

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 19th day of March, by and between **Atoka United Methodist Church (Tipton Co.)** (“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 the last day

of the month in which the Annual Conference votes to approve disaffiliation ("Disaffiliation Date"). The Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$2,305.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$13,830.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**

- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$24,768.00**
- vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. **\$0.00**
- vii. **Total due for disaffiliation: \$40,903.00**

- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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:

Angela Hudley Chair, Administrative Board

Date 3/19/23

Debra McNamee Chair, Board of Trustees

Date 3/19/23

Representatives of the Annual Conference:

Do I. Wood District Superintendent

Date 3-19-23

Raul B. Alegru Authorized Member, Board of Trustees

Date 4/26/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

609 ATOKA-MUNFORD AVENUE
ATOKA, TN 38004

I, Angela Hardy, as the undersigned officer or authorized designee of Atoka 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, March 19 at 12:30p.m.**, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 55 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*.

The number of votes needed to meet the required 2/3 majority is 37.

3. 4 voted "No;" against disaffiliation;

49 voted "Yes," to disaffiliate;

2 abstained.

Copies of the ballots are available for inspection upon request.

Angela Hardy
OFFICER/AUTHORIZED DESIGNEE

Debbie McDaniel
CHAIR OF TRUSTEES

Dr. D. W. [Signature]
DISTRICT SUPERINTENDENT

November 2022

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.) **All listed information must be provided.**

CHURCH SEE ATTACHMENT*
609 ATOKA-MUNFORD AVE ATOKA TN 38004
TIPTON COUNTY

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:

N/A All personal property, other than property bearing "United Methodist Church" or the Cross/Flame.

N/A 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

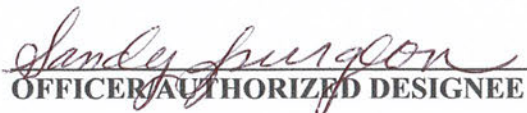
SECURED/UNSECURED NOTES: None

THREATENED OR PENDING LITIGATION None

SUCCESSOR ENTITY: ATOKA METHODIST

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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 **12th** day of **March**, by and between **Bolton 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 the last day of the month in which the Annual Conference votes to approve disaffiliation (“Disaffiliation Date”). The Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in

Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$2,479.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$9,919.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$1,213.00**
 - 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 \$17,764.00

- vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. \$0.00

vii. **Total due for disaffiliation:** \$31,375.00

- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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

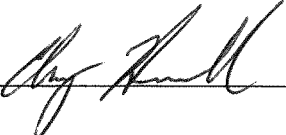
to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

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.

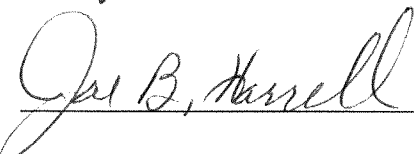
9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits (Wespath) to the extent permitted by federal law, and provided that Local Church 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:


 Chair, Administrative Board

Date 3/12/23

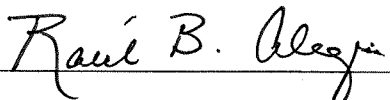
 Chair, Board of Trustees

Date 3/12/23

Representatives of the Annual Conference:

 District Superintendent

Date 3-12-23

 Authorized Member, Board of Trustees

Date 4/26/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

**7237 BRUNSWICK RD.
ARLINGTON, TN 38002**

I, Clay Harrell, as the undersigned officer or authorized designee of **Bolton 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, March 12, 2023 at 4:30p.m.** at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 35 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*.

The number of votes needed to meet the required 2/3 majority is 24.

3. 1 voted "No;" against disaffiliation;

34 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

Clay Harrell

OFFICER/AUTHORIZED DESIGNEE

Joe B. Harrell

CHAIR OF TRUSTEES

Joe B. Harrell

DISTRICT SUPERINTENDENT

Sent

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.) All listed information must be provided.

