

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 3rd day of May, 2023, by and between **Atwood UMC** (“Local Church”) and **Tennessee Western Kentucky** Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

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

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on 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. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

- a. *Payments.* Prior to the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:
 - i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
 - ii. Any unpaid connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$2116.00**;
 - iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$2692.00**;
 - iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
 - v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$5686.00**;

- 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. 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

Jaime W. James Chair, Administrative Board
Ricky Leumann Chair, Board of Trustees

Date 5-3-23

Date 5-3-23

Representatives of the Annual Conference

James D. Camp District Superintendent
Raúl B. Alj Authorized Member, Board of Trustees

Date May 3, 2023

Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

1350 W MAIN ST ATWOOD TN 38220

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

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on May 3, 2023 at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 9 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

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

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

Copies of the ballots are available for inspection upon request.

[Signature]

OFFICER/AUTHORIZED DESIGNEE

James H. Camp

DISTRICT SUPERINTENDENT

Billy Townsend

CHAIR OF TRUSTEES

**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.

1350 Main St. W., Atwood, TN 38220
Carroll Co. TN, Deed Book 9, p. 223
Church Building

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

PERSONAL PROPERTY: Trust clause is to be released in:

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

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

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

MORTGAGES: None

SECURED/UNSECURED NOTES: None

THREATENED OR PENDING LITIGATION None

SUCCESSOR ENTITY: Atwood Cornerstone 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.

Joyce W. Jones
OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 26th day of September, 2023, by and between Bethlehem (Hardin County) (“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.

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

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

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$209.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$560.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$1183.00**;
- 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; **\$4300.00**

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.

viii. **Total for disaffiliation: \$6252.00**

- b. *Other Liabilities.* Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Local Church shall remain liabilities of Local Church's new entity and shall not become liabilities of Annual Conference.
- c. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same."
- d. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.

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

6. Property. On the Disaffiliation Date, Local Church will have full ownership of the property and assets listed in EXHIBIT B to this Agreement. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages,

whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

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

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

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

Representatives of the Local Church

Patricea Hinchman Chair, Administrative Board

Date 9/26/23

Raymond Jones Chair, Board of Trustees

Date 9/26/23

Representatives of the Annual Conference

James W. Camp District Superintendent

Date Sept 26, 2023

Paul B. Alegria Authorized Member, Board of Trustees Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

MEMBERS OF THE BETHLEHEM HARDIN COUNTY UNITED METHODIST CHURCH

PHYSICAL ADDRESS OF CHURCH: 250 BETHLEHEM RD ADAMSVILLE TN
38310

I, Patty Wicker, as the undersigned officer or authorized designee of Bethlehem 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 26, 2023, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 9 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

0 voted "No," against disaffiliation;

9 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

James W. Camp
OFFICER/AUTHORIZED DESIGNEE

Patty Wicker
OFFICER/AUTHORIZED DESIGNEE

Trustees Chair: Raymond Jones

November 2022

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

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

250 BETHLEHEM ROAD
ADAMSVILLE, TN. 38310
HARDIN COUNTY DEED BOOK "L"

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

PERSONAL PROPERTY: Trust clause is to be released in: [REDACTED]

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

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

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

MORTGAGES: N/A

SECURED/UNSECURED NOTES: N/A

THREATENED OR PENDING LITIGATION N/A

SUCCESSOR ENTITY: N/A
(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.

Patty Wicker - Finance Chair
OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 6^h day of September, 2023, by and between Carter’s Chapel (“Local Church”) and **Tennessee Western Kentucky** Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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- b. *Annual Conference Vote*. This Disaffiliation Agreement must be "ratified by a simple majority of the members . . . present and voting" at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1b(3).

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

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

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

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

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$1352.00;**
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$3212.00;**
- iv. Any past due Direct Bill Pension or Health Insurance payments **0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$5195.00;**

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

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

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

Representatives of the Local Church

Michael J. Feltus Chair, Administrative Board

Date Sept 6, 2023

Harold B. McLaughlin Chair, Board of Trustees

Date Sept 6 2023

Representatives of the Annual Conference

James D. Camp District Superintendent

Date Sept 6, 2023

Raul B. Alcega Authorized Member, Board of Trustees Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH: 65 CARTES CHAPEL LANE
HUNTINGDON TN 38344

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

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on Sept. 6, 2023, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 20 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

0 voted "No;" against disaffiliation;

20 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

James D. Cany
OFFICER/AUTHORIZED DESIGNEE

Mary Towater
OFFICER/AUTHORIZED DESIGNEE

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.

65 Carter's Chapel Lane
Huntingdon TN 38344

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:

Carter'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.

