

Disaffiliation Agreement Pursuant ¶2553

This Disaffiliation Agreement (“Agreement”) made effective as set forth below by and between the West Ohio Conference of The United Methodist Church (the “Annual Conference”) and _____ (“Local Church”).

Preliminary Statements

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 ¶2501.

Whereas, pursuant to ¶2553.4 and Judicial Council Decision (JCD) 1420, the Annual Conference Board of Trustees is vested with the exclusive authority to establish the terms and conditions of a local church’s departure from The United Methodist Church.

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, any disaffiliation by a local church from The United Methodist Church must be ratified by a simple majority of the members present and voting at a duly called session of Annual Conference, as required by JCD 1379.

Whereas, Local Church and Annual Conference wish to resolve all matters between them and to disaffiliate in compliance with the requirements of ¶2553 and Judicial Council Decision 1379.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein, 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 that the following are conditions precedent to effective disaffiliation:

- a. **Church Conference Vote.** At least two-thirds (2/3) of the professing members present at a church conference of Local Church have 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.” 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)
- b. **Annual Conference Approval.** The disaffiliation memorialized by this Agreement has been ratified by a simple majority of the members present and voting at a duly called session of Annual Conference.
- c. **Payment.** Payment as set forth in Section 4 below has been received by the Annual Conference.

Should any of the above fail to occur, this Disaffiliation Agreement shall immediately become null and void and Local Church’s disaffiliation shall be ineffective.

- 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 _____, 20__ (“Disaffiliation Date”).¹
- 4. **Consideration:** in consideration of the Annual Conference’s obligations under this Agreement, Local Church agrees to pay to the Annual Conference, in a manner specified by the Annual Conference, the sum of \$_____. Payment shall be made seven (7) calendar days prior the Disaffiliation Date. This sum represents:
 - a. The required apportionment payment (Paragraph 2553.4b) shall be for the twelve (12) months immediately preceding the Disaffiliation Date, plus twelve (12) times the most recent monthly apportionment amount prior to the Disaffiliation Date;
 - b. \$_____, which reflects the amount of any directly billed outstanding invoices owed to the Conference for current Clergy benefit obligations;²
 - c. An amount equal to Local Church’s share of the Conference’s unfunded pension obligation, totaling _____³; and

¹ Under ¶2553.2, the Disaffiliation Date cannot be later than December 31, 2023.

² Enter “0” if the Local Church is current.

³ The Conference’s aggregate unfunded pension obligation is based on Wespath’s most recent quarterly estimate preceding the Annual Conference at which the disaffiliation is voted on. The Conference then allocates a local church’s share of the Conference’s unfunded pension obligation by multiplying the church’s share of total Annual Conference, General Church and District apportionments by the total unfunded pension obligation.

- d. An amount equal to the aggregate sum of all Conference and District grants, other than grants for equitable compensation, received by Local Church on or after March 1, 2019 above and beyond the threshold of \$20,000. If the grants total to \$20,000 or less, no payment is required.
5. **Release of Trust Interest:** Within seven (7) calendar days of its receipt of the payment in paragraph 4 above, and assuming all other conditions precedent have been satisfied, the Conference shall provide the Local Church the release of trust interest attached hereto as Exhibit B. The Annual Conference shall also provide reasonable cooperation to the Local Church to the extent additional documentation is needed, such as assisting with an affidavit of title, if necessary.
6. **Other Liabilities:** Local Church shall either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity. Local Church must provide sufficient documentation of same to Annual Conference.
7. **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.
8. **Records:** Local Church shall turn over to the Annual Conference all archives, membership rolls, and historical documents, including documents related to funerals, baptisms, and weddings, and all trustee, committee, and council meeting minutes. Local Church may retain copies of documents of legal or operational significance and shall have a right to access archived records for business and legal purposes.
9. **Cemeteries and Columbaria.** If Local Church has a cemetery, memorial garden, mausoleum, columbarium, or other place for the disposition of human remains, Local Church shall continue to maintain it in compliance with all applicable laws and provide access to it after the Disaffiliation Date for families and loved ones of United Methodists buried there on the same terms and conditions as the members of Local Church.
10. **Organizational Transition.** Prior to the Disaffiliation Date, Local Church shall make reasonable efforts to remove all United Methodist branding and refrain from holding itself out as a United Methodist Church. Further, Local Church shall be prepared to do one of the following by the Disaffiliation Date: (a) satisfy all of its debts, loans, and liabilities and continue in existence with amended governing documents; or (b) transfer all its property, debts, loans, liabilities and obligations to a new legal entity. If Local Church transfers all its property and obligations to another church or a new legal entity to operate as a church with its property after the Disaffiliation Date, Local Church promptly shall take all steps necessary to dissolve as a corporation in accordance with Ohio law, effective as of the Disaffiliation Date. If Local Church merges into another church corporation, Local Church shall assure that the articles of incorporation, bylaws, and other corporate governance documents of the surviving corporation do not contain the letters "UMC" or the words "United Methodist" or otherwise indicate any affiliation or connectional relationship with The United Methodist Church. Local Church shall indemnify, defend, and hold harmless

Annual Conference and its districts, agents, officers, directors, 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.