7237 BRUNSWICK ROAD
ARLINGTON, SHELBY County, TN 38002
DEED(s) / PROPERTY DESCRIPTION SEE ATTACHED
SINGLE PROPERTY: MULTI USE (SANCTUARY, PARSONAGE, ETC)

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

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)

NOTE: NOT AWARE OF ANY PROPERTY BEARING
"UNITED METHODIST CHURCH" OR THE CROSS AND FLAME.

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

MORTGAGES: NONE

SECURED/UNSECURED NOTES: NONE

THREATENED OR PENDING LITIGATION NONE

SUCCESSOR ENTITY: CHRIST CHURCH BOLTON (TO BE FORMED AS A
NON PROFIT CORPORATION)
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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.

Ang Hamill Administrative Council Chair

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 30 day of October, 2022, by and between **Christ United Methodist Church** (“Local Church”) and the Tennessee-Western Kentucky Conference (“Annual Conference”) of the United Methodist Church.

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 either June 30 or December 31, whichever is the next date following the Annual Conference vote to approve disaffiliation ("Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above. OPTIONAL LANGUAGE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 **\$723,722.00**;

- iii. An additional twelve (12) months of Connectional Commitment based on the Annual Conference approved formula, totaling **\$696,918.00**;
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**;
 - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$1,569,727.00**;
 - vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date.
 - vii. Total due for disaffiliation: **\$2,990,367.00**
- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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

Thomas Martin Chair, Administrative Board

Date 10/30/2022

John Chair, Board of Trustees

Date 10/30/2022

Representatives of the Annual Conference

David N. [Signature] District Superintendent

Date 10-30-22

Reverend [Signature] Authorized Member,

Date 10/30/22

Raul B. Alegre Authorized Member, Board of Trustees Date 4/26/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE MEMBERS OF THE CHRIST UNITED METHODIST CHURCH, METRO DISTRICT

PHYSICAL ADDRESS OF CHURCH:

4488 POPLAR AVENUE
MEMPHIS, TN 38117

I, Thomas M. Marino, as the undersigned officer or authorized designee of **Christ 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, October 30, 2022, at 9:45am**, for a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 1,043 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*. 101 voted "No;" against disaffiliation; 941 voted "Yes," to disaffiliate; and 1 abstained. Copies of the ballots are available for inspection upon request.

Thomas M. Marino

OFFICER/AUTHORIZED DESIGNEE

[Signature]

CHAIR OF TRUSTEES

[Signature]

DISTRICT SUPERINTENDENT

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.)
All listed information must be provided.

SEE ATTACHED LIST OF REAL PROPERTY
TO BE TRANSFERRED

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

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:

SECURED/UNSECURED NOTES:

THREATENED OR PENDING LITIGATION NONE

SUCCESSOR ENTITY: CHRIST CHURCH MEMPHIS, A TENNESSEE NONPROFIT CORPORATION
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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**

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

REAL PROPERTY:

Physical Address	County	Parcel ID	Tax Map Page	Deed Book/Page	Use
4488 Poplar Ave	Shelby	057023 00025	1410	3585 / 202	Church Bldg
0 Poplar Ave	Shelby	057023 00026	1410	4528 / 566	Church Bldg
0 Poplar Ave	Shelby	057023 00027	1410	4528 / 566	Church Bldg
0 East Cherry Circle	Shelby	057023 00028	1410	6280 / 672	Playground / Parking Lot
0 Poplar Ave	Shelby	057024 00012	1410	V6 4840	Parking Lot
0 Poplar Ave	Shelby	057024 00039	1410	M6 6402	Soccer Field
0 East Cherry Circle	Shelby	057024 00041	1410	GR 3010	Rear of Soccer Field

BANK / FINANCIAL ACCOUNTS:

Bank / Institution	Type
Pinnacle Financial Partners	Checking
First Horizon Bank	Checking
First Horizon Bank	Checking
First Horizon Bank	Checking
Wex Health	Checking
First Horizon Advisors	Brokerage
Raymond James	Investment
Raymond James	Investment
Raymond James	Investment
Raymond James	Investment
Community Foundation	Investment
Merrill Lynch	Brokerage
Truist	Checking
Truist	Checking
Truist	Checking
Merrill Lynch	Brokerage
Delta Asset Management / Schwab Brokerage	

Other Personal Property:

All other tangible and intangible personal property of every conceivable kind owned by the Church in which the United Methodist Church may have an interest by virtue of the trust clause as described in ¶ 2501 and other paragraphs of the Book of Discipline of The United Methodist Church.

