENTITY: Coles Campground 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.

Danny Smith

OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement - Memphis Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 30th day of November, 2021, by and between Oak Level UMC and Memphis Conference of the United Methodist Church.

WHEREAS, Oak Level is a United Methodist church within the boundaries of Memphis Annual Conference;

WHEREAS, Oak Level UMC 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*, at which at least two-thirds (2/3) of the professing members present at the church conference of Oak Level UMC 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*, Oak Level UMC 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 Oak Level UMC’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Oak Level UMC and Memphis Annual Conference wish to (1) resolve all matters between them, and Oak Level UMC wishes to acquire from Memphis Annual Conference all of Memphis Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Oak Level UMC 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, Oak Level UMC and Memphis Annual Conference agree as follows:

1. Conditions Precedent. Oak Level UMC and Memphis 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 Oak Level UMC 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." Oak Level UMC must provide documentation, to the satisfaction of Memphis 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 Oak Level UMC 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 the Tennessee-Western Kentucky 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.

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

- c. *Intellectual Property.* Oak Level UMC shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Memphis Annual Conference, including the removal of all signage containing the same."
- d. *Group Tax Exemption Ruling.* As of November 30, 2021, Oak Level UMC shall cease to use, and also shall ensure that any affiliates of Oak Level UMC which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Oak Level UMC is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Oak Level UMC and any of its affiliates which have been included in the group tax exemption ruling will be removed as of November 30, 2021.

5. Organizational Transition. Oak Level UMC 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 Memphis Annual Conference. Oak Level UMC shall indemnify, defend, and hold harmless Memphis 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 Oak Level UMC's failure to take all necessary steps as required by this Section 5.

6. Property. On November 30, 2021, Oak Level UMC 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 November 30, 2021. Any costs resulting from such transfers or other transactions shall be borne by Oak Level UMC.

Representatives of Oak Level UMC

Juan Zamora Chair, Administrative Board

Date 11-30-2021

Elbridge D. Filbeck Chair, Board of Trustees

Date 11-30-21

Representatives of Memphis Annual Conference

Nancy Edwards District Superintendent

Date 11-30-21

Raul B. Alvarez Authorized Member, Board of Trustees

Date 4/19/2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
MEMBERS OF THE Oak Level ^{OF THE} UNITED METHODIST CHURCH

I, Debbie Ford, as the undersigned officer or authorized designee of Oak Level 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 November 30, 2021, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 17 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; 16 voted "Yes," to disaffiliate; and 0 abstained. Copies of the ballots are available for inspection upon request.

Debbie Ford

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.)

5088 Wadesboro Rd N Benton Ky 42025
emails deeds to Penny at Purchase
District office 11-8-21 confirmed 11-9-21

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)

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

MORTGAGES: W/A

SECURED/UNSECURED

NOTES:

THREATENED

OR

PENDING

LITIGATION

SUCCESSOR

ENTITY:

Oak Level 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.

Debbie Ford, Treasurer

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 10th day of May, 2022, by and between Olive UMC and Tennessee-Western Kentucky Conference of the United Methodist Church.

WHEREAS, Olive is a United Methodist church within the boundaries of Tennessee-Western Kentucky Annual Conference;

WHEREAS, Olive UMC 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*, at which at least two-thirds (2/3) of the professing members present at the church conference of Olive UMC 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*, Olive UMC 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 Olive UMC’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Olive UMC and Tennessee-Western Kentucky Annual Conference wish to (1) resolve all matters between them, and Olive UMC wishes to acquire from Tennessee-Western Kentucky Annual Conference all of Tennessee-Western Kentucky Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Olive UMC 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, Olive UMC and Tennessee-Western Kentucky Annual Conference agree as follows:

1. Conditions Precedent. Olive UMC and Tennessee-Western Kentucky 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 Olive UMC 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.” Olive UMC must provide documentation, to the satisfaction of Tennessee-Western Kentucky 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 Olive UMC 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 the Tennessee-Western Kentucky 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. Olive UMC acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Olive UMC holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Olive UMC timely comply with all of its obligations as set forth herein, Olive UMC's disaffiliation from The United Methodist Church will be effective on June 30, 2022. Such Disaffiliation Date must be subsequent to the Tennessee-Western Kentucky Annual Conference's ratification referenced in Section 1 above.

