

# Conference Workbook

## Special Session

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November 19, 2022  
Bismarck, Fargo, Rapid City, Sioux Falls



**Dakotas**

Annual Conference

THE UNITED METHODIST CHURCH

Grow. Reach. Heal.

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**Special Session  
of the  
Dakotas Conference  
The United Methodist Church  
November 19, 2022**

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## Section 1: Agenda and Procedures

### 1.1 Agenda

2022 Dakotas Annual Conference Special Session November 19, 2022	
Time	Activity
9:30 a.m. central time 8:30 a.m. mountain time	Opening Worship
10:00 a.m. central time 9:00 a.m. mountain time	Plenary I - Disaffiliation Ratification:
	- Organizational Resolution - Presentation and vote
	- Northeast District Churches - Presentations and voting
	- Northwest District Churches - Presentations and voting
	Lunch Break
1:00 p.m. central time 12:00 p.m. mountain time	Plenary II - Disaffiliation Ratification:
	- SE District Churches - Presentations & Voting
	- SW District Churches - Presentations & Voting
4:15 p.m. central time 3:15 p.m. mountain time	Closing Worship with communion
5:00 p.m. central time 4:00 p.m. mountain time	Adjourn

## 1.2 Special Session 2022 Organizational Resolutions

1. The online agenda is the official agenda. Adjustments are made throughout the session as necessary. All requests for additional items to be placed on the agenda shall be emailed to the agenda coordinator, Duane Coates (dcoates70@yahoo.com), at least 48 hours before the start of Annual Conference session.
2. The session will be a hybrid format. The boundaries of the Annual Conference shall be established through seating areas provided for clergy and lay members at each of the sites Legacy United Methodist Church in Bismarck, North Dakota, First United Methodist Church in Fargo, North Dakota, Canyon Lake United Methodist Church in Rapid City, South Dakota, and First United Methodist Church in Sioux Falls, South Dakota. Voting members will be seated in the designated areas and will be identified by the color of their nametag.
  - a. During Plenary Sessions all non-voting persons, including spouses of clergy and lay members, will be seated in areas designed for guests.
  - b. Lay representatives from non-chartered new church starts, Elisha and Samuel Project interns (who are not lay members), retired clergy persons who have served churches of the Dakotas Conference but who are members of other annual conferences, and special guests of the bishop will be recognized as guests and may be seated with voting members.
  - c. Any non-members participating at hosted sites shall not have voice or vote, except for those non-members to whom the Sessions Committee has extended temporary speaking privileges. Those privileges shall be for the restricted purpose of making presentations on agenda items.
3. The District Superintendents shall receive and relay to the presiding officer all requests of members to be excused from the Annual Conference Session. Those names will be printed in the 2022 amended journal.
4. Voting will take place at each site with tellers present and reporting the results to the head teller located at the broadcast studio in Sioux Falls, South Dakota.
5. Voice — To be recognized to speak to the floor or body, members must seek recognition by going to a designated area at each site and requesting to speak. When making a request, please state the purpose of the request, such as to speak for a motion, against a motion, ask for a point of clarification or information, point of order, etc.
  - a. Moderators at each site will bring questions or requests to speak to the attention of the presiding officer.
  - b. The presiding officer will recognize the speaker by location and give the speaker the floor.
  - c. When requesting recognition, please state the request concisely and clearly and refer to the agenda item, if applicable.
  - d. If you are recognized to speak by the presiding officer, you will present with audio and video.
  - e. For purposes of this special session, we substitute the following for Conference Rule 7.2: *“No person shall speak more than twice on the same question, nor more than two minutes at one time, without permission of the Conference, nor shall any person speak more than once until every member choosing to speak has spoken. The maker of the motion will be given the privilege of making the final speech on that motion, regardless of any parliamentary decision to cease debate. The Presiding Officer shall have the privilege to request the following procedure for debate: to recognize alternately someone for and someone against the issue, and to recognize alternately lay and clergy members.”*
6. Speakers are requested to state name, church or organization, and relationship to the body — “Sally Jones, Sioux Falls First UMC, lay member.”
7. Requests for personal points of privilege shall be submitted to the secretary through the site moderator at each location.
8. The following persons shall be given the privilege of voice and vote during plenary session:
  - a. Clergy and laity as defined in Par. 32 of the 2016 Book of Discipline and Rule 6.11 in the Dakotas Conference Rules and Policies found in the Conference Journal.
  - b. Clergy from other denominations serving in Dakotas United Methodist Churches who have been granted voice and voting privileges by the clergy session per Question 25 in the Business of the Annual Conference.
9. According to Par. 602.9 of the 2016 Book of Discipline, the following shall be given the privilege of the floor without vote: Official representatives from other denominations invited by the annual conference; lay missionaries regularly appointed by the General Board of Global Ministries in nations other than the United States.
10. Announcements shall be submitted to the head teller at each of the sites. They will be shared by the presiding officer or conference secretary during the session if time allows or following the session through conference communication channels.
11. All resolutions and supporting documents are published in the Conference Workbook. Permission must be secured from the agenda coordinator at least 48 hours in advance of the Annual Conference session before any other printed materials may be distributed. Materials must be submitted in a digital format (pdf).

## Section 2: Northeast District Disaffiliation Resolutions

### 2.1 Aberdeen First United Methodist Church

**Church: Aberdeen First United Methodist Church**

#### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	July 14, 2022	
Church Conference date	September 25, 2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 313	No: 5
Motion to Disaffiliate	Yes: 279	No: 37
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	\$531,722.49	
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$38,116.74	
Pension Liability (calculated using Wespath's formula)	\$50,051.00	
Buildings and Land holdings	Church building, parking lot, ministry outreach center, bus, 2 vans, parsonage trust \$1.00	
Other special circumstances	None	
Official Disaffiliation Date	December 30, 2022	

All agreements include official release from the trust clause, removal of United Methodist Church name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 6-11](#); [Supporting Documents pages 131-134](#)  
*Click on page number to go directly to the page.*

#### **Resolution to ratify the disaffiliation agreement for First United Methodist Church, Aberdeen, South Dakota**

WHEREAS First United Methodist in Aberdeen, South Dakota, in the Northeast District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on September 25, 2022, a Church Conference was convened, and those professing members present voted (88%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for First United Methodist in Aberdeen, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between First United Methodist Church of Aberdeen (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)
  - b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).
  - c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

- a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$619,891.23. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020 through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$531,722.49
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$38,116.74
- 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 totaling \$50,051.00.
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

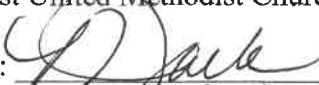
13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

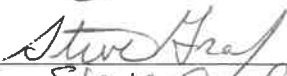
14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.


15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

First United Methodist Church of Aberdeen

By:  Date: 11-3-22  
Name: Nancy Jark  
Its: Trustee Chair

By:  Date: 11-3-22  
Name: Steve Graf  
Its: Church Council Chair

By:  Date: 11-3-22  
Name: Melissa Schults  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## 2.2 Fargo Calvary United Methodist Church

Church: Fargo Calvary United Methodist Church

### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	June 13, 2022	
Church Conference date	July 19, 2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 93	No: 3
Motion to Disaffiliate	Yes: 94	No: 2
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present		\$377,887.42
12 months additional apportionments: defined by Dakotas at 3% of operating income		\$22,408.14
Pension Liability (calculated using Wespath's formula)		\$28,170.00
Buildings and Land holdings	Church building, parsonage \$1.00	
Other special circumstances	None	
Official Disaffiliation Date	December 30, 2022	

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages: [Disaffiliation Agreement pages 13-18](#); [Supporting Documents Pages 135-141](#)**

*Click on page number to go directly to the page.*

### Resolution to ratify the disaffiliation agreement for Calvary United Methodist Church, Fargo, North Dakota

WHEREAS Calvary United Methodist in Fargo, North Dakota, in the Northeast District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on July 19, 2022, a Church Conference was convened, and those professing members present voted (98%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Calvary United Methodist Church in Fargo, North Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between Calvary United Methodist Church of Fargo (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 30, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$428466.56. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020, through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$377887.42.
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$22408.14.
- 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 totaling \$28,170.
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable North Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.
- viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church’s new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of North Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of North Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

Calvary United Methodist Church of Fargo

By: Troy Dodds Date: 11.07.2022  
Name: Troy Dodds  
Its: Trustee Chair

By: Douglas T. Berch Date: 11/7/22  
Name: Douglas T. Berch  
Its: Church Council Chair

By: Addy Erickson Date: 11/7/2022  
Name: Addy Erickson  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## 2.3 Milbank Central United Methodist Church

**Church: Milbank Central United Methodist Church**

### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	August 1, 2022	
Church Conference date	October 18, 2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 149	No: 0
Motion to Disaffiliate	Yes: 131	No: 18
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present		\$113,019.25
12 months additional apportionments: defined by Dakotas at 3% of operating income		\$11,231.28
Pension Liability (calculated using Wespath's formula)		\$21,756.00
Buildings and Land holdings	Church building, parsonage, cemetery \$1.00	
Other special circumstances		None
Official Disaffiliation Date		February 28, 2023

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages: [Disaffiliation Agreement pages 20-25](#); [Supporting Documents Pages 142-150](#)**

***Click on page number to go directly to the page.***

### Resolution to ratify the disaffiliation agreement for Central United Methodist Church, Milbank, South Dakota

WHEREAS Central United Methodist in Milbank, South Dakota, in the Northeast District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on August 21, 2022, a Church Conference was convened, and those professing members present voted (88%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Central United Methodist Church in Milbank, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022 by and between Central United Methodist Church (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

- b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

- c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 February 28, 2023 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

- a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$146,007.53. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020 through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$113,019.25
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$11,231.28.
- 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 totaling \$21,756.00
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.
- viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

g. *Cemeteries and Columbariums.* Because the Local Church has two cemeteries, in addition to following all applicable laws and requirements, Local Church and Annual Conference will enter into an agreement regarding the continued access to, care, and upkeep of it. Said agreement is attached as Exhibit C.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. However, this Agreement is only between the Conference and the Local Church. If Exhibit B includes any assets (including endowment accounts) invested with the

Dakotas United Methodist Foundation or any Trust which names said Foundation as a beneficiary, this Agreement does not award, transfer or otherwise address any rights of either the Local Church or said Foundation to those assets.

Upon full compliance with the obligations hereunder, the parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

### LOCAL CHURCH

Central United Methodist Church

By: Wayne S Van Hart Date: 11-6-22  
Name: Wayne S Van Hart  
Its: Trustee Chair

By: Jody Ruper Date: 11/6/22  
Name: Jody Ruper  
Its: Church Council Chair

By: Janet Loeschke Date: 11-8-22  
Name: Janet Loeschke  
Its: Secretary

### ANNUAL CONFERENCE

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## 2.4 Watertown Cornerstone United Methodist Church

Church: Watertown Cornerstone United Methodist Church

### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	June 19, 2022	
Church Conference date	September 20, 2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 185	No: 0
Motion to Disaffiliate	Yes: 184	No: 1
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present		\$507,901.36
12 months additional apportionments: defined by Dakotas at 3% of operating income		\$35,143.15
Pension Liability (calculated using Wespath's formula)		\$27,541.00
Buildings and Land holdings	Church building, Discipleship Center, land \$1.00	
Other special circumstances		None
Official Disaffiliation Date		December 31, 2022

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 27-32](#); [Supporting Documents Pages 151-154](#)

*Click on page number to go directly to the page.*

### Resolution to ratify the disaffiliation agreement for Cornerstone United Methodist Church, Watertown, South Dakota

WHEREAS Cornerstone United Methodist in Watertown, South Dakota, in the Northeast District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on September 20, 2022, a Church Conference was convened, and those professing members present voted (99%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Cornerstone United Methodist Church in Watertown, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19<sup>th</sup> day of November, 2022, by and between Cornerstone United Methodist Church (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$570,586.51. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible, and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020, through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$507,901.36.
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$35,143.15.
- 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 totaling \$27,541.00.
- 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 \$0.00.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.00;
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations, and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable North/South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

Cornerstone United Methodist Church

By: Tom Henning Date: 11-6-22  
Name: Tom Henning  
Its: Trustee Chair

By: Alan Hendricks Date: 11/6/22  
Name: Alan Hendricks  
Its: Church Council Chair

By: Lorrie A. Vetch Date: 11-6-22  
Name: Vetch  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## Section 3: Northwest District Disaffiliation Resolutions

### 3.1 Ashley United Methodist Church

**Church: Ashley Emmanuel United Methodist Church**

#### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	07-13-2022	
Church Conference date	10-17-2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 18	No: 0
Motion to Disaffiliate	Yes: 18	No: 0

<b>Disaffiliation Agreement Summary</b>	
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	\$4,610.85
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$3,073.90
Pension Liability (calculated using Wespath's formula)	\$6,917.00
Buildings and Land holdings	Church building, cemetery \$1.00
Other special circumstances	None
Official Disaffiliation Date	June 30, 2023

All agreements include official release from the trust clause, removal of United Methodist Church name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 34-39](#); [Supporting Documents pages 155-157](#)  
*Click on page number to go directly to the page.*

#### **Resolution to ratify the disaffiliation agreement for Emmanuel United Methodist Church, Ashley, North Dakota**

WHEREAS Emmanuel United Methodist Church in Ashley, North Dakota, in the Northwest District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on October 17, 2022, a Church Conference was convened, and those professing members present voted (100%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Emmanuel United Methodist in Ashley, North Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between Methodist Episcopal Church of Ashley (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 June 30, 2023 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$14,602.75 This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020, through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$4,610.85
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$3,073.90
- 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 totaling \$6,917.00
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable North Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.
- viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

[If applicable].....g. *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 regarding the continued access to, care, and upkeep of it.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s

new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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.] In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of North Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of North Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

Methodist ~~Episcopal~~ Church of Ashley

By: \_\_\_\_\_ Date: 11-5-22  
Name: Paul Cull  
Its: Trustee Chair

By: \_\_\_\_\_ Date: 11-5-22  
Name: Tyler J. Feil  
Its: Church Council Chair

By: \_\_\_\_\_ Date: 11/5/22  
Name: Amy Feil  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_

### 3.2 Bowman United Methodist Church

Church: Bowman United Methodist Church

#### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	06-21-2022	
Church Conference date	09-07-2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 33	No: 3
Motion to Disaffiliate	Yes: 37	No: 0

<b>Disaffiliation Agreement Summary</b>	
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	\$7,489.55
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$1,978.55
Pension Liability (calculated using Wespath's formula)	\$25,655.00
Buildings and Land holdings	Church building, parsonage \$1.00
Other special circumstances	none
Official Disaffiliation Date	December 31, 2022

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

<b>Workbook pages:</b> <a href="#">Disaffiliation Agreement pages 41-46</a> ; <a href="#">Supporting Documents pages 158-160</a> <i>Click on page number to go directly to the page.</i>
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#### Resolution to ratify the disaffiliation agreement for Bowman United Methodist Church, Bowman, North Dakota

WHEREAS Bowman United Methodist in Bowman, North Dakota, in the Northwest District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on September 7, 2022, a Church Conference was convened, and those professing members present voted (100%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Bowman United Methodist in Bowman, North Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between First Methodist Episcopal Church of Bowman (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$35,124.30. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020 through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$7,489.55.
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$1,978.71.
- 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 totaling \$25,655.
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable North Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.
- viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of North Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of North Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

First Methodist Episcopal Church of Bowman

By: Jeff Oakland Date: 11,6,22  
Name: Jeff Oakland  
Its: Trustee Chair

By: Nola Harvey Date: 11-6-2022  
Name: Nola Harvey  
Its: Church Council Chair

By: Holly Seifert Date: 11-6-2022  
Name: Holly Seifert  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_

Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

### 3.3 Lehr United Methodist Church

Church: Lehr United Methodist Church

#### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	06-22-2022	
Church Conference date	08-21-2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 36	No: 0
Motion to Disaffiliate	Yes: 35	No: 1

<b>Disaffiliation Agreement Summary</b>	
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	\$6,550.50
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$1,310.10
Pension Liability (calculated using Wespeth's formula)	\$6,534.00
Buildings and Land holdings	Church building, parsonage \$1.00
Other special circumstances	None
Official Disaffiliation Date	December 31, 2022

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

<b>Workbook pages:</b> <a href="#">Disaffiliation Agreement pages 48-53</a> ; <a href="#">Supporting Documents pages 161-163</a> <i>Click on page number to go directly to the page.</i>
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#### Resolution to ratify the disaffiliation agreement for Lehr United Methodist Church, Lehr, North Dakota

WHEREAS Lehr United Methodist Church in Lehr, North Dakota, in the Northwest District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on August 21, 2022, a Church Conference was convened, and those professing members present voted (95%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Lehr United Methodist Church in Lehr, North Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between Lehr United Methodist Church aka Lehr Community Church (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$14,395.60. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020, through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$6,550.50.
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$1,310.10.
- 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 totaling \$6,534.
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e., to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable North Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of North Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of North Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