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 5 day of November, 2022, by and between Garland (“Local Church”) and the Tennessee-Western Kentucky Conference (“Annual Conference”) of the United Methodist Church.

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 either June 30 or December 31, whichever is the next date following the Annual Conference vote to approve disaffiliation ("Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above. OPTIONAL LANGUAGE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 **\$3,535.00**;

- iii. An additional twelve (12) months of Connectional Commitment based on the Annual Conference approved formula, totaling \$7,071.00;
 - iv. Any past due Direct Bill Pension or Health Insurance payments \$0.00;
 - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$15,739.00;
 - vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date.
 - vii. Total due for disaffiliation: \$26,345.00
- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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

Charlotte Kelley Chair, Administrative Board

Date 11/5/22

Luis K. Roa Chair, Board of Trustees

Date 11/5/22

Representatives of the Annual Conference

D. F. [Signature] District Superintendent

Date 11-5-22

Raúl B. Alegría Authorized Member, Board of Trustees

Date 4/23/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE
MEMBERS OF THE GARLAND UNITED METHODIST CHURCH (TIPTON CO.)

PHYSICAL ADDRESS OF CHURCH:

1613 GARLAND DRIVE
COVINGTON, TN 38019

I, Charlotte Kelley, as the undersigned officer or authorized designee of Garland 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 Saturday, November 5, 2022, at 10:00a.m., for a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 28 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*. The number of votes needed to meet the required 2/3 majority is 19.

3. 4 voted "No;" against disaffiliation;

24 voted "Yes," to disaffiliate;

0 abstained.

Charlotte Kelley
OFFICER/AUTHORIZED DESIGNEE

Luci Kline
CHAIR OF TRUSTEES

D. T. Adams
DISTRICT SUPERINTENDENT

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.)
All listed information must be provided.

Tipton County, TN 1613 Garland Drive, Covington TN 38019
 1565 Garland Drive, Covington TN 38019
 Copies of deeds attached

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is be released. IN South Bank Regular Operating, building account, and maintenance account
Covington, TN

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: No mortgages

SECURED/UNSECURED NOTES: No notes or loans

THREATENED OR PENDING LITIGATION No litigation

SUCCESSOR ENTITY: Garland Faith Community Church Inc.
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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.

Charlotte Kelley, Council Chair
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 **19th** day of **March**, by and between **Hampton Memorial 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 the last day

of the month in which the Annual Conference votes to approve disaffiliation ("Disaffiliation Date"). The Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$756.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$4,536.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**

- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$8,124.00**
- vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. **\$0.00**
- vii. **Total due for disaffiliation: \$13,416.00**

- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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:

Christine Medeiros Chair, Administrative Board

Date March 19, 2023

Jo Ann Dade Chair, Board of Trustees

Date 3-19-23

Representatives of the Annual Conference:

D. J. Woods District Superintendent

Date 3-19-23

Raul B. Alegria Authorized Member, Board of Trustees

Date 4/26/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

7835 ARMOUR ROAD
MILLINGTON, TN 38053

I, Christine Medearis, as the undersigned officer or authorized designee of **Hampton Memorial 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, March 19, 2023 at 5:30p.m.** at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 16 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*.

The number of votes needed to meet the required 2/3 majority is 11.

3. 0 voted "No;" against disaffiliation;

16 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

Christine R. Medearis

OFFICER/AUTHORIZED DESIGNEE

Jo Ann Dault

CHAIR OF TRUSTEES

D. J. Nally

DISTRICT SUPERINTENDENT

November 2022

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.) **All listed information must be provided.**

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

PERSONAL PROPERTY: Trust clause is to be released in:

X All personal property, other than property bearing "United Methodist Church" or the Cross/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: To be determined

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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.

