# <u>Standard Form Disaffiliation Agreement-Tennessee Western Kentucky Conference</u> As mandated by ¶ 2553

#### DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 ("Disaffiliation Agreement") is entered into this 27 day of August 2023, by and between Alexandria UMC ("Local Church") and <u>Tennessee-Western Kentucky</u> 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*." ( $\P$  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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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

LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO in Section 1 above. APPOINTED **CLERGY** FROM CHURCH CONFERENCE CONTINUE WITH 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. <u>Local Church's Obligations</u>. 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 \$780.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$2,194.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments \_\_\_\_\_\_
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health

- Benefits using market factors similar to a commercial annuity provider, totaling \$3,320.00;
- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.
- 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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

Charles Wanderson f Chair, Administrative Board

Date 8/27/23

Charles W Onderson Chair, Board of Trustees

Date 8/27/23

Representatives of the Annual Conference

Dа

District Superintendent

Date

9-27-2027

Authorized Member, Board of Trustees

### **EXHIBIT A TO DISAFFILIATION AGREEEMENT**

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

#### MEMBERS OF THE ALEXANDRIA UNITED METHODIST CHURCH

# PHYSICAL ADDRESS OF CHURCH:

204 Church St Alexandria, TN 37012

, (())
I, Laura M. Vaden, as the undersigned officer or authorized designee of
Alexandra 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 August 27, 2023, at a meeting duly called by the District Superintendent after notice as required by the Book of Discipline.  2. There were
abstained.

OFFICER/AUTHORIZED DESIGNEE

Copies of the ballots are available for inspection upon request.

OFFICER/AUTHORIZED DESIGNEE

Del

### EXHIBIT B TO DISAFFILIATION AGREEEMENT 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.

Talb Co, - Church	204 W. Church Street, Alexandria Tolsions
Kalb Co Parsonage	301 Locust Street, Alexandria, TN 37012
Church Property	Harrange - Dud Book (D3-515
Bax-F5-393	Church- archives U-339-archive-C-376
BANK/FINANCIAL ACC	OUNTS. List bank and two of each account in which tweet clause is
TERSONAL 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 LIABILITY OR TRANSFI	FOR EACH, PROVIDE PROOF OF SATISFACTION OF ER OF LIABILITY TO SUCCESSOR ENTITY):
MORTGAGES:	None
SECURED/UNSECURED N	IOTES: Noul
THREATENED OR PENDI	NG LITIGATION None
SUCCESSOR ENTITY: _	alexandria Methodest Guich
(IF CORPORATION, PROV	VIDE CORPORATE NAME. IF UNINCORPORATED ENTITY,
TRUSTEES IN WHOSE NA	ME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL ME TRANSFER SHOULD BE MADE) Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles are the Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and Charles and Charles are the Charles and Charles and C
I CERTIFY THAT THE IN	FORMATION PROVIDED ABOVE IS TRUE AND CORRECT
TO THE BEST OF MY KN	OWLEDGE, 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 21 day of September 2023, by and between Almyra UMC ("Local Church") and <u>Tennessee-Western</u> <u>Kentucky</u> 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*." ( $\P$  2501.2)

WHEREAS,  $\P$  2553 provides a specific circumstance in which property subject to  $\P$  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. <u>Date of Disaffiliation</u>. 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. <u>Local Church's Obligations</u>. 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:
    - 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 \$-187.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$2,716.00;

    - 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 \$3,175.00;

- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

Appointed Clergy Plan Compensation (Salary/Housing) Dec-Jun as calculated by Annual Conference, totaling \_\_\_\_\_\_\_\_

Appointed Clergy Benefits (Medical/Pension) Dec-Jun as calculated by Annual Conference, totaling \_\_\_\_\_\_\_

- b. Other Liabilities. Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. 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 and Chair, Administrative Board Date 9/21/2023

Meth Roman Chair, Board of Trustees Date 9/2/2023

Representatives of the Annual Conference

District Superintendent

Authorized Member, Board of Trustees

### EXHIBIT A TO DISAFFILIATION AGREEEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

# MEMBERS OF THE ALMYRA UNITED METHODIST CHURCH

### PHYSICAL ADDRESS OF CHURCH:

4444 BURGESS FALLS RD SPARTA, TN 38583-6641

I, <u>David Goodwin</u> , as the undersigned officer or authorized designee of <u>Almyra</u> United Methodist Church ("Church") certify the vote of the Church members that
of Almyra 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 Sept. 21, 2023, at a meeting duly called by the District Superintendent after notice as required by the Book of Discipline.
2. There were/ 7 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the <i>Book of Discipline</i> .
voted "No;" against disaffiliation voted "Yes," to disaffiliate;abstained.
Copies of the ballots are available for inspection upon request.

OFFICER/AUTHORIZED DESIGNEE

# **EXHIBIT B TO DISAFFILIATION AGREEEMENT** 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, attach a list on a separate sheet.) All listed information must be provided.

Almyra United Methodist Church: 4444 Burgess Falls Road

White County TN, Sparta TN, 38583 (Church/land only)

One Property with 6 deeds to complete the total description of the property: White County Tennessee Register

of Deeds, Deed search: Warranty Deed Book RB22: Pages: 229-230, Warranty Deed Book 128: Pages: 116-119 Warranty Deed Book 103: Pages: 321-322, Warranty Deed Book 102: Pages: 301-302, Warranty Deed Book 89B: Page 250-251 and the 1894-1896 Warranty Deed Book 35: pages 599-600.		
BANK/FINANCIAL ACC		
PERSONAL PROPERTY:	Trust clause is to be released in:	
	$\underline{X}$ 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 TO SUCCESSOR ENTITY):	G (FOR EACH, PROVIDE PROOF OF SATISFACTION OF LIABILITY OR TRANSFER OF LIABILITY	
MORTGAGES: <u>NONE</u> SECURED/UNSECURED THREATENED OR PEN	O NOTES: <u>NONE</u> DING LITIGATION: <u>NONE</u>	
SUCCESSOR ENTITY:	ALMYRA METHOIDST CHURCH:	
TRUSTEES: KENNETH TRUSTEE, KIMBERLY WITZIGMAN JR-TRUST	ROLLAND CARRUTHERS- CHAIRMAN OF TRUSTEES, DAVID C. GOODWIN- A. MURDOCK-TRUSTEE, WILLIAM S. GLOVER-TRUSTEE, AND JAMES WARREN TEE.	
(IF CORPORATION, PR NAME OF THE NEW E SHOULD BE MADE)	COVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NTITY AND THE NAMES OF INDIVIDUAL TRUSTEES IN WHOSE NAME TRANSFER	
I CERTIFY THAT THE KNOWLEDGE, INFORM	INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY IATION AND BELIEF.	
David C	, Doodwin DATE 8-9-2023	
PASTOR PARISH REL	ATIONS CHAIRMAN/OFFICER/AUTHORIZED DESIGNEE	
David C	Doodulin DATE: 8-9-2023	
FINANCE OFFICER/AU	JTHORIZED DESIGNEE	
Kenneth Re	alland Carrathers DATE: 8-9-2023	
TRUSTEE CHAIRMAN	/OFFICER/AUTHORIZED DESIGNEE	

# <u>Standard Form Disaffiliation Agreement-Tennessee Western Kentucky Conference</u> As mandated by ¶ 2553

#### **DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553**

This Disaffiliation Agreement Pursuant to ¶ 2553 ("Disaffiliation Agreement") is entered into this 24 day of September 2023, by and between Bethany UMC ("Local Church") and <u>Tennessee-Western Kentucky</u> 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. <u>Applicability of ¶ 2501</u>. 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 LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO in Section 1 above. FROM CHURCH CONFERENCE CONTINUE WITH APPOINTED CLERGY 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. <u>Local Church's Obligations</u>. 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 \$-172.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$2,511.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments 7
    - 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 \$2,929.00;
    - 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

Appointed Clergy Benefits (Medical/Pension) Dec-Jun as calculated by Annual Conference, totaling \$\_\_\_O\_\_\_

- 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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	
Robert n Winchester Chair, Administrative Board Date 9-24-20	23
Robert N. Würchaste J. Chair, Board of Trustees Date 5 gpt. 24, 20	23
Representatives of the Annual Conference	
Tychad Date Sept. 24, 2023	
District Superintendent	
Authorized Member, Board of Trustees  Date 10 - 10 - 20 27	

### EXHIBIT A TO DISAFFILIATION AGREEEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

# MEMBERS OF THE BETHANY UNITED METHODIST CHURCH

### PHYSICAL ADDRESS OF CHURCH:

10699 Nashville Hwy Baxter, TN 38544

I, Jerry 5tout, as the undersigned officer or authorized designee	of
I, Jerry 5+out, as the undersigned officer or authorized designee  Bethany United Methodist Church ("Church") certify the vote of the Church	rch
members that was taken to disaffiliate from the United Methodist Church pursuant to Paragraph 2553	
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 Sept. 24, 2023, at a meeting duly called by the District Superintendent after not as required by the Book of Discipline.	on ice
2. There were ballots cast on the issue of whether to disaffiliate from the Unit Methodist Church subject to the provision of Paragraph 2553 of the <i>Book of Discipline</i>	ted
voted "No;" against disaffiliation;  voted "Yes," to disaffiliate;	
abstained.	
M8TOUT Thereser Compbell	
OFFICER/AUTHORIZED DESIGNEE OFFICER/AUTHORIZED DESIGNEE	

Copies of the ballots are available for inspection upon request.