Mary Donater
OFFICER AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference
As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 7th day of May, 2023, by and between East Trinity UMC (“Local Church”) and Tennessee Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on 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. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$5053.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$9000.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$15513.00**;

- 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. 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

Diane Hammer Chair, Administrative Board

Date 5-7-2023

Chris Johnson Chair, Board of Trustees

Date 5-7-2023

Representatives of the Annual Conference

James A. Cargy District Superintendent

Date May 7, 2023

Raul B. Aguirre Authorized Member, Board of Trustees

Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

3291 PAUL COFFMAN DR JACKSON TN 38301

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

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on May 7, 2023 at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 23 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

The number of votes needed to meet the required 2/3 majority is 15.

3. 1 voted "No;" against disaffiliation;

22 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

Doris Matthews

OFFICER/AUTHORIZED DESIGNEE

James R. Camp

DISTRICT SUPERINTENDENT

Chris Johnson

CHAIR OF TRUSTEES

May 7, 2023

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

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

East Trinity United Methodist Church
3291 Paul Coffey Dr., Jackson, TN 38301
Deed Book - 708 - Page 848-850

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

PERSONAL PROPERTY: Trust clause is to be released in:

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

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

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

MORTGAGES: _____

SECURED/UNSECURED NOTES: _____

THREATENED OR PENDING LITIGATION _____

SUCCESSOR ENTITY: East Trinity Church - #001399914
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE NAMES OF TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

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

Mark L. Estrell Treasurer
OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this **14th** day of **August, 2023**, by and between **Ebenezer UMC** (“Local Church”) and **Tennessee Western Kentucky** Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on 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. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$1652.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$1867.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$2560.00**;

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


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

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

Representatives of the Local Church

 Chair, Administrative Board

Date 8/14/23

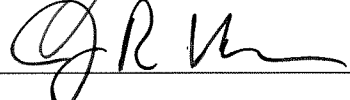
 Chair, Board of Trustees

Date 8/14/23

Representatives of the Annual Conference

 District Superintendent

Date Aug 14, 2023

 Authorized Member, Board of Trustees Date 8-23-2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

**PHYSICAL ADDRESS OF CHURCH: 3515 EBENEZER ROAD REAGAN TN
38368**

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

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on Monday, August 14, 2023, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 8 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

0 voted "No;" against disaffiliation;

8 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

Becky White
OFFICER/AUTHORIZED DESIGNEE

Soul 8/14/23
OFFICER/AUTHORIZED DESIGNEE

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.

3515 Ebenezer Rd Reagan TN
Henderson County TN Book 45
Page 326 Church cemetery

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 none OR PENDING LITIGATION

SUCCESSOR ENTITY: Ebenezer Methodist Church Inc.
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

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

Randy Rosenberg
Randy Rosenberg
Church Council Chairperson

OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 8th day of August, 2023, by and between Enville UMC (“Local Church”) and Tennessee Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on 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. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$2401.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$6176.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$10942.00**;

- 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. 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

Kurt McAllister Chair, Administrative Board

Date 8-8-23

Harold Finley Chair, Board of Trustees

Date 8-8-23

Representatives of the Annual Conference

James D. Camp District Superintendent

Date August 8, 2023

Raul B. Alvarez Authorized Member, Board of Trustees Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH: 8505 MAIN ST. ENVILLE TN 38332

I, FRANKIE FINLEY, as the undersigned officer or authorized designee of ENVILLE 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 Tuesday, August 8, 2023, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 27 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

0 voted "No;" against disaffiliation;

27 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.


OFFICER/AUTHORIZED DESIGNEE


OFFICER/AUTHORIZED DESIGNEE

**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.

8505 Main St, Enville, Tn 38332; Church Building, Recreation Building, Parsonage
Deed Book 35, Page 211; Deed book 35, Page 299; Deed Book 74, Page 373; Deed book 271, Page
448; Deed Book 285, page 461; Deed Book 294, Page 536

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

PERSONAL PROPERTY: Trust clause is to be released in:

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

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

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

MORTGAGES: None

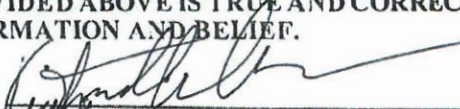
SECURED/UNSECURED NOTES: None

THREATENED OR PENDING LITIGATION None

SUCCESSOR ENTITY: Enville Methodist Church, Inc.