Lehr United Methodist Church

By: Ronald F Date: 10-31-22  
Name: RONALD FENTEIE  
Its: Trustee Chair

By: Todd M. Buchholz Date: 10-31-22  
Name: Todd M. Buchholz  
Its: Church Council Chair

By: Corrine Finck Date: 10-31-2022  
Name: CORRINE FINCK  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

### 3.4 Williston Faith United Methodist Church

Church: Williston Faith United Methodist Church

#### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	August 19, 2022	
Church Conference date	November 1, 2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 48	No: 1
Motion to Disaffiliate	Yes: 49	No: 0

<b>Disaffiliation Agreement Summary</b>	
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	\$56,838.61
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$5,400.00
Pension Liability (calculated using Wespath's formula)	\$27,390.00
Buildings and Land holdings	Church building, parsonage \$1.00
Other special circumstances	None
Official Disaffiliation Date	December 31, 2022

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 55-60](#); [Supporting Documents pages 164-171](#)

*Click on page number to go directly to the page.*

#### Resolution to ratify the disaffiliation agreement for Faith United Methodist Church, Williston, North Dakota

WHEREAS Faith United Methodist in Williston, North Dakota, in the Northwest District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on November 1, 2022, a Church Conference was convened, and those professing members present voted (100%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Faith United Methodist Church in Williston, North Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between Faith United Methodist Church of Williston (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$89,629.61. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020 through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$56,838.61;
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$5,400.00;
- 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 totaling \$27,390.00;
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable North Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.
- viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of North Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of North Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

Faith United Methodist Church of Williston

By: Rebecca Wahlstrom 11/3/22  
Name: Rebecca Wahlstrom  
Its: Trustee Chair

By: James A Staricka Date: 11/3/22  
Name: JAMES A STARICKA  
Its: Church Council Chair

By: Amanda Johnson Date: 11-3-22  
Name: Amanda Johnson  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## Section 4: Southeast District Disaffiliation Resolutions

### 4.1 Arlington United Methodist Church

**Church: Arlington United Methodist Church**

#### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	8-15-22
Church Conference date	10-16-22

#### Church Conference Vote Summary

Membership list approval	Yes: 37	No: 1
Motion to Disaffiliate	Yes: 32	No: 6

#### Disaffiliation Agreement Summary

12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	\$3,229.08
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$2,788.07
Pension Liability (calculated using Wespath's formula)	\$17,334
Buildings and Land holdings	Church building and parsonage \$1.00
Other special circumstances	Assets with the Dakotas UMC Foundation see item number 6 of agreement and exhibit B2
Official Disaffiliation Date	December 31, 2022

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 62-67](#); [Supporting Documents pages 172-174](#)  
*Click on page number to go directly to the page.*

#### Resolution to ratify the disaffiliation agreement for Arlington United Methodist Church, Arlington, South Dakota

WHEREAS Arlington United Methodist in Arlington, South Dakota, in the Southeast District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on September 25, 2022, a Church Conference was convened, and those professing members present voted (84.2%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, the Dakotas Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Arlington United Methodist in Arlington, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between Arlington United Methodist Church (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

- b. **Annual Conference Approval.** The disaffiliation memorialized by this 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).

- c. **Local Church Compliance.** Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. **Consideration.** In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

- a. **Payments.** Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$23,422.15 This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020, through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$3,229.08
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$2,788.07.
- 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 totaling \$17,334.
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e., to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. However, this Agreement is only between the Conference and the Local Church. If Exhibit B includes any assets (including endowment accounts) invested with the

Dakotas United Methodist Foundation or any Trust which names said Foundation as a beneficiary, this Agreement does not award, transfer or otherwise address any rights of either the Local Church of said Foundation to those assets.

Upon full compliance with the obligations hereunder, the parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH: Arlington United Methodist Church**

By: Craig L. Seas Date: 11/1/2022  
Name: Craig L. Seas  
Its: Trustee Chair

By: Jon L. Hall Date: 11-1-2022  
Name: Jon L. Hall  
Its: Church Council Chair

By: Marlys Reiersen Date: 11-1-2022  
Name: marlys Reiersen  
Its: Secretary

**ANNUAL CONFERENCE: Dakotas Annual Conference of The United Methodist Church**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## 4.2 Elk Point United Church

Church: Elk Point United Church

### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	8-2-22	
Church Conference date	10-23-22	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 46	No: 0
Motion to Disaffiliate	Yes: 43	No: 3
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	\$5,759.98	
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$2,667.00	
Pension Liability (calculated using Wespath's formula)	\$5,911.00	
Buildings and Land holdings	Church building \$1.00	
Other special circumstances	None	
Official Disaffiliation Date	December 31, 2022	

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 69-74](#); [Supporting Documents pages 175-178](#)  
*Click on page number to go directly to the page.*

#### Resolution to ratify the disaffiliation agreement for Elk Point United Church, Elk Point, South Dakota

WHEREAS Elk Point United Church in Elk Point, South Dakota, in the Southeast District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on October 23, 2022, a Church Conference was convened, and those professing members present voted (93.5%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Elk Point United Church in Elk Point, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between Elk Point United Parish (“Local Church”) and Dakotas Annual Conference of The United Methodist Church (“Annual Conference”).

*WHEREAS*, Local Church is a parish comprised of two churches and one 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$14,338.98. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020 through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$5,759.98
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$2667.00.
- 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 totaling \$5911.00
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

Elk Point United Parish

By: Shirley Rosenbaum Date: 11-1-22  
Name: Shirley Rosenbaum  
Its: Trustee Chair

By: [Signature] Date: 11/1/22  
Name: Greg Larson  
Its: Church Council Chair

By: Cristin VanderWeerd Date: 11/1/22  
Name: Cristin VanderWeerd  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

### 4.3 Hitchcock United Methodist Church

**Church: Hitchcock United Methodist Church**

#### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	8-15-22	
Church Conference date	10-24-22	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 55	No: 0
Motion to Disaffiliate	Yes: 53	No: 2
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	\$25,000.12	
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$2,951.10	
Pension Liability (calculated using Wespath's formula)	\$12,274	
Buildings and Land holdings	Church building, parsonage \$1.00	
Other special circumstances	None	
Official Disaffiliation Date	December 30, 2022	

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 76-81](#); [Supporting Documents pages 179-181](#)  
*Click on page number to go directly to the page.*

#### **Resolution to ratify the disaffiliation agreement for Hitchcock United Methodist Church, Hitchcock, South Dakota**

WHEREAS Hitchcock United Methodist in Hitchcock, South Dakota, in the Southeast District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on October 24, 2022, a Church Conference was convened, and those professing members present voted (96%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Hitchcock United Methodist Church in Hitchcock, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between United Methodist Church of Hitchcock, South Dakota (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

- b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

- c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 30, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

- a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$40,226.22. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020, through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$25,000.12.
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$2951.10.
- 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 totaling \$12,274.
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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 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.

12. 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.


13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.


15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

United Methodist Church of Hitchcock, South Dakota

By:  Date: 11-6-22  
Name: Raymond A. Wright  
Its: Trustee Chair

By:  Date: 11-6-22  
Name: Jeffery Gatzke  
Its: Church Council Chair

By:  Date: 11-6-22  
Name: Marlene Puffer  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## 4.4 Stickney United Methodist Church

**Church: Stickney United Methodist Church**

### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	7-30-22	
Church Conference date	10-16-22	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 23	No: 0
Motion to Disaffiliate	Yes: 19	No: 4
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	\$15,106.65	
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$1,620.00	
Pension Liability (calculated using Wespeth's formula)	\$10, 546.00	
Buildings and Land holdings	Church building \$1.00	
Other special circumstances	None	
Official Disaffiliation Date	December 31, 2022	

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 83-88](#); [Supporting Documents pages 182-184](#)

*Click on page number to go directly to the page.*

### Resolution to ratify the disaffiliation agreement for Stickney United Methodist Church, Stickney, South Dakota

WHEREAS Stickney United Methodist in Stickney, South Dakota, in the Southeast District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on October 16, 2022, a Church Conference was convened, and those professing members present voted (83%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Stickney United Methodist Church in Stickney, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between United Methodist Church of Stickney, South Dakota (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

- b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

- c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

- a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$27,273.65. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020 through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$15,106.65.
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$1,620.00.
- 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 totaling \$10,546.00
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

United Methodist Church of Stickney, South Dakota

By: Randy Van Gorp Date: 11-6-22  
Name: Randy Van Gorp  
Its: Trustee Chair

By: Marla Aeler Date: 11-6-22  
Name: Marla Aeler  
Its: Church Council Chair

By: Peggy Munneke Date: Nov. 6, 2022  
Name: Peggy Munneke  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## Section 5: Southwest District Disaffiliation Resolutions

### 5.1 Belle Fourche United Methodist Church

**Church:** Belle Fourche United Methodist Church

#### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	07/24/2022	
Church Conference date	10/26/2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 57	No: 0
Motion to Disaffiliate	Yes: 46	No: 11
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present		\$59,339.34
12 months additional apportionments: defined by Dakotas at 3% of operating income		\$4,367.70
Pension Liability (calculated using Wespeth's formula)		\$21,822.99
Buildings and Land holdings	Church building, parsonage, trailer \$1.00	
Other special circumstances	none	
Official Disaffiliation Date	December 31, 2022	

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 90-95](#); [Supporting Documents pages 185-188](#)  
*Click on page number to go directly to the page.*

#### **Resolution to ratify the disaffiliation agreement for Belle Fourche United Methodist Church, Belle Fourche, South Dakota**

WHEREAS Belle Fourche United Methodist in Belle Fourche, South Dakota, in the Southwest District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on October 17, 2022, a Church Conference was convened, and those professing members present voted (80.7%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Belle Fourche United Methodist in Belle Fourche, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between The United Methodist Church of Belle Fourche (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$85,530.04. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020 through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$59,339.34.
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$4367.70
- 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 totaling \$21,822.00
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. BSA Chartered Organization Warranty. Local Church is aware of a potential claim or demand related to the scout troop which it chartered or hosted in the past. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

The United Methodist Church of Belle Fourche

By: Eric W. Beals Date: 11-1-2022  
Name: Eric W. Beals  
Its: Trustee Chair

By: Janelle Austin Date: 11-1-2022  
Name: Janelle Austin  
Its: Church Council Chair

By: Eileen Miller Date: 11-1-2022  
Name: Eileen Miller  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kieseey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_

Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## 5.2 Eureka United Methodist Church

Church: Eureka United Methodist Church

### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	08/04/2022
Church Conference date	10/30/2022

Church Conference Vote Summary		
Membership list approval	Yes: 70	No: 0
Motion to Disaffiliate	Yes: 63	No: 7

Disaffiliation Agreement Summary	
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	\$45,750.00
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$2,750.00
Pension Liability (calculated using Wespeth's formula)	\$11,796.00
Buildings and Land holdings	Church building, parsonage \$1.00
Other special circumstances	None
Official Disaffiliation Date	November 30, 2022

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages: [Disaffiliation Agreement pages 97-102](#); [Supporting Documents pages 189-191](#)**  
*Click on page number to go directly to the page.*

### Resolution to ratify the disaffiliation agreement for Eureka United Methodist Church, Eureka, South Dakota

WHEREAS Eureka United Methodist in Eureka, South Dakota, in the Southwest District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on October 30, 2022, a Church Conference was convened, and those professing members present voted (90%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Eureka United Methodist Church in Eureka, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between Eureka United Methodist Church (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

- b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

- c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 November 30, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

- a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$60,297.00. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020, through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$45750,000.
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$2750..00
- 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 totaling \$11,796.
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. However, this Agreement is only between the Conference and the Local Church. If Exhibit B includes any assets (including endowment accounts) invested with the

Dakotas United Methodist Foundation or any Trust which names said Foundation as a beneficiary, this Agreement does not award, transfer or otherwise address any rights of either the Local Church of said Foundation to those assets.

Upon full compliance with the obligations hereunder, the parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH:** Eureka United Methodist Church

By: James Molder Date: 11/7/22  
Name: James Molder  
Its: Trustee Chair

By: Lori A Lutz Date: 11/7/22  
Name: Lori A Lutz  
Its: Church Council Chair

By: Tricia Grajczyk Date: 11/7/22  
Name: Tricia Grajczyk  
Its: Secretary

**ANNUAL CONFERENCE:** Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

### 5.3 Kennebec United Methodist Church

Church: Kennebec United Methodist Church

#### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	08/21/2022	
Church Conference date	10/30/2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 23	No: 0
Motion to Disaffiliate	Yes: 23	No: 0
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	(\$-274.94)	
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$355.71	
Pension Liability (calculated using Wespath's formula)	\$5,520.00	
Buildings and Land holdings	Church building \$1.00	
Other special circumstances	None	
Official Disaffiliation Date	December 31, 2022	

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 104-109](#); [Supporting Documents pages 192-194](#)  
*Click on page number to go directly to the page.*

#### Resolution to ratify the disaffiliation agreement for Kennebec United Methodist Church, Kennebec, South Dakota

WHEREAS Kennebec United Methodist in Kennebec, South Dakota, in the Southwest District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on October 30, 2022, a Church Conference was convened, and those professing members present voted (100%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Kennebec United Methodist Church in Kennebec, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between Methodist Episcopal Church of Kennebec (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$5605.77. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020, through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$(-274.94).
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$355.71.
- 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 totaling \$5,520.00
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e., to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

Methodist Episcopal Church of Kennebec

By: [Signature] Date: 11-1-22  
Name: Grady Floyd  
Its: Trustee Chair

By: [Signature] Date: 11/1/22  
Name: Anna Mae Streitz  
Its: Church Council Chair

By: [Signature] Date: 11/1/2022  
Name: MARY FLOYD  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## 5.4 Presho United Methodist Church

**Church: Presho United Methodist Church**

### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	08/21/2022	
Church Conference date	10/30/2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 25	No: 0
Motion to Disaffiliate	Yes: 24	No: 1
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	(\$-753.49)	
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$794.19	
Pension Liability (calculated using Wespath's formula)	\$8,328.00	
Buildings and Land holdings	Church building, parsonage \$1.00	
Other special circumstances	None	
Official Disaffiliation Date	December 31, 2022	

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 111-116](#); [Supporting Documents pages 195-197](#)  
*Click on page number to go directly to the page.*

### Resolution to ratify the disaffiliation agreement for Presho United Methodist Church, Presho, South Dakota

WHEREAS Presho United Methodist in Presho, South Dakota, in the Southwest District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on October 30, 2022, a Church Conference was convened, and those professing members present voted (96%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Presho United Methodist Church in Presho, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between Presho United Methodist Church (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$8,549.70. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020, through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$(-573.49).
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$794.19
- 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 totaling \$8,328.
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. **Governing Law.** This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. **Jurisdiction.** The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.

15. **Successors and Assigns.** All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

**Presho United Methodist Church**

By: Carol Ehlers Date: 11-2-22

Name: Carol Ehlers

Its: Trustee Chair

By: Michelle Lintvedt Date: 11-2-22

Name: Michelle Lintvedt

Its: Church Council Chair

By: Beverly A Johnson Date: 11-2-22

Name: Beverly A Johnson

Its: Secretary

**ANNUAL CONFERENCE**

**Dakotas Annual Conference of The United Methodist Church**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name: Deborah Kiesey

Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name:

Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## 5.5 Reliance United Methodist Church

**Church: Reliance United Methodist Church**

### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	08/21/2022	
Church Conference date	10/30/2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes: 19	No: 0
Motion to Disaffiliate	Yes: 19	No: 0
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present		\$388.86
12 months additional apportionments: defined by Dakotas at 3% of operating income		\$304.25
Pension Liability (calculated using Wespath's formula)		\$5,520.00
Buildings and Land holdings		Church building \$1.00
Other special circumstances		None
Official Disaffiliation Date		December 31, 2022

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages:** [Disaffiliation Agreement pages 118-123](#); [Supporting Documents pages 198-200](#)  
*Click on page number to go directly to the page.*

### Resolution to ratify the disaffiliation agreement for Reliance United Methodist Church, Reliance, South Dakota

WHEREAS Reliance United Methodist in Reliance, South Dakota, in the Southwest District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on October 30, 2022, a Church Conference was convened, and those professing members present voted (100%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Reliance United Methodist Church in Reliance, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between Reliance Methodist Church, Inc. (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 December 31, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$6214.11. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020 through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$388.86. *K.M. BOB P.C.*
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$304.25
- 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 totaling \$5,520.
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

#### LOCAL CHURCH

Reliance Methodist Church, Inc.

