

WITHDRAWAL AGREEMENT

This Withdrawal Agreement (“Withdrawal Agreement”) is entered into this 30 day of June, 2020, by and between East Boardman (“Local Church”) and Michigan 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, and 248, 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 withdraw 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 trustor subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*.” (¶ 2501.2)

WHEREAS, pursuant to ¶ 2549 of the *Discipline*, the Local Church must follow the delineated process for disposition of property for a closed church. This section provides guidance for both the Local Church and the District Superintendent to orderly close the Local Church and comply with the provisions of the *Discipline*.

WHEREAS, the terms and conditions of Local Church’s withdrawal from The United Methodist Church are hereby memorialized in this binding Withdrawal Agreement.

WHEREAS, Local Church and Annual Conference wish to 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 of Local Church.

WHEREAS, there exists a question about the applicability of Discipline ¶2553, but both Local Church and Annual Conference wish to separate according to the terms of this Agreement, following all applicable paragraphs of the *Discipline*, including the provisions of ¶2553 if they apply.

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 voted to withdraw 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 withdrawal vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and included as an exhibit to this Withdrawal Agreement. (Exhibit A.)

b. *Annual Conference Vote*. This Withdrawal Agreement must be ratified by a simple majority of the members present and voting at a duly-called session of Annual Conference.

Should either of the above not occur, this Withdrawal Agreement becomes 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 Withdrawal. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's withdrawal from The United Methodist Church will be effective on 6/30, 2020 ("Withdrawal Date"). Such Withdrawal 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 must, by no later than the Withdrawal Date, do the following:

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

i. Unless there is a deed restriction (other than the general applicability of the trust clause) limiting the ownership or use of a property to a United Methodist purpose or entity, Local Church must pay 10% of the value of the equity in Local Church's church building and associated land, totaling \$ 4,000.00, in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's valuation and retention of the property will be borne by Local Church. The market value of the real estate (for purposes of determining the equity) will be determined by a mutually agreed upon provider of commercial value assessments or appraisals. This amount is to be clearly

distinguished from any amount reflected in the hazard insurance policy (which is replacement cost less depreciation).

ii. Any unpaid apportionments for the twelve (12) months immediately prior to the Withdrawal Date, as calculated by Annual Conference, totaling \$ 5,150.00;

iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference, totaling \$ 4682.50;

iv. An amount equal to Local Church's pro rata share, as determined by Annual Conference, 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 \$ 36,500.00;

v. Any prior year pension and health insurance outstanding balances, as recorded in the permanent records of the Conference Board of Pension & Health Benefits, totaling \$ 117.00;

vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) unless those loans can be assigned to a new legal entity;

vii. Any investment portfolio needs to be addressed as to required modifications;

viii. All endowments, memorial bequests, and donations must be reviewed to ensure compliance with all restrictions particular to United Methodism;

ix. All costs associated with the transfer of any asset.

b. *Other Liabilities.* Local Church must either satisfy all of its debts, loans, and liabilities, or assign or transfer such obligations to its new entity, releasing Local Church and Annual Conference from any further liability. Local Church must provide sufficient documentation of same to Annual Conference.

c. *Intellectual Property.* Local Church must 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 Withdrawal Date, Local Church must cease to use, and also must ensure that any affiliates of Local Church which have been included in the group tax exemption ruling 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 Withdrawal Date.

e. *Records.* Local Church must turn over to 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.

f. *Cemeteries and Columbariums.* If Local Church has a cemetery, columbarium, mausoleum, or other place for the disposition of human remains, in addition to following all applicable laws and requirements, Local Church and Annual Conference will enter into an agreement similar to Exhibit B regarding the continued access to, care, and upkeep of it.

5. Organizational Transition. Local Church must take all steps necessary to dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities, and to establish any new legal entities as needed to effectuate its withdrawal from The United Methodist Church, to the satisfaction of Annual Conference, including obtaining a new EIN from the Internal Revenue Service. Local Church must 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. It is recommended that Local Church establish itself as a corporation. Local Church will have all rights and duties as provided by law to wind up its affairs, including those that might exist after the Withdrawal Date.

6. Property. On the Withdrawal Date, Local Church will have full ownership of the property and assets listed in Exhibit C which will be transferred to Local Church's new entity. The parties will ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Withdrawal Date. Any costs resulting from such transfers or other transactions will be borne by Local Church. Annual Conference will 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities pursuant to paragraph 4b, and complied with all other terms of this Agreement, Annual Conference will sign a quit-claim deed (similar to Exhibit D) releasing the trust clause in all property to the Local Church's new entity effective on the Withdrawal Date. Local Church may then sign a warranty deed conveying the Property to its new entity to properly reflect the title history.

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, agents, 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 Withdrawal 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 Withdrawal Agreement will be null and void.

9. Continuing as Plan Sponsor. Nothing in this Withdrawal Agreement prevents Local Church, after the Withdrawal Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits, 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 Withdrawal Agreement is a material and integral part hereof. Should any provision of this Withdrawal Agreement be held unenforceable or contrary to law, the entire Withdrawal Agreement is null and void.