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

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



OFFICER/AUTHORIZED DESIGNEE

**EXHIBIT C HAS BEEN PROVIDED
BY ATTORNEY DONALD GLENN**

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 19th day of September, 2023, by and between Liberty (Benton County) (“Local Church”) and Tennessee Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$466.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$6206.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$7936.00**;

- 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. 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

Mark S. Smith **DISAGREE** 5/10/23
Chair, Administrative Board

Date 9-19-2023

Philip E. Davis
Chair, Board of Trustees

Date 9-19-2023

Representatives of the Annual Conference

James A. Camp District Superintendent

Date Sept 18, 2023 ^{19 for}

G. R. H. Authorized Member, Board of Trustees Date Oct. 24, 2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE

MEMBERS OF THE LIBERTY BENTON COUNTY UNITED METHODIST CHURCH

PHYSICAL ADDRESS OF CHURCH: 3135 HWY 69A CAMDEN, TN
38320

I, Donna Lumpkin, as the undersigned officer or authorized designee of Liberty 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. 19, 2023, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 27 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

3 voted "No;" against disaffiliation;

24 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

James D. Camp
OFFICER/AUTHORIZED DESIGNEE

Donna Lumpkin
OFFICER/AUTHORIZED DESIGNEE

Philip G. Omer

November 2022

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

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

<u>Church Building</u>	<u>Parsonage</u>
<u>3135 Hwy 69A</u>	<u>131 Westbrook</u>
<u>Camden, TN</u>	<u>Camden</u>
<u>Benton, Co.</u>	<u>Benton, Co.</u>
<u>Deed Book 1 p. 90</u>	<u>Plat book 2 p. 412</u>
	<u>Deed Book 63 p. 43</u>

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):

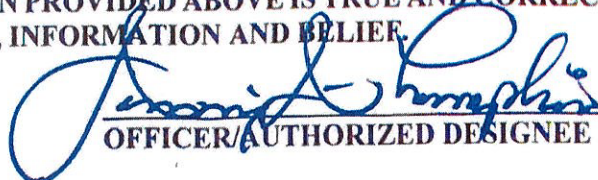
MORTGAGES: None

SECURED/UNSECURED NOTES: None

THREATENED OR PENDING LITIGATION None

SUCCESSOR ENTITY: Liberty Church
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

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


OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 5th day of September, 2023, by and between Liberty All (“Local Church”) and **Tennessee Western Kentucky** Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **-\$53.00;**
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$1578.00;**
- iv. Any past due Direct Bill Pension or Health Insurance payments **0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$1888.00;**

- 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. 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

Jerry Nolan Chair, Administrative Board
Ferry F. Allen Chair, Board of Trustees

Date 9-5-23

Date 9-5-23

Representatives of the Annual Conference

James H. Camp District Superintendent
J. R. U. Authorized Member, Board of Trustees

Date Sept 5, 2023

Date 10/24/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH: 2415 OLD STAGE RD HUNTINGDON TN
38344

I, Patty Nolen, as the undersigned officer or authorized designee of Liberty All 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 5th, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 16 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

Ø voted "No;" against disaffiliation;

16 voted "Yes," to disaffiliate;

Ø abstained.

Copies of the ballots are available for inspection upon request.

James D Camp
OFFICER/AUTHORIZED DESIGNEE

Patty Nolen
OFFICER/AUTHORIZED DESIGNEE

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.

LIST ATTACHED

BANK/FINANCIAL ACCOUNTS: List bank and type of each account in which trust clause is be released. LIST 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: LIBERTY ALL 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) A CORPORATION

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

Carolyn Espey, Secretary

OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this **15th** day of **August**, 20**23**, by and between **Middleton UMC** (“Local Church”) and **Tennessee Western Kentucky** Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on 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. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$1094.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$3282.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$4663.00**;

- 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. 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

Steven Speck Chair, Administrative Board Date 8-15-23

Reca Seever Chair, Board of Trustees Date 8-15-23

Representatives of the Annual Conference

James D. Camp District Superintendent Date Aug 15, 2023

J.R. U Authorized Member, Board of Trustees Date 8-23-2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

**PHYSICAL ADDRESS OF CHURCH: 429 MAIN STREET NORTH MIDDLETON
TN 38052**

I, Gwen Speck, as the undersigned officer or authorized designee of Middleton 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 **Tuesday, August 15 2023**, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 11 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

0 voted "No;" against disaffiliation;

4 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

Gwen Speck

OFFICER/AUTHORIZED DESIGNEE

S. D. Alb
8/15/23

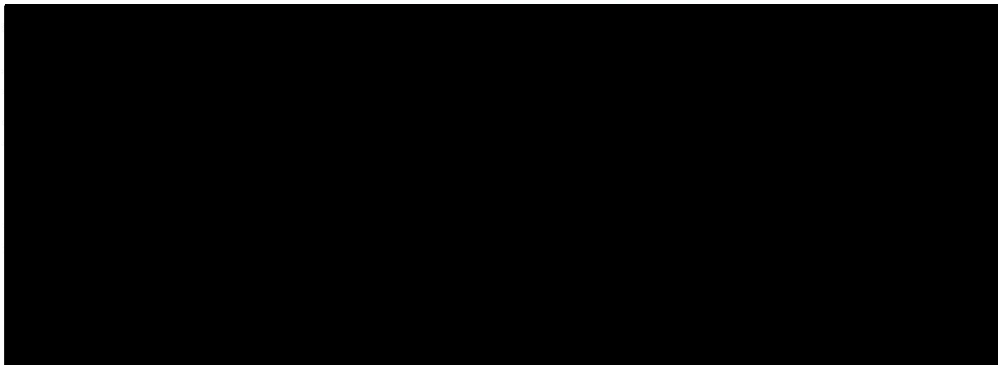
OFFICER/AUTHORIZED DESIGNEE

**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.

Middleton United Methodist Church
429 North Main, Middleton TN 38052

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



PERSONAL PROPERTY: Trust clause is to be released in:

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

 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: MIDDLETON COMMUNITY CHURCH INC.
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY,
PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL
TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

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

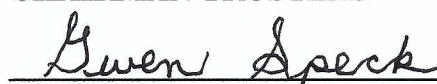
4/1/2023



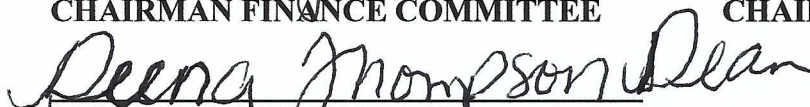
REKA SEEVER
CHAIRMAN TRUSTEES



LOUISE THIGPEN
CHAIRMAN FINANCE COMMITTEE



GWEN SPECK
CHAIRMAN CHURCH COUNCIL



DEENA THOMPSON DEAN
CHAIRMAN PPRC

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 20th day of September, 2023, by and between Mt. Vinson (McNairy County) (“Local Church”) and Tennessee Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$614.00;**
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$2389.00;**
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$2614.00;**

- 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. 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

Robert O. [Signature] Chair, Administrative Board
Chris Milford Chair, Board of Trustees

Date 9-20-23

Date 9.20.2023

Representatives of the Annual Conference

James D. Camp District Superintendent
Raul B. Alegre Authorized Member, Board of Trustees

Date Sept 20, 2023

Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE
MEMBERS OF THE MT. VINSON MCNAIRY COUNTY UNITED METHODIST CHURCH

PHYSICAL ADDRESS OF CHURCH: 2100 TOMMY SANDERS RD
STANTONVILLE TN 38379

I, Bettina Milford, as the undersigned officer or authorized designee of Mt. Vinson 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 20, 2023, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 31 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*.

9 voted "No;" against disaffiliation;

22 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

James D Camp
OFFICER/AUTHORIZED DESIGNEE

Bettina Milford
OFFICER/AUTHORIZED DESIGNEE

Chris Milford
Chair of Trustees

**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.

2100 Tommy Sanders Road, Stantonville, Tennessee in the 4th Civil District of McNairy County, Tennessee

Parcel 1: Map 76 Parcel 19.00

Tract 1 Deed Book 41 Page 597 and Deed Book 41 Page 188 in the Register's Office of McNairy County, Tennessee – Cemetery

Tract 2 Deed Book Z Page 16 in the Register's Office of McNairy County, Tennessee. Also see Deed Book Q Page 70. – Church, Fellowship Hall & Pavilion

Tract 3 Deed Book 153 Page 406 in the Register's Office of McNairy County, Tennessee – Cemetery

Parcel 2: Map 76 Parcel 21.23 in the 4th Civil District of McNairy County, Tennessee – Cemetery

Deed Book 179 Page 24 in the Register's Office of McNairy County, Tennessee

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

PERSONAL PROPERTY: Trust clause is to be released in:

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

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

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

MORTGAGES: NONE

SECURED/UNSECURED NOTES: NONE

THREATENED OR PENDING LITIGATION NONE

SUCCESSOR ENTITY: MT. VINSON 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


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 20th day of August, 2023, by and between **Mt. Zion (Carroll Co)** (“Local Church”) and **Tennessee Western Kentucky** Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$1887.00;**
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$6347.00;**
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$8043.00;**

- 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. 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

Nina Smothers Chair, Administrative Board

Date 8-20-23

Derry H. Mead Chair, Board of Trustees

Date 8-20-23

Representatives of the Annual Conference

James H. Conry District Superintendent

Date August 20, 2023

Rail B. Alejo Authorized Member, Board of Trustees

Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE OF THE MEMBERS OF THE MT. ZION (CARROLL CO) UNITED METHODIST CHURCH

PHYSICAL ADDRESS OF CHURCH: 120 MT. ZION CHURCH RD.
HUNTINGDON TN 38344

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

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on August 20, 2023, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

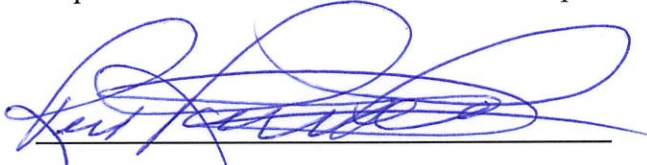
2. There were 32 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

3 voted "No;" against disaffiliation;

29 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.



