

WITHDRAWAL AGREEMENT

This Withdrawal Agreement (“Withdrawal Agreement”) is entered into this 30th day of October, 2022, by and between **Lea Joyner Memorial United Methodist Church** (“Local Church”) and Board of Trustees of the Louisiana Annual Conference of The United Methodist Church, South Central Jurisdiction, a Louisiana non-profit religious corporation representing and appearing for the Louisiana Annual Conference of the United Methodist Church, South Central Jurisdiction (“Annual Conference”).

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

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

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

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

WHEREAS, Local Church and Annual Conference wish to resolve all matters between them, and Local Church wishes to acquire from Annual Conference all of Annual Conference’s interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property of Local Church;

WHEREAS, both Local Church and Annual Conference wish to separate according to the terms of this Agreement, following all applicable paragraphs of the Discipline, including the provisions of ¶2553;

NOW, THEREFORE, in consideration of the foregoing and all of 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 do hereby agree as follows:

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

a. Church Conference Vote. At least two-thirds (2/3) of the professing members present at a properly noticed and called church conference of Local Church voted to withdraw from The United Methodist Church for reasons of conscience regarding a change in the requirements and provisions of the Book of Discipline related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues. Local Church must provide a written resolution, to the satisfaction of Annual Conference, which evidences the result of the withdrawal vote taken at the properly noticed and called church conference. Such resolution must be certified by a Local Church trustee and at least one additional authorized officer, and included as Exhibit A to this Withdrawal Agreement. The same Local Church authorized signers should be the signers of the Withdrawal Agreement

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

Should either of the above not occur, this Withdrawal Agreement shall be null and void.

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the Book of Discipline (2016), Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Withdrawal. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's withdrawal from The United Methodist Church shall be effective on December 31, 2022 ("Withdrawal Date"). Such Withdrawal Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above.

4. Local Church's Obligations. Unless a different date is specified, Local Church must, by no later October 31, 2022 do the following:

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

i. Any unpaid balance due on Conference and District apportionments for the fiscal year which includes the Withdrawal Date, as calculated by Annual Conference, totaling \$5,267.60 as of October 12, 2022, the calculation date;

ii. An additional twenty four (24) months of Conference and District apportionments, as calculated by Annual Conference, totaling \$105,352;

iii. 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 (Wespath Benefits and Investments) using market factors similar to a commercial annuity provider, totaling \$70,373;

iv. 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-;

The total of items i., ii., iii., and iv. above is \$180,992.60, due October 31, 2022.

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

vi. Any investment portfolio modifications as may be required;

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

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

b. Other Liabilities. Local Church must, prior to the withdrawal date, 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. See Exhibit C.

c. Intellectual Property. Local Church must cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same.

d. Group Tax Exemption Ruling. As of the Withdrawal Date, Local Church must cease to use, and also must ensure that any affiliates of Local Church which have been included in the group tax exemption ruling cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed as of the Withdrawal Date.

e. Records. Local Church must turn over to Annual Conference all archives, membership rolls, and historical documents, including documents related to funerals, baptisms, and weddings, and all trustee, committee, and council meeting minutes.

f. Cemeteries and Columbaria. 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.

5. Organizational Transition. Local Church must take all steps necessary to dissolve any United Methodist-associated 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 effect its withdrawal from The United Methodist Church, to the satisfaction of Annual Conference, including obtaining a new EIN from the Internal Revenue Service. Further, the new Local Church is and shall be responsible for preparing, remitting and timely filing all employer-employee payroll taxes and reports required by law to comply with related Department of Revenue, Internal Revenue Service obligations for both the former Local Church and the new Local Church (including but not limited to Forms 941s, W-2s, W-3s, 1099 et al). The Local Church must indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property, unpaid taxes, penalties, and other payments resulting from Local Church's failure to take all necessary steps as required by this Section 5. It is recommended that Local Church establish itself as a corporation. Local Church

will have all rights and duties as provided by law to wind up its affairs, including those that might exist after the Withdrawal Date.