# **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.

	Bethang United Methodist Church, 10699 Nashmille Huy, Baxter, TN 3
	Putnom County
	Octuber 1907 Fration Book B-p. 269 Putnam County Register of Dieds
BANK/FINANCIAL ACCO	OUNTS: List bank and type of each account in which trust clause is
PERSONAL PROPERTY:	Trust clause is to be released in:
	All personal property, other than property bearing "United Methodist Church" or the Cross and Flame
	All personal property, with the exception of the following:
	(List any property that will be retained by the Annual Conference)
	none
	(FOR EACH, PROVIDE PROOF OF SATISFACTION OF OF LIABILITY TO SUCCESSOR ENTITY):
MORTGAGES:	ng,
SECURED/UNSECURED N	OTES: Nyme
THREATENED OR PENDIN	NG LITIGATION None
PROVIDE BOTH THE NAM	Bollany Church VIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, THE OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL ME TRANSFER SHOULD BE MADE)
I CERTIFY THAT THE INF	ORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO

THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

# Standard Form Disaffiliation Agreement-Tennessee Western Kentucky Conference

As mandated by ¶ 2553

### DISAFFILIATION AGREEMENT PURSUANT TO $\P$ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 ("Disaffiliation Agreement") is entered into this 27 day of August 2023, by and between Brush Creek UMC ("Local Church") and <u>Tennessee-Western Kentucky</u> 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*." ( $\P$  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. <u>Date of Disaffiliation</u>. 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

LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO in Section 1 above. CHURCH CONFERENCE **APPOINTED CLERGY** FROM CONTINUE WITH 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. <u>Local Church's Obligations</u>. 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 \$235.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$665.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments \_\_\_\_\_
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health

- Benefits using market factors similar to a commercial annuity provider, totaling \$1,132.00;
- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.
- 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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

Hary Crook Chair, Administrative Board Date 8-27-23

Chair, Board of Trustees Date 8-27-23

Representatives of the Annual Conference

Date

District Superintendent

Date 9-27-2023

Authorized Member, Board of Trustees

### EXHIBIT A TO DISAFFILIATION AGREEEMENT

# OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

### MEMBERS OF THE BRUSH CREEK UNITED METHODIST CHURCH

### PHYSICAL ADDRESS OF CHURCH:

161 Brush Creek Circle Rd Brush Creek, TN 38547

I, $\bigcirc$ as the undersigned officer or authorized designee of
I, <u>Gary Crook</u> , as the undersigned officer or authorized designee of <u>Rosh Creek</u> 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 8/27/23, at a meeting duly called by the District Superintendent after notice
as required by the <i>Book of Discipline</i> .
2. There were ballots cast on the issue of whether to disaffiliate from the United
Methodist Church subject to the provision of Paragraph 2553 of the Book of Discipline.
voted "No;" against disaffiliation  voted "Yes," to disaffiliate;  abstained.
Copies of the ballots are available for inspection upon request.

OFFICER/AUTHORIZED DESIGNEE

OFFICER/AUTHORIZED DESIGNEE

# EXHIBIT B TO DISAFFILIATION AGREEEMENT 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.

161 Brush Creek Circle, Brush Creek, TN 38547, Smith County. Deed Book 51, pg. 247 Church Building plus contents and open shed

8 -	and open size
	COUNTS: List bank and type of each account in which trust clause is
	Y: 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 LIABILITII LIABILITY OR TRANSF	ES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF ER OF LIABILITY TO SUCCESSOR ENTITY):
MORTGAGES:	NONE
SECURED/UNSECURED	NOTES: NONE
THREATENED OR PENE	DING LITIGATION NONE
SUCCESSOR ENTITY: 1	BRUSH CREEK METHODIST CHURCH
NAME. IF UNINCORPO ENTITY AND THE NAM SHOULD BE MADE) TRU	DRATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ES OF INDIVIDUAL TRUSTEES IN WHOSE NAME TRANSFER USTEE: GARY CROOK
	FORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO

# <u>Standard Form Disaffiliation Agreement-Tennessee Western Kentucky Conference</u> As mandated by ¶ 2553

#### DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 ("Disaffiliation Agreement") is entered into this 20 day of September 2023, by and between Cedar Point UMC ("Local Church") and <u>Tennessee-Western Kentucky</u> 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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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

LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO in Section 1 above. CLERGY FROM CHURCH CONFERENCE TO CONTINUE WITH APPOINTED 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. <u>Local Church's Obligations</u>. 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 \$720.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$786.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health

Benefits using market factors similar to a commercial annuity provider, totaling \$1,117.00;

- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.
- 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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 Course Chair, Admin Patricea Westen Chair, Board of		Date $9/20/23$
TOTAL COMPANY TO THE STATE OF T		
Representatives of the Annual Conference	Date <u>Sepf.</u>	20, 2023
District Superintendent	Date <u>10 - 10 -</u>	- 2023
Authorized Member, Board of Trustees		

# EXHIBIT A TO DISAFFILIATION AGREEEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

# MEMBERS OF CEDAR POINT UNITED METHODIST CHURCH

## PHYSICAL ADDRESS OF CHURCH:

27 Cedar Point Circle Brush Creek, TN 38547

I, <u>Bryan McCaleb</u> , as the undersigned officer or authorized designee
of Cedar Point 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 September 20, 2023 at a meeting
duly called by the District Superintendent after notice as required by the Book of Discipline.
2. There were ballots cast on the issue of whether to disaffiliate from the United
Methodist Church subject to the provision of Paragraph 2553 of the Book of Discipline.
voted "No;" against disaffiliation;
voted "Yes," to disaffiliate;
abstained.

Copies of the ballots are available for inspection upon request.

OFFICER/AUTHORIZED DESIGNEE

OFFICER/AUTHORIZED DESIGNEE

## EXHIBIT B TO DISAFFILIATION AGREEEMENT 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.

Ceda. To int Methodist Church

27 Cedar Point Circle, Brush Creek, TN 38547 Smith County, TN BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is be released. Citizen Bank - 1-checking i 1-sanngs account PERSONAL PROPERTY: Trust clause is to be released in: All personal property, other than property bearing "United Methodist Church" or the Cross and Flame All personal property, with the exception of the following: (List any property that will be retained by the Annual Conference) EXISTING LIABILITIES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF LIABILITY OR TRANSFER OF LIABILITY TO SUCCESSOR ENTITY): MORTGAGES: none SECURED/UNSECURED NOTES: NDNE THREATENED OR PENDING LITIGATION NONE SUCCESSOR ENTITY: (IF CORPORATION, PROVIDE CORPORATE NAME. PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE) MARY COWAN PAt Wooten, vanda Martin 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 27 day of August 2023, by and between Clear Fork UMC ("Local Church") and <u>Tennessee-Western Kentucky</u> 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. <u>Date of Disaffiliation</u>. 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

LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO in Section 1 above. CLERGY FROM CHURCH CONFERENCE CONTINUE WITH APPOINTED 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. <u>Local Church's Obligations</u>. 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:
    - 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 \$300.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$992.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health

- Benefits using market factors similar to a commercial annuity provider, totaling \$1,279.00;
- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.
- 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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

Billy Q. Metter Chair, Administrative Board

Date 7-27-23

Herald Tale Chair, Board of Trustees

Date 8/27/2023

Representatives of the Annual Conference

District Superintendent

/ /

Date 9-27-2023

Authorized Member, Board of Trustees

## **EXHIBIT A TO DISAFFILIATION AGREEEMENT**

# OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

## MEMBERS OF THE CLEAR FORK UNITED METHODIST CHURCH

## PHYSICAL ADDRESS OF CHURCH:

1720 Big Hill Rd. Liberty, TN 37095

I, Dana Stanky, as the undersigned officer or authorized designee of
Clear Fork 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 August 27, 2023, at a meeting duly called by the District Superintendent after notice
as required by the Book of Discipline.
2. There were ballots cast on the issue of whether to disaffiliate from the United
Methodist Church subject to the provision of Paragraph 2553 of the Book of Discipline.
voted "No;" against disaffiliation  voted "Yes," to disaffiliate;  abstained.

Copies of the ballots are available for inspection upon request.

# EXHIBIT B TO DISAFFILIATION AGREEEMENT 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 and Contents, Storage unit outside, Deed Book 12 pages 529-530, Cannon County

BANK/FINANCIAL ACCO be released.	UNTS: List bank and type of each account in which trust clause is
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 LIABILITY OR TRANSFER	(FOR EACH, PROVIDE PROOF OF SATISFACTION OF OF LIABILITY TO SUCCESSOR ENTITY):
MORTGAGES:	NONE
SECURED/UNSECURED NO	OTES: NONE
THREATENED OR PENDIN	G LITIGATION NONE
SUCCESSOR ENTITY: CLI	EAR FORK METHODIST CHURCH
NAME. IF UNINCORPORA ENTITY AND THE NAMES SHOULD BE MADE) TRUST	ATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW OF INDIVIDUAL TRUSTEES IN WHOSE NAME TRANSFER TEE: GERALD TATE
I CERTIFY THAT THE INFO	RMATION PROVIDED ABOVE IS TRUE AND CORRECT TO

THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

### 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 24 day of September 2023, by and between Coalmont UMC ("Local Church") and  $\underline{Tennessee-Western\ Kentucky}$  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  $\P\P$  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  $\P$  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. <u>Applicability of ¶ 2501</u>. 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 LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO in Section 1 above. CONFERENCE APPOINTED CLERGY FROM CHURCH CONTINUE WITH 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. <u>Local Church's Obligations</u>. 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 \$239.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$169.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments \_\_\_\_\_\_
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$240.00;
    - 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary

and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

Appointed Clergy Plan Compensation (Salary/Housing) Dec-Jun as calculated by Annual Conference, totaling  $\$ - \bigcirc - \bigcirc$ 