OFFICER/AUTHORIZED DESIGNEE

OFFICER/AUTHORIZED DESIGNEE

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.

Mt Zion United Methodist Church
120 Mt. Zion Road
Huntingdon, TN 38344
Carroll County

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

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: MT ZION CHURCH HUNTINGDON, TN
(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.

Nina Smothers
OFFICER/AUTHORIZED DESIGNEE

Board Chair

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 18th day of September, 2023, by and between Post Oak (“Local Church”) and Tennessee Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$1652.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$4644.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$7041.00**;

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

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

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

Representatives of the Local Church

Thomas D. Davis Chair, Administrative Board

Date Sept 18 2023

Larry W. Wetherly Chair, Board of Trustees

Date Sept. 18-20-23

Representatives of the Annual Conference

James D. Camp District Superintendent

Date Sept 18, 2023

Raul B. Alvarez Authorized Member, Board of Trustees

Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH: 1610 POST OAK RD CAMDEN TN 38320

I, CAROL DAVIDSON, as the undersigned officer or authorized designee of Post Oak 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 18, 2023, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 22 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

0 voted "No;" against disaffiliation;

22 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

James H. Camp
OFFICER/AUTHORIZED DESIGNEE

Carol Davidson
OFFICER/AUTHORIZED DESIGNEE

Chair of Trustees: Lenny Weatherly

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 4th day of May, 2023, by and between **Powell’s Chapel UMC** (“Local Church”) and **Tennessee Western Kentucky** Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

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

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on 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. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$517.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$1004.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$1850.00**;

- 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. 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

Timothy L. Cox Chair, Administrative Board

Date May 4, 2023

Linda McMahon Chair, Board of Trustees

Date May 4, 2023

Representatives of the Annual Conference

James D. Camp District Superintendent

Date May 4, 2023

Paul B. Agy Authorized Member, Board of Trustees Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH:

210 GOOCH STORE RD HORNSBY TN 38044

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

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on May 4, 2023 at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 6 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

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

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

Copies of the ballots are available for inspection upon request.

Patricia A. Kirk

OFFICER/AUTHORIZED DESIGNEE

Linda McMahon

CHAIR OF TRUSTEES

James W. Camp

DISTRICT SUPERINTENDENT

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

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

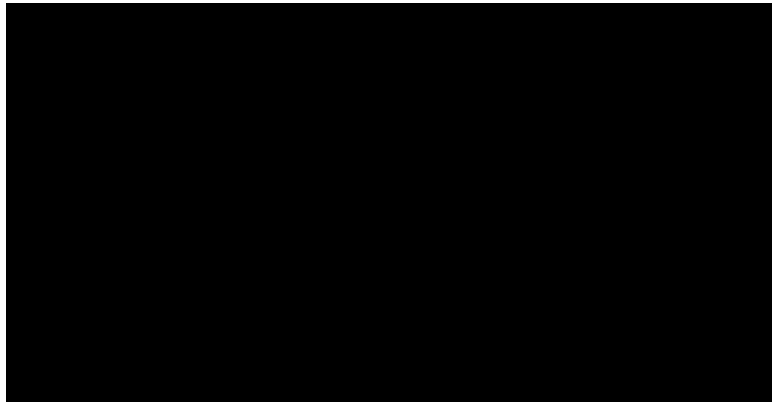
Powells Chapel United Methodist Church, Inc.

255 Gooch Store Road, Hornsby, Hardeman County, TN. 38044

Deed Book 42, Page 26-28, (11/29/08 quitclaim deed when church was incorporated)

Register's Office of Hardeman County TN, 100 North Main, Bolivar, TN. 38008

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



PERSONAL PROPERTY: Trust clause is to be released in:

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

 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):

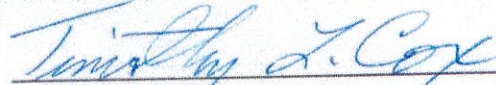
MORTGAGES: NONE

SECURED/UNSECURED NOTES: NONE

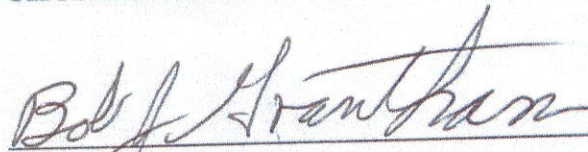
THREATENED OR PENDING LITIGATION NONE

SUCCESSOR ENTITY: POWELL CHAPEL COMMUNITY CHURCH, INC.
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

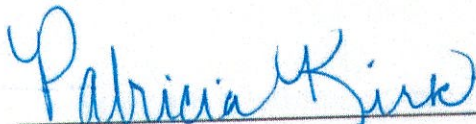
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.