Kennon Hampton
OFFICER/AUTHORIZED DESIGNEE
Chair, Finance Committee

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 **23rd** day of **March**, by and between **New Salem United Methodist Church (Tipton Co.)** (“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 the last day

of the month in which the Annual Conference votes to approve disaffiliation (“Disaffiliation Date”). The Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$609.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$2,439.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**

- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$4,368.00**
 - vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. **\$0.00**
 - vii. **Total due for disaffiliation: \$7,416.00**
- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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:

Wreed Ballard Chair, Administrative Board

Date 3-23-23

Danny Stapp Chair, Board of Trustees

Date 3-23-23

Representatives of the Annual Conference:

David Webb District Superintendent

Date 3-23-23

Raul B. Alegre Authorized Member, Board of Trustees

Date 4/26/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

7308 MUNFORD GILTEDGE ROAD
BURLISON, TN 38015

I, Wreed Ballard, as the undersigned officer or authorized designee of New Salem 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 **Thursday, March 23 at 7:30p.m.**, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 14 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*.

The number of votes needed to meet the required 2/3 majority is 10.

3. 0 voted "No;" against disaffiliation;

14 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

Wreed Ballard

OFFICER/AUTHORIZED DESIGNEE

Denny Stafford

CHAIR OF TRUSTEES

D. F. W. [Signature]

DISTRICT SUPERINTENDENT

November 2022

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.) **All listed information must be provided.**

New Salem United Methodist Church
7308 Munford Gilt Edge Road
Burlison, TN 38015

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:

X All personal property, other than property bearing "United Methodist Church" or the Cross/Flame.
____ All personal property, with the exception of the following:

by the Annual Conference)

First Citizens Bank P.O. Box 370 Dyersburg TN 38023
Cadence Bank 815 Hwy 51 North Covington TN 38019

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: New Salem Church

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 22 day of January, 2023, by and between **Parks Chapel 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 the last day

of the month in which the Annual Conference votes to approve disaffiliation (“Disaffiliation Date”). The Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$1,167.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$2,800.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**

- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$5,856.00**
 - vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. **\$0.00**
 - vii. **Total due for disaffiliation: \$9,823.00**
- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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:

Mary Parks Chair, Administrative Board

Date 1-22-23

[Signature] Chair, Board of Trustees

Date 1-22-23

Representatives of the Annual Conference:

[Signature] District Superintendent

Date 1-22-23

Raul B. Alegria Authorized Member, Board of Trustees

Date 4/26/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

7855 JERNIGAN DR.
SOMERVILLE, TN 38068

I, MARY PARKS, as the undersigned officer or authorized designee of **Parks 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 **Sunday, January 22, 2023** at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 11 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*.

The number of votes needed to meet the required 2/3 majority is 7.

3. 0 voted "No;" against disaffiliation;

11 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

Mary Parks

OFFICER/AUTHORIZED DESIGNEE

[Signature]

CHAIR OF TRUSTEES

[Signature]

DISTRICT SUPERINTENDENT

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

REAL PROPERTY: **Physical Address, County where Located, Deed Book/Page and Use** (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.) **All listed information must be provided.**

7855 Jernigan Drive, Somerville, Fayette, TN 38068

Deed Book/Page: D690/527-531 Church Bldg & Cemetery

See Attached sheets for deeds

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

PERSONAL PROPERTY: Trust clause is to be released in:

 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: N/A

SECURED/UNSECURED NOTES: N/A

THREATENED OR PENDING LITIGATION: N/A

SUCCESSOR ENTITY: PARKS CHAPEL METHODIST CHURCH, INC.

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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 **12th** day of **March**, by and between **Pisgah United Methodist Church (Tipton Co.)** (“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 the last day

of the month in which the Annual Conference votes to approve disaffiliation (“Disaffiliation Date”). The Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$743.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$2,308.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**

- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$4,133.00
- vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. \$0.00
- vii. **Total due for disaffiliation: \$7,184.00**

- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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:

Campbell Chair, Administrative Board

Date 3-12-23

Heane Lindsey Chair, Board of ~~Trustees~~
Finance

Date 3/12/2023

Representatives of the Annual Conference:

W. D. W. District Superintendent

Date 3-12-23

Raúl B. Alegre Authorized Member, Board of Trustees

Date 4/26/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

524 PISGAH RD.
BRIGHTON, TN 38011

I, Cary Ballard, as the undersigned officer or authorized designee of **Pisgah 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, March 12, 2023 at 7:00p.m.** at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 10 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*.