Appointed Clergy Benefits (Medical/Pension) Dec-Jun as calculated by Annual Conference, totaling \$\_\_\_\_\_\_\_

- b. Other Liabilities. Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. 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. <u>Organizational Transition</u>. 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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		
Lewin E. Brown Chair, Admin Chair, Board of		Date $\frac{9-24-2}{9/24202}$
Representatives of the Annual Conference  District Superintendent  Racel B. Authorized Member, Board of Trustees	Date <u>Sef. 2</u> (0/2 Date	4, 2023 0/2023
Authorized Member, Board or Trustees		

## EXHIBIT A TO DISAFFILIATION AGREEEMENT

# OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

# MEMBERS OF THE COALMONT UNITED METHODIST CHURCH

## PHYSICAL ADDRESS OF CHURCH:

49 HEIDENBURG STREET COALMONT, TN 37313

I, James R. Rust, as the undersigned officer or authorized designee of
Coalmont 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 Sept. 24, 2023, at a meeting duly called by the District Superintendent after notice as required by the Book of Discipline.
2. There were ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the <i>Book of Discipline</i> .
voted "No;" against disaffiliation
voted "Yes," to disaffiliate;  abstained.
Copies of the ballots are available for inspection upon request.

# **EXHIBIT B** TO DISAFFILIATION AGREEEMENT 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.

Physical Address: 49 Heidenburg St.

Coalmont, TN 37313

Coalmont, TN 37313

Coalmont, TN 37313

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:

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: Coalmont Methodist Church Trustees listed (IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, below 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

rustees: Thomas L. Curtis, Lewis Brown and James R. Rust

# 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 17 day of September 2023, by and between Crossville First UMC ("Local Church") and <u>Tennessee-Western Kentucky</u> 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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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

LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO in Section 1 above. CLERGY FROM CHURCH CONFERENCE CONTINUE WITH APPOINTED 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. <u>Local Church's Obligations</u>. 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 \$19,880.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$66,277.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health

Benefits using market factors similar to a commercial annuity provider, totaling \$112,972.00;

- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

Appointed Clergy Plan Compensation (Salary/Housing) Dec-Jun, as calculated by Annual Conference, totaling \$62,655.00

Appointed Clergy Benefits (Medical/Pension) Dec-Jun, as calculated by Annual Conference, totaling \$17,315.00

- 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. <u>Release of Claims</u>. 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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

Chair, Board of Trustees

Date 520-17, 2023

Representatives of the Annual Conference

Date 6-27.2023

Authorized Member, Board of Trustees

# EXHIBIT A TO DISAFFILIATION AGREEEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

# MEMBERS OF THE CROSSVILLE FIRST UNITED METHODIST CHURCH

# PHYSICAL ADDRESS OF CHURCH: 100 Braun St, Crossville, TN 38555

CHARLES GLEWN
I, Perk Thornton, as the undersigned officer or authorized designee of
Crossville 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 or
September 17, 2023, at a meeting duly called by the District Superintendent after notice
as required by the Book of Discipline.
2. There were 185 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  56 voted "No;" against disaffiliation;
voted "No;" against disaffiliation;
voted "Yes," to disaffiliate;
abstained.
Pul Hohn Home
OFFICER/AUTHORIZED DESIGNEE OFFICER/AUTHORIZED DESIGNEE

Copies of the ballots are available for inspection upon request.

# EXHIBIT B TO DISAFFILIATION AGREEEMENT 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 addendum 2-Crossville First Properties
BANK/FINANCIAL ACCOUNTS: List book and two of
BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is be releasedSee attached addendum, Crossville First 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: NONE_
SECURED/UNSECURED NOTES: NONE_
THREATENED OR PENDING LITIGATION NONE
SUCCESSORENTITY: CROSSVILLE FIRST METHODIST CHURCH EIN 93-3053802
(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.
PREVIOUSLY SUBMITTED ON 8/25/23, RESUBMITTED IN THE FORMAT PER THE REQUEST OF
THE TWK CONFERENCE
OFFICER/AUTHORIZED DESIGNEE  EDWARD G. CAMERA, JR,
CROSSVILLE FIRST CHURCH COUNCIL CHAID

CROSSVILLE FIRST CHURCH COUNCIL CHAIR AUG 25, 2023

# 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 17 day of September 2023, by and between Dodson Chapel UMC ("Local Church") and *Tennessee-Western Kentucky* Conference of the United Methodist Church ("Annual Conference").

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

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

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

WHEREAS, property subject to ¶ 2501.1 "can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*." ( $\P$  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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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

- Benefits using market factors similar to a commercial annuity provider, totaling \$7,608.00;
- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.
- 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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

Panyl Palson	Chair, Administrative Board	Date	9/17/2023	
Date	9/17/2023			
Chair, Board of Trustees	Date	9/17/2023		
Representatives of the Annual Conference	Date	5-pt,	17,	2023
District Superintendent	Date	10-10-2023		
Authorized Member, Board of Trustees	Date	10-10-2023		

## EXHIBIT A TO DISAFFILIATION AGREEEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

# MEMBERS OF THE DODSON CHAPEL UNITED METHODIST CHURCH

# PHYSICAL ADDRESS OF CHURCH:

174 Dodson Chapel Rd Cookeville, TN 38506

I, Jarrett Key, as the undersigned officer or authorized designee or
I, <u>Jarrett key</u> , as the undersigned officer or authorized designee of <u>Dodson Chape</u> 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 or
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 or September 17, 2023, at a meeting duly called by the District Superintendent after notice as required by the Book of Discipline.
2. There were 33 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the <i>Book of Discipline</i>
voted "No;" against disaffiliation;
33voted "Yes," to disaffiliate;
abstained.
gaviett key - Faula Glaner
OFFICER/AUTHORIZED DESIGNEE OFFICER/AUTHORIZED DESIGNEE

Copies of the ballots are available for inspection upon request.

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

All listed information mus	Exhibit A-2
BANK/FINANCIAL ACC be released.	OUNTS: List bank and type of each account in which trust clause is
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)
	Exhibit C-2
EXISTING LIABILITIES LIABILITY OR TRANSF	FOR EACH, PROVIDE PROOF OF SATISFACTION OF ER OF LIABILITY TO SUCCESSOR ENTITY):
MORTGAGES:	None
SECURED/UNSECURED N	NOTES: None
THREATENED OR PENDI	NG LITIGATION Vone
SUCCESSOR ENTITY:	
	VIDE CORPORATE NAME. IF UNINCORPORATED ENTITY,
PROVIDE BOTH THE NAM	ME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL AME TRANSFER SHOULD BE MADE)
CERTIFY THAT THE INTO THE BEST OF MY K	FORMATION PROVIDED ABOVE IS TRUE AND CORRECT NOWLEDGE, INFORMATION AND BELIEF.
	d 1 10 10 - 10 -

OFFICER/AUTHORIZED DESIGNEE

	Exhibit A - &		Terrocorde and the state of the terrocorde and the state of		
Dodson Chapel United Methodist Church	THE PROPERTY OF THE PROPERTY O	The state of the s	A VARIANTE LA CONTRACTA CO		
Real Estate Deeds-Overton County Tennessee					
Name	Recording Book	Д 286 98	Deed Date	County	Property Use
Dodson Chapel Church	7	545	Sept. 15,1873	Overton	Church Parking /Cemetery
174 Dodson Chapel Rd		PROPERTY AND ADVANCES AND ADVAN			
Cookeville, TN 38506					PROPERTY OF THE WAY OF THE STREET WAY WE WANTED THE WAY OF THE PROPERTY OF THE
	Company of the Compan			COPPET ON THE STREET STREET, S	
Trustees Dodson's Chapel Methodist Church	88	356	June 4, 1948	Overton	June 4, 1948 Overton   Church Building
174 Dodson Chapel Rd					
Cookeville, TN 38506		AND			THE THE PROPERTY OF THE PROPER
	hadden menten op de propriet en sopret en activiste de la company of propriet de la company of the source of the s	THE PARTY OF THE PROPERTY OF THE PARTY OF TH	THE PROPERTY OF THE PROPERTY O	THE RESERVE THE PROPERTY OF TH	
Trustees of Dodson Chapel Church and Cemetery	256	342	342 September 13, 1992 Overton		Cemetery
174 Dodson Chapel Rd		A Company of the Comp			ендельный выправления по температуру проторых рассийский протовый в переводу протовый в проторый в проторый выправления в проторый
Cookeville, TN 38506					diddin for a many property of \$1,100 for 1,100 m and 1,000 m a
		The state of the s	and a second		
Dodson Chapel Methodist Church & Parsonage	MIS	192-194	July 12, 1966	Overton C	July 12, 1966 Overton Church parsonage building
151 Dodson Chapel Rd			A MATERIAL PROPERTY AND A STATE OF THE STATE		
Cookeville, TN 38506	The second secon		AND THE PROPERTY OF THE PROPER		

# 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 14<sup>th</sup> day of September, 2023, by and between Doyle UMC ("Local Church") and *Tennessee-Westery 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  $\P$  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*." ( $\P$  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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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.
- 4. <u>Local Church's Obligations</u>. 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:
    - 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 commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$9132.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$9,962.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments; \$1,556.00
    - 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 \$14,153.00;

- 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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