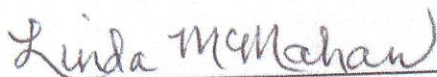
TIMOTHY COX
FINANCE COMMITTEE CHAIR
PPRC CHAIR
CHURCH COUNCIL CHAIR



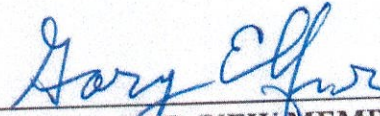
BOB GRANTHAM
BOARD OF TRUSTEES CHAIR



PATRICIA KIRK
SECRETARY/TREASURER



LINDA MCMAHAHAN
ATTENDING MEMBER



GARY ELFNER (NEW MEMBER)


JE Thana **THANA-ELFNER (NEW MEMBER)**

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this **6th** day of **August 2023**, by and between **Reaves UMC**(“Local Church”) and **the Tennessee Western Kentucky Conference** of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$-51.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$608.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$864.00**;

- 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. 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

Shelley Speck Chair, Administrative Board

Date Aug 6 2023

Pam Vickers Chair, Board of Trustees

Date Aug 6, 2023

Representatives of the Annual Conference

James A. Camp District Superintendent

Date Aug 6, 2023

Rail B. Alegria Authorized Member, Board of Trustees Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

**PHYSICAL ADDRESS OF CHURCH: 110 REEVES CHAPEL LANE
MIDDLETON TN 38052**

I, ~~James Dan Camp~~ KAY ROSE, as the undersigned officer or authorized designee of REAVES United Methodist Church ("Church") certify the vote of the Church members that was taken to disaffiliate from the United Methodist Church pursuant to Paragraph 2553 of the *Book of Discipline of the United Methodist Church*.

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on Sunday, August 6, 2024, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 5 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

0 voted "No," against disaffiliation;

5 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

Kay Rose
8-6-2023
OFFICER/AUTHORIZED DESIGNEE

James D. Camp
8/6/2023
OFFICER/AUTHORIZED DESIGNEE

**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.

Deed Book 40 Reaves United Methodist Church
Page 157+158 110 Reeves Church Ln
 Middleton Tn 38052
 Hardeman County

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

PERSONAL PROPERTY: Trust clause is to be released in:

☒ All personal property, other than property bearing "United Methodist Church" or the Cross 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:

Reaves Church Pam Vickers + Barbara Cox
(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.

Kay Rosen
OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 7th day of August, 2023, by and between Sardis UMC (“Local Church”) and Tennessee Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on 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. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$900.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$955.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$1705.00**;

- 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. 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

Reid M. Heed Chair, Administrative Board

Date 8-7-23

Deed Phillips Chair, Board of Trustees

Date 8-7-23

Representatives of the Annual Conference

James A. Camp District Superintendent

Date August 7, 2023

Rail B. Alegria Authorized Member, Board of Trustees

Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

PHYSICAL ADDRESS OF CHURCH: 55 CRAIG ROAD SARDIS TN 38371

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

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on Monday, August 7, 2023, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 24 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

0 voted "No;" against disaffiliation;

23 voted "Yes," to disaffiliate;

1 abstained.

Copies of the ballots are available for inspection upon request.

James H. Camp
OFFICER/AUTHORIZED DESIGNEE

Georgette Holland
OFFICER/AUTHORIZED DESIGNEE

**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.

Address
55 Craig Road
Sardis TN 38371

Parking lot - Book 194, Pages 410-414
Church - Book 135, Pages 610-611
Parsonage - Book 132, Pages 316-317, 113-114

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

PERSONAL PROPERTY: Trust clause is to be released in:

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

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

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

MORTGAGES: None

SECURED/UNSECURED NOTES: None

THREATENED OR PENDING LITIGATION None

SUCCESSOR ENTITY: Sardis Central 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.

Reuben H. H. H.
OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 27th day of August, 2023, by and between Shiloh (Hardin Co) (“Local Church”) and Tennessee Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$2177.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$2580.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$3711.00**;

Total \$8468.00

- 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. 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

Beverly Henson Chair, Administrative Board
Monica Fullerton Chair, Board of Trustees

Date 8/27/23

Date 8/27/23

Representatives of the Annual Conference

James W. Camp District Superintendent
Raul B. Alvarez Authorized Member, Board of Trustees

Date August 27, 2023

Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

MEMBERS OF THE SHILOH (HARDIN CO) UNITED METHODIST CHURCH

**PHYSICAL ADDRESS OF CHURCH: 38376 RESTRICTED CONFEDERATE RD
SHILOH TN 38376**

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

I can certify that the following events transpired as described:

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

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

2 voted "No;" against disaffiliation;