By: Sue Chasal Date: Nov. 1, 2022  
Name: Sue Chasal  
Its: Trustee Chair

By: Bruce Elymer Date: 11/1/2022  
Name: Bruce Elymer  
Its: Church Council Chair

By: Kathleen Thelen Date: 11/1/2022  
Name: Kathleen Thelen  
Its: Secretary

#### ANNUAL CONFERENCE

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

## 5.6 Selby United Methodist Church

**Church: Selby United Methodist Church**

### Disaffiliation Process and Agreement Summary Sheet

Date Process Initiated	08/02/2022	
Church Conference date	10/30/2022	
<b>Church Conference Vote Summary</b>		
Membership list approval	Yes 34	No 0
Motion to Disaffiliate	Yes 34	No 0
<b>Disaffiliation Agreement Summary</b>		
12 months past apportionments: defined by Dakotas as current on apportionments from 2020-present	\$36,892.45	
12 months additional apportionments: defined by Dakotas at 3% of operating income	\$2,077.29	
Pension Liability (calculated using Wespath's formula)	\$14,714.00	
Buildings and Land holdings	Church building, parsonage, garage \$1.00	
Other special circumstances	None	
Official Disaffiliation Date	November 30, 2022	

All agreements include official release from the trust clause, removal of UMC name and symbols, archiving UM records etc. Full agreement is available on the following pages for your review.

**Workbook pages: [Disaffiliation Agreement pages 125-130](#); [Supporting Documents pages 201-203](#)**  
*Click on page number to go directly to the page.*

### Resolution to ratify the disaffiliation agreement for Selby United Methodist Church, Selby, South Dakota

WHEREAS Selby United Methodist in Selby, South Dakota, in the Southwest District of the Dakotas Conference, has been completed all the steps in the disaffiliation process as outlined by the Dakotas Annual Conference; and

WHEREAS this local church was prompt in providing documents and meeting deadlines throughout the disaffiliation process, demonstrating their resolute commitment to disaffiliate. As such, on October 30, 2022, a Church Conference was convened, and those professing members present voted (100%) to disaffiliate from the United Methodist Church.

THEREFORE, having met all the requirements in a timely manner, The Conference Board of Trustees hereby, prayerfully recommends the ratification of disaffiliation agreement for Selby United Methodist Church in Selby, South Dakota. We pray for God's favor and blessings on this ministry as we part ways.

## DISAFFILIATION AGREEMENT PURSUANT TO ¶2553

This Disaffiliation Agreement Pursuant to ¶2553 (“Disaffiliation Agreement”) is entered into this 19th day of November, 2022, by and between Selby United Methodist Church (“Local Church”) and Dakotas Annual 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*, 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 (1) 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 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 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 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 an exhibit to this Disaffiliation Agreement. (Exhibit A.)

b. *Annual Conference Approval*. The disaffiliation memorialized by this 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).

c. *Local Church Compliance*. Local Church shall satisfy all of its obligations set forth herein by the Date of Disaffiliation stated below.

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 November 30, 2022 (“Disaffiliation Date” Per ¶ 2553.2, this date cannot be later than December 31, 2023). Such Disaffiliation Date must be subsequent to the Annual Conference’s ratification referenced in Section 1 above.

4. Consideration. In consideration of the Annual Conference’s obligations under this agreement, Local Church agrees that it shall do the following no later than the Disaffiliation Date unless otherwise stated:

a. *Payments*. Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the sum of \$ \$53,684.88. This sum represents:

- i. Unless there is a deed or other 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 shall pay One Dollar (\$1.00) in exchange for the right to retain its real and personal, tangible and intangible property. Any costs relating to Local Church's retention of the property will be borne by Local Church.
- ii. Any unpaid apportionments from January 1, 2020 through the Disaffiliation Date, which includes any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$36,892.45
- iii. An additional twelve (12) months of apportionments, as calculated by Annual Conference at a rate of 20% of the 2022 apportionment (3% of operating income) totaling \$2,077. 29
- 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 totaling \$14,714.
- 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 \$0.
- vi. Any unpaid loans or other obligations to other United Methodist entities (i.e. to a District, Foundation, Conference, or other local churches) totaling \$0.
- vii. Local church warrants that it has carefully reviewed and provided to the Annual Conference information about all gifts (endowments, memorials, bequests, donations and gifts of any kind) it received which have restrictions imposed regarding the gift's use or purpose, so that Annual Conference can ensure compliance with donor intent, donor restrictions, applicable South Dakota state law and the Discipline and rules of the United Methodist Church. Local church shall treat all such gifts it receives before or after the Disaffiliation Date in its pre-disaffiliation name(s) in accordance with the restrictions imposed and shall notify the Annual Conference of the gift so that a determination can be made as to its proper disposition to ensure compliance with donor intent, donor restrictions, applicable state law and the Discipline and rules of the United Methodist Church.

viii. All costs and fees associated with any title work or the transfer of any asset needed to implement this Agreement shall be paid by Local Church.

b. *Establish New Legal Entity.* Local Church shall establish its new legal entity and provide evidence of its existence to the Annual Conference by the Disaffiliation Date (i.e. Articles and By-Laws if a Non-Profit Corporation is formed).

c. *Other Liabilities.* Local Church shall 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.

d. *Return of UMC Branding/Materials.* Local Church shall cease all use of “United Methodist,” the Cross & Flame insignia, and any other intellectual property of The United Methodist Church and Annual Conference, including the removal of all signage containing the same as soon as possible but no later than three (3) months following the Disaffiliation Date.

e. *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.

f. *Records.* Local Church shall 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. Local Church may retain copies of documents of legal or operational significance and shall have the right to access archived records for business and legal purposes.

5. Organizational Transition. Local Church shall take all steps necessary to dissolve and wind up 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 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 Agreement.

6. Property. Upon full compliance with its obligations hereunder, Local Church will have full ownership of the property and assets listed in Exhibit B which will be transferred to Local Church’s new entity. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or as soon after the Disaffiliation Date as possible. 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. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities, and complied with all other terms of this Agreement, Annual Conference will sign the legal documents necessary to release the trust clause in all real property and personal property to the Local Church's new entity. All costs associated therewith shall be paid by Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, each party, on behalf of themselves, their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby releases, discharges 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 herein. Notwithstanding the foregoing releases and covenants, the parties may take action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. 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. In the event such a claim or demand should arise, Local Church agrees to notify Annual Conference and 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 any such claim or demand and shall indemnify the Annual Conference and District as set forth below.

9. Indemnification by Local Church. As additional consideration for the execution of this Disaffiliation Agreement and the Release of Claims and transfer of property contemplated herein, the Local Church hereby agrees to release, acquit, defend, hold harmless and indemnify the Annual Conference from any and all claims, demands, costs, expenses, lawsuits or other claims of whatever nature arising out of or related to acts or omissions involving the Local Church and/or its officers, trustees, and representatives, including those directly or indirectly related to any Boy Scout of America activities that may have been chartered or hosted by the Local Church or any agency affiliated with the Local Church.

10. 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.

11. 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, 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.

12. 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.

13. Governing Law. This Agreement shall be governed by the laws of the State of South Dakota, consistent in every way possible with the Book of Discipline and with pertinent legislation of the Dakotas Annual Conference of the United Methodist Church.

14. Jurisdiction. The parties hereby expressly agree to the exclusive and sole jurisdiction of the Circuit Court of the State of South Dakota.

15. Successors and Assigns. All covenants, representations, warranties and agreements contained herein will bind each party, its successors and assigns.

**LOCAL CHURCH**

Selby United Methodist Church

By: Steve Zabel Date: 11/5/2022  
Name: Steve Zabel  
Its: Trustee Chair

By: Gary Fahrung Date: 11-6-22  
Name: Gary Fahrung  
Its: Church Council Chair

By: Kathy Bohle Date: 11/5/2022  
Name: Kathy Bohle  
Its: Secretary

**ANNUAL CONFERENCE**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Deborah Kiesey  
Its: Bishop

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: District Superintendent for \_\_\_\_\_ District

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

# Section 6: Northeast District Disaffiliation Agreement Supporting Documents

## 6.1 Aberdeen First United Methodist Church

### EXHIBIT A

#### Disaffiliation Church Conference Reporting Form

Date: 9/25/2022  
 Church: Aberdeen @ First  
 Agenda:

- a. Disaffiliation Church Conference Agenda
  - i. Prayer/Devotion
  - ii. Audited membership list – discussion and approval
  - iii. Disaffiliation – discussion, questions, pray and vote
  - iv. Close with Prayer

#### Ballot report

Ballot	Yes	No	Totals
Audited Membership	313	5	total = 318 Passes
Disaffiliation	279 88%	37 12%	total = 316 Passes -

1 blank = Invalid

#### Verified/Counted by:

Printed Name	Signature	Date
Kris Mutzenberger	Kris Mutzenberger	9/25/2022
Mary Scott	Mary Scott	9/25/22
Laurie Suko	Laurie Suko	9/25/22
Joni Wileman	Joni Wileman	9/25/22

### **Exhibit B-1**

The real estate located in Brown County, South Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

Exhibit B-2

First United Methodist Church - Aberdeen SD  
Balance Sheet as of December 31, 2021

Friday, September 16, 2022

Page 1 of 2

Account #	Account Name	Period Activity	YTD Balance
<b>Assets</b>			
10000.01	Dacotah Bank Savings	35.53	864,684.96
10004.01	Dacotah Brill Campership CD	0.00	500.00
10005.01	Dacotah Susannah Wesley Ministerial CD	0.00	14,000.00
10007.01	Dacotah Bank CD ministerial	0.00	15,285.00
10008.01	Dacotah Bank Savings Apportionments	30,015.57	498,387.11
10010.01	Dacotah Bank Checking	182,154.65	298,039.77
10011.01	Dacotah Roth/Anderson/Tracy Campership CD	0.00	3,442.65
10015.01	Petty Cash	0.00	50.00
10017.01	Dacotah Pastor Eldon Reich Parsonage Trust	1,415.48	177,694.14
	<b>Total Current Assets</b>	<b>\$213,621.23</b>	<b>\$1,872,083.63</b>
10027.01	Parking Lot Washington & 5th Ave-Replacement Insur	0.00	212,000.00
10030.01	Church Building-Replacement Insured Value	0.00	12,557,960.00
10031.01	Ministry Outreach Center-Replacement Insured Value	0.00	481,649.00
10033.01	Bank Building-Replacement Insured Value	0.00	728,838.00
10035.01	2010 Ford Bus-Cost	0.00	50,150.00
10036.01	2012 Chev. Van-Cost	0.00	25,000.00
10037.01	2001 Ford Lift Van-Cost	0.00	2,280.00
	<b>Total Fixed Assets</b>	<b>\$0.00</b>	<b>\$14,057,877.00</b>
	<b>Total Assets</b>	<b>\$213,621.23</b>	<b>\$15,929,960.63</b>
<b>Liabilities</b>			
20000.00	<i>Accounts Payable/Vendors</i>	10,096.69	9,784.86
23209.01	Dakotas Annual Conference Escrow Apportionments	22,723.73	490,812.43
23854.01	Mary Scott Medical Spending Acct.	76.92	153.68
23859.01	Laurie Suko Medical Spending Acct.	76.92	619.34
23900.01	Sarah Suko Medical Spending Account	38.46	76.92
23930.01	Jane Ann Rayman Medical Spending	57.68	115.34
24134.01	AFLAC	(485.07)	(11.14)
24410.01	General Board of Pen. & Health	926.97	(7.21)
24874.01	The Pastor Reich Parsonage Trust	1,415.48	177,694.14
	<b>Total Liabilities</b>	<b>\$34,927.78</b>	<b>\$679,238.36</b>
<b>Fund Balance</b>			
30000.01	General Fund Balance	(110,847.49)	460.75
30103.01	End of the year excess income over exp. Balance	174,125.06	174,125.06
	<b>General Fund Balance</b>	<b>\$63,277.57</b>	<b>\$174,585.81</b>
32000.02	Benevolence Fund Balance	(1,305.45)	248.18
32001.02	4th Sunday Offering	241.19	1,396.13
32002.02	Advent offering	12,556.00	14,706.00
32025.02	Christmas offering	25,916.26	28,156.26
32070.02	Good Samaritan's Fund (Pastor's Discretion)	(4,009.37)	13,860.21
32075.02	Spanish Ministry Fund	917.80	8,868.64
32090.02	Widow Support Fund	0.00	271.60
32235.02	Adult Mission Trip	0.00	2,101.62
32300.02	Missions-10% Estate Fund	5,493.14	11,927.97
32301.02	Miscellaneous Missions	(617.85)	4,200.90
	<b>Benevolence Fund Balance</b>	<b>\$39,191.72</b>	<b>\$85,737.51</b>
33000.03	MEMORIAL FUND BALANCE	(22.55)	8,259.58
33040.03	Mem'l Seminary Scholarship	0.00	15,652.89
	<b>Memorial Fund Balance</b>	<b>(\$22.55)</b>	<b>\$23,912.47</b>
34010.04	Chiller Fund Balance	15,000.00	15,000.00
34020.04	Parsonage Fund Balance	(30,000.00)	252,447.98

### EXHIBIT B-3

#### First United Methodist Church - Aberdeen SD Balance Sheet as of December 31, 2021

Friday, September 16, 2022

Page 2 of 2

Account #	Account Name	Period Activity	YTD Balance
34022.04	Future Parsonage Balance	30,000.00	30,000.00
34023.04	Expansion Fund Fund	846.00	64,897.22
34030.04	Furnishings for CLC Fund	0.00	556.47
34032.04	Organ Guild Balance	610.00	11,230.06
34035.04	Repairs & Upkeep Fund	14,009.71	93,826.62
34040.04	Wedding	750.00	4,416.27
34050.04	Estate Money Fund	49,442.03	78,043.22
34060.04	Van Fund Fund	0.00	6,655.60
34502.04	Church - Bank Building	(13,037.40)	21,055.19
	<b>Trustees Fund Balance</b>	<b>\$67,620.34</b>	<b>\$578,128.63</b>
35000.05	Altar Flowers	460.37	0.00
35001.05	Seed to Tree Ministry Balance	(3,037.65)	106,511.18
35002.05	AWANA fund	214.22	917.40
35003.05	Christmas & Community Meals Fund Balance	(1,287.51)	0.00
35004.05	Blessing of the Hunt Balance	0.00	1,463.83
35005.05	Bell Choir (M. Green) Fund	250.00	3,629.42
35006.05	Reserve Fund Balance	0.00	77,780.10
35007.05	Misc. events in & out	(449.18)	2,017.59
35010.05	Library Fund	0.00	1,023.98
35011.05	Music Fund Balance	0.00	3,108.21
35015.05	Staff Leadership Training Fund	0.00	7,500.00
35020.05	Annual Conference Expense Balance	0.00	5,000.00
35025.05	Preschool Scholarship Balance	0.00	2,100.00
35089.05	Susannah Wesley Circle Fund	(200.00)	298.43
35090.05	Pastoral Education Balance	(300.00)	23,352.01
35091.05	Building Security Fund Balance	(115.92)	14,483.37
35092.05	Worship Seminar/consultant Balance	(400.00)	3,600.00
35093.05	Consultant-Long Range Planning Balance	0.00	10,000.00
35095.05	Wednesday Meal Fund	(433.05)	(39.80)
35096.05	Upward Basketball Fund	(4,269.76)	3,138.57
35097.05	Technology	18,039.34	30,968.85
35099.05	Young Adult Ministry Balance	0.00	5,055.00
35100.05	Women's Ministry Fund	0.00	2,538.16
	<b>Designated Fund Balance</b>	<b>\$8,470.86</b>	<b>\$304,446.30</b>
36000.06	Youth Fund Balance	151.32	6,900.15
36010.06	Youth trips in and out	0.00	1,000.00
36020.06	Youth Missions Fund	0.00	15,919.14
	<b>Youth Fund Balance</b>	<b>\$151.32</b>	<b>\$23,819.29</b>
37000.07	Camp Fund Balance	4.19	2,215.26
	<b>Camp Fund Balance</b>	<b>\$4.19</b>	<b>\$2,215.26</b>
39000.00	Net Fixed Asset Fund Balance	0.00	14,057,877.00
	<b>Total Fund Balance</b>	<b>\$178,693.45</b>	<b>\$15,250,722.27</b>
	<b>Total Liabilities and Fund Balance</b>	<b>\$213,621.23</b>	<b>\$15,929,960.63</b>

## 6.2 Fargo Calvary United Methodist Church

### EXHIBIT A

## Church Conference Disaffiliation Vote July 19, 2022

Meeting Start Time: 7:00pm

John and Lindsay led the group in song. Henry opened with prayer.

Kris prayed and then gave instructions for the vote. Elizabeth is assisting Kris with the vote count.

MEMBERSHIP LIST: The names on the list are those who have professed membership in front of the congregation at Calvary Fargo or have transferred their membership from another UM Church. The confirmation students are on the list if they have professed membership at Calvary. The membership list MUST be approved first before the vote to disaffiliate can take place. One of the names on the list says "First Name, Last Name". Disregard this name on the list as it was a heading that got sorted into the list.

KRIS: Name should be written underneath the number on your ballot. Circle "yes" if you approve the membership list and "no" if you do not approve the membership list. Fold it in half and Kris and Elizabeth will pick up your completed membership ballot.