Chair, Board of Trustees

Date 9-14/>>

Date 9/14/23

Representatives of the Annual Conference

District Superintendent

Authorized Member, Board of Trustees Date  $\frac{9}{4}$ 

9-21-2023 Truster

# EXHIBIT A TO DISAFFILIATION AGREEEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

# MEMBERS OF THE DOYLE UNITED METHODIST CHURCH

# PHYSICAL ADDRESS OF CHURCH:

5085 McMinnville Hwy Doyle, TN 38559

Jimmy Walker
Jimmy Walker  I. Thrathan Demps, as the undersigned officer or authorized designee of
United Methodist Church ("Church") certify the vote of the Church members that
was taken to disaffiliate from the United Methodist Church pursuant to Paragraph 2553 of the Book of
Discipline of the United Methodist Church.
I can certify that the following events transpired as described:
1. The Church Council and members of the Church met on, at a meeting duly called by the District Superintendent after notice
as required by the Book of Discipline.
2. There were $\frac{lb}{l}$ ballots cast on the issue of whether to disaffiliate from the United
Methodist Church subject to the provision of Paragraph 2553 of the Book of Discipline.
voted "No;" against disaffiliation voted "Yes," to disaffiliate;
abstained.
Copies of the ballots are available for inspection upon request.
OFFICER/AUTHORIZED DESIGNEE  OFFICER/AUTHORIZED DESIGNEE

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

(i.e., church building, parsona	ge, cemetery etc.) of Real Property to be transferred (Attach copies escription. If multiple properties, attached a list on a separate sheet.)
	See Attached
BANK/FINANCIAL ACCO be released.	UNTS: List bank and type of each account in which trust clause is
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)
	(FOR EACH, PROVIDE PROOF OF SATISFACTION OF ER OF LIABILITY TO SUCCESSOR ENTITY):
mortgages: Citi	zen Bank
SECURED/UNSECURED N	OTES: N/A
THREATENED OR PENDIN	NG LITIGATION N/A
PROVIDE BOTH THE NAM	The Way Church of Doyle VIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, ME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL ME TRANSFER SHOULD BE MADE)
	FORMATION PROVIDED ABOVE IS TRUE AND CORRECT OWLEDGE, INFORMATION AND BELIEF.
	Stew alln OFFICER/AUTHORIZED DESIGNEE

# PROPERTIES

	5	50	5(	50	5(	5	5(	5(	5(	5(	
85 McMinnville Hwy	85 McMinnville Hwy	85 McMinnville Hwy	85 McMinnville Hwy	5059 McMinnville Hwy	)85 McMinnville Hwy	)85 McMinnville Hwy	)85 McMinnville Hwy	)85 McMinnville Hwy	5085 McMinnville Hwy	5085 McMinnville Hwy	Address
Dovle. In 38559	Doyle, Tn 38559	Doyle, Tn 38559	Doyle, Tn 38559	Doyle, Tn 38559	Doyle, Tn 38559	Doyle, Tn 38559	Doyle, Tn 38559	Doyle, Tn 38559	Doyle, Tn 38559	Doyle, Tn 38559	io.
White	White	White	White	White	White	White	White	White	White	White	County
ω	139	109	198	RB91	109	109	RB240	179	109	139	Deed Book
75	55	256	366	392-393	256	256	867	28	256	55	Page
Church Building	Parking	Parking	<b>Boundry Line Agreement</b>	Parsonage	Septic Tank Easement	Parking	Charter	<b>Auxillary Building</b>	Parking	Parking	<u>Use</u>

# <u>Standard Form Disaffiliation Agreement-Tennessee Western Kentucky Conference</u> As mandated by ¶ 2553

### **DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553**

This Disaffiliation Agreement Pursuant to ¶ 2553 ("Disaffiliation Agreement") is entered into this 21 day of September 2023, by and between Findlay UMC ("Local Church") and <u>Tennessee-Western Kentucky</u> 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. <u>Conditions Precedent</u>. 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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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

LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO in Section 1 above. CLERGY FROM CHURCH CONFERENCE TO CONTINUE WITH APPOINTED 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. <u>Local Church's Obligations</u>. 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 \$922.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$3,265.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments \_\_\_\_\_\_
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health

Benefits using market factors similar to a commercial annuity provider, totaling \$5,242.00;

- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

Appointed Clergy Plan Compensation (Salary/Housing) Dec-Jun as calculated by Annual Conference, totaling \$\_\_\_\_\_\_

Appointed Clergy Benefits (Medical/Pension) Dec-Jun as calculated by Annual Conference, totaling \$\_\_\_\_\_\_

- b. Other Liabilities. Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. 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. <u>Release of Claims</u>. 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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 of the Local Church

Date 9-21-23

Chair, Board of Trustees

Date <u>Sept 21</u>2003

Representatives of the Annual Conference

istrict Superintendent

Date 10-10-2023

Date Sept. 21, 2023

Authorized Member, Board of Trustees

# EXHIBIT A TO DISAFFILIATION AGREEEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

# MEMBERS OF THE FINDLAY UNITED METHODIST CHURCH

# PHYSICAL ADDRESS OF CHURCH:

323 Mountain View Drive Sparta, TN 38583

I, Flizabeth Honaker, as the undersigned officer or authorized designee of Endland United Methodist Church ("Church") certify the vote of the Church members that
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 Sept. 21, 2023, at a meeting duly called by the District Superintendent after notice as required by the Book of Discipline.
2. There were ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the <i>Book of Discipline</i> .
voted "No;" against disaffiliationvoted "Yes," to disaffiliate;abstained.

Copies of the ballots are available for inspection upon request.

# **EXHIBIT B** TO DISAFFILIATION AGREEMENT

LIST IF ASSETS TO BE TRANSFERRED AND LAIBILITIES 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 deed containing property description. If multiple properties, attach a list on a separate sheet.

of deed containing property description. If multiple properties, attach a list on a separate sheet.  All listed information must be provided.
Findlay Methodist Church: 582 Hale Street, Sparta, TN 38583; White County, Book WD218, Pages 546-549; WD 100, Page 477; church
Findlay Parsonage: 323 Mt. View Drive, Sparta, TN 38583; White County, Book RB 471, Pages 672-675; Book WD219, Pages 230-231; parsonage
BANK / FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is to be released:  PERSONAL PROPERTY: Trust clause is to be released in:
<ul> <li>X All personal property, other than property bearing "United Methodist Church" or the Cross and Flame.</li> <li>All personal property, with the exception of the following: (List any property that will be retained by the Annual Conference)</li> </ul>
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
SUCESSOR ENTITY:FINDLAY METHODIST 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.
Signed: Sonny Reece, Chairman of Administrative Council
Signed: Signed: Date: 8-16-73

# Standard Form Disaffiliation Agreement-Tennessee Western Kentucky Conference

As mandated by  $\P$  2553

### **DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553**

This Disaffiliation Agreement Pursuant to ¶ 2553 ("Disaffiliation Agreement") is entered into this 24 day of September 2023, by and between Fraser's Chapel UMC ("Local Church") and <u>Tennessee-Western Kentucky</u> 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*." ( $\P$  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 LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO in Section 1 above. FROM CHURCH CONFERENCE TO **APPOINTED** CLERGY **CONTINUE** WITH 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. <u>Local Church's Obligations</u>. 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 \$1,149.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$1,253.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments \_\_\_\_\_\_\_
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$1,782.00;
    - 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

Appointed Clergy Plan Compensation (Salary/Housing) Dec-Jun as calculated by Annual Conference, totaling \$3,500.00.

Appointed Clergy Benefits (Medical/Pension) Dec-Jun as calculated by Annual Conference, totaling \$315.00

- 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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.

Learn Bradshaw	Chair, Administrative Board	Date <u>4124/23</u>
Danny Kuby	Chair, Board of Trustees	Date 9/24/2023
Representatives of the Annual Con	ference Date <u>Sept. 2</u>	4, 2023
District Superintendent  Authorized Member, Board of Trus	Date Date	2023

Representatives of the Local Church

# EXHIBIT A TO DISAFFILIATION AGREEEMENT

# OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

# MEMBERS OF THE FRASER'S CHAPEL UNITED METHODIST CHURCH

# PHYSICAL ADDRESS OF CHURCH:

5930 BIG BOTTOM RD SPARTA, TN 38583

I, <u>Leann Bradshaw</u> , as the undersigned officer or authorized designee of <u>Fraser's</u> United Methodist Church ("Church") certify the vote of the Church members that
Fraser's 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 Sept. 24, 2025, 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.
voted "No;" against disaffiliationvoted "Yes," to disaffiliate;abstained.
Copies of the ballots are available for inspection upon request.

# **EXHIBIT B** TO DISAFFILIATION AGREEEMENT 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.

White County, TN 5930 Big Bottom Rd. Sparta, TN 38583 Book 49, pg 170  White County, TN 5930 Big Bottom Rd. Sparta, TN 38583 Book 173, Page 975  5930 Big Bottom Rd. Sparta, TN 38583 Book 113, Pg 515
White County, TN 5930 Big Bottom Rd Sparta, TN 38583 Book 173, Page 975
5930 Big Bottom Rd. Sparta, TN 38583 Book 113, Pg 515
BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is
be released.
PERSONAL PROPERTY: Trust clause is to be released in:
All personal property, other than property bearing "United Methodist Church" or the Cross and Flame
All personal property, with the exception of the following:
(List any property that will be retained by the Annual Conference)
EXISTING LIABILITIES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF LIABILITY OR TRANSFER OF LIABILITY TO SUCCESSOR ENTITY):
MORTGAGES: N/A
SECURED/UNSECURED NOTES: N/A
THREATENED OR PENDING LITIGATIONNA
SUCCESSOR ENTITY: Frasier's Chapel 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-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 13 day of August, 2023, by and between Grimsley United Methodist Church ("Local Church") and <u>Tennessee-Western Kentucky</u> 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 Page 1 of 6

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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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.