11. Both Local Church and Annual Conference intend to comply with all applicable provisions of the Discipline. To the extent that ¶2553 requires different action, documentation, or obligations of either party, then both Local Church and Annual Conference agree to comply with such terms.

Signature page continued

Local Church

East Bagdad United Methodist Church

By: [Signature] Date: 6-04-2020
Name: DAVE SEFTON
Its: Trustee Chair

By: [Signature] Date: 6-04-2020
Name: Patty J. Cox
Its: Church Council Chair

By: [Signature] Date: 6-4-2020
Name: Cynthia A Larson
Its: Secretary

Annual Conference

Michigan Conference of The United Methodist Church

By: [Signature] Date: 07.02.20
Name: James W. LeBaron
Its: Conference Trustee Chair

By: [Signature] Date: 7/2/20
Name: John W. Boley
Its: Clergy Assistant to the Bishop

Exhibit A

(Documentation evidencing the result of the withdrawal vote taken at the church conference, certified by an authorized officer of Local Church.)

Exhibit C

(Property and assets listed by address, legal description, amount, and type.)

Real Estate

Church Address:

Legal Description:

Personal Property

Furniture Type Number

Supplies Type Number

Accounts Acct. No. Institution Balance Authorized Signers Restrictions

Other Type Number

Vehicles Year Make and Model

Exhibit D
QUIT CLAIM DEED

GRANTOR, MICHIGAN CONFERENCE OF THE UNITED METHODIST CHURCH, a Michigan nonprofit corporation, whose address is 1011 Northcrest Road, Lansing, MI 48906

quit claims to GRANTEE, [LOCAL CHURCH'S NEW ENTITY], a Michigan nonprofit corporation whose address is _____, MI _____

the following described premises situated in the Township of _____, County of _____, State of Michigan:

[Insert legal description here.]

Commonly known as _____, MI _____.

Subject to all recorded conditions, restrictions, limitations, easements and building and use restrictions of record.

For the sum of _____ Dollars-----

This transaction is exempt from Michigan State Real Estate Transfer Tax pursuant to MCL 207.526(w) as a conveyance from a religious society to another religious society where the property continues to be exempt from the collection of property taxes.

This property may be located within the vicinity of farm land or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

The grantor grants to the grantee the right to make all divisions under Section 108 of the Land Division Act. Act No. 288 of the Public Acts of 1967.

NO SURVEY, TITLE, USE, SPLIT, OR LAND DIVISION OPINION PROVIDED BY DRAFTER.

Dated _____, 20__

**MICHIGANCONFERENCE OF THE
UNITED METHODIST CHURCH**

By: _____

James W. LeBaron

Its: Conference Trustee Chair

By: _____

Name: _____

Its: Conference Trustee _____



STATE OF MICHIGAN)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by James W. LeBaron, the Conference Trustee Chair and _____, the Conference Trustee _____ of Michigan Conference of the United Methodist Church, a Michigan nonprofit ecclesiastical corporation, on behalf of the corporation.

 Notary Public
 State of Michigan, County of _____
 My Commission Expires: _____

CONSENT: The Bishop of the Michigan Conference of the United Methodist Church signs this deed in order to grant consent to the transaction contemplated and set forth above, express conformity by Grantor to all requirements of *The Book of Discipline of the United Methodist Church 2016*, and to release the above described property from any trust or other restriction imposed by Chapter Six, paragraphs 2501 et. seq. of said *Discipline*.

By: _____ Date: _____, 20__
 David A. Bard
 Bishop of the Michigan Conference
 of the United Methodist Church

When Recorded Return to: [Local Church's new name and address.]	Send Subsequent Tax Bills to: [Local Church's new name and address.]	Drafted by: [Drafter's name and address.]
Tax Parcel No.	Recording Fee \$30.00	Transfer Tax \$0.00

Exhibit B
CEMETERY TRANSFER AGREEMENT

I. Agreement

This Agreement is made on _____, 20__ between the Michigan Conference of the United Methodist Church (“Conference”) located at 1011 Northcrest Road, Lansing, MI 48906 and _____ (“Independent Church”), a recently created independent church at a site formerly affiliated with Conference, located at _____.

II. Transfer of Cemetery

In consideration for entering into this Agreement and for other good and valuable consideration, Independent Church agrees to receive ownership of the cemetery, columbarium, or mausoleum affiliated with Independent Church (“Cemetery”), which has previously been affiliated with Conference. Conference agrees to deed land containing the Cemetery to Independent Church.

III. Obligations of Independent Church

Independent Church agrees, upon transfer, to adopt all maintenance, repair, upkeep, and legal obligations previously possessed by the _____ United Methodist Church in connection with ownership of Cemetery. Independent Church will comply with all laws, regulations, ordinances, and other legal requirements regarding cemeteries, columbariums, mausoleums, and the disposition of human remains.

IV. Disturbance of Remains

If, for any reason, any burial plot must be exhumed, any columbarium’s movement or maintenance requires the disturbance of posthumous remains, any mausoleum’s movement or maintenance requires the disturbance of posthumous remains, or any posthumous remains contained in Cemetery are intentionally disturbed in any form, Independent Church must make the best good-faith efforts a reasonable person would expect in order to notify the next-of-kin of the remains at least 12 weeks before the disturbance occurs.