11. **Return of UMC Branding/Materials:** Local Church shall cease all use of "United Methodist," the Cross and Flame insignia, and any other intellectual property of the Conference and The United Methodist Church, including the removal of all signage containing the same, as soon as possible but no later than three (3) months following the Disaffiliation Date. Signage or insignia that is an integral part of a church building (e.g., when the insignia is part of a stained-glass window, mosaic, or etched into the stone, brick, or woodwork of a building) shall be exempt from removal. Local Church may continue to use *The United Methodist Hymnal, Book of Worship*, and any other United Methodist worship or study materials it has purchased consistent with the copyright obligations stated in such hymnals, books and materials.
12. **Mutual Release of Liability:** Each party, on behalf of themselves, their trustees, employees, members, successors and assigns, releases and holds harmless the other from all claims and liability arising out of their denominational affiliation and disaffiliation, except for any breach of this agreement, including the indemnification obligations set forth in paragraphs 10 and 13 hereof.
13. **BSA Chartered Organization Warranty:** Local Church warrants that it is unaware of any claims or demands against it in connection with any scouting activities chartered or hosted by the Local Church. **[Or if applicable:** Local Church is aware of a claim or demand arising out of its chartering a scout troop or hosting scouting activities. Local Church agrees that to the extent possible it will work with its insurer to extend all available coverage to the Annual Conference and relevant District in connection with such claim or demand and enter into an indemnification agreement with the Annual Conference and District.]⁴
14. **Implementation Expenses:** Each party will bear their own costs and fees. However, Local Church will assume all costs and fees associated with any title work needed to implement this Agreement.

[Remainder of Page Intentionally Left Blank]

⁴ Select one.

**West Ohio Annual Conference of
The United Methodist Church,
Inc.**

Local Church

By: _____ Date
Its: Bishop

By: _____ Date
Its: Chair, Board of Trustees

_____ **District**

By: Rev. _____ Date
Its: District Superintendent

Exhibit A

(Documentation certified by an authorized officer of Local Church evidencing the result of the disaffiliation vote taken at Local Church's church conference)

Exhibit B
RELEASE OF TRUST CLAUSE INTEREST

We, as the Bishop of The West Ohio Annual Conference of The United Methodist Church, Inc. (“Annual Conference”), the Chair of the Annual Conference Board of Trustees, and the presiding District Superintendent of the _____ District of the Annual Conference, hereby affirm that _____ United Methodist Church (“Local Church”) has disaffiliated from The United Methodist Church in compliance with the Book of Discipline of The United Methodist Church (the “Discipline”) and the decisions of the Judicial Council of The United Methodist Church. Therefore, we release and disclaim all interests of the Annual Conference, for itself and on behalf of The United Methodist Church, in the real and personal property of the Local Church and expressly release the trust interest imposed on the same by Paragraph 2501 of the Discipline.

West Ohio Annual Conference of The United Methodist Church, Inc.

By: _____
Gregory V. Palmer, Bishop

ACKNOWLEDGEMENT CERTIFICATE

State of Ohio
County of _____

The foregoing instrument was acknowledged before me on this ___ day of _____, 20__ by Gregory V. Palmer.

Notary Seal

Signature of Notary Public—State of Ohio
My Commission Expires: _____

_____ **District of the West Ohio Annual Conference**

By: _____
_____, District Superintendent,
_____ District of The West Ohio
Annual Conference of The United
United Methodist Church, Inc.

State of Ohio
County of _____

The foregoing instrument was acknowledged before me on this ___ day of _____, 20__ by _____.

Notary Seal

Signature of Notary Public—State of Ohio
My Commission Expires: _____

**Board of Trustees, West Ohio Annual Conference
of The United Methodist Church, Inc.**

By: _____
_____, Chair of the Board of Trustees

State of Ohio
County of _____

The foregoing instrument was acknowledged before me on this _____ day of _____, 20__ by _____.

Notary Seal

Signature of Notary Public—State of Ohio
My Commission Expires: _____