

DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553

This DISAFFILIATION AGREEMENT PURSUANT TO ¶ 2553 (the “Disaffiliation Agreement”) is entered into this 17th day of March, 2020, by and between MT. PLEASANT UNITED METHODIST CHURCH, a North Carolina unincorporated non-profit association (the “Local Church”) and THE BOARD OF TRUSTEES, WESTERN NORTH CAROLINA CONFERENCE, UNITED METHODIST CHURCH, INC., a North Carolina non-profit corporation, on behalf of and for THE WESTERN NORTH CAROLINA CONFERENCE OF THE UNITED METHODIST CHURCH (collectively, the “Annual Conference”). The Local Church and the Annual Conference are sometimes referred to herein collectively as the “Parties”, and each individually, a “Party”.

RECITALS:

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

WHEREAS, the 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* (2016 Edition, as amended)(the “Discipline”), at which at least two-thirds (2/3) of the professing members present at the church conference of Local Church voted to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.”

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

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

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

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

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

WHEREAS, per the *Discipline*, The Board of Trustees, Western North Carolina Conference, United Methodist Church, Inc., holds title to all real and personal property and interests related thereto regarding the real and personal property of The Western North Carolina Conference of The United Methodist Church, and has the authority to institute and settle litigation and convey, buy, sell, and release such property and assets on behalf of The Western North Carolina Conference of The United Methodist Church.

AGREEMENT:

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

ARTICLE 1
DEFINITIONS

Definitions. Unless otherwise defined, for the purposes of this Disaffiliation Agreement, the following terms shall have the meanings indicated below:

“Bill of Sale” shall mean a bill or bills of sale in a form substantially in conformance with the form attached as the **Exhibit B** hereto.

“Closing” shall mean the consummation of the transactions contemplated herein including the payments by the Local and Church and the transfer and/or release of interest(s) in the Real Estate and Personal Property by the Annual Conference.

“Closing Date” shall mean fifteen (15) days after the fulfillment of the conditions set out in Section 2.1 below, or anytime thereafter by written agreement of the Parties. The Closing Date is intended to be the same day as the Disaffiliation Date.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Deed” shall mean a quitclaim deed(s) substantially in the form set out in the attached **Exhibit C**.

“Disaffiliation Date” shall mean the Closing Date and have that additional meaning set out in Section 2.4 below.

“Environmental Law” means any applicable federal, state or local law, statute, ordinance, rule, regulation, license, permit, authorization, approval, consent, court order, judgment, decree, injunction, code, requirement or agreement with any Governmental Authority (a) relating to pollution (or the cleanup thereof), or the protection of air, water vapor, surface water, groundwater, drinking water supply, land (including land surface or subsurface), plant, aquatic and animal life from injury caused by a Hazardous Substance or (b) concerning exposure to, or the use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, handling, labeling, production, disposal or remediation of any

Hazardous Substance. The term Environmental Law includes, without limitation, the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), the Clean Air Act, the Clean Water Act, the Solid Waste Disposal Act, the Toxic Substance Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Occupational Safety and Health Act, the National Environmental Policy Act and the Hazardous Materials Transportation Act, each as amended and hereafter in effect and any similar state or local law.

“Financial Statements” shall have that meaning set out in Section 3.4 below.

“FIRPTA Certificate” an affidavit from the Annual Conference pursuant to Section 1445(b)(2) of the Code in the form attached hereto as **Exhibit D**, and on which Buyer is entitled to rely, that Seller is not a “foreign person” within the meaning of Section 1445(f)(3) of the Code

“Fixtures” shall mean all equipment, machinery, fixtures, and other items of real and/or personal property, including all components thereof, now or on the Closing Date located in, on or used in connection with, and permanently affixed to or incorporated into, the Improvements, including, without limitation, all furnaces, boilers, heaters, electrical equipment, electronic security equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment, and similar systems, all of which, to the greatest extent permitted by law, are hereby deemed by the Parties to constitute real estate, together with all replacements, modifications, alterations and additions thereto, but specifically excluding all items included within the definition of Personal Property.

“Hazardous Substance” means (a) any substance, material, product, derivative, compound, mineral, chemical, gas or mixture thereof, that is toxic, harmful or hazardous to the environment or public health or safety or (b) any substance supporting a claim under any Environmental Law. Hazardous Substances include, without limitation, medical waste, industrial waste, petroleum or petroleum-derived substances or waste, radon, radioactive materials, asbestos, asbestos-containing materials, urea-formaldehyde foam insulation, lead, toxic mold or other microbial contamination, and polychlorinated biphenyls.”

“Improvements” shall mean all buildings, improvements, structures and Fixtures now or on the Closing Date located on the Real Property, including, without limitation, landscaping, parking lots and structures, roads, drainage and all above ground and underground utility structures, equipment systems and other so-called “infrastructure” improvements.