Independent Church also agrees to abide by all applicable laws and regulations in disturbing the remains and to abide by the best industry practices for any industry involved in the disturbance. Independent Church is to have a representative present to observe the disturbance and verify such best practices and that all applicable laws and regulations are, in fact, being followed.

V. Visitation Rights

The rights of any given individual, regardless of religious affiliation, metaphysical opinions, spirituality, or any lack thereof, to visit Cemetery will not change upon transfer of ownership of Cemetery. All persons will be allowed access to Cemetery for personal, professional, or historical reasons. This applies both to individuals visiting remains and/or memorials currently in Cemetery and individuals visiting remains and/or memorials which will be placed in Cemetery in the future. There is no requirement that a visitor be related to any remains in Cemetery.

VI. Right to be Buried Alongside One's Spouse

If an individual was married to someone (their Spouse) at the time of the Spouse's death, and Spouse is buried in Cemetery, that individual has the right to be buried with or in a plot alongside their Spouse regardless of their denominational affiliation, religious affiliation, metaphysical opinions, or any other set of beliefs or lack thereof. This applies both to individuals with Spouses whose remains are currently located in Cemetery and individuals who will, in the future, have Spouses whose remains are located in Cemetery. The individual will have to pay any regular and customary fees for such internment.

VII. Sale or Transfer of Cemetery by Independent Church

If Independent Church, at any future time, decides to sell or transfer ownership of Cemetery to a third party, Independent Church will notify Conference or, if no longer in existence, its successor, in writing.

VIII. Assignment

This agreement and any rights or obligations pursuant thereto may not be assigned or transferred by Independent Church without the prior, express, and written consent of the Michigan Conference of the United Methodist Church.

IX. Modification of Agreement

Any modification of this agreement or additional obligations assumed by either party in connection with this agreement are binding only if put in writing and signed and dated by an authorized representative of each party.

X. Governing Law

This agreement is governed by, construed, and enforced in accordance with the laws of the State of Michigan.

XI. Severability

The invalidity of any portion of this agreement will not affect the validity of any other provision. If any provision of this agreement is held to be invalid, the parties agree that the remaining provisions remain in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

[Signatures on next page.]

Independent Church

By: _____ Date: _____
Name: _____
Its: Trustee Chair

By: _____ Date: _____
Name: _____
Its: Church Council Chair

By: _____ Date: _____
Name: _____
Its: Secretary

Annual Conference
Michigan Conference of The United Methodist Church

By: _____ Date: _____
Name: James W. LeBaron
Its: Conference Trustee Chair

By: _____ Date: _____
Name: John W. Boley
Its: Clergy Assistant to the Bishop

East Boardman United Methodist Church
Special Conference Meeting
June 4, 2020

A special Church Conference meeting was held to vote on the motion: The East Boardman United Methodist Church will withdrawal from the United Methodist Church effective July 1, 2020.

The new name for the church will be East Boardman Community Bible Church.

Members Present: Gwyn Hayward, Eva Hayward, Patty Cox, Debby Sieting, Cindy Larson, Abby Sebring, Dave Sexton, Deb Sexton, Wally Walcott, Louise Walcott, Deb Alice, Charlie Sieting, Zeb Sieting, Linn Brown, Jim Brown, Kate Mathis. Others in attendance Gordon Larson

The meeting called to order at 6:40 with prayer by District Superintendent Jodie Flessner.

The vote was taken by DS Jodie Flessner with a unanimous vote for the withdrawal by all 16 members present and two "Yes" votes called in by Wayne and Polly Piltz. A two thirds vote was needed. Motion passed.

Board members, Chairman Patty Cox, Trustee Dave Sexton and Secretary Cindy Larson signed the agreement for the withdrawal.

A check for the amount of \$50,446.00 was presented to the DS which covered Pastor Salary, health benefits, 10% of valued property of the church, and 2019 apportionments. She was also given church records and items with the Methodist insignia.

DS Jodie Flessner presented a "Covenant for Pulpit Supply and Other Responsibilities" regarding Pastor Leon Alberts. (See Attached)

Meeting was adjourned at 7:00 pm with prayer by Pastor Jack Conklin.

Cindy Larson
Board Secretary

D. S. Jodie R. Flessner

JODIE R FLESSNER
4505 STONE RIDGE CT
TRAVERSE CITY, MI 49684

74-1001/724

1451

DATE 6-15-20

PAY TO THE ORDER OF Michigan Conf. UMC \$ 3.50
three and 50/100 DOLLARS



A Division of TCF National Bank

MEMO East Boardman Jodie Flessner

⑆072410013⑆ 2550490995⑆ 1451

CASHIER'S CHECK

VOID AFTER 18
5/29/2

PAY FIFTY THOUSAND FOUR HUNDRED FORTY SIX & 00/100 ****

TO THE ORDER OF MICHIGAN CONFERENCE OF THE UNITED METHODIST CHURCH
RE: EAST BOARDMAN UMC

⑆000256025⑆ ⑆272486627⑆00009994100015⑆