4. Olive UMC's Obligations. Unless a different date is specified, Olive UMC shall, by no later than June 30, 2022, do the following:

a. *Payments.* Prior to June 30, 2022, Olive UMC shall pay to Tennessee-Western Kentucky Annual Conference, in a manner specified by Tennessee-Western Kentucky Annual Conference, the following:

- i. Olive UMC shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Olive UMC's retention of its property will be borne by Olive UMC.
- ii. Any unpaid current year Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$709.00 ;
- iii. An additional twelve (12) months of Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$2,834 ;
- iv. Any past due Direct Bill Pension or Health Insurance payments \$0.00
- v. An amount equal to Olive UMC's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Tennessee-Western Kentucky Annual Conference's unfunded pension obligations, based on Tennessee-Western Kentucky 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 \$12,722 ;

- b. *Other Liabilities.* Olive UMC 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. Olive UMC must provide sufficient documentation of same to Tennessee-Western Kentucky Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Olive UMC shall remain liabilities of Olive UMC's new entity and shall not become liabilities of Tennessee-Western Kentucky Annual Conference.
- c. *Intellectual Property.* Olive UMC shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Tennessee-Western Kentucky Annual Conference, including the removal of all signage containing the same."
- d. *Group Tax Exemption Ruling.* As of June 30, 2022, Olive UMC shall cease to use, and also shall ensure that any affiliates of Olive UMC which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Olive UMC is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Olive UMC and any of its affiliates which have been included in the group tax exemption ruling will be removed as of June 30, 2022.

5. Organizational Transition. Olive UMC 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 Tennessee-Western Kentucky Annual Conference. Olive UMC shall indemnify, defend, and hold harmless Tennessee-Western Kentucky 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 Olive UMC's failure to take all necessary steps as required by this Section 5.

6. Property. On June 30, 2022, Olive UMC 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 June 30, 2022. Any costs resulting from such transfers or other transactions shall be borne by Olive UMC. Tennessee-Western Kentucky Annual Conference shall fully cooperate with Olive UMC, as needed and applicable, to ensure that such transfers and other transactions convey all of Tennessee-Western Kentucky 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 Olive UMC.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Tennessee-Western Kentucky Annual Conference and Olive UMC, 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 Tennessee-Western Kentucky Annual Conference or Olive UMC 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.

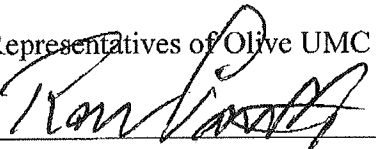
8. Time Limit. Should Olive UMC fail to satisfy all of its obligations set forth herein by December 31, 2023, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Olive UMC, after June 30, 2022, 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

Olive UMC 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 Olive UMC

 Chair, Administrative Board

Date 5-10-22

 Chair, Board of Trustees

Date 5/10/22

Representatives of Tennessee-Western Kentucky Annual Conference

 District Superintendent

Date 5-10-22

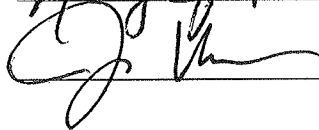
 Authorized Member, Board of Trustees Date 6-1-2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE

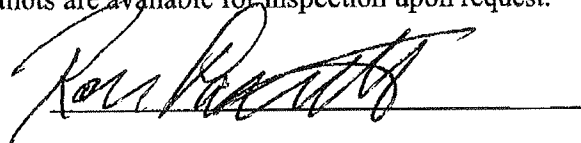
MEMBERS OF THE Olive UNITED METHODIST CHURCH

I, RON PARRETT, as the undersigned officer or authorized designee of Olive 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 10, 2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 36 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*. 5 voted "No;" against disaffiliation; 30 voted "Yes," to disaffiliate; and 1 abstained. Copies of the ballots are available for inspection upon request.