“Knowledge” shall mean knowledge of the Local Church or Annual Conference, as the case may be, after reasonable inquiry or investigation.

“Land” shall mean the real property legally described on **Schedule 4.7** attached hereto and made a part hereof, and any substitutions therefor, together with all of Annual Conference’s rights, titles, appurtenant interests, covenants, licenses, privileges and benefits thereunto belonging, and Annual Conference’s right, title and interest in and to any easements, right-of-way, rights of ingress or egress or other interests in, on or under any land, highway, street, road or avenue, open or proposed, in, on, across, in front of, abutting or adjoining such real property

including, without limitation, any strips and gores adjacent to or lying between such real property and any adjacent real property.

“Laws” shall mean all federal, state and local laws, moratoria, initiatives, referenda, ordinances, rules, regulations, standards, orders and other governmental requirements, including, without limitation, those relating to the environment, health and safety and disabled or handicapped persons.

“Lease” shall mean the lease or leases described in **Schedule 4.7** attached hereto and made a part hereof.

“Personal Property” shall mean all tangible and intangible personal property, other than the Fixtures, now or on the Closing Date owned by the Local Church and located on or about the Land or Improvements or used in connection with the operation thereof, including accounts, cash, checks, equipment, vehicles, furniture and the like.

“Real Property” shall mean the Land, the Improvements and the Fixtures.

“Subsidiary” means any corporation or other organization, whether incorporated or unincorporated, of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is at the time directly or indirectly owned or controlled by the Local Church or the functional operations of the corporation or other organization is controlled by the Local Church.

ARTICLE 2

DISAFFILIATION PROCESS

2.1 **Conditions Precedent to Closing.** The Local Church and Annual Conference acknowledge and agree that the obligations of the parties to effectuate the Closing on or about the Disaffiliation Date are expressly contingent and conditional on the following:

(a) **Church Conference Vote.** At least two-thirds (2/3) of the professing members present at a church conference of the 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 shall 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 A** to this Disaffiliation Agreement.

(b) **Annual Conference Vote.** This Disaffiliation Agreement must be “ratified by a simple majority of the members . . . present and voting” at a duly-called session of The Western North Carolina Annual Conference of The United Methodist Church, as required by

Judicial Council *Decision* 1379 and ¶ 2529.1b(3) of the *Discipline*. The Local Church acknowledges that the Annual Conference has no control over the voting approval of the voting delegates and the voting approval is subject to the will and voting of the body.

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

2.2 **Petition for Annual Conference Session**. The Local Church acknowledges that pursuant to the governing standing rules of the Annual Conference, petitions for consideration of the legislative body must be submitted to the Secretary of the Annual Conference on or before April 1 of the current Annual Conference year. The Annual Conference will make reasonable efforts to assist the Local Church in completing the required petition, which will include this Disaffiliation Agreement as an attachment thereto making it subject to public review. If the petition is not filed in a timely manner, the Parties will make good faith efforts under the standing rules of the Annual Conference to cooperate to bring the petition to the legislative floor for consideration by appropriate motions to suspend the standing rules for the purposes of considering the petition.

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

2.4 **Date of Disaffiliation**. Should Local Church timely comply with all of its obligations, representations, and warranties as set forth in this Disaffiliation Agreement and the conditions in Section 2.1 above have been satisfied, Local Church's disaffiliation from The United Methodist Church will be effective on July 1, 2020 (the "Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 2.1 (b) above. If the Annual Conference session scheduled for June 2020 must be rescheduled due to COVID-19 virus related concerns, the Parties will work in good faith the set the Disaffiliation Date on a mutually agreeable date sometime after the Annual Conference session.

ARTICLE 3 **FINANCIAL OBLIGATIONS & MATTERS**

3.1 **Local Church's Payment Obligations**. At Closing or otherwise prior to or on the Disaffiliation Date, Local Church shall pay to the Annual Conference, in a manner specified by Annual Conference, the following:

(a) Local Church shall have the right to retain its Real Property and Personal Property, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.

(b) Any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling Twenty Three Thousand Eight Hundred Twelve and 00/100 Dollars (\$23,812.00);

(c) An additional twelve (12) months of apportionments, as calculated by Annual Conference, totaling Twenty Three Thousand Eight Hundred Twelve and 00/100 Dollars (\$23,812.00); and,

(d) An amount equal to Local Church's pro rata share, as determined by Annual Conference, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling One Hundred Forty Five Thousand Seven Hundred Thirty Six and 00/100 Dollars (\$145,736.00).

3.2 **Other Liabilities.** Local Church represents and warrants that, except those matters set out **Schedule 3.2**, it has no loans, leases or other debts secured by the Real Property or Personal Property, and that as to all such debts, secured or unsecured, Local church shall either satisfy all of its debts, loans, and liabilities, or arrange the assign, assumption or transfer of such obligations to its new operating entity prior to or simultaneous with Closing with the consent of the relevant lenders, and solely bear the cost thereof. Local Church must provide sufficient documentation of the same to Annual Conference.