The number of votes needed to meet the required 2/3 majority is 7.

3. 0 voted "No;" against disaffiliation;
10 voted "Yes," to disaffiliate;
0 abstained.

Copies of the ballots are available for inspection upon request.

Cary Ballard

OFFICER/AUTHORIZED DESIGNEE

Diane Lindsey

CHAIR OF ~~TRUSTEES~~
Finance

D. D. W. [Signature]

DISTRICT SUPERINTENDENT

November 2022

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.) **All listed information must be provided.**

524 Pisgah Rd Brighton, TN 38011
Sipton County


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

PERSONAL PROPERTY: Trust clause is to be released in:

☐ All personal property, other than property bearing "United Methodist Church" or the Cross/Flame.

☐ All personal property, with the exception of the following:

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

 - CD Insouth Bank
- checking account 425 Hwy 51
→ per Susan Sides Covington, TN
38019

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

MORTGAGES: N/A

SECURED/UNSECURED NOTES: N/A

THREATENED OR PENDING LITIGATION N/A

SUCCESSOR ENTITY: Mt. Pisgah Chapel

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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 **19th** day of **March**, by and between **Poplar Grove United Methodist Church (Tipton Co.)** (“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 the last day

of the month in which the Annual Conference votes to approve disaffiliation (“Disaffiliation Date”). The Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$2,625.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$7,875.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**

- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$14,103.00**
- vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. **\$0.00**
- vii. **Total due for disaffiliation: \$24,603.00**

- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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:

Vernor Paarmoen Chair, Administrative Board

Date 3-19-23

Steve McGillough Chair, Board of Trustees

Date 3-19-23

Representatives of the Annual Conference:

D. F. [Signature] District Superintendent

Date 3-19-23

Raul B. Alarcon Authorized Member, Board of Trustees

Date 4/26/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

228 QUITO-DRUMMONDS ROAD
DRUMMONDS, TN 380023

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

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on **Sunday, March 19 at 3:00p.m.**, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 41 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*.

The number of votes needed to meet the required 2/3 majority is 28.

3. 4 voted "No;" against disaffiliation;

37 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

Vernon Pairmore

OFFICER/AUTHORIZED DESIGNEE

Steve McCullough

CHAIR OF TRUSTEES

D. D. W. [Signature]

DISTRICT SUPERINTENDENT

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.) **All listed information must be provided.**

See attachment 1

"

Deeds of Property

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)

SEE ATTACHMENT 2

"Financial Records"

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

TWKC

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 **15th** day of **February, 2023**, by and between **Quito 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 the last day

of the month in which the Annual Conference votes to approve disaffiliation (“Disaffiliation Date”). The Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$1,274.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$5,095.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**

- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$9,125.00**
- vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. **\$0.00**
- vii. **Total due for disaffiliation: \$15,494.00**

- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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:

Thomas Anna Chair, Administrative Board

Date 2-15-2023

CM Chow Chair, Board of Trustees

Date 2-15-23

Representatives of the Annual Conference:

D. D. [Signature] District Superintendent

Date 2-15-23

Raul B. Alegrin Authorized Member, Board of Trustees

Date 4/26/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

**4580 QUITO-DRUMMONDS RD.
MILLINGTON, TN 38053**

I, Thomas Semmes, as the undersigned officer or authorized designee of Quito 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 at **7p.m.** on **Wednesday, February 15, 2023** at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 18 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*.

The number of votes needed to meet the required 2/3 majority is 12.

3. 0 voted "No;" against disaffiliation;
18 voted "Yes," to disaffiliate;
0 abstained.

Copies of the ballots are available for inspection upon request.

Thomas Semmes

OFFICER/AUTHORIZED DESIGNEE

C M Clower

CHAIR OF TRUSTEES

Don D. West

DISTRICT SUPERINTENDENT

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.) All listed information must be provided.