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.)

Marshall County Kentucky, book 239, page 475 Fellowship Hall

Marshall County Kentucky, book 239, page 475 Church

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

CFSB Checking Regular Church Fund

CFSB Checking Building Fund

CFSB Checking Senior Adult Class

PERSONAL PROPERTY: Trust clause is to be released in:

 X 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

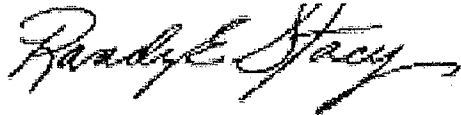
successor entity: NONE

(IF cORPORATION, PROVIDE corporate Name. If unincorporated entity, provide names of trustees in whose name transfer should be made)

TRUSTEES: Kris Crosby - Chr.

Bobby York
Terry Lovett
Matt Lovett
Ron Parrett
Tim Hadley

I certIFY that the information provided above is true and correct to the best of my knowledge, information and belief.

A handwritten signature in cursive script that reads "Randy Stacy". The signature is written in black ink and has a fluid, connected style.

Rev. Randy Stacy - pastor

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 21st day of March, 2022, by and between Puryear UMC and Tennessee-Western Kentucky Conference of the United Methodist Church.

WHEREAS, Puryear is a United Methodist church within the boundaries of Tennessee-Western Kentucky Annual Conference;

WHEREAS, Puryear UMC 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*, at which at least two-thirds (2/3) of the professing members present at the church conference of Puryear UMC 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*, Puryear UMC 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 Puryear UMC’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Puryear UMC and Tennessee-Western Kentucky Annual Conference wish to (1) resolve all matters between them, and Puryear UMC wishes to acquire from Tennessee-Western Kentucky Annual Conference all of Tennessee-Western Kentucky Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Puryear UMC 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, Puryear UMC and Tennessee-Western Kentucky Annual Conference agree as follows:

1. Conditions Precedent. Puryear UMC and Tennessee-Western Kentucky 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 Puryear UMC 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." Puryear UMC must provide documentation, to the satisfaction of Tennessee-Western Kentucky 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 Puryear UMC 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 the Tennessee-Western Kentucky 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. Puryear UMC acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Puryear UMC holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Puryear UMC timely comply with all of its obligations as set forth herein, Puryear UMC's disaffiliation from The United Methodist Church will be effective on March 21, 2022. Such Disaffiliation Date must be subsequent to the Tennessee-Western Kentucky Annual Conference's ratification referenced in Section 1 above.

4. Puryear UMC's Obligations. Unless a different date is specified, Puryear UMC shall, by no later than March 21, 2022, do the following:

a. *Payments.* Prior to March 21, 2022, Puryear UMC shall pay to Tennessee-Western Kentucky Annual Conference, in a manner specified by Tennessee-Western Kentucky Annual Conference, the following:

- i. Puryear UMC shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Puryear UMC's retention of its property will be borne by Puryear UMC.
- ii. Any unpaid current year Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$7,325.00 ;
- iii. An additional twelve (12) months of Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$5,779.00 ;
- iv. Any past due Direct Bill Pension or Health Insurance payments \$0.00
- v. An amount equal to Puryear UMC's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Tennessee-Western Kentucky Annual Conference's unfunded pension obligations, based on

Tennessee-Western Kentucky 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 \$26,428;

- b. *Other Liabilities.* Puryear UMC 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. Puryear UMC must provide sufficient documentation of same to Tennessee-Western Kentucky Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Puryear UMC shall remain liabilities of Puryear UMC's new entity and shall not become liabilities of Tennessee-Western Kentucky Annual Conference.
- c. *Intellectual Property.* Puryear UMC shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Tennessee-Western Kentucky Annual Conference, including the removal of all signage containing the same."
- d. *Group Tax Exemption Ruling.* As of March 21, 2022, Puryear UMC shall cease to use, and also shall ensure that any affiliates of Puryear UMC which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Puryear UMC is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Puryear UMC and any of its affiliates which have been included in the group tax exemption ruling will be removed as of March 21, 2022.