- 4. <u>Local Church's Obligations</u>. 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 commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling -214.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling 1,886.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments \_\_\_\_\_
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling 3,667.00;
    - 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary

and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

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.

Branch Company of the

- 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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
Xaur !	Chair, Administrative Board

R. Board of Trustees

Date 8-17-27

Representatives of the Annual Conference

District Superintendent

\_Authorized Member, Board of Trustees Date \_8/22/20

# Officer's Certificate of Disaffiliation Vote

Church Name: Grimsley United Methodist Church Church Address: 5020 Banner-Roslin Rd, Grimsley, TN 38565
officer or authorized designee of <b>Grimsley United Methodist Church</b> , 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 certify the following events transpired as described:
<ul> <li>The Church Council and Members of the Church met on August 13, 2023 @ 2:15 P.M. at the Called Church Conference by the District Superintendent after full notice to the membership, as required by the Book of Discipline.</li> <li>There were</li></ul>
<ul><li>voted "No" against disaffiliation</li></ul>
ovoted "Yes" to disaffiliate
oabstained
o invalid votes
Authorized Designee  Switch Superintendent and/or Conference Representative

### EXHIBIT B TO DISAFFILIATION AGREEEMENT 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 SHEETS FOR LIST OF PROPERTIES
	"
BANK/FINANCIAL ACC be released. See attachment	OUNTS: List bank and type of each account in which trust clause is
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)
	S (FOR EACH, PROVIDE PROOF OF SATISFACTION OF ER OF LIABILITY TO SUCCESSOR ENTITY):
SECURED/UNSECURED	NOTES: NONE
THREATENED OR PENDI	ING LITIGATION: NONE
	see attachment VIDE CORPORATE NAME. IF UNINCORPORATED ENTITY,
PROVIDE BOTH THE NA	ME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL AME TRANSFER SHOULD BE MADE)
PROVIDE BOTH THE NATURES IN WHOSE NATURES IN WHOSE NATURES IN THAT THE	ME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL AME TRANSFER SHOULD BE MADE)  IE INFORMATION PROVIDED ABOVE IS TRUE AND TOF MY KNOWLEDGE, INFORMATION AND BELIEF.

# ATTACHMENT TO EXHIBIT B DISAFFILIATION AGREEMENT FOR GRIMSLEY UNITED METHODIST CHURCH

### **REAL PROPERTY**

(1) Physical Address: 5020 Banner Roslin Rd., Jamestown, TN 38556

**County: Fentress** 

Recorded: <u>Deed Book x2 Page 527</u>
Use: <u>Church Building and Cemetery</u>

(2) Physical Address: 5022 Banner Roslin Rd., Jamestown, TN 38556

**County: Fentress** 

Recorded: <u>Deed Book P-5 Page 147</u>

Use: Parsonage



### **SUCCESOR ENTITY:**

**NAME:** Grimsley Independent Church

TRUSTEE: <u>Denton Richards</u>
TRUSTEE: <u>John Richards</u>

TRUSTEE: Ricky Cook

# 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 23 day of August, 2023, by and between Jamestown First ("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*." ( $\P$  2501.2)

WHEREAS,  $\P$  2553 provides a specific circumstance in which property subject to  $\P$  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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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 Page 2 of 6

Date"). The Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above.

- 4. <u>Local Church's Obligations</u>. 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 commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$4,745.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$5,714.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$8,213.00;
    - 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the

Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

- 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. <u>Property</u>. 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, Page 4 of 6

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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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.

Vantacantativaciat the Lacal Lin	uirch
Representatives of the Local Ch	iuicii

Chair, Administrative Board

Date <u>8-23-23</u>

Chair, Board of Trustees

Date <u>8-23-23</u>

Representatives of the Annual Conference

District Superintendent

Authorized Member, Board of Trustees Date 9-27-2023

### **EXHIBIT A TO DISAFFILIATION AGREEEMENT**

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

### PHYSICAL ADDRESS OF CHURCH:

102 CHURCH ST E JAMESTOWN, TN 38556

I, Rachel Harrington, as the undersigned officer or authorized designee of
James town 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 \( \frac{\sqrt{23}}{23} \), at a meeting duly called by the District Superintendent after notice as required by the Book of Discipline.
2. There were 2 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the <i>Book of Discipline</i> .
voted "No;" against disaffiliation;  voted "Yes," to disaffiliate;  abstained.

Copies of the ballots are available for inspection upon request.

OFFICER/AUTHORIZED DESIGNEE

OFFICER/AUTHORIZED DESIGNEE

## **EXHIBIT B** TO DISAFFILIATION AGREEEMENT 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.

	311 N. Norris, Jamestaun, TN 38556 Fentress County, Book 13, Page 236 Church and parsonage			
BANK/FINANCIAL ACCOUNT	'S: List bank and type of each account in which trust clause is be released. (see below)			
PERSONAL PROPERTY:	Trust clause is to be released in:			
All personal property, other than property bearing "United Methodist Church" or the Cross and Flame				
All personal property, with the exception of the following:				
	(List any property that will be retained by the Annual Conference)			
EXISTING LIABILITIES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF LIABILITY OR TRANSFER OF LIABILITY TO SUCCESSOR ENTITY):				
MORTGAGES:				
SECURED/UNSECURED NOTE	s: <u>N/A</u>			
THREATENED OR PENDING LI	TTIGATION			
	Jamestown Methodist Church Inc. CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE AND THE NAMES OF INDIVIDUAL TRUSTEES IN WHOSE NAME TRANSFER			
I CERTIFY THAT THE INFORM KNOWLEDGE, INFORMATION	MATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY AND BELIEF.  Pres. Asmi 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 30th day of August, 2023, by and between Morrison UMC ("Local Church") and <u>Tennessee-Westery Kentucky</u> 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  $\P$  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*." ( $\P$  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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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.
- 4. <u>Local Church's Obligations</u>. 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 commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$2,075.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$9,375.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$8,845.00;

- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation totaling, Appointed Clergy Plan Compensation (Salary/Housing) Dec-Jun \$19,600.00 and Appointed Clergy Benefits (Medical/Pension) Dec-Jun \$1,764.00
- 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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

Chair, Board of Trustees

Date 8/30/23

Representatives of the Annual Conference

\_\_\_\_ District Superintendent

Authorized Member, Board of Trustees Date 9-27-2023

### EXHIBIT A TO DISAFFILIATION AGREEEMENT

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

### MEMBERS OF THE MORRISON UNITED METHODIST CHURCH

### PHYSICAL ADDRESS OF CHURCH:

340 West Maple Street Morrison, TN 37357

I,, as the undersigned officer or authorized designee
of Morrison 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 August 30, 2023 at a meeting duly called by the District Superintendent after notice as required by the <i>Book of Discipline</i> .
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.
voted "No;" against disaffiliation;
voted "Yes," to disaffiliate;
abstained.
Copies of the ballots are available for inspection upon request.
O.R. Chan Ches AD
OFFICER/AUTHORIZED DESIGNEE OFFICER/AUTHORIZED DESIGNEE

OFFICER/AUTHORIZED DESIGNEE

#### Amendment:

### Disaffiliation Agreement of Morrison United Methodist Church, September 7, 2023

#### Background:

The Morrison United Methodist Church held a Church Conference on August 30, 2023, on the matter of disaffiliating from The United Methodist Church. The measure to disaffiliate passed, and Morrison plans to disaffiliate, upon approval of the Tennessee-Western Kentucky Conference, and the completion of disaffiliation obligations, on November 30, 2023.

At the time of the church conference, in accordance with 4.a.vii (page 4 of 6) of the disaffiliation agreement, signed by representatives of the Morrison congregation, and the district superintendent, the amount agreed by Morrison was \$19,600 for the salary/housing of their current pastor December 2023-June 2024.

However, an appointment was available for Morrison's current pastor (Rev. Stephen Grayson) with another United Methodist Church beginning in September 2023. Morrison was offered the opportunity for their pastor to move in September 2023. This would mean that Morrison would be without a pastor but would also mean that they would not pay the pastor's salary September-November 2023; this would be an expense reduction for Morrison of \$8400.

In addition, the congregation receiving Pastor Grayson would begin paying him in September 2023 with the total compensation, September 2023-June 2024, being \$10,155. The salary commitment of Morrison, September 2023-June 2024 is \$28,000 (\$19,600 [Dec-June] + \$8,400 [Sept-Nov]).

#### Adjustment:

In as much as disaffiliating congregations agree to compensate their current clergy until June 2024, and that Morrison's commitment [Sept-June] is \$28,000, and that the receiving congregation will compensate Pastor Grayson \$10,155 [Sept-June], the disaffiliation commitment of Morrison United Methodist Church can be reduced from \$19,600 to \$17,845 [\$28,000 - \$10,155 = \$17,845].

Note: The total cost savings to Morrison will be \$10,155.

Therefore, the disaffiliation agreement entered into on August 30, 2023, between Morrison UMC and the Tennessec-Western Kentucky Conference of the United Methodist Church is to be amended/adjusted in 4.a.vii (page 4 of 6) from \$19,600 to \$17,845.