6. Property. On the Withdrawal Date, Local Church will have full ownership of the Annual Conference's interest in property and assets listed in Exhibit B (listing of all property plus other assets, including bank and investment accounts, other moveable or immovable, and tangible or intangible assets), which will be transferred to Local Church's new entity. The parties will ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Withdrawal Date. Any costs resulting from such transfers or other transactions will be borne by Local Church. Annual Conference will fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church. After Local Church has made all payments pursuant to paragraph 4a, handled all liabilities pursuant to paragraph 4b, and complied with all other terms of this Agreement, Annual Conference will sign an agreement using a form agreeable to both parties, releasing any claims that it may have under Book of Discipline ¶ 2501 and other paragraphs of The Book of Discipline of The United Methodist Church (commonly referred to as the Trust Clause) as to all property of the Local Church, in favor of the new entity.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, agents, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuit, charge, complaint, or other action against each other. Notwithstanding the foregoing releases and covenants not to sue, the parties may take action to enforce this Withdrawal Agreement in any court where jurisdiction and venue are proper.

8. Continuing as Plan Sponsor. Nothing in this Withdrawal Agreement prevents Local Church, after the Withdrawal Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits (Wespath Benefits and Investments), 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.

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

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

LOCAL CHURCH: **Lea Joyner Memorial United Methodist Church**

By: _____ Date: _____

Name: Lynn Milliman

Its (position/title): Local Church Trustee

By: _____ Date: _____

Name: LaDonna Harrison

Its (position/title): Local Church Officer

ANNUAL CONFERENCE

Board of Trustees of the Louisiana Annual Conference
of the United Methodist Church, South Central Jurisdiction

By: _____ Date: _____

Member Name: _____

By: _____ Date: _____

Member Name: _____

By: _____ Date: _____

Name: Cynthia Fierro Harvey, Bishop

Attached:

Exhibit A - Signed resolution evidencing the result of the withdrawal vote taken at the church conference, certified by a trustee and at least one additional authorized officer of Local Church.

Exhibit B—List of all of Local Church property, as represented by Local Church, to be released from the Trust Clause.

EXHIBIT C - List of all liabilities, contingent or otherwise, as represented by Local Church, all of which is to be transferred to new legal entity and release Annual Conference from all.

LOCAL CHURCH RESOLUTION FOR DISAFFILIATION

October 30, 2022

RESOLVED, that Lea Joyner Memorial United Methodist shall disaffiliate from The United Methodist Church under such terms as are appropriate and applicable under the provisions of The Book of Discipline of The United Methodist Church (current edition), particularly Paragraph 2553 thereof, and subject to and under the terms of a disaffiliation agreement the terms of which shall be approved by the Board of Trustees of the Louisiana Annual Conference, South Central Jurisdiction, and subject to and conditioned upon final approval by vote of the Louisiana Annual Conference of The United Methodist Church.

BE IT FURTHER RESOLVED that Lynn Milliman, (a Local Church trustee), and LaDonna Harrison (an authorized officer of the Local Church), be, and they are hereby, authorized to execute any and all documents and agreements which may be necessary to accomplish the disaffiliation of Lea Joyner Memorial United Methodist Church (name of local church) from The United Methodist Church.

Local Church Vote:

For _____

Against: _____

Abstain: _____

By: Lynn Milliman, Local Church, Trustee

By: LaDonna Harrison, Local Church, Authorized Officer

By: Rev. Dr. Tom Dolph, La. Conference UMC, District Superintendent

Withdrawal Agreement - Exhibit B

(All property of the local church is subject to the United Methodist Trust Clause, and should be listed and described here, so that the release of trust contemplated by the Withdrawal Agreement may be accurate and complete.)

Real Estate (immovable property)-Please include municipal address and full legal description for each tract of property as to which local church has any ownership interest.

Church Property – 4390 Old Sterlington Rd, Monroe, LA 71203:

A certain tract or parcel of land containing 5.0 acres, more or less, situated in the NW $\frac{1}{4}$ of section 4, T18N, R4E, Ouachita Parish, Louisiana, and being more particularly described as commencing at the Northeast corner of Lot 5 of Block "B" of the North Monroe Medical Park Subdivision, Unit No. 1, as per plat recorded in Plat Book 16, Page 35, records of Ouachita Parish, Louisiana, said corner lying on the Westerly line of Old Sterlington Road (60 ft. R/W); thence south 20 degrees 07 minutes 12 seconds East along the Easterly Line of said Lot 5, Block "B" and the Westerly Line of said Old Sterlington Road a distance of 180.0 feet; thence North 69 degrees 52 minutes 48 seconds East a distance of 60.0 feet to the Easterly line of said Old Sterlington Road and the Southwest corner of that certain 2.02 acre tract to be conveyed North Louisiana Clinic, Inc., as per Buy/Sell Agreement recorded in Conveyance Book 1355, Page 510, of the records of Ouachita Parish, Louisiana, and the POINT OF BEGINNING; thence continue North 69 degrees 52 minutes 48 seconds East along the South Line of said North Louisiana Clinic, Inc. 2.02 acre tract and its Northeasterly projection a distance of 466.69 feet; thence South 20 degrees 07 minutes 12 seconds East a distance of 466.69 feet along the South line of said North Louisiana Clinic, Inc. 2.02 acre tract and its Northeasterly projection a distance of 466.69 feet ; thence South 20 degrees 07 minutes 12 seconds East a distance of 466.69 feet; thence South 69 degrees 52 minutes 48 seconds West a distance of 466.69 feet to the Easterly line of said Old Sterlington Road; thence North 20 degrees 07 minutes 12 seconds West along the Easterly line of said Old Sterlington Road a distance of 466.69 feet to the POINT OF BEGINNING, and being subject to all rights of way, easements and servitudes of record or of use, as per plat by L.S. Prichard

Property Behind Church – 4390 Old Sterlington Rd, Monroe, LA 71203:

A certain tract or parcel of land situated in Section 4, Township 18 North, Range 4 East, Land District North of Red River, Ouachita Parish, Louisiana, and being more particularly described as follows:

Commence at a $\frac{1}{2}$ " iron pipe marking a point that is on the West line of Lot No. 1, Block No. 1, of Extension No. 1, Austin's Subdivision in Section 4 Township 18 North, Range 4 East, Land District North of Red River, Ouachita Parish, Louisiana, filed in Plat Book 8, Page 16, records of Ouachita Parish, Louisiana, and on the Easterly right-of-way line of Old Sterlington Road as shown on plat of Extension No. 1 of Austin's Subdivision and proceed South 20 degrees 07 minutes 12 seconds East along a line that is a projection of the West line of said Lot No. 1, Block No. 1, Extension No. 1 of Austin's Subdivision and the center of Old Sterlington Road, a

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Exhibit B – continued-

distance of 114.75 feet to a point that is a projection of the Southerly right-of-way line of Bayou Bend Road; thence proceed South 81 degrees 43 minutes 06 seconds East along a line that is a projection of the Southerly right-of-way line of Bayou Bend Road, a distance of 34.11 feet to the intersection of the Southerly right-of-way line of Bayou Bend Road with the Easterly right-of-way line of Old Sterlington Road, said point marking the Northwest corner of Lot No. 8, Unit No. 2, Bayou Bend Addition, as filed in Plat Book 20, Page 164, records of Ouachita Parish, Louisiana; thence proceed South 20 degrees 07 minutes 12 seconds East along the West line of said Lot No. 8, Unit No. 2, of Bayou Bend Addition, and along the East right-of-way line of Old Sterlington Road, a distance of 170.52 feet to a 5/8" rebar found marking the Southwest corner of said Lot No. 8, Unit No. 2 of Bayou Bend Addition, thence proceed South 81 degrees 43 minutes 06 seconds East along the South line of Lots No. 8, 7, 6, & 5 of Unit No. 2 Bayou Bend Addition, a distance of 388.15 feet to a 5/8" rebar found on the East line of Lot No. 5 and on the West line of Lot No. 4 of Unit No. 2, of Bayou Bend Addition; thence proceed South 08 degrees 16 minutes 53 seconds West along the West line of said Lot No. 4 Unit No. 2, Bayou Bend Addition, a distance of 19.48 feet to a 5/8" rebar marking the Southwest corner of said Lot No. 4; thence proceed South 43 degrees 43 minutes 53 seconds East along the Westerly line of Lots No. 4, 3, 2, & 1, Unit No. 2, Bayou Bend Addition, a distance of 322.78 feet to a 5/8" rebar found marking the Southeast corner of said Lot No. 1; thence proceed North 46 degrees 16 minutes 07 seconds East along the South line of said Lot No. 1, a distance of 20.00 feet to a 5/8" rebar found marking the Southwest corner of Lot No. 8, Unit No. 1, Bayou Bend Addition, as filed in Plat Book 20, Page 139, records of Ouachita Parish, Louisiana, thence proceed South 42 degrees 59 Minutes 22 seconds East along the West line of Lots No. 8, 7,& 6, Unit No. 1 Bayou Bend Addition, a distance of 254.81 feet to a 5/8" rebar set on the South Line of Lot. No. 6 Unit No. 1 Bayou Bend Addition and the POINT OF BEGINNING; thence continue South 42 degrees 59 minutes 22 seconds East along the South line of Lots 6,5,4,& 3 of Unit No. 1, Bayou Bend Addition, a distance of 321.24 feet to the Southeast corner of Lot No. 3, Unit No. 1 Bayou Bend Addition, and the Northeast corner of Lot 23, Unit No. 3, Bayou Bend Addition, as filed in Plat Book 21 page 64, records of Ouachita Parish, Louisiana; thence proceed South 47 degrees 00 minutes 38 seconds West along the North line of Lots 23 and 24, Unit No. 3, Bayou Bend Addition, a distance of 257.15 feet to a 5/8" rebar found marking the Northwest Corner of Lot No. 24, Unit No. 3, Bayou Bend Addition; thence proceed North 20 degrees 07 minutes 12 seconds West, a distance off 395.93 feet to a found 5/8" rebar; thence proceed North 69 degrees 52 minutes 48 seconds East, a distance of 112.11 feet to the POINT OF BEGINNING, containing 1.458 acres more or less, and being subject to all easements, servitudes and rights-of-way of record and/or of use.