MEMBERSHIP LIST VOTE RESULTS: 96 valid ballots cast, 93 voted in favor and 3 no. Membership list approved.

DOUG: "the Church Council at Calvary Fargo moves to disaffiliate from the United Methodist Church under the provisions of Book of Discipline paragraph 2553." If you mark yes, it means that you vote yes to leave the UMC, no means that you do not want to leave the denomination.

KRIS: Disaffiliation means leaving

PAT: Why should we be leaving? Can we continue to operate as we have been?

KRIS/DOUG: Since 1974 at every general conference this conversation/issue comes up and nothing is resolved. The previously scheduled general conferences haven't happened due to COVID, traveling for those who are outside the US, etc.. As of now, the next General Conference will be Spring of 2024. If we vote no, we would continue to operate as UMC and would continue to incur apportionment costs. If we do not disaffiliate at this time, but later decide to, the process would look a lot different. If we wait, we would have to make all of our apportionments current, pay the pension liability, and 10% of the value of our property. Right now, we have a pathway that the Dakota's Conference approved allowing us to disaffiliate. This includes getting the church property and parsonage for \$1.00, be current on apportionments from 2020 on, plus 3% of our operating income for an additional 12 months (2022), and pension liability.

The window for this disaffiliation pathway closes December 31, 2023. It was agreed upon with a sunset date. Why should we go now? We are ready to go based on the readiness assessment and there will be a time when the pathway ends and we don't know what the Dakotas Conference will decide to do.

PAT: What if we continue as is (withholding apportionments) and don't spend the \$400,000 to leave?

KRIS: Apportionments are a covenant. It is how the Dakotas Conference budgets. The conference is an arm of the ministry (including DS salary). In 2020, the Dakotas Conference had to use part of their reserves due to lack of apportionments. In some annual conference, they required payment. They will continue sending bills until it is paid. The Dakotas have been very gracious with us not paying and has

## Church Conference Disaffiliation Vote

July 19, 2022

said in faith, churches will pay these bills. The pathway to disaffiliation that the Dakotas Conference voted on has the current on apportionments from 2020 on, is because in 2020 they had to pull from their reserves.

STEVE: We owe that money (\$400,000 for disaffiliating) anyway to the conference. We haven't paid it.

KRIS: Churches who have withheld apportionments have always restarted.

ALYCIA: Calvary did that. We stopped paying apportionments for a while and then restarted.

KRIS: The apportionments that are due with the disaffiliation costs are going to the Dakotas Conference to replenish the reserves. So far, six churches in the conference have sent letters to start the disaffiliation process. Part of the apportionment money will help this year of transition while churches are disaffiliating. The pension liability dollars will go directly into an escrow with the hopes that at the next general conference these funds can be moved to the Global Methodist Church and given back to us. The \$1.00 will go back to the trustees.

DOUG: If we continue with the UMC we will see people leaving Calvary Fargo and stop giving. A lot of people will leave the church. It's a matter of conscience.

KRIS: From conversations with the Calvary Fargo Council, it hasn't been about the apportionments being used improperly. It's the theology and the direction the UMC is moving doesn't fit Calvary Fargo. Other questions or concerns?

BLAKE: One of the reasons we didn't think the UMC was good fit, was the theology of the youth ministry. If you take a group of kids to camp and what is being taught is different than what is being taught at church, then that is a major issue and why we stopped attending the UMC youth events.

CLARENCE: Do we write our names on this ballot too?

KRIS: Asked for any other comments or questions. Please write your name on this ballot as well in case there is an issue with the numbers. Prayed.

GRETA PREACHED!

DISAFFILIATION VOTE RESULTS: Elizabeth and Kris counted the ballots twice. Total valid ballots cast 96. Total yes 94, total no ballots 2. We have voted to move forward with disaffiliation.

KRIS: It is a legal process to separate from the UMC. Tomorrow morning, Kris will notify the financial staff, chancellor, and cabinet. They will work on the disaffiliation document and hand it off to the Calvary Fargo trustees and UMC trustees. On November 19<sup>th</sup> there is a special session called for the purpose of disaffiliating.

Tonight was a difficult vote because some of you did vote no and your entire congregation wasn't here. I am here to help you connect to a different UMC if you would like to stay. Any other questions?

HENRY: Is there a plan if the bishop were to get sick at the special conference?

KRIS: Yes, they are figuring how to make the special session happen. There will be 4 locations to try and keep the travel distance small and no additional items of business can be added to this special conference. Only the agreements for disaffiliation will be voted on. The conference can't amend or

## Church Conference Disaffiliation Vote

July 19, 2022

debate the agreement, it is solely an up down vote. After the November 19<sup>th</sup> vote, then changes with the secretary of state items happen as well as the official name change.

HENRY: Communion. Sing How Great is Our God. Thanked Kris.

KRIS: Benediction.

Meeting adjourned at 8:07pm

Scribe: Addy Erickson

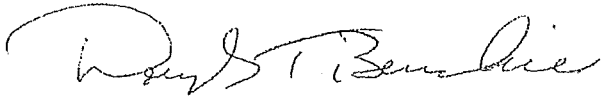
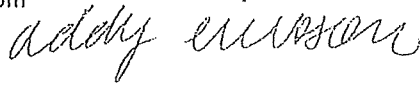


Exhibit B  
Calvary Fargo

Balance Sheet  
As of December 31, 2021

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Bell Bank Checking	177,972.52
Bell Bank Savings	550.14
<b>Total Bank Accounts</b>	<b>\$178,522.66</b>
Accounts Receivable	
1200 Accounts Receivable	6,969.06
<b>Total Accounts Receivable</b>	<b>\$6,969.06</b>
Other Current Assets	
1499 Undeposited Funds	0.00
<b>Total Other Current Assets</b>	<b>\$0.00</b>
<b>Total Current Assets</b>	<b>\$185,491.72</b>
Fixed Assets	
Building and Grounds	0.00
Building Asset	
Accum. Depr. - Building	-2,288,955.52
Building	6,414,874.58
<b>Total Building Asset</b>	<b>4,125,919.06</b>
Furn & Equip Asset	
Accum. Depr. - Furn & Equip	-73,665.78
Furniture & Equipment	89,634.61
<b>Total Furn &amp; Equip Asset</b>	<b>15,968.83</b>
Land	1,050,000.00
Special Assessments	80,212.43
Sr. Pastor Parsonage	
Accum. Depr. - Sr Pastor Parson	-57,895.11
Parsonage Building	140,796.00
Parsonage Lot/Land	43,750.00
<b>Total Sr. Pastor Parsonage</b>	<b>126,650.89</b>
<b>Total Building and Grounds</b>	<b>5,398,751.21</b>
<b>Total Fixed Assets</b>	<b>\$5,398,751.21</b>
Other Assets	
Loan Fees	23,396.72
<b>Total Other Assets</b>	<b>\$23,396.72</b>
<b>TOTAL ASSETS</b>	<b>\$5,607,639.65</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	22,686.45

# Calvary Fargo

## Balance Sheet

As of December 31, 2021

	TOTAL
<b>Total Accounts Payable</b>	<b>\$22,686.45</b>
Credit Cards	
Cardmember Service Bell	3,541.97
<b>Total Credit Cards</b>	<b>\$3,541.97</b>
Other Current Liabilities	
0860 Mission Trips	
0861 Israel	0.00
0862 Nicaragua	8,988.01
<b>Total 0860 Mission Trips</b>	<b>8,988.01</b>
2100 Payroll Liabilities	0.00
Aflac	503.98
Payroll Taxes - Federal	2,047.07
State Withholding - MN	161.09
State Withholding - ND	378.00
<b>Total 2100 Payroll Liabilities</b>	<b>3,090.14</b>
Accrued Expenses	
Dakotas Conference Apportionmen	104,779.76
<b>Total Accrued Expenses</b>	<b>104,779.76</b>
Accrued PTO Payable	1,607.76
<b>Total Other Current Liabilities</b>	<b>\$118,465.67</b>
<b>Total Current Liabilities</b>	<b>\$144,694.09</b>
Long-Term Liabilities	
Building	
N/P Bell Bank	1,488,912.96
<b>Total Building</b>	<b>1,488,912.96</b>
Special Assessments Payable	53,148.89
<b>Total Long-Term Liabilities</b>	<b>\$1,542,061.85</b>
<b>Total Liabilities</b>	<b>\$1,686,755.94</b>
Equity	
1110 Undesig. Genl Fund RE	336,442.32
3000 Opening Bal Equity	0.00
Board Desig. Chip Seal Parking Lot RE	10,000.00
Board Desig. FAUMC Benevolence	5,952.78
Board Desig. Good Sam Fund	15,505.29
Board Desig. HVAC Update RE	8,000.00
Board Desig. Leadership Reserve	32,972.41
Donor Restr. Building RE	13,678.78
Donor Restr. Endowments RE	31,956.23
Donor Restr. Leadership Reserve RE	163,263.63
Donor Restr. Members Assist Fund	23,704.46
Retained Earnings	3,262,940.07
Net Income	16,467.74

# Calvary Fargo

## Balance Sheet

As of December 31, 2021

	TOTAL
Total Equity	\$3,920,883.71
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$5,607,639.65</b>

## Exhibit B-1

The real estate located in Cass County, North Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

## 6.3 Milbank Central United Methodist Church

### Exhibit A-1

**Central United Methodist Church  
Church Council  
Special Meeting for Disaffiliation Vote  
November 18, 2022**

Pastor Thom Bowsher called the meeting to order at approximately 7 p.m. in the Fellowship Hall. He opened with prayer.

There were approximately 150 church members present. District Superintendent Kim Mutzenberger and her designee were also in attendance.

After opening remarks, Pastor Thom turned the meeting over to Chairman Jody Kuper who expressed to those in attendance that his desire was for the church to remain the same loving, caring church that it has always been. He then introduced District Superintendent Kim Mutzenberger who conducted the vote.

The first vote was for members to certify the membership list. The result was 149 votes yes, 0 votes no.

The second vote was to disaffiliate Central Church from the United Methodist denomination. The vote was taken and ballots collected. The votes were counted by Kim Mutzenberger, her designated assistant, Janet Stengel and Chad Thue. The vote was 131 yes, 18 no. The measure passed with 88% approval, meeting the 2/3 majority vote requirement.

Pastor Thom thanked the District Superintendent for presiding over the vote and she and her assistant left the meeting. Pastor Thom presided over the final vote. The third vote was to join the Global Methodist denomination. The vote was 131 yes, 18 no.

There being no further business, Jody Kuper closed with prayer at approximately 7:40 p.m.

Respectfully submitted,

Janet Loeschke, Recording Secretary

Total Registered 149  
7:11 pm

Disaffiliation Church Conference Reporting Form

Date: October 18, 2022

Church: Milbank Central

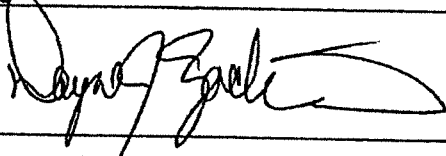
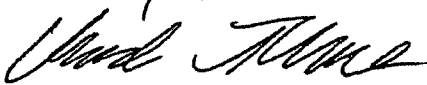
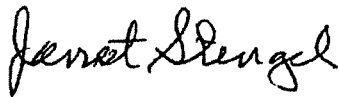

Agenda:

- a. Disaffiliation Church Conference Agenda
  - i. Prayer/Devotion
  - ii. Audited membership list – discussion and approval
  - iii. Disaffiliation – discussion, questions, pray and vote
  - iv. Close with Prayer

Ballot report

Ballot	Yes	No	Totals
Audited Membership	149	0	149
Disaffiliation	131	18	149

Verified/Counted by:

Printed Name	Signature	Date
Rev. Dayne J. Zachrisen		10/18/22
Chad Thure		10-18-22
Janet Stengel		10/18/22
Dr. Kim's Mutzenberger		10/18/22

### **Exhibit B-1**

The real estate located in Grant County, South Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

Exhibit B-2

CENTRAL UNITED METHODIST CHURCH - Milbank SD  
Balance Sheet as of December 31, 2021

Wednesday, October 12, 2022  
Account # Account Name

Page 1 of 4

	Beginning Balance	Period Activity	YTD Balance
<b>Assets</b>			
1.101.1001	356,180.89	(25,340.11)	239,936.41
1.301.1000	0.00	0.00	0.00
1.601.1000			
Checking Account 1			
Savings Account			
CUMC Endowments			
1.601.1011	28,110.88	1,191.90	52,957.70
1.601.1020	359,531.13	8,123.17	360,922.33
1.601.1025	90,238.20	2,065.77	91,784.10
1.601.1027	1,527.20	36.93	1,640.40
1.601.1029	277,373.46	6,705.49	297,933.68
1.601.1038	11,209.29	270.99	12,040.15
1.601.1039	419.58	10.15	450.69
1.601.1040	6,155.87	148.82	6,612.15
1.601.1041	58,939.29	1,424.86	63,308.15
Endowment Distributable #3733			
Corpus #3714			
Camp Scholarship #3729			
Cemetery #3730			
Leona Hanson #3732			
Pipe Organ #3731			
Missions #3759			
Opport.#3760			
Redman #3777			
Total CUMC Endowments	\$833,504.90	\$19,978.08	\$887,649.35
1.801.1000			
Real Estate Equity			
1.801.1010	2,648,000.00	0.00	2,648,000.00
1.801.1020	30,000.00	0.00	30,000.00
1.801.1030	20,000.00	0.00	20,000.00
1.801.1040	150,000.00	0.00	150,000.00
1.801.1050	59,576.69	0.00	59,576.69
Total Real Estate Equity	\$2,907,576.69	\$0.00	\$2,907,576.69
Total Assets	\$4,097,262.48	(\$5,362.03)	\$4,035,162.45
<b>Liabilities</b>			
2.101.1050	0.00	0.00	0.00
2.101.1055	0.00	0.00	0.00
2.101.1500	0.00	0.00	0.00
2.801.1050	0.00	0.00	0.00
2.801.1051	0.00	0.00	0.00
2.801.1052	0.00	0.00	0.00
2.801.1053	0.00	0.00	0.00
First Bank & Trust Loan			
1st Bank and Trust Loan			
Accounts Payable/Vendors			
Health Flex - Pastor's Share			
Lead Pastor's MRA			
Payroll Tax Deposit			
Retirement-Contribution Management			
Total Liabilities	\$0.00	\$0.00	\$0.00
<b>Fund Balances</b>			
3.000.1001	120,980.06	(4,412.88)	87,411.91
3.000.2000	833,504.90	19,978.08	887,649.35
3.000.3000			
General Fund Balance			
Endowment Fund			
In and Out Fund Balance			
Funeral/Wedding			
Total Liabilities	\$0.00	\$0.00	\$0.00

EXHIBIT B-3

CENTRAL UNITED METHODIST CHURCH - Milbank SD  
Balance Sheet as of December 31, 2021

Wednesday, October 12, 2022

Page 2 of 4

Account # Account Name

Account #	Account Name	Beginning Balance	Period Activity	YTD Balance
3.000.3004	Sunday School Offering Balance	0.00	0.00	0.00
3.000.3005	Debt Balance	0.00	0.00	0.00
3.000.3009	Grant Money from Dakota UM Foundation Balance	0.00	0.00	0.00
3.000.3010	Kids Hope Discretionary Balance	0.00	0.00	0.00
3.000.3013	Library Balance	0.00	0.00	0.00
3.000.3015	Ministry Center Balance	0.00	0.00	0.00
	<i>Total In and Out Fund Balance</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
3.000.3003	Love Gifts Balance	0.00	0.00	0.00
3.000.3006	Youth 2019 Mission Trip Balance	0.00	0.00	0.00
3.000.3007	UM Special Offering Balance	0.00	0.00	0.00
3.000.3008	Seminary Student Balance	0.00	0.00	0.00
3.000.3011	Church Hall Use Rental Balance	0.00	0.00	0.00
3.000.3012	Kids Helping Kids Discretionary Balance	0.00	0.00	0.00
3.000.3014	Chore Corps Balance	0.00	0.00	0.00
3.000.4000	Missions Balance	0.00	0.00	0.00
3.113.1000	Real Estate Equity Balance	0.00	0.00	0.00
3.601.0000	<i>Memorials Designated Funds Balance</i>	<i>2,907,576.69</i>	<i>0.00</i>	<i>2,907,576.69</i>
3.601.1000	Memorials Designated Balance	0.00	0.00	0.00
	<i>Total Memorials Designated Funds Balance</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
3.601.2000	Memorials Discretionary Funds Balance	0.00	0.00	0.00
3.701.1001	Milbank Area Backpack Balance	0.00	0.00	0.00
3.701.1002	Father's Day Balance	0.00	0.00	0.00
3.701.1003	Food Pantry Balance	0.00	0.00	0.00
3.701.1004	Community Youth Mission Trip 2016 Balance	0.00	0.00	0.00
3.701.1005	Gess UMC Eye Hospital (Kissy) Balance	0.00	0.00	0.00
3.701.1006	Gideons Balance	0.00	0.00	0.00
3.701.1007	Lenten Calendars Balance	0.00	0.00	0.00
3.701.1016	Sagar Brown Balance	0.00	0.00	0.00
3.701.1017	Solar Ovens Balance	0.00	0.00	0.00
3.701.1018	Zimbabwe Mission Balance	0.00	0.00	0.00
3.701.1021	UMCOR Balance	0.00	0.00	0.00
3.701.1022	2015 Youth Mission Trip Fundraiser Balance	0.00	0.00	0.00
3.701.1023	Turban Ministry Balance	0.00	0.00	0.00
3.701.1024	Local Emergency Gifts Balance	0.00	0.00	0.00
3.777.1000	<i>Designated Account Fund Balance</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
3.777.2000	BackPack Balance	0.00	(1,200.00)	0.00