Approved by Morrison representatives:

Nama: 1

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Date:

Date: 9

9-7-2

Approved by District Superintendent	
Name: fyl Wide	Date: 4/7/29
Approved by Conference Trustee Representative:	0 27 247
Name:	Date: 9-27-2033

### EXHIBIT B TO DISAFFILIATION AGREEEMENT 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
JEE HIIACHEA
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:
All personal property, other than property bearing "United Methodist Church" or the Cross and Flame
X 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: MORRISON 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.
Soe Helm
OFFICER/AUTHORIZED DESIGNEE  Chairman of Trustees

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

#### REAL PROPERTY:

Physical Address:

120 S. Mill Street

Morrison, Tennessee 37357

County where Located:

Warren

Deed Book/Page and Use:

Deed Book 34, pages 57-58, Register's Office of Warren County, Tennessee - Church Building

Deed Book 73, pages 62-63, Register's Office of Warren County, Tennessee - Parsonage

Deed Book 63, pages 429-431, Register's Office of

Warren County, Tennessee - Indenture



### 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 21 day of September 2023, by and between Mt. Carmel (White Co.) UMC ("Local Church") and *Tennessee-Western Kentucky* Conference of the United Methodist Church ("Annual Conference").

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

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

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

WHEREAS, property subject to ¶ 2501.1 "can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the Discipline." ( $\P$  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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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. <u>Local Church's Obligations</u>. 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 \$2,196.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$1,472.00;

    - 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 \$3,107.00;

- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

Appointed Clergy Plan Compensation (Salary/Housing) Dec-Jun as calculated by Annual Conference, totaling  $\$ - \bigcirc - \bigcirc$ 

- 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.

E. t. g. gs

- 8. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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.

DiamaWit	_ Chair, Administrative	e Board Date _	9/21/2023
Sandy betet	Chair, Board of Trust	ees Date	9/21/2023
Representatives of the Annual Co		Sept. 21, 3	2023
District Superintendent		, ,	
J. VIII	Date	10-10-20	27
Authorized Member, Board of Tr	ustees		

Representatives of the Local Church

### EXHIBIT A TO DISAFFILIATION AGREEEMENT

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

### MEMBERS OF THE MT. CARMEL UNITED METHODIST CHURCH

### PHYSICAL ADDRESS OF CHURCH:

230 MT CARMEL CHURCH RD SPARTA, TN 38583

I, Diania With , as the undersigned officer or authorized designee of
Mt. Carme / 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
Sept. 21, 2023, at a meeting duly called by the District Superintendent after notice
as required by the Book of Discipline.
2. There were ballots cast on the issue of whether to disaffiliate from the United
Methodist Church subject to the provision of Paragraph 2553 of the Book of Discipline.
voted "No;" against disaffiliationvoted "Yes," to disaffiliate;abstained.

Copies of the ballots are available for inspection upon request.

OFFICER/AUTHORIZED DESIGNEE OFFICER/AUTHORIZED DESIGN

## EXHIBIT B TO DISAFFILIATION AGREEEMENT 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.

of deeds containing property description. If multiple properties, attached a list on a separate sheet.) All listed information must be provided.				
	Mt. Carmel Church	Parsonage		
	230 Mt. Carmel Church Rd.	323 Mt. View Dr.		
	Sparta, TN 38583 Book WD-29 Page 350	Sparta, TN 38583 Book 471 Pages 672-675		
BANK/FINANCIAL ACCO	OUNTS: List bank and type of each accord	unt in which trust clause is		
PERSONAL PROPERTY:	Trust clause is to be released in:			
	_x All personal property, other than Methodist Church" or the Cross and Flan			
	All personal property, with the e	xception of the following:		
	(List any property that will be retained b	y the Annual Conference)		
EXISTING LIABILITIES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF LIABILITY OR TRANSFER OF LIABILITY TO SUCCESSOR ENTITY):				
MORTGAGES: N	one			
SECURED/UNSECURED N	IOTES: None			
THREATENED OR PENDI	NG LITIGATION None			
SUCCESSOR ENTITY: _ (IF CORPORATION, PROV PROVIDE BOTH THE NAM	Mt. Carmel Methodist Church, Randall Day, Sandy With VIDE CORPORATE NAME. IF UNIN ME OF THE NEW ENTITY AND THE N ME TRANSFER SHOULD BE MADE)	CORPORATED ENTITY,		
	FORMATION PROVIDED ABOVE IS T LEDGE, INFORMATION AND BELIEF.			
	mes Randall D	<del>du</del> /		
CHAIRPERSON OF PASTOR	PARISH RELATIONS COMMITTEE & CHA	AIR PERSON OF TRUSTEES		
	CHAIRPERSON OF FINANCE			

Chairperson of Administrative Counsel

### 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 13 day of August, 2023, by and between Mt. Gilead United Methodist Church ("Local Church") and <u>Tennessee-Western Kentucky</u> 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,  $\P$  2553 provides a specific circumstance in which property subject to  $\P$  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 Page 1 of 6

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  $\P$  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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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.

- 4. <u>Local Church's Obligations</u>. 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 commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling -434.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling 6,210.00;

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1V.	Any past due Direct Bill Pe	ension or Health Insi	urance navments
	inj past ade Bireet Birit	VIIDIOII OI LIGHTUI LIID	arane payments

- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling 7,398.00;
- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary

and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

- 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. <u>Time Limit</u>. 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

Chair, Board of Trustees

Date 8-13-23

Representatives of the Annual Conference

District Superintendent

Date 8/3/23

Authorized Member, Board of Trustees Date 8/23/23

### Officer's Certificate of Disaffiliation Vote

Church Name: Mt. Gilead United Methodist Church Church Address: 8 Mt Gilead Rd, Jamestown, TN 38556
I, Derren Gunter, as the undersigned
officer or authorized designee of Mt. Gilead United Methodist 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 certify the following events transpired as described:
<ul> <li>The Church Council and Members of the Church met on August 13, 2023 @ 3:30 P.M. at the Called Church Conference by the District Superintendent after full notice to the membership, as required by the Book of Discipline.</li> <li>There were</li></ul>
ovoted "No" against disaffiliation
ovoted "Yes" to disaffiliate
oabstained
o invalid votes
De 4 7
Authorized Designee Sub Call S/23/23
District Superintendent and/or Conference Representative

	Nolan LaRue	Chad Matthews		Curtis Hall
	3165 Banner Springs Rd	125 Ward Rd		1765 Roslin Rd
	Jamestown, TN 38556	Jamestown, Tn 38556		Jamestown, Tn 38556
	Patsy Williams	Megan Deaton		A. Baxter Wilson II
	PO BOX 631	215 Atkinson Rd	/	126 Pine Bluff Lane
	Jamestown, Tn 38556	Jamestown, tn 38556	V	Jamestown, Tn 38556
		·		· · · · · · · · · · · · · · · · · · ·
	Teresa Crisp	Brent Logan		David T Sells II
	2403 Banner Springs Rd	3199 Banner Springs Rd		PO BOX 294
	Jamestown, Tn 38556	Jamestown, Tn 38556		Grimsley, Tn 38565
	Keith Ramsey	Wilda McCarty		Nichole Hall
	PO BOX 1594	1188 Ernest Norris Rd		1599 Hall Rd
	Jamestown, Tn 38556	Jamestown, TN 38556		Clarkrange, Tn 38553
			/	/
•	W. Timothy Thompson	Randle Criswell		Karen Franklin
	1875 Old Sunbright Rd	3127 Banner Springs Rd		750 Bea Lee Rd
	Jamestown, Tn 38556	Jamestown, Tn 38556		Jamestown, Tn 38556
	D. Tom Sells	Sharon Matthews	. 1	M. Lynn Lee
/	149 Pine Bluff Lane	210 Whitehead Dr	V	140 Sawmill Ridge Rd
	Jamestown, Tn 38556	Jamestown, TN 38556		Jamestown, n 38556
	Dakota Deaton	Cecil Franklin		Chelsea Ramsey
	215 Atkinson Rd	750 Bea Lee Rd		1243 Ernest Norris Rd
	Jamestown, Tn 38556	Jamestown, Tn 38556	. ,	Jamestown, TN 38556
	Jerry Crisp	Glen K Lee	$\int$	Rebecca Sells
	2403 Banner Springs Rd	140 Sawmill Ridge Rd	V	PO BOX 294
	Jamestown, Tn 38556	Jamestown, n 38556		Grimsley, Tn 38565
				, , , , , ,
			1	

Danny G. Hall Glenda Flynn L. Gayle Wiley PO BOX 456 Monica Boles Terry Fragola 820 Bill Black Rd Ann Fragola 828 Bill Black Rd

Rick D Boles J. Sue Hall Larry Ming 5768 Banner Roslin Rd 2250 Banner Springs Rd 299 Paul Wheeler Lane Jamestown, Tn 38556 Jamestown, Tn 38556 Jamestown, TN 38556 Richard Fragola Harold Flynn Brenda Ramsey 820 Bill Black Rd 1724 Meister Hills Rd PO BOX 25 Jamestown, Tn 38556 Deer Lodge, Tn 37726 Grimsley, TN 38565 Bobby G York III Patricia Sakowich 2250 Banner Springs Rd PO BOX 158 115 Summer Circle Jamestown, Tn 38556 Grimsley, Tn 38565 Jamestown, Tn 38556 Kacey Matthews Marilyn Smith 1724 Meister Hills Rd 125 Ward Rd 751 Bea Lee Rd Deer Lodge, Tn 37726 Jamestown, Tn 38556 Jamestown, TN 38556 Clella Conatser **Bradley Thompson** PO BOX 1353 10813 Sonja Drive Allardt, Tn 38504 Jamestow, Tn 38556 Knoxville, Tn 37934 Richie Flynn Daniel Thompson 5768 Banner Roslin Rd 1826 Meister Hills Rd 505 Wanda Lane Jamestown, Tn 38556 Deer Lodge, TN 37726 Pall Mall, Tn 38577 Kristi Hall Mike Wilson 489 Deer Lodge Hwy 126 Pine Bluff Lane Jamestown, Tn 38556 Clarkrange, Tn 38553 Jamestown, TN 38556 Marcus Matthews Gretta York 125 Catoosa Canyon Dr 1845 Old Sunbright Rd Jamestown, Tn 38556 Crossville, Tn 38555 Jamestown, Tn 38556