Church Building,
4580 Quito Drummonds Road
millington, TN. 38053.
Tipton County Deed Book 91
Page 82.

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

PERSONAL PROPERTY: Trust clause is to be released in:

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

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

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

MORTGAGES: None

SECURED/UNSECURED NOTES: None

THREATENED OR PENDING LITIGATION

SUCCESSOR ENTITY: _____

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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.

Tom Semmer

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 **5th** day of **March**, by and between **Randolph 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 the last day of the month in which the Annual Conference votes to approve disaffiliation (“Disaffiliation Date”). The Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in

Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$1,806.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$7,224.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
 - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding

obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$12,938.00

vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. \$0.00

vii. **Total due for disaffiliation: \$21,968.00**

- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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:

William B. Miller Chair, Administrative Board

Date 3/5/2023

Michael R. [Signature] Chair, Board of Trustees

Date 3/5/2023

Representatives of the Annual Conference:

[Signature] District Superintendent

Date 3-5-2023

Raul B. [Signature] Authorized Member, Board of Trustees

Date 4/26/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

98 BALLARD SLOUGH RD.
DRUMMONDS, TN 38023

I, William "B" Mills Jr, as the undersigned officer or authorized designee of **Randolph 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, March 5, 2023 at 4:00p.m.** at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 42 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*.

The number of votes needed to meet the required 2/3 majority is 28.

3. 0 voted "No;" against disaffiliation;
42 voted "Yes," to disaffiliate;
0 abstained.

Copies of the ballots are available for inspection upon request.

William B. Mills Jr

OFFICER/AUTHORIZED DESIGNEE

Michael L. Lato

CHAIR OF TRUSTEES

David W. [Signature]

DISTRICT SUPERINTENDENT

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.) **All listed information must be provided.**

98 Ballard Slough Rd, Drummonds TN 38023 (Tipton County)

No cemetery or parsonage

See relevant county property records as Attachment 1

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

1. CADENCE BANK – CHECKING - BUSINESS
2. CADENCE BANK – SAVINGS - SPECIAL PR

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: RANDOLPH COMMUNITY CHURCH

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this **28th** day of **November 2022**, by and between **Rossville 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 the last day

of the month in which the Annual Conference votes to approve disaffiliation ("Disaffiliation Date"). The Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$8,112.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$19,469.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**

- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$27,551.00**
 - vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. **\$0.00**
 - vii. **Total due for disaffiliation: \$55,132.00**
- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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

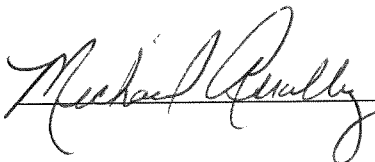
relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction 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.

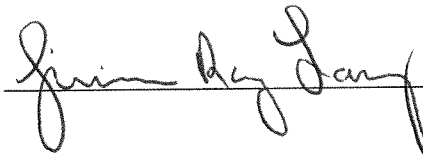
9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits (Wespath) to the extent permitted by federal law, and provided that Local Church 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:

 Chair, Administrative Board

Date 11-28-2022

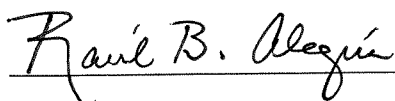
 Chair, Board of Trustees

Date 11-28-2022 ✓

Representatives of the Annual Conference:

 District Superintendent

Date 11-28-2022

 Authorized Member, Board of Trustees

Date 4/26/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

340 MAIN ST.
ROSSVILLE, TN 38066

I, MICHAEL ASSALLEY, as the undersigned officer or authorized designee of the **Rossville 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 **Monday, November 28, 2022 at 7:00p.m.** for a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 60 valid 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*.

The number of votes needed to meet the required 2/3 majority is 40.