Exhibit B-4

CENTRAL UNITED METHODIST CHURCH - Milbank SD  
Balance Sheet as of December 31, 2021

Wednesday, October 12, 2022

Account # Account Name

Page 3 of 4

	Beginning Balance	Period Activity	YTD Balance
3.777.2001 Central's Community Outreach Balance	3,349.01	1,099.50	4,448.51
3.777.2002 Endowments Balance	20.00	0.00	20.00
3.777.2003 Father's Day Balance	0.00	0.00	0.00
3.777.2004 Food Pantry Balance	0.00	0.00	0.00
3.777.2005 Gess Eye Hospital Balance	0.00	(50.00)	0.00
3.777.2006 Gideons Balance	0.00	0.00	0.00
3.777.2007 Haiti Mission Trips Balance	462.82	0.00	0.00
3.777.2009 Kids Hope Discretionary Balance	1,189.98	0.00	1,189.98
3.777.2016 Lenten Calendars Balance	0.00	0.00	0.00
3.777.2017 Library Balance	0.00	0.00	0.00
3.777.2018 Local Emergency Gifts Balance	388.56	0.00	388.56
3.777.2019 Love Gifts Balance	118.06	100.00	2,888.06
3.777.2020 Memorials Designated Balance	1,500.00	0.00	1,500.00
3.777.2023 Piano Balance	74.37	0.00	74.37
3.777.2024 Sager Brown Balance	0.00	(25.00)	0.00
3.777.2025 Solar Ovens Balance	0.00	0.00	0.00
3.777.2026 Sunday School Offerings Balance	1,412.86	0.00	1,463.84
3.777.2028 UMCOR Balance	0.00	0.00	0.00
3.777.2029 UM Special Offerings Balance	0.00	(145.00)	0.00
3.777.2030 Youth Mission Trips Balance	3,183.98	0.00	3,183.98
3.777.2031 Zimbabwe Balance	2,071.29	(25,435.48)	2,156.89
3.777.2032 Roof Insurance Checks Balance	180,604.52	0.00	0.00
3.777.2033 Youth Conference Events Balance	0.00	0.00	0.00
3.777.2034 Youth Excursions Balance	1,055.21	0.00	2,042.71
3.777.2035 Wed Night Outreach Balance	753.23	0.00	0.04
3.777.2036 Youth Room Remodeling Balance	0.00	0.00	0.00
3.777.2039 Camp Scholarship Balance	5,000.00	0.00	10,000.00
3.777.2040 Boiler System Fund Balance	500.00	0.00	500.00
3.777.2041 SBA PPP Loan Balance	0.00	0.00	0.00
3.777.2042 Dakota Conference Apportionments Balance	32,951.20	5,062.08	80,049.90
3.777.2043 Cru Donations Fund Balance	0.00	0.00	0.00
3.777.2044 Worship Equipment Balance	0.00	0.00	0.00
3.777.2045 Board of Ordained Ministry Fund Balance	0.00	0.00	0.00
3.777.2046 Communications Grant Balance	0.00	(333.33)	509.99
3.777.2047 Rebate Check Fund Balance	0.00	0.00	42,107.67
3.777.2048 Children's Area Remodel Balance	0.00	0.00	0.00
<i>Total Designated Account Fund Balance</i>	<i>\$234,635.09</i>	<i>(\$20,927.23)</i>	<i>\$152,524.50</i>

Exhibit B-5

CENTRAL UNITED METHODIST CHURCH - Milbank SD  
Balance Sheet as of December 31, 2021

Wednesday, October 12, 2022

Page 4 of 4

Account #	Account Name	Beginning Balance	Period Activity	YTD Balance
3.777.2008	Kids Helping Kids Discretionary Fund Balance	0.00	0.00	0.00
3.777.2010	Lenten/Advent Supper 1 Balance	287.00	0.00	0.00
3.777.2011	Lenten/Advent Supper 2 Balance	0.00	0.00	0.00
3.777.2012	Lenten/Advent Supper 3 Balance	0.00	0.00	0.00
3.777.2013	Lenten/Advent Supper 4 Balance	109.21	0.00	0.00
3.777.2014	Lenten Supper 5 Balance	0.00	0.00	0.00
3.777.2015	Lenten Supper 6 Balance	52.41	0.00	0.00
3.777.2021	Memorials Discretionary Fund Balance	0.00	0.00	0.00
3.777.2022	Ministry Center/Old Lounge Remodel Fund Balance	0.00	0.00	0.00
3.777.2027	Turbans Balance	117.12	0.00	0.00
3.777.2037	Church Use Fees Balance	0.00	0.00	0.00
3.777.2038	Funeral/Wedding Balance	0.00	0.00	0.00
	<b>Total Fund Balances</b>	<b>\$4,097,262.48</b>	<b>(\$5,362.03)</b>	<b>\$4,035,162.45</b>
	<b>Total Liabilities and Fund Balances</b>	<b>\$4,097,262.48</b>	<b>(\$5,362.03)</b>	<b>\$4,035,162.45</b>

**Exhibit C**  
**CEMETERY TRANSFER AGREEMENT**

**I. Agreement**

This Agreement is made on February 28, 2023 between the Dakotas Annual Conference of the United Methodist Church (“Conference”) and Central Church (“Independent Church”), a recently created church at a site formerly affiliated with Conference, located at Milbank, South Dakota.

**II. Transfer of Cemetery**

The Independent Church agrees to continue the ownership and operation of the cemeteries affiliated with Independent Church (“Cemetery”), which are located in Alban Township and Grant Center, Grant County, South Dakota.

**III. Obligations of Independent Church**

Independent Church agrees to continue all maintenance, repair, upkeep, and legal obligations previously imposed upon Central 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**

Independent Church 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.

**V. 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.

**VI. Assignment**

If the rights or obligations imposed by this Agreement upon Independent Church are assigned or transferred, Independent Church will notify Conference or, if no longer in existence, its successor, in writing.

**VII. 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.

**VIII. Governing Law**

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

**IX. 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.

**Independent Church**

By: Wayne Van Wert Date: 11-6-22  
Name: Wayne Van Wert  
Its: Trustee Chair

By: Jody Ruder Date: 11/6/22  
Name: Jody Ruder  
Its: Church Council Chair

By: Janet Loeschke Date: 11/7/22  
Name: Janet Loeschke  
Its: Secretary

**Conference**

Dakotas Annual Conference of The United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_

Its: Conference Trustee Chair and President of the Dakotas Annual Conference of the United Methodist Church

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_



EXHIBIT "A"

1350 11<sup>TH</sup> St NE  
Watertown South Dakota 57201  
(605) 886-2242 (Phone)  
www.cumowat.com; cornerstoneoffice1350@gmail.com

## **CORNERSTONE SPECIAL CHARGE CONFERENCE Tuesday, September 20, 2022 – 5:30 PM – Worship Center**

Opening prayer and devotional along with calling the meeting to order was done by North East District Superintendent Kris Mutzenburger with 185 members registered. 554 people are listed as active members of Cornerstone Church. Brandon led the group by singing "*Trust and Obey*".

- Approve the audited membership list. Only Cornerstone members present are allowed to vote, the first step was to approve our current membership list. This list was recently updated and was available for viewing in the church office during weekday office hours and on Sunday mornings for several weeks. Pastor Jen Taylor from 1<sup>st</sup> UMC, Pastor Jesse Hurkes, non-member from Cornerstone Church, and DS Kris Mutzenburger served as ballot counters. During the counting of the votes, Pastor Steve shared about the Sunday school department, the new roof project that is going on now, the playground financial update, and the delay in installation due to the supply chain,  
**Voting result: Unanimously approved.**

- Pastor Steve shared that this is not a jovial time.  
VOTING REGISTRATION WAS CLOSED AT 6:08 PM.  
Voting was done on the disaffiliation from the United Methodist Church. Pastor Steve shared about the Christmas Eve offering: 45% to a Ukraine missions ministry, 45% to a new pregnancy crisis center starting in Watertown, and 10% to the Cornerstone Emergency Relief Fund. Again, only members present voted. A 2/3 "Yes" vote of the members present is required to disaffiliate.  
**Voting result: 185 ballots cast; 184 yes and 1 no.**

The meeting adjourned with prayer at 6:15 PM by DS Kris.

Submitted by:

Lexie Vetch, Cornerstone Business Manager

Alan Hendricks, Administrative Board Chairman

### **Exhibit B-1**

The following described real estate located in Codington County, South Dakota:

Lot 1 in Block 15 of the plat entitled: "Lots 16 thru 23, Block 12; and Block 15; Konrady Addition to the Municipality of Watertown", Codington County, South Dakota, according to the recorded plat thereof LESS Lot H1 in Lot 1 Block 15 of the plat entitled, "Lots 16 thru 23 Block 12; and Block 15; Konrady Addition," located in the Northeast ¼ of Section 29, Township 117 North, Range 52 West of the 5<sup>th</sup> P.M., Codington County, South Dakota.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

# EXHIBIT B-2

## Cornerstone Church Balance Sheet As of December 31, 2021

	Dec 31, 21
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Building Fund	233,055.86
CD's	
CD 2297 FOOD PANTRY	10,595.81
CD 4909	10,494.11
CD 4910	10,923.78
CD 4911	11,161.01
CD 4912	11,753.89
CD 4913	12,296.73
CD1631(Escrowed Apportionme...	349,040.00
STOCKS	2,928.17
Total CD's	419,193.50
Main Checking Account	60,660.10
Restricted Checking	
Capital Improvement Technical	44,294.38
Capital Improvement Trustees	60,403.87
Designated Gifts	18,910.76
Emergency Relief	4,635.83
ENC	9,130.54
Escrowed Apportionments	59,353.87
General Savings	154,262.76
Hands of Care	1,370.73
Interest/borrow/in/out	-721.14
Kid's Ministry	20,744.81
Memorial	116,292.02
Men's Ministries	7,435.10
Ministry Dev. Fund	18,226.19
Missions	172,665.15
Pension/HealthRebate	42,511.86
WMI's	755.70
Youth (designated)	13,433.50
Restricted Checking - Other	1,304.44
Total Restricted Checking	745,010.37
Total Checking/Savings	1,457,919.83
Total Current Assets	1,457,919.83

6:49 PM

09/15/22

Accrual Basis

**EXHIBIT B-3**

**Cornerstone Church  
Balance Sheet  
As of December 31, 2021**

	Dec 31, 21
<b>Fixed Assets</b>	
Cornerstone Building	5,620,190.00
Discipleship Center	568,602.40
Land	247,959.00
Parking Lot	104,790.34
Total Fixed Assets	6,541,541.74
<b>TOTAL ASSETS</b>	<b>7,999,461.57</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
Current Liabilities	
Other Current Liabilities	6,310.18
AFLAC Payable	1,300.00
Payroll Liabilities	48,281.85
Garnishment Payable	
Payroll Liabilities - Other	
Total Payroll Liabilities	49,581.85
Total Other Current Liabilities	55,892.03
Total Current Liabilities	55,892.03
Total Liabilities	55,892.03
<b>Equity</b>	
Opening Balance Equity	6,368,310.76
Unrestricted Net Assets	1,224,347.82
Net Income	350,910.96
Total Equity	7,943,569.54
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>7,999,461.57</b>

7.1 Ashley Emanuel United Methodist Church

EXHIBIT A

Rev. Joel Winkler<sup>er</sup> opened up the Special \*  
Meeting of ELUMC Oct 17 @ 8:11p  
\* prayed / 18 present for voting.

Discussed the Membership List  
→ Voted & Unanimously approved.

Discussed Disaffiliation  
→ Voted & Unanimously YES.

Documents @ the Conference may  
send to us on Thursday Oct 20~~th~~  
• Disaffiliation Document - Legal Doc  
next step

• Nov 19<sup>th</sup> Annual Conference

• Disaffiliate on June 30 2023.

Nominations Slate - Approved.

Salary Compensation 2023 -

Affirm Pastor's comp. - Approved

Joel Winkler  
Joel Winkler

Marvel Gross  
Marvel Gross

10/17/22

## EXHIBIT B

### EMMANUEL UMC FINANCIAL REPORT 2021 - Last year 1/1/2021 through 12/31/2021

9/25/2022

Page 1

Category	1/1/2021- 12/31/2021
<b>INFLOWS</b>	
Covid SBA Loan	4,813
GARAGE RENT	790
INTEREST	27
OFFERING	
BLANKETS	170
oil Boom	175
REGULAR	38,353
SOLAR OVEN	900
UMCOR	925
TOTAL OFFERING	40,523
SALEM CEMETARY FENCE FUND	100
<b>TOTAL INFLOWS</b>	<b>46,243</b>
<b>OUTFLOWS</b>	
BLD FUND EX	125
CH.MAINTENANCE	150
CHURCH PROGRAM	
MUSIC	300
PULPIT SUPPLY	257
TOTAL CHURCH PROGRAM	557
CHURCH UTIL.	
CHURCH ELECTIC	5,036
CHURCH WATER	761
TELEPHONE	967
TOTAL CHURCH UTIL.	6,763
CONFERENCE	
BLANKET SUNDAY	170
SOLAR OVEN PAYIN	900
UMCOR	925
TOTAL CONFERENCE	1,995
INSURANCE	
CHURCH INSUR.	2,909
TOTAL INSURANCE	2,909
JANITOR SUPPLY	30
JANITOR WAGES	3,325
LUKE 10 MINISTRY TEAM	12,807
MISC EXPENSE	1,455
OFFICE EXPENSE	173
PASTOR SALARY	9,143
SALEM CEMETARY FENCE FUND EX	135
TAX	
S.S. TAX	551
WORKERS COMP	250
TOTAL TAX	801
<b>TOTAL OUTFLOWS</b>	<b>40,368</b>
<b>OVERALL TOTAL</b>	<b>\$,875</b>

## Exhibit B-1

The real estate located in McIntosh County, North Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

## 7.2 Bowman United Methodist Church

### Exhibit A

## Congregational Meeting to Vote on Disaffiliation with the United Methodist Church

September 7, 2022

Reverend Joel Winckler our district superintendent was presiding the church meeting.

There were 40 people present. Only 37 members were allowed to vote.

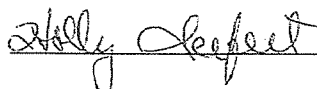
1. There were membership lists at each table. There was a vote held to approve the membership list as stated. There was one member in question Dana Stuber. This will be looked into, otherwise the vote to use the membership list was approved.
2. Ballots were handed out and a vote was held to disaffiliate with the United Methodist Church. The vote was unanimous. 100% to disaffiliate with the United Methodist Church.

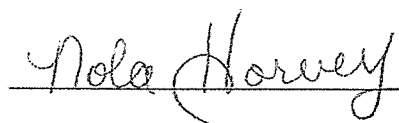
We thank Reverend Joel Winckler for coming down and overseeing our vote.

Dick McElmury made a motion to join the Global Methodist Church. The motion is as stated: "I move that the Bowman United Methodist Church become a member congregation of the Global Methodist Church, that it affirms and endorses the doctrinal standards (Part One), Social Witness (Part Two), and church governance of the Global Methodist Church as set forth in its Transitional Book of Doctrines and Discipline, and agrees to be accountable to such standards, witness, and governance. Our leadership and trustees are authorized to take all actions necessary to implement this motion." This motion was seconded by Judy Green. Motion carried.

Meeting was ended with a celebration in singing and closed.