Bobby Gene York III 519 York Morgan Rd Jamestown, Tn 38556

Tori Thompson
505 Wanda Lane
Pall Mall, Tn 38577

J Chery Rousey PO Box 25 Grindey In 3

Sydney Hall Honey Greer **Bobby Gene York** 1845 Old Sunbright Rd 1816 Old Sunbright Rd 1591 Hall Rd Jamestown, Tn 38556 Jamestown, Tn 38556 Clarkrange TN 38553 Lee Erin Logan Nancy LaRue Ramona Hall 3199 Banner Springs Rd 3165 Banner Springs Rd 129 James George Rd Jamestown, Tn 38556 Jamestown, TN 38556 Jamestown, Tn 38556 Scottie Gunter Marilyn Stephens Dylan Hall 5784 Banner Roslin Rd 3179 Banner Springs Rd 1599 Hall Rd Jamestown, Tn 38556 Jamestown, Tn 38556 Clarkrange, Tn 38553 Carol Wilson Ethel Ramsey Denver Hall 126 Pine Bluff Lane PO BOX 25 59 County House Circle Jamestown, Tn 38556 Grimsley, Tn 38565 Carthage Tn 37030 Judy Poore Martha Sells Jane Beaty 2475 Banner Springs Rd 149 Pine Bluff Lane PO BOX 157 Jamestown, Tn 38556 Jamestown, Tn 38556 Jamestown, TN 38556 Patricia York Amanda Bucheit Sandra Thompson 5738 Banner Roslin Rd PO BOX 250 1875 Old Sunbright Rd Jamestown, Tn 38556 Grimsley, Tn 38565 Jamestown, Tn 38556 Nancie Gunter Thelma York Mary Lou Hall 5784 Banner Roslin Rd 5756 Banner Roslin Rd 1765 Roslin Rd Jamestown, Tn 38556 Jamestown, Tn 38556 Jamestown, Tn 38556 Travis Ramsey

1243 Ernest Norris Rd

Jamestown, TN 38556

Kelly Gunter

1508 Roslin Rd

Jamestown, Tn 38556

Laura Patton

93 Laurelwood Lane

Crossville, Tn 38555

### EXHIBIT B TO DISAFFILIATION AGREEEMENT 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 mus	Tract Two: 8 Mt. Gilead Road, Jamestown, TN. Fentress County, TN.
	Warranty Deed Book R7, Page 809, Register's Office for Fentress County, TN.
	Land.
BANK/FINANCIAL ACC be released.	OUNTS: List bank and type of each account in which trust clause is
PERSONAL PROPERTY	: I rust 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)
	S (FOR EACH, PROVIDE PROOF OF SATISFACTION OF ER OF LIABILITY TO SUCCESSOR ENTITY):  Non-e
SECURED/UNSECURED 1	NOTES: None
THREATENED OR PEND	ING LITIGATION Norm
(IF CORPORATION, PRO PROVIDE BOTH THE NA	Would Glad Wellsols & Church VIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, ME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL AME TRANSFER SHOULD BE MADE)
	NFORMATION PROVIDED ABOVE IS TRUE AND CORRECT NOWLEDGE, INFORMATION AND BELIEF.
Trustees! Devic Sells Chied Matthews	OFFICER/AUTHORIZED DESIGNEE

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

REAL PROPERTY: Physical Address, County where Located, Deed Book/Page and Use

	rsonage, cemetery etc.) of Real Property to be transferred (Attach copies erty description. If multiple properties, attached a list on a separate sheet.)		
	Tract One: 8 Mt. Gilead Road, Jamestown, TN. Fentress County, TN.		
	Warranty Deed Book J5, Page 329, Register's Office for Fentress		
	County, TN. Land and church building.		
be released.	CCOUNTS: List bank and type of each account in which trust clause is		
	Y: 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)		
LIABILITY OR TRAN	IES (FOR EACH, PROVIDE PROOF OF SATISFACTION OF SFER OF LIABILITY TO SUCCESSOR ENTITY):		
MORTGAGES:	None		
SECURED/UNSECURE	D NOTES: No rec		
	DING LITIGATION None		
SUCCESSOR ENTITY	· Munt Cleed Mothachet Church		
(IF CORPORATION, PI	: Mount Glear Methodist Church ROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY,		
PROVIDE BOTH THE N	NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL		
IKUSIEES IN WHOSE	NAME TRANSFER SHOULD BE MADE)		
	E INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT KNOWLEDGE, INFORMATION AND BELIEF.		
Tuckers! David S	sells il A		
Dylan He Check Max Devid To	OFFICER/AUTHORIZED DESIGNEE		
Cheel Mai	Hheius		
Dervied /	rayosor		

### <u>Standard Form Disaffiliation Agreement-Tennessee Western Kentucky Conference</u> As mandated by ¶ 2553

#### DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 ("Disaffiliation Agreement") is entered into this 16 day of August 2023, by and between New Bybees Chapel UMC ("Local Church") and *Tennessee-Western Kentucky* Conference of the United Methodist Church ("Annual Conference").

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

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

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

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

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

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

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them, and Local Church wishes to acquire from Annual Conference all of Annual Conference's interest, on behalf

of The United Methodist Church, in the real and personal, tangible and intangible property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council Decision 1379.

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

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

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

- 2. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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

LANGUAGE TO BE USED IF LOCAL CHURCH CHOOSES NOT TO in Section 1 above. FROM CHURCH CONFERENCE CONTINUE WITH **APPOINTED CLERGY** 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. <u>Local Church's Obligations</u>. 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:
    - 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 \$500.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$1,304.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health

Benefits using market factors similar to a commercial annuity provider, totaling \$1,912.00;

- 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.
- 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. <u>Organizational Transition</u>. 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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	
Hary Martin Chair, Administrati	ve Board Date 7-16-23
Lany Wartn Chair, Board of Tru	

Representatives of the Annual Conference

District Superintendent

Date

9-27-2033

Authorized Member, Board of Trustees

#### **EXHIBIT A TO DISAFFILIATION AGREEEMENT**

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

## MEMBERS OF THE NEW BYBEES CHAPEL UNITED METHODIST CHURCH

### PHYSICAL ADDRESS OF CHURCH: 209 NEW BYBEES RD ROCK ISLAND, TN 38583

I, LARY // ART., as the undersigned officer or authorized designee of
I, Larry Martin, as the undersigned officer or authorized designee of New Bybecs 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:
<ol> <li>The Church Council and members of the Church met on August 16, 2023, at a meeting duly called by the District Superintendent after notice as required by the Book of Discipline.</li> <li>There were 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.</li> </ol>
voted "No;" against disaffiliation;  voted "Yes," to disaffiliate;  abstained.

Copies of the ballots are available for inspection upon request.

OFFICER/AUTHORIZED DESIGNEE

OFFICER/AUTHORIZED DESIGNEE

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

cemetery etc.) of Real Prot	ddress, Deed Book/Page and Use (i.e., church building, parsonage, perty to be transferred (Attach copies of deeds or survey containing
property description. If mu	ltiple properties, attached a list on a separate sheet.)
19 New Ruber's Chanel R)	Original Church Deed - Book 29 P408  add land - Dunlap - Book 168 P573
ock Tsland TN 38581	add land - Dunlap - Book 168 P573
23(4)14, 31 30001	add land - Cuoper - Book 12 P 135
erren County TA	add land - Cuoper - Book 12 P 135 add land - Donelson - Note Book 11 - P306 Book 19 Combined Beeds - Note Book 11 - Book 190 P306
,	COUNTS: List bank and type of each account in which trust clause is
be released.	TO CHARLES THE CARREST TO COMMENT OF THE CARREST TO CARREST TO COMMENT OF THE CARREST TO C
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)
	S (FOR EACH, PROVIDE PROOF OF SATISFACTION OF FER OF LIABILITY TO SUCCESSOR ENTITY):
MORTGAGES: N	love
SECURED/UNSECURED	NOTES: None
THREATENED OR PEND	ING LITIGATION None
	,
SUCCESSOR ENTITY:	New Bybee's Chapel Church  OVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY,
(IF CORPORATION, PRO PROVIDE NAMES OF TR	USTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)
TROVIDE WANTED OF TR	COTEES IN WHOSE INNIE TRANSFER SHOOLD BE WINDE)
	NFORMATION PROVIDED ABOVE IS TRUE AND CORRECT NOWLEDGE, INFORMATION AND BELIEF.
~	Larry Marty

### 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 25 day of September 2023, by and between Snow Hill UMC ("Local Church") and <u>Tennessee-Western Kentucky</u> 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*." ( $\P$  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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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. <u>Local Church's Obligations</u>. 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 \$833.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling \$1,661.00;

    - 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 \$2,841.00;

- 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

Appointed Clergy Plan Compensation (Salary/Housing) Dec-Jun as calculated by Annual Conference, totaling \$\_\_\_\_\_\_