24 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

James A. Camp
OFFICER/AUTHORIZED DESIGNEE

Beverly Henson
OFFICER/AUTHORIZED DESIGNEE

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

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

Church building, Historic log structure,
Pavilion, Cemetery (see attached photos)
4 acres (see attached deed)

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

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: Shiloh Methodist Church, Inc.
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

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

Beverly Henson
OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this **28th** day of **August, 2023**, by and between **Trezevant** (“Local Church”) and **Tennessee Western Kentucky** Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$1549.00;**
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$5913.00;**
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$8807.00;**

Total \$16269.00

- 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. 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

Louanne Blacketter Chair, Administrative Board
Jan M. Alpin Chair, Board of Trustees

Date 8-28-23

Date 8-28-23

Representatives of the Annual Conference

James D. Camp District Superintendent
J.R. Vane Authorized Member, Board of Trustees

Date Aug 28, 2023

Date 9-27-2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

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

**PHYSICAL ADDRESS OF CHURCH: 80 CHURCH STREET TREZEVANT TN
38258**

I, Mary Woodard, as the undersigned officer or authorized designee of Trezevant 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 28, 2023, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 19 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

3 voted "No;" against disaffiliation;

16 voted "Yes," to disaffiliate;

0 abstained.

17 2/3

Copies of the ballots are available for inspection upon request.

Mary A. Woodard
OFFICER/AUTHORIZED DESIGNEE

[Signature]
OFFICER/AUTHORIZED DESIGNEE

8/28/23

**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.

Trezevant United Methodist Church

80 Church Street, Trezevant, TN 38258

See Attachment A for description of properties

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

PERSONAL PROPERTY: Trust clause is to be released in:

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

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

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

MORTGAGES: NO MORTGAGES

SECURED/UNSECURED NOTES: NO LOANS

THREATENED OR PENDING LITIGATION NONE

SUCCESSOR ENTITY: TREZEVANT METHODIST CHURCH, INC
(IF CORPORATION, PROVIDE CORPORATE NAME. IF UNINCORPORATED ENTITY, PROVIDE BOTH THE NAME OF THE NEW ENTITY AND THE NAMES OF INDIVIDUAL TRUSTEES IN WHOSE NAME TRANSFER SHOULD BE MADE)

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

Pam Inman
OFFICER/AUTHORIZED DESIGNEE

Standard Form Disaffiliation Agreement-Name Conference

As mandated by ¶ 2553

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This Disaffiliation Agreement Pursuant to ¶ 2553 (“Disaffiliation Agreement”) is entered into this 10th day of September, 2023, by and between Union Grove McNairy County (“Local Church”) and Tennessee Western Kentucky Conference of the United Methodist Church (“Annual Conference”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- i. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- ii. Any unpaid connectional commitment for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling **\$882.00**;
- iii. An additional twelve (12) months of connectional commitment, as calculated by Annual Conference, totaling **\$2119.00**;
- iv. Any past due Direct Bill Pension or Health Insurance payments **\$0.00**
- v. An amount equal to Local Church's pro rata share, based on a ratio of church's Connectional Commitment to the current year's budget, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling **\$3010.00**;

- 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. **\$3792.00**
- b. *Other Liabilities.* Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Such debts, loans and liabilities, and the disposition thereof, are listed in EXHIBIT B to this Agreement. Local Church must provide sufficient documentation of same to Annual Conference. Notwithstanding whether any such liability is disclosed in EXHIBIT B, all liabilities of Local Church shall remain liabilities of Local Church's new entity and shall not become liabilities of Annual Conference.
- c. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same."
- d. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Disaffiliation Date.

5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 5.
6. Property. On the Disaffiliation Date, Local Church will have full ownership of the property and assets listed in EXHIBIT B to this Agreement. For any real property to be retained by Local Church, Local Church shall cause to be prepared a quitclaim deed in the form shown in Exhibit C hereto, for signature by two Conference Trustees, which deed shall disclaim any interest of the Conference in the real property pursuant to the UMC trust clause or otherwise. Local Church shall be solely responsible for ensuring that the property description contained in the Quitclaim Deed is accurate, and Conference shall make no warranty of title as to Local Church's property. Local Church shall provide the information required by Exhibits A and B and the Quitclaim Deed referenced in Exhibit C prior to the date of the Annual Conference vote on disaffiliation. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.
7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages,

whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

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

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

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

Representatives of the Local Church

(Pat) Patsy Jones Chair, Administrative Board

Date 9-10-23

Tamara W. Haskins Chair, Board of Trustees

Date 9-10-23

Representatives of the Annual Conference

James R. Camp District Superintendent

Date September 10 2023

Rail B. Aleson Authorized Member, Board of Trustees Date 10/20/2023

November 2022

EXHIBIT A TO DISAFFILIATION AGREEMENT

**OFFICER'S CERTIFICATE OF THE DISAFFILIATION VOTE
OF THE
MEMBERS OF THE UNION GROVE MCNAIRY COUNTY UNITED METHODIST
CHURCH**

**PHYSICAL ADDRESS OF CHURCH: 85 PLEASANT SITE RD SELMER TN
38375**

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

I can certify that the following events transpired as described:

1. The Church Council and members of the Church met on Sept 10, 2023, at a meeting duly called by the District Superintendent after notice as required by the *Book of Discipline*.