Church property out of state – No address (failed subdivision in the Mojave Desert of California):

A certain lot or parcel of land (Assessor Parcel No, 282-072-07) situated in Kern County, California, and being more particularly described as follows:

Lot 237 of Tract 3194 in the County of Kern, State of California, as per map recorded in Book 16, Pages 179 to 191 inclusive of Maps in the Office of the County Recorder of said County.

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Exhibit B – continued-

Personal property (movable property)-Please list and, where possible, include identifying information (e.g., account name and number, stock certificate numbers, and other identifiers) for all movable property (including without limitation bank and investment accounts) owned by local church, or as to which it has any ownership interest. A full and detailed inventory of masses of general property, such as furniture and appliances, is not required; and a general description of such masses of movable property will suffice.

A. Financial Accounts:

1. Cadence Bank (formerly BancorpSouth) checking account

Account: 640019-084-6

2. United Methodist Foundation

Account: 19950 Lea 2271 Lea Joyner Memorial Endowment

Account: 19949 Lea 2268 Lea Joyner Memorial Reserve Fund

Account: 19951 Lea Joyner Memorial Capital Expenditures

B. All Other

1. 1997 Utility Trailer VIN #4FGL0810XVA554135
2. Three buildings
3. Three outbuildings used for storage
4. Furniture and office equipment for three buildings
5. Kitchen equipment for kitchen
6. Church Supplies
7. Audio Visual Equipment for Sanctuary, Solomon Hall and other areas

By: Lynn Milliman, Local Church, Trustee

By: LaDonna Harrison, Local Church, Authorized Officer

By: Rev. Dr. Tom Dolph, La. Conference UMC, District Superintendent

Withdrawal Agreement - EXHIBIT C

In compliance with Article 4(b) of the Withdrawal Agreement, Local Church hereby declares and affirms that the following debts, loans, liabilities and other obligations as hereinafter described have been assigned or transferred to its new entity.

(Here describe each debt, loan, liability and other obligation of Local Church which was assigned or transferred to its new entity.)

DEBTS (as of 10-18-22):

1. Cadence Bank

Account 00297001083858 \$ 539,016.05 Sanctuary Mortgage

2. Federal Payroll Taxes ID 72-0597397 \$2,368.72

3. State Payroll Taxes account 5515010001 \$288

By: Lynn Milliman, Local Church, Trustee

By: LaDonna Harrison, Local Church, Authorized Officer

By: Rev. Dr. Tom Dolph, La. Conference UMC, District Superintendent