5. Organizational Transition. Puryear UMC 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 Tennessee-Western Kentucky Annual Conference. Puryear UMC shall indemnify, defend, and hold harmless Tennessee-Western Kentucky 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 Puryear UMC's failure to take all necessary steps as required by this Section 5.

6. Property. On March 21, 2022, Puryear UMC 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 March 21, 2022. Any costs resulting from such transfers or other transactions shall be borne by Puryear UMC. Tennessee-Western Kentucky Annual Conference shall fully cooperate with Puryear UMC, as needed and applicable, to ensure that such transfers and other transactions convey all of Tennessee-Western Kentucky 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 Puryear UMC.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Tennessee-Western Kentucky Annual Conference and Puryear UMC, 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 Tennessee-Western Kentucky Annual Conference or Puryear UMC 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 Puryear UMC fail to satisfy all of its obligations set forth herein by July 17, 2022, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Puryear UMC, after March 21, 2022, from continuing to sponsor benefit plans from the General Board of

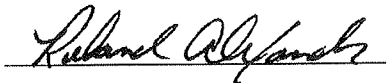
Pension and Health Benefits (Wespath) to the extent permitted by federal law, and provided that Puryear UMC has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

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 Puryear UMC

 Chair, Administrative Board

Date 3-21-22

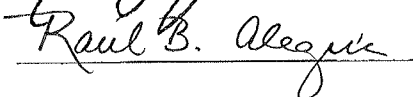
 Chair, Board of Trustees

Date 3-21-22

Representatives of Tennessee-Western Kentucky Annual Conference .

 District Superintendent

Date 3-21-22

 Authorized Member, Board of Trustees

Date 4/22/2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

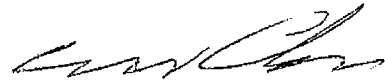
OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE
MEMBERS OF THE Puryear UNITED METHODIST CHURCH

I, _____, as the undersigned officer or authorized designee of Puryear 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 21, 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; 24 voted "Yes," to disaffiliate; and _____ abstained. Copies of the ballots are available for inspection upon request.



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.)

Map 30-L , Group A, Parcels 12.00 & 13.00

Sixth Civil District of Henry County Tennessee

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is be released. The Murray Bank, Hazel , Ky Checking accounts
Security Bank and Trust Company, Paris , TN Checking accounts

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: Roland Alexander, Charles Allen, Scarlett Gore PURYEAR CHRISTIAN
LIFE 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 – 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 3rd day of May, 2022, by and between Spence Chapel UMC and Tennessee-Western Kentucky Conference of the United Methodist Church.

WHEREAS, Spence Chapel is a United Methodist church within the boundaries of Tennessee-Western Kentucky Annual Conference;

WHEREAS, Spence Chapel UMC 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*, at which at least two-thirds (2/3) of the professing members present at the church conference of Spence Chapel UMC 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*, Spence Chapel UMC 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 Spence Chapel UMC’s disaffiliation from The United Methodist Church to be “memorialized in a binding Disaffiliation Agreement.”

WHEREAS, Spence Chapel UMC and Tennessee-Western Kentucky Annual Conference wish to (1) resolve all matters between them, and Spence Chapel UMC wishes to acquire from Tennessee-Western Kentucky Annual Conference all of Tennessee-Western Kentucky Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Spence Chapel UMC 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, Spence Chapel UMC and Tennessee-Western Kentucky Annual Conference agree as follows:

1. Conditions Precedent. Spence Chapel UMC and Tennessee-Western Kentucky 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 Spence Chapel UMC 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." Spence Chapel UMC must provide documentation, to the satisfaction of Tennessee-Western Kentucky 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 Spence Chapel UMC 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 the Tennessee-Western Kentucky 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. Spence Chapel UMC acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Spence Chapel UMC holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Spence Chapel UMC timely comply with all of its obligations as set forth herein, Spence Chapel UMC's disaffiliation from The United Methodist Church will be effective on May 3, 2022. Such Disaffiliation Date must be subsequent to the Tennessee-Western Kentucky Annual Conference's ratification referenced in Section 1 above.