2. There were 9 ballots cast on the issue of whether to disaffiliate from the United Methodist Church subject to the provision of Paragraph 2553 of the *Book of Discipline*.

0 voted "No;" against disaffiliation;

9 voted "Yes," to disaffiliate;

0 abstained.

Copies of the ballots are available for inspection upon request.

James D Camp
OFFICER/AUTHORIZED DESIGNEE

Brooke Hammons
OFFICER/AUTHORIZED DESIGNEE

EXHIBIT B TO DISAFFILIATION AGREEMENT

LIST OF ASSETS TO BE TRANSFERRED AND LIABILITIES TO BE ASSUMED

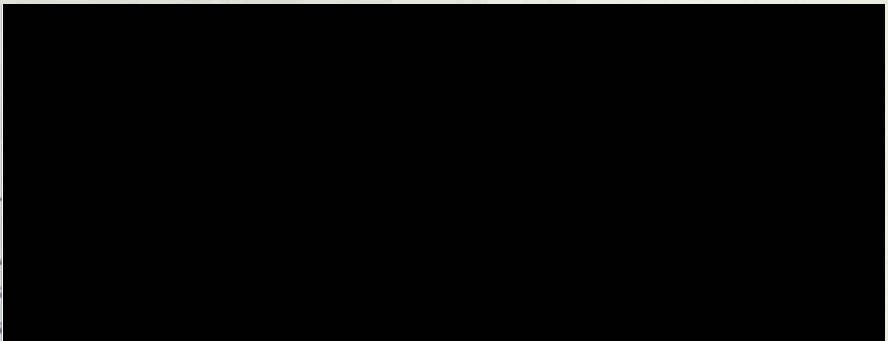
REAL PROPERTY:

Physical Address: Union Grove United Methodist Church is located at 85 Pleasant Site Rd., Selmer, TN 38375, in McNairy County.

Deed can be found in Deed book 9 on page 611.

Use: It a church building where services are held each week.

BANK/FINANCIAL ACCOUNTS:



PERSONAL PROPERTY:

List 1. All personal property, other than property bearing "United Methodist Church" or the Cross and Flame. (Retained by church)

List 2. All personal property, with the exception of the following list of property retained by Annual Conference.

LIST # 1 Property retained by the church, and does NOT bear "United Methodist Church" or the Cross and Flame logo.

Items dedicated/given in memory/honor of former members.

Mirror in vestibule, table in vestibule, flags, candelabra, offering plates,

Karakoe machine, large cross on stage, baptismal fountain

Pictures, wreaths, and other items attached to walls

Christmas tree and all decorations

Three six ft. book cases, books on the shelves,

New nursery furniture and supplies

Wooden flower stands

Wicker flower stands

Clothes rack

Bric-a-Brac on vestibule table

Pots, pans, coffee pots, dishes, flatware, glassware, trays,

Boxes of foil, cellophane wrap, garbage bags

Paper products

Two filing cabinets

Two tables in back room

Yard sale items

Two craft cabinets

Two plaster plant stands

Two artificial trees

Piano in dining room

List 1 cont'd

Seasonal cloths for pulpit and table

Bibles 25

Heavenly Highway hymns 1st and 2nd editions-100

Methodist Hymnal-46

Children's table and 14 chairs

List 2. Property retained by Annual Conference

Pews—15

Pulpit

Pulpit chairs (2)

Baptismal fount

Communion table

Piano on stage

Stove

Refrigerator

Dining Tables (12)

Chairs -72 (cloth covered)

Vacuum cleaner

Sound system

Pevey speakers (2)

Fire extinguisher

Microwave

Security Cameras

EXISTING LIABILITIES

Mortgages—None— Union Grove United Methodist Church has no mortgages.

Secured/Unsecured Notes—Union Grove United Methodist Church has no notes either secured or unsecured.

Threatened or Pending Litigation—None

SUCCESSOR ENTITY

Union Grove Methodist Church

Trustees in whose name transfer will be made.

Greg Chevalier—President _____

James Vernon Huckabee—Vice pres. _____

Doris Ashe—Secretary _____

Judy Hammons—Treasurer _____

Judy Chevalier—Committee Member _____

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND

CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Judy A. Hammons
DESIGNEE

Treasurer of UGUMC
OFFICER/AUTHORIZED