Submitted by,

  
\_\_\_\_\_  
Holly Seifert, Ad Board Secretary

  
\_\_\_\_\_  
Nola Horvey, Ad Board Chair

## **Exhibit B-1**

The real estate located in Bowman County, North Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

## Exhibit B

8:28 AM  
08/17/22  
Cash Basis

### Bowman United Methodist Church Balance Sheet As of July 31, 2022

	Jul 31, 22	Jul 31, 21
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
1100-00 · Cash - Checking #9001	6,884.84	21,919.32
1100-01 · Cash - Savings #9012	56,778.61	70,430.89
1100-03 · CD - DWB	5,902.50	5,902.50
1100-04 · El Min Scholarship Fund	4,989.62	4,989.62
1100-06 · Memorial Fund #9011	14,015.10	16,501.12
1100-14 · Benevolence Fund #9003	212.59	617.59
1100-15 · Youth Fund #9002	6,225.95	5,054.90
<b>Total Checking/Savings</b>	95,009.21	125,415.94
<b>Total Current Assets</b>	95,009.21	125,415.94
<b>Fixed Assets</b>		
1100-09 · Capital Improvements	64,729.55	64,103.00
1100-10 · Equipment	9,621.00	9,621.00
<b>Total Fixed Assets</b>	74,350.55	73,724.00
<b>Other Assets</b>		
1100-11 · LPL Investment Acct		
1100-25 · Restricted Funds	5,245.00	5,245.00
1100-11 · LPL Investment Acct - Other	60,354.18	60,809.68
<b>Total 1100-11 · LPL Investment Acct</b>	65,599.18	66,054.68
1100-12 · LPL Capital Improv Acct	37,431.00	53,498.80
<b>Total Other Assets</b>	103,030.18	119,553.48
<b>TOTAL ASSETS</b>	272,389.94	318,693.42
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Other Current Liabilities</b>		
1200-01 · Payroll Liabilities	-1.03	4,596.83
1200-07 · Prepaid Legal Fees	0.00	-2,164.50
<b>Total Other Current Liabilities</b>	-1.03	2,432.33
<b>Total Current Liabilities</b>	-1.03	2,432.33
<b>Total Liabilities</b>	-1.03	2,432.33
<b>Equity</b>		
3000-00 · Fund Balance/Equity	416,431.88	416,431.88
32000 · Unrestricted Net Assets	-145,563.02	-146,241.20
Net Income	1,522.11	46,070.41
<b>Total Equity</b>	272,390.97	316,261.09
<b>TOTAL LIABILITIES &amp; EQUITY</b>	272,389.94	318,693.42

## 7.3 Lehr United Methodist Church

### EXHIBIT A

#### CHURCH CONFERENCE

Lehr United Methodist Church  
Sunday, August 21<sup>st</sup>, 11:00 a.m.

District Superintendent Joel Winkler began conference with prayer. The membership list was distributed and discussed; the list was approved with a majority vote.

DS Winkler outlined the process for disaffiliation from the United Methodist Church and commented that every church will do what is best for them. Ballots were then passed out to eligible voting members of the church to either disaffiliate from United Methodist Church or to remain United Methodist Church. Thirty-six ballots were counted, and the results were: 35 yes to disaffiliate, 1 not to disaffiliate and 1 vote was disqualified. Majority rules and the vote is to disaffiliate from the United Methodist Church.

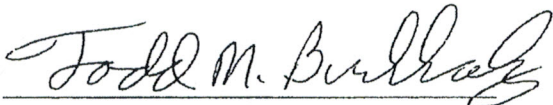
Todd Buchholz, church council chairperson brought up for discussion that we need to decide on a new church name. Seven names were presented and at the end of conference it was narrowed down to three names:

1. Lehr Community Church
2. New Hope Church
3. Lehr Hope Church

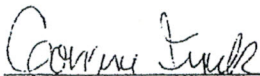
A simple majority vote will be taken on October 9<sup>th</sup>, 2022, at church conference after morning worship service to vote on new name. (Following church conference and conversation with DS Winkler it was decided to move date to name church to September 11<sup>th</sup>, 2022, to avoid backlog of other disaffiliations).

Other order of interest was discussion of either joining the Global Methodist Church or to become an independent church. Robert Erbele moved that the Lehr United Methodist Church become a member congregation of the Global Methodist Church, that it affirms and endorses the doctrinal standards (Part One), Social Witness (Part Two), and church governance of the Global Methodist Church as set forth in its Transitional Book of Doctrines and Discipline, and agrees to be accountable to such standards, witness, and governance. Our leadership and trustee are authorized to take all actions necessary to implement this motion. Melanie Lloyd 2<sup>nd</sup> motion. Motion approved.

The vote to disaffiliate will be presented at the special session of the Dakotas Annual Conference on November 19<sup>th</sup>, 2022. The agenda of the conference will include one business item: consideration of resolutions ratifying the disaffiliation of local churches from the United Methodist Church per the provisions of ¶2553.



Todd Buchholz, Chair, Church Council



Corrine Finck, Secretary, Church Council

## EXHIBIT B-1

The real estate located in McIntosh County, North Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.



## EXHIBIT B-2

### Lehr Community Church

403 East Street S.

Lehr, ND 58460

September 15, 2022

To Whom It May Concern:

On September 11, 2022, The Lehr United Methodist Church held a church conference for the purpose of voting on a name change for our church. (Minutes are attached.) The new name chosen was Lehr Community Church. As our church properties needed to be brought up to date since one in particular was still in the name of the Evangelical United Brethren, we chose to update the deeds using the new name of our church. Even though the name of the church has changed, our church remains a United Methodist congregation still subject to the trust clause as cited in the Book of Discipline until such time as our disaffiliation request is ratified by the Dakotas Annual Conference, or beyond if it is not ratified. The following are the assets of the Lehr Community Church, formerly known as the Lehr (Zion) United Methodist Church.

#### PROPERTY:

In the County of McIntosh and State of North Dakota: Lots One (1), Two (2), Three (3), Four (4), Five (5), and Six (6) in Block Four (4) of Leno's Addition to the City of Lehr, North Dakota

ESTIMATED VALUE: (Not Assessed) Insured Value: \$761,246-Building; \$40,000-Personal Property

#### FINANCIAL:

First Community Credit Union: Checking Account-\$10,156.73/Savings Account-\$38,007.93

Signatories: Jill Scherbenske, Corrine Finck

Unison Bank: NON INT REG & BSNS-\$151.42

Signatories: Jill Scherbenske, Robert Erbele

Unison Bank: Non Personal Certificate-\$4,509.66

Signatories: Jill Scherbenske, Robert Erbele

BP Stock: Estimated Value-\$502.40

Please let us know if you need any further information.

Blessings,

Jodi Cataldo, Administrative Pastor

PO Box 13

Lehr, ND 58460

862-432-0981

[Jodi.cataldo@gmail.com](mailto:Jodi.cataldo@gmail.com)

## 7.4 Williston Faith United Methodist Church

### EXHIBIT A

Faith United Methodist Church Conference November 1<sup>st</sup>, 2022

Church Conference for Faith United Methodist Church was held on Tuesday November 1<sup>st</sup>, 2022. There were 49 members present. Pastor Ross opened the meeting with prayer.

Reverend Joel Winckler convened the Church Conference.

Items on the agenda were as follows:


Approval of the audited membership list; this vote passed 48-1.

Disaffiliation vote with the following motion – “The Administrative Board at Faith United Methodist Church moves to disaffiliate from The United Methodist Church under the provisions of Book of Discipline paragraph 2553.” This vote passed 49-0.

Reverend Joel Winckler prayed and concluded the church conference.

Respectfully submitted,

Amanda Johnson – Secretary, Administrative Council

 - 11-1-22

Disaffiliation Church Conference Reporting Form

Date: 11-1-2022

Church: Faithumc, Williston, ND

Agenda:

- a. Disaffiliation Church Conference Agenda
  - i. Prayer/Devotion
  - ii. Audited membership list – discussion and approval
  - iii. Disaffiliation – discussion, questions, pray and vote
  - iv. Close with Prayer

Ballot report

Ballot	Yes	No	Totals
Audited Membership	48	1	49
Disaffiliation	49	0	49

Verified/Counted by:


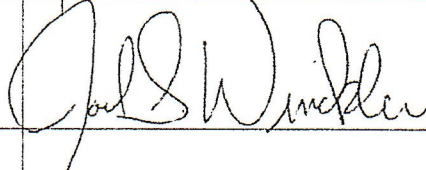
Printed Name	Signature	Date
Amanda Johnson		11-1-22
Joel Winkler		11-1-22

EXHIBIT B

Thursday, October 20, 2022

Faith UMI Church - Williston ND  
Treasurer's Report as of September 2022

Page 1 of 5

Account #	Account Name	Period Activity	Monthly Budget	YTD Balance	Budget YTD
<b>Expenses</b>					
5.000.001	SCOUT TROOP #368	2,051.00		17,094.00	
5.000.022	UNACCOUNTED FUNDS	0.00		50.00	
5.000.100	APPORTIONMENTS				
5.000.101	GENERAL APPORTIONMENTS	2,237.40	0.00	27,437.87*	0.00
5.000.103	PENSIONS & INSURANCE	2,156.34	2,237.00	(5,077.94)	20,133.00
5.000.104	HEALTH/FLEX DIRECT BILL	1,176.92	1,188.00	10,592.28	10,692.00
5.000.120	HEALTH/FLEX-SR. PASTOR'S SHARE	590.00	351.00	5,310.00*	3,159.00
5.000.133	UNPIP BEFORE TAX-SR PASTOR	2,250.00	0.00	20,250.00*	0.00
5.000.136	UNPIP BEFORE TAX-ASSOCIATE PASTOR	173.00	0.00	1,557.00*	0.00
	Total APPORTIONMENTS	\$8,583.66	3,776.00	\$60,069.21*	33,984.00
5.000.125	MIRA-SR PASTOR ADMINISTRATION	100.00	0.00	900.00*	0.00
5.000.200	OFFICE SUPPLIES/MAILINGS	0.00	375.00	2,340.86	3,375.00
5.000.201	TELEPHONE/INTERNET	0.00	175.00	0.00	1,575.00
5.000.203	EQUIPMENT/MAINTENANCE	454.66	458.00	4,770.14*	4,122.00
5.000.204	ANNUAL CONFERENCE/LAY MEMBERSHIP	0.00	58.00	236.90	522.00
5.000.205	COMPUTER PROGRAMS	0.00	0.00	345.00*	0.00
5.000.206	GUEST SPEAKERS	0.00	0.00	0.00	0.00
5.000.207	WORKSHOP RESTRATION	0.00	0.00	0.00	0.00
5.000.208	PUBLIC RELATIONS/ADVERTISING	0.00	83.00	1,539.40*	747.00
5.000.209	CHURCH WEBSITE	0.00	83.00	0.00	747.00
	Total ADMINISTRATION	\$454.66	1,232.00	\$9,232.30	11,088.00
5.000.300	CHRISTIAN EDUCATION EXPENSES				
5.000.301	CURRICULUM	0.00	158.00	0.00	1,422.00
5.000.303	VACATION BIBLE SCHOOL	0.00	125.00	0.00	1,125.00
5.000.304	SUPPLIES	0.00	25.00	0.00	225.00
5.000.305	TEACHING RESOURCES	0.00	25.00	0.00	225.00
5.000.306	SUMMER CAMP	0.00	150.00	0.00	1,350.00
5.000.307	SUNDAY SCHOOL LIBRARY	0.00	8.00	0.00	72.00
5.000.308	SPECIAL EVENTS	0.00	17.00	0.00	153.00
5.000.309	YOUTH/CONFIRMATION	0.00	8.00	0.00	72.00
5.000.310	ADULT MINISTRIES/DIBLE	0.00	13.00	0.00	117.00

Faith U/M Church - Williston ND  
Treasurer's Report as of September 2022

Thursday, October 20, 2022

Page 2 of 5

Account #	Account Name	Period Activity	Monthly Budget	YTD Balance	Budget YTD
	<i>STUDIES</i>				
5.000.311	NURSERY CARE FOR SPECIAL EVENTS	0.00	17.00	0.00	153.00
5.000.312	NURSERY SUPPLIES	0.00	17.00	0.00	153.00
5.300.002	BIBLES	0.00	13.00	0.00	117.00
	<i>Total CHRISTIAN EDUCATION EXPENSES</i>	<i>\$0.00</i>	<i>\$76.00</i>	<i>\$0.00</i>	<i>\$5,184.00</i>
5.000.400	<i>MUSIC WORSHIP</i>				
5.000.401	CHOIR MUSIC	0.00	0.00	0.00	0.00
5.000.402	ORGAN MUSIC	0.00	0.00	0.00	0.00
5.000.403	HANDBELL MUSIC	0.00	0.00	0.00	0.00
5.000.404	PIANO TUNING	0.00	42.00	501.00*	378.00
5.000.405	PRAISE TEAM MUSIC	0.00	42.00	0.00	378.00
5.000.406	MUSIC EQUIPMENT	0.00	13.00	0.00	117.00
5.000.407	BANNERS	0.00	0.00	0.00	0.00
5.000.408	NEW WORSHIP SERVICE	0.00	0.00	0.00	0.00
5.000.409	WORSHIP RESOURCES	0.00	33.00	0.00	297.00
5.000.410	CANDLES	0.00	0.00	0.00	0.00
5.000.411	COPYRIGHT LICENSE	0.00	38.00	0.00	342.00
5.000.412	SANCTUARY DECORATIONS	0.00	0.00	0.00	0.00
5.000.413	HANDBELL SUPPLIES	0.00	0.00	0.00	0.00
5.000.414	DIGITAL PROGRAMMING	0.00	0.00	914.00*	0.00
	<i>Total MUSIC WORSHIP</i>	<i>\$0.00</i>	<i>168.00</i>	<i>\$1,415.00</i>	<i>1,312.00</i>
5.000.500	<i>PROPERTY CARE/MAINTENANCE</i>				
5.000.501	UTILITIES: CHURCH	160.09	1,167.00	8,989.03	10,503.00
5.000.502	UTILITIES: PARSONAGE	0.00	417.00	4,134.35*	3,753.00
5.000.503	REPAIR/MAINT: CHURCH	709.02	333.00	(13,121.11)	2,997.00
5.000.504	REPAIR/MAINT: PARSONAGE	222.10	50.00	222.10	450.00
5.000.505	JANITOR SUPPLIES	0.00	123.00	0.00	1,125.00
5.000.506	PROPERTY INSURANCE	0.00	917.00	91.00	8,253.00
	<i>Total PROPERTY CARE/MAINTENANCE</i>	<i>\$1,091.21</i>	<i>3,009.00</i>	<i>\$315.37</i>	<i>27,081.00</i>
5.000.600	<i>CHURCH MINISTRY</i>				
5.000.601	EVANGELISM-MEMBERSHIP	0.00	0.00	0.00	0.00
5.000.602	SOCIAL CONCERNS/MISSION/OIF/ASSISTANTS	(139.19)	250.00	(19,688.11)	2,250.00
	<i>Total CHURCH MINISTRY</i>	<i>(\$139.19)</i>	<i>250.00</i>	<i>(\$19,688.11)</i>	<i>2,250.00</i>

Faith UM Church - Williston ND  
Treasurer's Report as of September 2022

Thursday, October 20, 2022

Page 3 of 5  
Budget YTD

Account #	Account Name	Period Activity	Monthly Budget	YTD Balance	Budget YTD
5.000.700	<i>PAYROLL EMPLOYEES</i>				
5.000.701	SECRETARY SALARY	0.00	0.00	0.00	0.00
5.000.702	CUSTODIAN SALARY	558.50	1,083.00	10,354.60*	9,747.00
5.000.703	WORKMEN'S COMPENSATION	0.00	33.00	0.00	297.00
5.000.704	FEDERAL TAXES/SOCIAL SECURITY	0.00	150.00	3,032.82*	1,350.00
5.000.705	FINANCIAL SECRETARY	0.00	55.00	384.51	495.00
5.000.706	ASST. FINANCIAL SECRETARY	0.00	7.00	0.00	63.00
5.000.707	CHURCH TREASURER	0.00	55.00	0.00	495.00
5.000.708	CHOIR DIRECTOR	0.00	0.00	0.00	0.00
5.000.709	CHOIR ACCOMPANIST	0.00	0.00	0.00	0.00
5.000.710	ORGANIST	0.00	258.00	3,236.30*	2,322.00
5.000.711	MUSIC DIRECTOR	0.00	500.00	0.00	4,500.00
5.000.712	CHURCH ACCOMPANISTS	0.00	0.00	200.00*	0.00
5.000.713	HANDBELL DIRECTOR	0.00	0.00	0.00	0.00
5.000.714	EDUCATION DIRECTOR	0.00	232.00	1,712.12	2,088.00
5.000.715	SOUND SYSTEM TECHNICIANS	62.50	53.00	662.50*	477.00
5.000.716	NURSERY CARETAKER	0.00	202.00	1,490.22	1,818.00
5.000.717	DIGITAL PROGRAMMING TECHNICIANS	25.00	142.00	150.00	1,278.00
5.000.718	CUSTODIAN ASSISTANT	0.00	100.00	0.00	900.00
	<i>Total PAYROLL EMPLOYEES</i>	<i>5646.00</i>	<i>2,870.00</i>	<i>521,223.07</i>	<i>25,830.00</i>
5.000.800	<i>PASTORAL SUPPORT</i>				
5.000.801	PASTOR'S SALARY	2,604.88	6,033.00	44,283.00	54,297.00
5.000.802	ASSOCIATE PASTOR'S SALARY	2,210.33	4,645.00	37,574.43	41,805.00
5.000.803	PASTOR'S PERSONAL INVESTMENT	0.00	0.00	0.00	0.00
5.000.804	PASTOR'S TRAVEL	0.00	0.00	1,786.23*	0.00
5.000.805	PASTOR'S ANNUAL CONFERENCE	0.00	100.00	236.90	900.00
5.000.806	PASTOR'S ARP	0.00	910.00	3,826.53	8,190.00
	<i>Total PASTORAL SUPPORT</i>	<i>54,815.21</i>	<i>11,688.00</i>	<i>887,707.09</i>	<i>105,192.00</i>
5.001.001	BOWEN/ZIMMERMAN	924.00		6,188.00	
5.001.002	ERNESTINE MARTIN	561.00		3,757.00	
5.001.003	ZIMMERMAN/BOWEN	372.00		2,491.00	
5.001.004	COVLIN YOUTH	1,883.00		15,824.00	
5.001.005	DODD YOUTH	650.00		5,435.00	
5.002.001	DORRIS CORRIE FUND	17,857.00		119,609.00	