3. 0 voted "No;" against disaffiliation;

60 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

Michael Assalley
OFFICER/AUTHORIZED DESIGNEE

James Ray Lang
CHAIR OF TRUSTEES

DeD. Hays
DISTRICT SUPERINTENDENT

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.) **All listed information must be provided.**

_____ See Attachment 1 _____

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

PERSONAL PROPERTY: Trust clause is to be released in:

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

_____ All personal property, with the exception of the following:

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

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

MORTGAGES:

_____ No Mortgage _____

SECURED/UNSECURED

NOTES:

No Notes

THREATENED

OR

PENDING

LITIGATION

No Legal Action

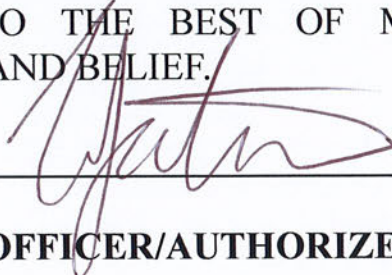
SUCCESSOR

ENTITY:

See Attachment 1

(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this **8th** day of **January, 2023**, by and between **Somerville 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 the last day

of the month in which the Annual Conference votes to approve disaffiliation (“Disaffiliation Date”). The Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$14,899.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$35,756.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**

- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$74,784.00**
- vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. **\$0.00**
- vii. **Total due for disaffiliation: \$125,439.00**

- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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:

Jamie H. Fender Chair, Administrative Board

Date 1-8-23

Jerry Carson Chair, Board of Trustees

Date 1-8-23

Representatives of the Annual Conference:

D. D. Wooten District Superintendent

Date 1-8-23

Sat Ad Authorized Member

Date 1/8/23

Raul B. Alegría Authorized Member, Board of Trustees Date 4/23/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

202 S. EAST ST.
SOMERVILLE, TN 38068

I, JAMIE H. JENKINS, as the undersigned officer or authorized designee of the **Somerville 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, January 8, 2023 at 2:00p.m.** for a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 106 valid 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*.

The number of votes needed to meet the required 2/3 majority is 71.

3. 7 voted "No;" against disaffiliation;

99 voted "Yes," to disaffiliate;

— abstained.

Copies of the ballots are available for inspection upon request.

JAMIE H. JENKINS
OFFICER/AUTHORIZED DESIGNEE

JERRY G. GORMAN
CHAIR OF TRUSTEES

DAVID W. WATTS
DISTRICT SUPERINTENDENT

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.) All listed information must be provided.

2 Deeds - See Attached

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

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: FIRST METHODIST Church of Somerville, TN, Inc.
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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.

James D. Jenkins
OFFICER/AUTHORIZED DESIGNEE

Real Property:

Sanctuary and Education Building - 202 S. East Street, Somerville, 38068, Fayette County, Tennessee

Christian Activity Center – 205 S. East Street, Somerville, 38068, Fayette County, Tennessee

Vacant Lot – 203 South Street, Somerville, 38068, Fayette County, Tennessee

Bank/Financial Accounts:

Operating-checking
Memorial-checking
Benevolence-checking
Methodist Men-checking
Choir-checking
Stone Soup-checking
Holiday Bazaar-checking
Disaster Relief-checking
Edward Jones-investment
Edward Jones-investment
Methodist Development Fund-savings



Checking accounts – Trustmark Bank, 16790 US 64, Somerville, TN 38068

Investment accounts – Edward Jones, 200 Chickasaw Ridge Drive, Ste. 11, Oakland, TN 38060

Savings – UMDf of TN/KY, Inc., 304 S. Perimeter Park Drive, Ste. 3, Nashville, TN 37211

Personal Property:

Existing Liabilities:

Mortgages – None
Secured/Unsecured – None
Threatened/Pending – None

Successor Entity:

????