Appointed Clergy Benefits (Medical/Pension) Dec-Jun as calculated by Annual Conference, totaling \$\_\_\_\_\_\_\_

- b. Other Liabilities. Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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

Representatives of the Annual Conference

Ramonaedura	Chair, Administrative Board	Date 9.25.2022
Mandi France	Chair, Board of Trustees	Date <u>9-25-2023</u>

Date Sept. 25, 2023

District Superintendent

Date 10-10-2-23

Authorized Member, Board of Trustees

#### EXHIBIT A TO DISAFFILIATION AGREEEMENT

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

### MEMBERS OF THE SNOW HILL UNITED METHODIST CHURCH

### PHYSICAL ADDRESS OF CHURCH:

870 OLD SNOW HILL RD DOWELLTOWN, TN 37059

I, Cathy Clayfor, as the undersigned officer or authorized designee of
I, <u>Carty Clayfor</u> , as the undersigned officer or authorized designee of <u>Snow Hill</u> 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 Sept. 25, 2023, at a meeting duly called by the District Superintendent after notice as required by the Book of Discipline.
2. There were//_ ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the <i>Book of Discipline</i> .
voted "No;" against disaffiliationvoted "Yes," to disaffiliate;abstained.
Copies of the ballots are available for inspection upon request.  Manua France  OFFICER/AUTHORIZED DESIGNEE  OFFICER/AUTHORIZED DESIGNEE

### EXHIBIT B TO DISAFFILIATION AGREEEMENT 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.

	Book J-1 Page 409 (Deed Attached)
be released. Wilson Bank C	OUNTS: List bank and type of each account in which trust clause is hecking and Building Fund, Liberty Bank CD
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)
<b>EXISTING LIABILITIES</b> LIABILITY OR TRANSFEI	G (FOR EACH, PROVIDE PROOF OF SATISFACTION OF R OF LIABILITY TO SUCCESSOR ENTITY):
MORTGAGES:	_NONE
	NONE
	NG LITIGATIONNONE
SUCCESSOR ENTITY: (IF CORPORATION, PROVER PROVIDE BOTH THE NAME)	
I CERTIFY THAT THE INF THE BEST OF MY KNOWI	ORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO LEDGE, INFORMATION AND BELIEF.  OFFICER/ALTHOPIZED DESIGNEE

of the authority on me Vested, been 4 animal private fact from her Said husband, and She having acknow due execution of the annual dud by her friely. Voluntary Said husband, and for the purposes therein Contained Sauce is Therefore Certified. us my Kand and Seal, This West Dec 3:1890 W.J. Viekus J.P. The foregoing Instrument from Ja Has NP Bantin Decousy Church my office for registration at 4 o'clock Q M Jan 1860, in Note Book E. Page Sty and recorded in Record Book & Page 40911 H with Clarks certificate thereto attached. Witness my hand at office Jam 12

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CERTIFICATE

STATE OF TENNESSEE, COUNTY OF DEKALB

1, Daniel A. Seber, Register of Deeds,
Do Hereby Certify That This Is A True,
Perfect & Complete Copy Of The
EInstrument On File In This Office.
Book J-1, Page 409
This J3 Day of Hugust, 2023

409

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J. Hass W. P. Banks

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Witness my hand and official seal at Smithville, Tennessee, thi April, 1956.

(Seal) Commission Expires 1-11-60.

T. M. Yeargin, Nota

STATE OF TENNESSEE,

DeKalb County

Register's Office, May

I, George Waggoner, Register of said County, do certify that the Deed and Certificate are registered in said office, in Book No. G-3, that they were received at 2:07 o'clock P.M., and entered in Note Book

George Waggoner

Register DeKalb Cou

DEKALB COUNTY BOARD OF EDUCATION
TO WARRANTY DEED
SNOW HILL METHODIST CHURCH

FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00) DOLLARS, Paid in hand and receipt hereby acknowledged—We, the DeKalb County Board of Education have bargained and sold, and by these presents do transfer and convey unto the said Snow Hill Methodist Church heirs and assigns, a certain tract or parcel of land in 24th Civil Dist., DeKalb County, State of Tennessee, as follows:

said land being a part of the land purchased from E. H. Haas for the use of Snew Hill School:

Beginning at a stone marker at the east corner of the Snow Hill Church property and running 72 ft. (seventy-two) east with old Highway No. 26 to a stone; thence 315 feet (three hundred fifteen) southwest to a stone; thence 50 feet (fifty) west to the south corner of the Church property to a stone; containing approximately 4/10 (.4 or four tenths) of an acre more or less.

The Church has agreed to erect a suitable fence on the line and also to assume all other financial expenses.

TO HAVE AND TO HOLD the said tract or parcel of land, with the appurtenances, estate, title, and interest thereto belonging, to the said Snow Hill Methodist. Church and assigns, forever. And we, the DeKalb County Board of Education do covenant with the said Snow Hill Methodist Church that we are lawfully seized and possessed of said land in fee simple, have a good right to convey it and the same is unincumbered.

And We, the DeKalb County Board of Education do further covenant and bind our and selves-our/representatives, to warrant and forever defend the title to said land to the said Snow Hill Methodist Church heirs and assigns, against the lawful claims of all persons whomsoever.

Witness our hands, this 28th day of April, 1956.

J. C. Loring. Chairman Board Ed.

J. D. Hendrixson
Superintendent of Schools

State of Tennessee, DeKalb County

Personally appeared before me, T. M. Yeargin, Notary Public in and forsaid

County and State, the within-named J. C. Loring Chairman School Board J. D. Hendrixson

Supt. of School the bargainors, with whom I am personally acquainted, and who

acknowledged that they executed the within Deed instrument for the purposes therein

SEVENUE S

STATE I

## Deed for . 4 tenths of an Acre

# Sold to Snow Hill Methodist Church

# from Dekalle Co. Board of Education

# April, 30 1954

and running 72 ft. (seventy-two) east with old Highway No. 26 to a stone; thence 315 feet (three hundred fifteen) southwest to a stone; thence 50 feet (fifty) west to the south corner of the Church property to a stone; containing approximately 4/10 (.4 or four tenths) of an acre more or less.

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Supt. of School the bargainers, with whom I am personally acquainted, and who
acknowledged that they executed the within Deed instrument for the purposes therein

## 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 13 day of August, 2023, by and between Spring 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*." ( $\P$  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 Page 1 of 6

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. <u>Applicability of ¶ 2501</u>. 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. <u>Date of Disaffiliation</u>. 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.

- 4. <u>Local Church's Obligations</u>. 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 commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling 2,874.00;
    - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling 4,902.00;
    - iv. Any past due Direct Bill Pension or Health Insurance payments \_\_\_\_\_
    - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling 6,004.00;
    - 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. If the Bishop has appointed a pastor to serve a local church for the church year beginning July 1, 2023, the Church shall be responsible, prior to the Disaffiliation Date, for paying to Conference a sum equal to the cost of salary

and benefits for the pastor until the end of the Conference year on June 30, 2024, notwithstanding that the Disaffiliation Date will be November 30, 2023, unless another appointment of equal or greater salary and benefits is available to the pastor at the time of the Church's disaffiliation.

- 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. <u>Time Limit</u>. 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. <u>Continuing as Plan Sponsor</u>. 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. <u>Non-Severability</u>. 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 Chu	rch	ı
fine this	_ Chair, Administrative Board	Date 08/13/2023
Mike Hall	_Chair, Board of Trustees	Date <u>9-13-202</u> 3

Representatives of the Annual Conference

| District Superintendent | Date | 8/13/2023 |
| Authorized Member, Board of Trustees Date | 8/23/2023 |

#### **EXHIBIT A TO DISAFFILIATION AGREEMENT**

# OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

### MEMBERS OF THE SPRING CHAPEL UNITED METHODIST CHURCH

### PHYSICAL ADDRESS OF CHURCH:

1950 Roslin Rd Jamestown, TN 38556-5076

I, Janes Harrifin, as the undersigned officer or authorized designee of
I, Janes Hawitin, as the undersigned officer or authorized designee of Speings CHA pel 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:
The Church Council and members of the Church met on Aubust 13,2023, at
a meeting duly called by the District Superintendent after notice as required by the Book of
Discipline.
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.
Voted "No;" against disaffiliation;
Voted "Yes," to disaffiliate;
Abstained.

Copies of the ballots are available for inspection upon request.

OFFICER/AUTHORIZED DESIGNEE

OFFICER/AUTHORIZED DESIGNEE

# Spring Chapel UMC 440165

### EXHIBIT B TO DISAFFILIATION AGREEEMENT 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. Tract #1 Fentiness Co. Book Q-2, Page 461 cemetery + church tract #2 Fentiness Co. Book M-4, Page 487 cemetery.

Yeact #3 Fentiness Co. Book 159, Page 10 vacant lot.

All 3 tracts Physical address: 1950 Roslin Rd, Jamestown TN 38531 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: NONE SECURED/UNSECURED NOTES: NONE THREATENED OR PENDING LITIGATION NONE SUCCESSOR ENTITY: Spring Chapel Methodist Church (yunkorpora) (IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL

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

TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE) Names of Trustees

OFFICER/AUTHORIZED DESIGNEE

### **Spring Chapel Methodist Church Trustees**

TRUSTEE CHAIRPERSON	MIKE HALL
TRUSTEE	KEN HANNIFIN
TRUSTEE	TODD BURNETT
TRUSTEE	BRYON THOMPSON
TRUSTEE	BRAD HAYES