Faith UM Church - Williston ND  
Treasurer's Report as of September 2022

Thursday, October 20, 2022

Page 4 of 5  
Budget YTD

Account #	Account Name	Period Activity	Monthly Budget	YTD Balance	Budget YTD
5.002.002	FAITH UNITED METHODIST FUND	17,475.00		117,042.00	
5.002.003	ADAMS EXPRESS COMPANY FUND	0.00		0.00	
5.002.004	IRET INVESTMENT	0.00		0.00	
5.002.005	CHURCH FUND	0.00		9,612.00	
	<b>Total Expenses</b>	<b>\$57,324.55</b>	<b>\$23,569.00</b>	<b>\$458,275.93*</b>	<b>\$212,121.00</b>
<b>Income</b>					
4.004.001	DORRIS CORRIE	0.00		26,193.00	
4.010.001	PASTORS MATCHING FUND	0.00		0.00	
4.020.001	SCOUT TROOP #368	0.00		3,324.00	
4.030.001	BOWEN-ZIMMERMAN SCHOLARSHIP	0.00		1,355.00	
4.030.002	ERNESTINE MARTIN SCHOLARSHIP	0.00		823.00	
4.030.003	ZIMMERMAN/BOWEN UNDERGRADUATE	0.00		545.00	
4.030.004	COVLIN YOUTH CAMPING	0.00		3,181.00	
4.030.005	DODD YOUTH MINISTRY	0.00		1,098.00	
4.040.002	FAITH UNITED METHODIST CHURCH	0.00		25,633.00	
4.040.003	ADAMS EXPRESS COMPANY	0.00		0.00	
4.040.004	IRET	0.00		0.00	
4.040.005	DORRIS CORRIE/FUMC	0.00		0.00	
4.040.006	FAITH CHURCH FUND	2,412.00		8,823.00	
4.101.001	GENERAL OFFERING	13,614.93		155,901.18	
4.101.002	INTEREST	0.00		196.57	
4.101.003	OIL LEASE	4,585.51		31,933.95	
4.101.005	MEMORIAL	0.00		8,015.00	
4.101.006	MISC/OFFICE	0.00		0.00	
4.101.007	SPECIAL GIFTS	1,300.00		7,415.00	
4.101.008	EASTER MEMORIAL	0.00		540.00	
4.101.010	EQUITABLE COMPENSATION	0.00		0.00	
4.101.011	CHRISTIAN EDUCATION	0.00		0.00	
4.101.012	SANCTUARY UPDATE	0.00		0.00	
4.101.013	CHRISTMAS MEMORIAL	0.00		1,000.00	
4.101.104	LENTEN OFFERING	0.00		0.00	
	<b>Total Income</b>	<b>\$21,912.44</b>		<b>\$275,976.70</b>	
	<b>Difference</b>	<b>(\$35,412.11)</b>	<b>(\$23,569.00)</b>	<b>(\$182,299.23)</b>	<b>(\$212,121.00)</b>

Faith UM Church - Williston ND  
Treasurer's Report as of September 2022

Thursday, October 20, 2022

Page 5 of 5

Account #	Account Name	Period Activity	Monthly Budget	YTD Balance	Budget YTD
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\* Income Expense exceeds amount budgeted to date

## Exhibit B-1

The real estate and mineral interests located in Williams and McKenzie County, North Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

Section 8: Southeast District Disaffiliation Agreement Supporting Documents

8.1 Arlington United Methodist Church

Exhibit A

Disaffiliation Church Conference Reporting Form

Date: 10  
 Church: Arlington  
 Agenda:

- a. Disaffiliation Church Conference Agenda
  - i. Prayer/Devotion
  - ii. Audited membership list – discussion and approval
  - iii. Disaffiliation – discussion, questions, pray and vote
  - iv. Close with Prayer

Ballot report

Ballot	Yes	No	Totals
Audited Membership	37	1	38
Disaffiliation	32	6	38

84.2%

Verified/Counted by:

Printed Name	Signature	Date
Howard Springer	<i>[Signature]</i>	Oct 16, 22
Rebecca Truitt	<i>[Signature]</i>	10-16-22

### **Exhibit B-1**

The real estate located in Kingsbury County, South Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

Exhibit B-2

**DAKOTAS FOUNDATION**

BALANCE - Contact Sheri Meister

Thelma J Serr Endowment Acct #2451	Undesignated - Interest earned goes to Arlington Methodist checking account
Arthur & Charlene Richardson UMC Youth Endowment #3028	Undesignated - 80% of interest earned goes to Arlington Methodist Youth Group
Scheller Endowment Acct #3185	Undesignated - Interest earned goes to Arlington Methodist Missions
Balance Fund Investment Acct #3826	Undesignated "Rainy Day Fund" Contact Sheri Meister

**CHARITABLE TRUST**

BALANCE as of Sept 30, 2022

Thelma J Serr Charitable Remainder Trust	571,804.71 AR Methodist Church = 20%
---	--------------------------------------

**BANK ACCOUNTS**

BALANCE as of 10-24-2022

<b>CHECKING</b>	To pay church & parsonage financial 3,551.65 obligations
<b>MISSION / SAVINGS</b>	
(MISSIONS)	Ukraine, Arlington Ministerial Assoc., 3,536.11 and Undesignated missions
(SAVINGS)	For Dissaffiliation Oct, Nov, Dec 2022 3,300.00 Apportionments 1.00 For Church Property
<b>MEMORIAL</b>	1,001.99 Undesignated Memorials
<b>YOUTH</b>	1,384.73 For Youth educational materials

**DEBTS**

BALANCE as of 10-24-2022

VISA CREDIT CARD	0	Any charges are paid monthly
------------------	---	------------------------------

8.2 Elk Point United Church

ELK POINT  
EPUP MEMBERSHIP LIST  
SEPTEMBER 30, 2022

10/23/22

- |  |  |
|--|--|
| 1. KIM BAKER (ROBERT)                            | 29. VELORIS HUBER                              |
| 2. CARLA BAMBAS                                  | 30. DAVID JACOBS <i>David Jacobs</i>           |
| 3. REV. DAVID BAMBAS <i>Carla Bambas</i>         | 31. NOELLE JACOBS <i>Noelle Jacobs</i>         |
| 4. MARY BRANSON                                  | 32. BECKY KEEN                                 |
| 5. MARK BUENGER                                  | 33. LOREN KELLEN                               |
| 6. BILL BUSKER                                   | 34. LORI KELLEN                                |
| 7. BARB CAMPBELL (CLAYTON) <i>Barb Campbell</i>  | 35. RHONDA KOOIMAN <i>Rhonda Kooiman</i>       |
| 8. CHERYL CAMPBELL                               | 36. GREG LARSON <i>Greg Larson</i>             |
| 9. FERN CHICOINE                                 | 37. LISA LARSON <i>Lisa Larson</i>             |
| 10. MATTHEW DOSDALL <i>Matthew Dossall</i>       | 38. BEV LEE                                    |
| 11. SARAH DOSDALL <i>Sarah Dossall</i>           | 39. GLORIA MILLER <i>Gloria Miller</i>         |
| 12. JOSHUA DOSDALL <i>Joshua Dossall</i>         | 40. JEFF MONAHAN                               |
| 13. ULRIKE DOSDALL <i>Ulrik Dossall</i>          | 41. TONIA MONAHAN <i>Tonia Monahan</i>         |
| 14. LYLE DOWNS                                   | 42. ADRIAN NORRIS <i>Adrian Norris</i>         |
| 15. TERRY EDGAR                                  | 43. MELANIE NORRIS <i>Melanie Norris</i>       |
| 16. TAM EDGAR <i>Tam Edgar</i>                   | 44. COURTNEY NORTON (ROBERT)                   |
| 17. DENNIS FERDIG <i>Dennis Ferdig</i>           | 45. CHERIE NOTEBOOM                            |
| 18. NORMA FERDIG <i>Norma Ferdig</i>             | 46. MARK NOTEBOOM                              |
| 19. JOHN GUENTHNER (CONNIE) <i>John Guenther</i> | 47. ANGELA PEIRCE                              |
| 20. CAROL ANN HAGEN - <i>Carol Ann Hagen</i>     | 48. KEN PEIRCE                                 |
| 21. TONI HALL (KEITH) <i>Toni Hall</i>           | 49. MARTY PIERCE (CARLY)                       |
| 22. EVELYN HANSON <i>Evelyn Hanson</i>           | 50. BEN QUAM <i>Ben Quam</i>                   |
| 23. JOSEPH HANSON                                | 51. KRISTIE QUAM <i>Kristie Quam</i>           |
| 24. SAMANTHA HANSON <i>Samantha Hanson</i>       | 52. LEA REYNOLDS <i>Lea Reynolds</i>           |
| 25. DOUG HANSON <i>Doug Hanson</i>               | 53. ALTA ROSENBAUM                             |
| 26. JEANNE HANSON <i>Jeanne Hanson</i>           | 54. SHIRLEY ROSENBAUM <i>Shirley Rosenbaum</i> |
| 27. LENNY HUBER                                  | 55. <del>RODNEY ROSENBAUM</del>                |
| 28. SHELLEY HUBER                                | 56. SHIRLEY SCOTT (DOUG) <i>Shirley Scott</i>  |
|  | 57. PATTY SKINNER (ROGER) <i>Patty Skinner</i> |
|  | 58. FRANK STICKNEY <i>Frank Stickney</i>       |

**EXHIBIT A-1**

- 59. SONDRA STICKNEY *Sondra Stickney*
- 60. STEVE TAYLOR
- 61. CARL TEPLY
- 62. JANELLE TEPLY
- 63. ISABEL TROBAUGH *Isabel Trobaugh*
- 64. JOHN TRUDEAU *John Trudeau*
- 65. LORA TRUDEAU *Lora Trudeau*
- 66. BRENDA TRUHE
- 67. DON TRUHE
- 68. CRISTIN VANDER WEERDT *Wander Weerd*
- 69. ELIJAH VANDER WEERDT *EJ*
- 70. RHONDA WEIDNER *Rhonda Weidner*
- 71. STEVE WEIDNER *Steve Weidner*
- 72. STARR WELCH *Starr Welch*
- 73. DARLA WESTIN
- 74. CARMEN WILCOX *Carmen Wilcox*
- 75. LARRY WILCOX *Larry A Wilcox*
- 76. AMANDA WILCOX *Amanda*
- 77. BRETT WILCOX *Brett Wilcox*

**FRIENDS OF THE CHURCH**

- 1. KORY FRANK
- 2. ELIZABETH FRANK
- 3. TAMMY SCOLLARD
- 4. DOUG NOBLE
- 5. RICHARD FENNEL
- 6. MONA FENNEL
- 7. CLAYTON CAMPBELL
- 8. GARY NEBELSICK
- 9. BART PHELPS
- 10. CARLY PEIRCE
- 11. GREG SVANDA
- 12. JEANNE SVANDA
- 13. TIM DAILEY
- 14. KELLYE DAILEY
- 15. KAREN NISSEN
- 16. LAURIE HUMMEL
- 17. MATTHEW CLICK
- 18. NATE EILERS
- 19. MICHELLE EILERS
- 20. MATT SHELEY
- 21. STACIE SHELEY
- 22. JUSTIN KEEGAN
- 23. ASHELIGH KEEGAN

Please Inform us if you think there are any errors. Thank you!

1 100%  
 III To Accept  
 III Roster  
 III Wander Weerd  
 III  
 III  
 III  
 III  
 III

Vote  
 To Disaffiliate  
 Yes No  
 43 3  
 93.5 %

*Greg Larson*

**EXHIBIT A-2**

10/23/22  
*Rebecca Jay*

### **Exhibit B-1**

The real estate located in Union County, South Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

# Elk Point United Parish

**EXHIBIT** *B-2*

## Balance Sheet

As of September 30, 2022

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
American Financial Investment	0.00
Building Checking	1,605.20
Liberty Checking	0.00
Building Fund	238.05
Family Concerns	4,608.95
General Fund	10,037.80
Love in Action	0.00
Service Auction	0.00
Special Giving	4,102.99
Technology	1,500.00
<b>Total Liberty Checking</b>	<b>20,487.79</b>
Maintenance Money Market	10,251.68
Money Market	0.00
Building Fund	0.00
Christian Camp Fund	897.60
Hanson Memorial for Cont. Ed of Laypeople	1,208.78
MM- General Fund	2,710.70
MM- General Memorial	2,078.38
MM- Technology	176.55
MOB Building Fund	150.00
Youth/Mission	600.50
<b>Total Money Market</b>	<b>7,822.51</b>
<b>Total Bank Accounts</b>	<b>\$40,167.18</b>
<b>Total Current Assets</b>	<b>\$40,167.18</b>
<b>TOTAL ASSETS</b>	<b>\$40,167.18</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Long-Term Liabilities	
Building Loan	238,720.68
<b>Total Long-Term Liabilities</b>	<b>\$238,720.68</b>
<b>Total Liabilities</b>	<b>\$238,720.68</b>
Equity	
Opening Balance Equity	-143,526.81
Retained Earnings	45,787.25
Net Income	-100,813.94
<b>Total Equity</b>	<b>\$ -198,553.50</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$40,167.18</b>

8.3 Hitchcock United Methodist Church

**EXHIBIT A**

Disaffiliation Church Conference Reporting Form

Date: 10-24-22

Church: Hitchcock


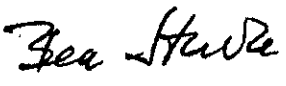
Agenda:

- a. Disaffiliation Church Conference Agenda
  - i. Prayer/Devotion
  - ii. Audited membership list – discussion and approval
  - iii. Disaffiliation – discussion, questions, pray and vote
  - iv. Close with Prayer

Ballot report

Ballot	Yes	No	Totals
Audited Membership	55	-	55
Disaffiliation	53	2	55

Verified/Counted by:

Printed Name	Signature	Date
Rebecca Trefz		10-24
Bea Stucke		10-24

### **Exhibit B-1**

The real estate located in Beadle and Spink County, South Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.



8.4 Stickney United Methodist Church

# EXHIBIT A

Disaffiliation Church Conference Reporting Form

Date: Oct 16, 2022

Church: Stickney

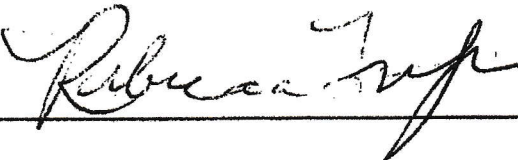
Agenda:

- a. Disaffiliation Church Conference Agenda
  - i. Prayer/Devotion - 1 Cor 12:12-27
  - ii. Audited membership list - discussion and approval
  - iii. Disaffiliation - discussion, questions, pray and vote
  - iv. Close with Prayer Phil 1

Ballot report

Ballot	Yes	No	Totals
Audited Membership	23	0	
Disaffiliation	19	4	82.6%

Verified/Counted by:

Printed Name	Signature	Date
Rebecca Trefz		10-26-22
Andrea Hult		

## **Exhibit B-1**

The real estate located in Aurora County, South Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

# EXHIBIT B-2

## United Methodist Church Year ending 2021 Balance Sheet

<b>Assets</b>	
<b>Current assets:</b>	<b>Current Year</b>
Checking account	\$19,992.83
Missions account	\$4,143.60
Savings Account	\$87,022.19
Accounts receivable	\$0.00
Pre-paid expenses	\$0.00
Other	-
<b>Total current assets</b>	<b>111,158.62</b>
<b>Fixed assets:</b>	<b>Current Year</b>
Property and equipment	2,000.00
Leasehold improvements	-
Equity and other investments	-
Less accumulated depreciation	-
<b>Total fixed assets</b>	<b>2,000.00</b>
<b>Other assets:</b>	<b>Current Year</b>
Goodwill	-
<b>Total other assets</b>	<b>-</b>
<b>Total assets</b>	<b>113,158.62</b>
<b>Liabilities and owner's equity</b>	
<b>Current liabilities:</b>	<b>Current Year</b>
Accounts payable	\$0.00
Accrued wages	\$0.00
Accrued compensation	\$0.00
Income taxes payable	\$0.00
Unearned revenue	\$0.00
Other	\$0.00
<b>Total current liabilities</b>	<b>-</b>
<b>Long-term liabilities:</b>	<b>Current Year</b>
Mortgage payable	\$0.00
<b>Total long-term liabilities</b>	<b>-</b>
<b>Owner's equity:</b>	<b>Current Year</b>
Investment capital	\$0.00
Accumulated retained earnings	\$0.00
<b>Total owner's equity</b>	<b>-</b>
<b>Total liabilities and owner's equity</b>	<b>\$0.00</b>
<b>Balance</b>	<b>113,158.62</b>

## Section 9: Southwest District Disaffiliation Agreement Supporting Documents

### 9.1 Belle Fourche United Methodist Church

**EXHIBIT** A-1

**Belle Fourche United Methodist Church Conference  
October 26, 2022 – 5:30 pm**

Members signed in and obtained ballots as they entered the sanctuary.