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 12th day of March, by and between **Tabernacle United Methodist Church (Tipton Co.)** (“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 the last day

of the month in which the Annual Conference votes to approve disaffiliation (“Disaffiliation Date”). The Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above. LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO CONTINUE WITH APPOINTED CLERGY FROM CHURCH CONFERENCE TO DISAFFILIATION DATE: *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. Should the Local Church choose not to continue its acceptance of a pastor appointed by the Bishop from the date of the local church conference vote to the Disaffiliation Date, Local Church shall be responsible for paying to Conference a sum equal to the cost of salary and benefits for the pastor for that period of time or until such time as another appointment providing for equal or greater compensation is afforded to the pastor in question.*

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 connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$1,293.00**
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$4,105.00**
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**

- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$7,352.00
 - vi. Any grant from the Annual Conference to the Local Church that was received within two (2) years prior to the Disaffiliation Date, including but not limited to grants for Equitable Compensation or small church capital improvements, shall be treated as a loan and shall be repaid in full prior to the Disaffiliation Date. \$0.00
 - vii. **Total due for disaffiliation:** \$12,750.00
- 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. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. 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

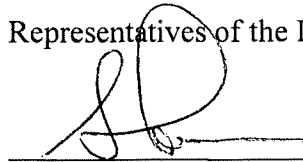
relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction 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.

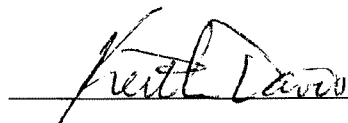
10. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

Representatives of the Local Church:



Chair, Administrative Board

Date 3/12/23

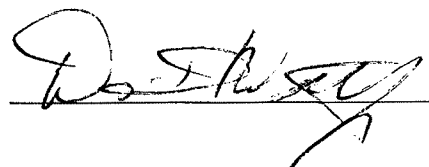


Chair, ~~Board of Trustees~~

Lay leader

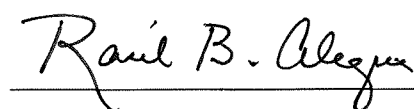
Date 3/12/2023

Representatives of the Annual Conference:



District Superintendent

Date 3-12-23



Authorized Member, Board of Trustees

Date 4/24/2023

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

4258 HIGHWAY 179
COVINGTON, TN 38019

I, Scott Robinson, as the undersigned officer or authorized designee of **Tabernacle 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, March 12, 2023 at 1:30p.m.** at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 26 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

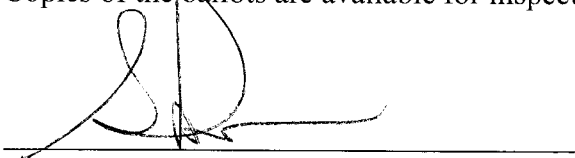
The number of votes needed to meet the required 2/3 majority is 18.

3. 0 voted "No;" against disaffiliation;

26 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

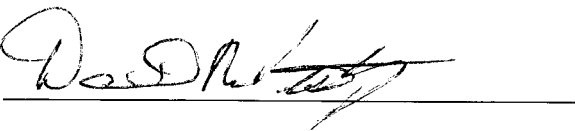


OFFICER/AUTHORIZED DESIGNEE



~~CHAIR OF TRUSTEES~~

Lay Leader



DISTRICT SUPERINTENDENT

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use (i.e., church building, parsonage, cemetery etc.) of Real Property to be transferred (Attach copies of deeds containing property description. If multiple properties, attached a list on a separate sheet.)
All listed information must be provided.

Church, 4258 Hwy 179, Covington, TN 38019, Tipton County,
Deed Book N 298 - mailing address - 50 Tabernacle Road
Covington, TN 38019
Parsonage, 2146 Ralph Road, Covington, TN 38019, Tipton County,
Deed Book, page 235

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is be released. See attachment - "Exhibit 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)

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

MORTGAGES: NA

SECURED/UNSECURED NOTES: NA

THREATENED OR PENDING LITIGATION NA

SUCCESSOR ENTITY: NA
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL 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

(Scott Robinson)

Tabernacle United Methodist Church
4258 Highway 179 - Location
50 Tabernacle Road - Mailing address
Covington, TN 38019

"Exhibit B"

Church Location - 4258 Highway 179, Covington, TN 38019

Tipton County, Deed Book N, Page 298

**Parsonage – 2146 Ralph Road, Covington, TN 38019, Tipton
County, Deed Book, page 235**

Assets – Furniture in Church

Banks

Cadence Bank

Cadence Bank,

Regions Bank,

INSOUTH Bank

New Entity – Tabernacle Methodist Church

Trustees – Scott Robinson, Keith Davis, Wade Dych