4. Spence Chapel UMC's Obligations. Unless a different date is specified, Spence Chapel UMC shall, by no later than May 3, 2022, do the following:

a. *Payments.* Prior to May 3, 2022, Spence Chapel UMC shall pay to Tennessee-Western Kentucky Annual Conference, in a manner specified by Tennessee-Western Kentucky Annual Conference, the following:

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

ii. Any unpaid current year Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$2,486.00 ;

iii. An additional twelve (12) months of Connectional Commitment based on Tennessee-Western Kentucky Annual Conference approved formula, totaling \$2,752 ;

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

v. An amount equal to Spence Chapel UMC's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Tennessee-Western Kentucky Annual Conference's unfunded pension obligations, based

on Tennessee-Western Kentucky 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 \$12,354 ;

- b. *Other Liabilities.* Spence Chapel UMC 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. Spence Chapel UMC must provide sufficient documentation of same to Tennessee-Western Kentucky Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Spence Chapel UMC shall remain liabilities of Spence Chapel UMC's new entity and shall not become liabilities of Tennessee-Western Kentucky Annual Conference.
- c. *Intellectual Property.* Spence Chapel UMC shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Tennessee-Western Kentucky Annual Conference, including the removal of all signage containing the same."
- d. *Group Tax Exemption Ruling.* As of May 3, 2022, Spence Chapel UMC shall cease to use, and also shall ensure that any affiliates of Spence Chapel UMC which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Spence Chapel UMC is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Spence Chapel UMC and any of its affiliates which have been included in the group tax exemption ruling will be removed as of May 3, 2022.

5. Organizational Transition. Spence Chapel UMC 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 Tennessee-Western Kentucky Annual Conference. Spence Chapel UMC shall indemnify, defend,

and hold harmless Tennessee-Western Kentucky 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 Spence Chapel UMC's failure to take all necessary steps as required by this Section 5.

6. Property. On May 3, 2022, Spence Chapel UMC 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 May 3, 2022. Any costs resulting from such transfers or other transactions shall be borne by Spence Chapel UMC. Tennessee-Western Kentucky Annual Conference shall fully cooperate with Spence Chapel UMC, as needed and applicable, to ensure that such transfers and other transactions convey all of Tennessee-Western Kentucky 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 Spence Chapel UMC.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Tennessee-Western Kentucky Annual Conference and Spence Chapel UMC, 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 Tennessee-Western Kentucky Annual Conference or Spence Chapel UMC 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 Spence Chapel UMC fail to satisfy all of its obligations set forth herein by August 1, 2022, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Spence Chapel UMC, after May 3, 2022, 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 Spence Chapel UMC 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 Spence Chapel UMC

Kenneth Smet Chair, Administrative Board

Date 5-3-22

Karl L. ... Chair, Board of Trustees

Date 5-3-22

Representatives of Tennessee-Western Kentucky Annual Conference

Spurgeon Varden District Superintendent

Date 5-3-22

[Signature] Authorized Member, Board of Trustees Date 6-1-2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE

MEMBERS OF THE Spence Chapel ^{OF THE} UNITED METHODIST CHURCH

I, Kenneth Smith, as the undersigned officer or authorized designee of Spence 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 May 3, 2022, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 5 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; 5 voted "Yes," to disaffiliate; and 0 abstained. Copies of the ballots are available for inspection upon request.

Kenneth Smith
OFFICER/AUTHORIZED DESIGNEE

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

5539604

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.)

SPENCE CHAPEL METHODIST CHURCH
1023 SPENCE CHAPEL ROAD
MAYFIELD, KY 42066
BOOK 203 PAGE 151
303 334 101

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

1ST NATIONAL BANK 5539604
310 CHARLES DRIVE
MAYFIELD, KY 42066

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: _____

SECURED/UNSECURED NOTES: _____

THREATENED OR PENDING LITIGATION _____

SUCCESSOR ENTITY: _____
(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