District Superintendent Dan Bader opened the meeting with a devotion from *Christianity Today*. Superintendent Bader read scripture beginning with Ephesians 4:2 and from John 13.

District Superintendent Bader led the members in prayer.

DS Bader called to order the Church Conference of the Belle Fourche Methodist Church.

No discussion was had regarding the audited membership list. The members came forward to cast their ballots and place them in the ballot box.

Ballots to approve the audited membership list were counted by Janelle Austin (Administrative Board Chair), Pastor Gail Arnold and District Superintendent (DS) Bader. Fifty-seven members voted and it had 100% approval.

DS Bader asked if anyone had any questions for him regarding the disaffiliation. There were no questions.

If the vote is to disaffiliate, it will go to the Special Annual Conference on Nov. 19. If approved, the disaffiliation date which was chosen will be December 31, 2022.

Pastor Sheri Fadley led the congregation in prayer.

The members came forward to cast their ballots on the disaffiliation of the Belle Fourche Methodist Church from the United Methodist Church. The disaffiliation ballots were counted by Janelle Austin, Pastor Gail Arnold and DS Bader. 57 Votes were counted with 46 to approve the disaffiliation and 11 not to disaffiliate. 80.7% decided to disaffiliate from the United Methodist Church.

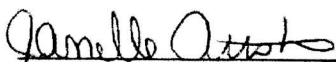
DS Bader announced that if members want to retain the United Methodist Church membership, he offered to help and left cards for Pastor Sheri Fadley and Pastor Gail Arnold to give out. DS Bader said that persons can be United Methodist Church members and can still worship here.

Dan Bader closed in prayer.

Respectfully submitted,



Eileen Miller, Recording Secretary



Janelle Austin, Administrative Board Chair

# EXHIBIT A-2

## Disaffiliation Church Conference Reporting Form

Date: October 26, 2022

Church: Belle Fourche

Agenda:

- a. Disaffiliation Church Conference Agenda
  - i. Prayer/Devotion
  - ii. Audited membership list – discussion and approval
  - iii. Disaffiliation – discussion, questions, pray and vote
  - iv. Close with Prayer

Ballot report

Ballot	Yes	No	Totals
Audited Membership	57	0	57
Disaffiliation	46	11	57

824  
57  
80.7%

Verified/Counted by:

Printed Name	Signature	Date
Gail Arndt	<i>Gail Arndt</i>	10/26/22
Janelle Austin	<i>Janelle Austin</i>	10-26-22
Dan Bader	<i>Dan Bader</i>	10/26/22

### **Exhibit B-1**

The real estate located in Butte County, South Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

Exhibit B-2

**Belle Fourche United Methodist Church**  
**Balance Sheet**  
 10/17/2022

**Assets:**

First Interstate Bank	\$97,035.94
Interfaith FCU Savings	\$5.00
First Interstate Mutual Fund	\$9,314.69

**Fixed Assets:**

Church-own land, buildings, trailer	\$ 2,100,000.00
<b>Total Assets</b>	<b>\$2,206,355.63</b>

**Liabilities:**

IRS	\$ 690.72
<b>Total Liabilities</b>	<b>\$ 690.72</b>

**Fund Balances (Equity)**

First Interstate Bank	\$32,700.93
UM First Choice FCU Savings	\$5.00
Apportionments	\$13,398.34
Pension	\$48,141.44
First Interstate Mutual	\$9,314.69
Christian Education	\$1,777.87
Pastor's Discretionary	\$326.64

**Equity (Continued)**

Church -Own Land Buildings, Trailer	\$2,100,000
<b>Total Equity</b>	<b>\$ 2,206,355.63</b>

## 9.2 Eureka United Methodist Church

### Exhibit A

#### **Disaffiliation Meeting Minutes October 30th, 2022**

Church congregation, Dan Bader opened in prayer at 10 am

Dan explained the first 2 votes and offered prayer before each one.

1. Vote on audited membership list- unanimously yes
2. Vote on disaffiliating from the United Methodist Church under the provisions of the Book of Discipline paragraph 2553. Target date of November 30, 2022- 7 vote No, 63 Yes

Dan explained if the people who voted no want to remain UMC could transfer their membership with him after the meeting otherwise they will automatically become members of the newly established church.

Dan respectfully offered to be available for a few minutes before he leaves.

Pastor Shawn took over the meeting with a word of prayer.

Lori Lutz, council President explained the next vote...to move forward with affiliating with the Global Methodist Church. Pastor Shawn explained that he would join the GMC and continue to be our pastor.

1. Vote on affiliating with GMC – 8 No- 62 Yes
  2. Vote on New Name-6 did not vote 13- Journey 22- One Hope- 29 Saving Grace
- Saving Grace Community Church will be the name for our church.

There being no further business, Pastor Shawn closed the meeting in prayer. Meeting adjourned at 10:45 am

Respectfully Submitted

Tricia Grajczyk, Sec/Treas.

*Lori Lutz*  
President Church Council

### **Exhibit B-1**

The real estate located in McPherson County and Campbell County, South Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

11:41 AM  
10/18/22  
Accrual Basis

**Eureka United Methodist Church  
Balance Sheet  
As of September 30, 2022**

	<u>Sep 30, 22</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Account General	3,497.26
Account Next Step Savings	41,229.73
CD # 1- Next Step- 1 year	15,618.50
CD # 2-Next Step 6 month	15,054.62
CD # 4- 12 month	20,834.76
CD # 6- Joachim 4 year	3,343.62
CD # 7- Scholarship 1 year	5,043.33
Improvement Fund	1,105.11
Joachim Cemetary Savings	2,515.52
Memorials and Wills	6,610.18
Ruth Grenz/ Ameriprise Investmt	12,271.01
Technology Funds	8,986.43
YF Mission Fund	2,677.61
<b>Total Checking/Savings</b>	<u>138,787.68</u>
<b>Total Current Assets</b>	<u>138,787.68</u>
<b>TOTAL ASSETS</b>	<u><u>138,787.68</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Equity</b>	
Opening Balance Equity	145,874.31
Retained Earnings	21,996.21
Net Income	<u>-29,082.84</u>
<b>Total Equity</b>	<u>138,787.68</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>138,787.68</u></u>

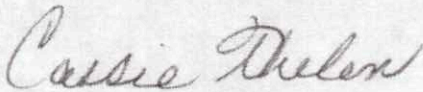
## 9.3 Kennebec United Methodist Church

### Kennebec Church Board Minutes

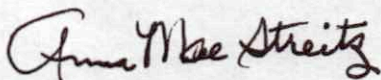
October 30, 2022

District Superintendent Dan Bader called the meeting to order at 5:30 pm on October 30, 2022. In attendance were DS Dan Bader, Jeff Lathrop, Holly Lathrop, Joann Hipple, Pastor Thomas Carlson, Presho Church members, Kennebec Church members, and Reliance Church members. DS Bader led us in a short devotion and reflection time. Pastor Thomas led us in prayer. DS Bader shared some points to consider in the process of disaffiliation. The churches will vote separately on the disaffiliation question. Kennebec would be first, Presho second, and Reliance third.

The Kennebec Church members signed in to the area designated for voting and were issued their ballots and a church membership list. DS Bader explained how the vote would be handled. There would be two votes by written ballot, first being a vote to approve or disapprove the audited membership list presented. Ballots were marked and then collected. Count of the ballots was done by Anna Mae Streitz, Joann Sipple and Jeff Lathrop. Members voting were 23. Voters voted to approve the list 100%. DS Bader opened the floor for any questions on the disaffiliation process. December 31, 2022, has been set for the disaffiliation date if the vote carries. There are several legal issues that must be handled before that time if the vote passes. No questions were asked so DS Bader led us in prayer. Voting on the disaffiliation issue was done on paper ballots, these were collected and counted by the same team. Vote passed by 98% to disaffiliate. The members will meet following this to take another vote on which direction the church would like to go following the disaffiliation. DS Bader closed the meeting with prayer.



Cassie Thelen  
Acting Secretary



Anna Mae Streitz  
Kennebec Church Board Chairman

### **Exhibit B-1**

The real estate located in Lyman County, South Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

EXHIBIT <sup>B-</sup>2

**KENNEBEC UNITED METHODIST BALANCE SHEET**  
**26-Oct-22**

**ASSETS**

**DEBTS**

CHECKING ACCOUNT    \$        2,920.86                      \$0.00

Insurance Value  
(Replacement Cost)

CHURCH BUILDING        \$        271,000.00

Business Personal Property    \$        48,900.00

**Total Presho:**                      \$        322,820.86

---

**EXHIBIT** *A*

**Presho Church Board Minutes**

**October 30, 2022**

District Superintendent Dan Bader called the meeting to order at 5:30 pm on October 30, 2022. In attendance were DS Dan Bader, Jeff Lathrop, Holly Lathrop, Joann Hipple, Pastor Thomas Carlson, Presho Church members, Kennebec Church members, and Reliance Church members. DS Bader led us in a short devotion and reflection time. Pastor Thomas led us in prayer. DS Bader shared some points to consider in the process of disaffiliation. The churches will vote separately on the disaffiliation question. Kennebec would be first, Presho second, and Reliance third.

The Presho Church members signed in to the area designated for voting and were issued their ballots and a church membership list. DS Bader explained how the vote would be handled. There would be two votes by written ballot, first being a vote to approve or disapprove the audited membership list presented. DS Bader led in prayer. Ballots were marked and then collected. Count of the ballots was done by Michelle Lintvedt, Joann Sipple and Jeff Lathrop. Members voting were 25. Voters voted to approve the list 100%. DS Bader opened the floor for any questions on the disaffiliation process. December 31, 2022, has been set for the disaffiliation date if the vote carries. There are several legal issues that must be handled before that time if the vote passes. No questions were asked so DS Bader led us in prayer. Voting on the disaffiliation issue was done on paper ballots, these were collected and counted by the same team. Vote passed by 99% to disaffiliate. The members will meet following this to take another vote on which direction the church would like to go following the disaffiliation. DS Bader closed the meeting with prayer.



Cassie Thelen  
Acting Secretary



Michelle Lintvedt  
Presho Church Board Chairman

## **Exhibit B-1**

The real estate located in Lyman County, South Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

Exhibit B-2

**PRESHO UNITED METHODIST BALANCE SHEET  
SEPTEMBER 30, 2022**

<u>ASSETS</u>		<u>DEBTS</u>
CHECKING ACCOUNT	\$ 8,030.22	\$0.00
SAVINGS ACCOUNT	\$ 6,568.90	
	<u>Insurance Value</u> <u>(Replacement Cost)</u>	
CHURCH BUILDING	\$ 1,079,602.00	
Business Personal Property	\$ <u>54,080.00</u>	
<b>Total Presho:</b>	<b>\$ 1,148,281.12</b>	
<hr/>		
PARSONAGE	\$ 260,124.00	
Personal Property	\$ <u>6,489.00</u>	
<b>Parsonage Total:</b>	<b>\$ 266,613.00</b>	
Not sure if this should be under Parish.		

**EXHIBIT A**

**Reliance Church Board Minutes**

**October 30, 2022**

District Superintendent Dan Bader called the meeting to order at 5:30 pm on October 30, 2022. In attendance were DS Dan Bader, Jeff Lathrop, Holly Lathrop, Joann Hipple, Pastor Thomas Carlson, Presho Church members, Kennebec Church members, and Reliance Church members. DS Bader led us in a short devotion and reflection time. Pastor Thomas led us in prayer. DS Bader shared some points to consider in the process of disaffiliation. The churches will vote separately on the disaffiliation question. Kennebec would be first, Presho second, and Reliance third.

The Reliance Church members signed in to the area designated for voting and were issued their ballots and a church membership list. DS Bader explained how the vote would be handled. There would be two votes by written ballot, first being a vote to approve or disapprove the audited membership list presented. DS Bader led in prayer. Ballots were marked and then collected. Count of the ballots was done by Bruce Eymer, Holly Lathrop and Jeff Lathrop. Members voting were 19. Voters voted to approve the list 100%. DS Bader opened the floor for any questions on the disaffiliation process. December 31, 2022, has been set for the disaffiliation date if the vote carries. There are several legal issues that must be handled before that time if the vote passes. No questions were asked so DS Bader led us in prayer. Voting on the disaffiliation issue was done on paper ballots, these were collected and counted by the same team. Vote passed by 100% to disaffiliate. The members will meet following this to take another vote on which direction the church would like to go following the disaffiliation. DS Bader closed the meeting with prayer.



Cassie Thelen  
Acting Secretary



Bruce Eymer  
Reliance Church Board Chairman

### **Exhibit B-1**

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Exhibit B-2

Reliance United Methodist Church

Balance Sheet  
August 31, 2022

Assets

Bank Accounts		
General Fund	\$ 24,191.17	
Savings	15,566.28	
Building and Repair Fund	<u>2,685.66</u>	
Total Bank Accounts		\$ 42,443.11
Building		129,840.00
Land		<u>8,125.00</u>
Total Assets		<u><u>\$ 180,408.11</u></u>

Liabilities

Total Liabilities	0.00
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Equity

Reliance Church Equity	180,408.11
Total Liabilities and Equity	<u><u>\$ 180,408.11</u></u>

Exhibit A



**Selby United Methodist Church**  
**PO Box 174 Selby, SD 57472**

**MINUTES OF DISAFFILIATION MEETING**

The meeting was called to order on October 30, 2022 at Selby United Methodist Church by Dan Bader, DS. He introduced the agenda for the meeting and had Pastor Darla give a prayer that ended with the Lord's Prayer. Dan explained the audit of the membership list. The members sign by their name and received two ballots. The Membership List and the Disaffiliation ballots were given to the members at that time but voted later. Dan Bader, DS, gave the devotion and reminded us we are one in Christ and conduct ourselves to accept each other regardless of the vote. The members voted 100% to approve the audited membership list.

A prayer was given by Dan Bader, DS, asking for the Lord's present in our lives on the church's decision. He discussed if the Disaffiliate vote goes through one can keep their membership in the UMC and still go to church here. A prayer was given by Dan and the vote was taken. The members voted 100% to Disaffiliate from the United Methodist Church under the provisions of the Book of Discipline paragraph 2553.

The meeting ended with Dan Bader, DS, giving a prayer.

Acting Secretary,  
Carol Fahmi

Handwritten signature of Gary Fahmi in cursive.

Gary Fahmi, Ad Council Chair

Handwritten signature of Jerry Stiegelmeier in cursive.

Jerry Stiegelmeier, Vice Chair

Handwritten signature of Carol Fahmi in cursive.

Carol Fahmi, Acting Secretary

Handwritten signature of Steve Zabel in cursive.

Steve Zabel, Trustee Chair

Handwritten signature of Tricia Zabel in cursive.

Tricia Zabel, Treasurer

***Proverbs 3:5-6 Trust in the LORD with all your heart, and do not lean on your own understanding. <sup>6</sup> In all your ways acknowledge him, and he will make straight your paths.***

### **Exhibit B-1**

The real estate located in Walworth County, South Dakota, with the legal description based upon the last Deed of record or the legal description provided by Local Church.

All vehicles and tangible personal property in the possession of the church subject to the restrictions concerning such property set forth in the Agreement. The church shall also retain all of its intangible property subject to the provisions of the agreement including all cash, bank accounts, investments, and other intangible financial assets identified in the attached balance sheet provided by the church.

## Exhibit B-2

### Selby United Methodist Church

Balance in checking account		\$161,658.20
Land		
155.36 Acres		\$269,395
Real Property		
Church/Fellowship	3301 4 <sup>th</sup> Ave. Selby, SD	\$631,000
Parsonage	3305 4 <sup>th</sup> Ave. Selby, SD	\$247,300
Garage	3305 4 <sup>th</sup> Ave. Selby, SD	\$33,700