3.3 **No Undisclosed Liabilities.** Local Church has, and at the Disaffiliation Date will have, no debts, liabilities, commitments, or obligations of any nature, absolute, accrued, contingent or otherwise, relating to its business, other than those which (a) are fully reflected or reserved against on the Financial Statements (defined below) or (b) have been incurred since the date of the most recent balance sheet included in the Financial Statements in the ordinary course of business in amounts and for terms consistent, individually and in the aggregate, with the past practices of its business. Except as shown in the Financial Statements, the Local Church is not directly or indirectly liable upon or with respect to (by discount, repurchase agreements or otherwise), or obliged in any other way to provide funds in respect of, or to guarantee or assume, any debt, obligation or dividend of any other party, except endorsements in the ordinary course of business in connection with the deposit, in banks or other financial institutions, of items for collection.

3.4 **Financial Statements.** Attached hereto as **Schedule 3.4** are true and correct copies of the following financial statements of Local Church (the "**Financial Statements**"), namely the unaudited balance sheets as of December 31, 2018 and August 15, 2019, and the related statements of activities and cash flows for the fiscal periods therein stated. The Financial Statements: (x) have been prepared in accordance with generally accepted accounting principals ("**GAAP**"), consistently applied, as of the dates and for the periods covered thereby; (y) present fairly the financial condition, cash flow and results of operations of the Local Church as of the respective dates thereof and for the periods therein referred to, all in accordance with GAAP consistently applied; and (z) have been derived from and are in agreement with the books and records of the Local Church.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF LOCAL CHURCH

The Local Church represents and warrants to the Annual Conference as of the date hereof and the Disaffiliation Date as follows:

4.1 **Organization and Qualification.** Local Church is an unincorporated non-profit association duly organized, validly existing and in good standing under the laws of the State of North Carolina. The Local Church, subject to the *Discipline*, has all requisite power and authority to own or lease its properties and assets and to carry on its business as it is now being conducted.

4.2 **Authorization; Enforceability.** The Local Church has full power and authority to execute, deliver and perform this Disaffiliation Agreement and all agreements and transactions contemplated hereby. The execution, delivery and performance of this Disaffiliation Agreement and all transactions contemplated hereby have been duly authorized by all corporate action required by Local Church. This Disaffiliation Agreement has been duly and validly executed and delivered by Local Church, and constitutes, and each of the other agreements to be executed pursuant to the terms hereof and upon execution and delivery will constitute, legal, valid and binding obligations of the Local Church, enforceable in accordance with their terms.

4.3 **No Conflict or Violation.** The execution, delivery and performance of this Disaffiliation Agreement or any document related hereto by Local Church and the consummation by Local Church of all of the transactions contemplated hereby or thereby, will not (with or without the giving of notice or the lapse of time or both): (a) violate or require any consent or approval under any applicable provision of any order, writ, injunction, decree, rule, regulation or law; (b) require any consent under, conflict with, result in termination of, accelerate the performance required by, result in a breach of, constitute a default under, or otherwise violate the terms of any leases, promissory notes, loans, agreements, instruments, obligations, contributions, gifts or endowments to which Local Church or a Subsidiary is a party or is beneficiary; (c) require any consent or approval by, notice to or registration with any governmental authority or any other person or entity; (d) violate any organizational documents or bylaws of Local Church; or (e) result in the creation or imposition of any lien or encumbrance upon any of the assets of the Local Church or accelerate any indebtedness of the Local Church, or result in the cancellation, modification, revocation or suspension of any of the licenses, permits, governmental authorizations or accreditations held by the Local Church.

4.4 **No Subsidiaries.** The Local Church has no Subsidiaries.

4.5 **Litigation; Legal Liabilities.** Except as set out on **Schedule 4.5**, there are no actions, proceedings or investigations pending or, to the Knowledge of the Local Church, threatened against the Local Church before any court, arbitral panel, or administrative or

governmental agency or administrative officer or executive, including environmental matters relating to the Land. Local Church is not subject to any order, writ, judgment, award, injunction or decree of any court, arbitral panel, or administrative or governmental agency, that affects the assets or operation of the Local Church, or that would or might interfere with the transactions contemplated by this Disaffiliation Agreement. And, other than set out on **Schedule 4.5**, the Local Church has not received any written notice, report or information regarding (i) any past violations of any applicable Environmental Laws that have not been corrected or (ii) any required corrective, investigatory or remedial obligations arising under any applicable Environmental Law that have not been completed, in each case to the satisfaction of the applicable governmental authority.

4.6 **Restriction on Funds.** The Local Church is not a party to any agreement, contract, loan, debt or the like, aside from the *Discipline*, that restricts the use or spending of its funds.

4.7 **Real Property.** Other than the Land and Real Property set on **Schedule 4.7**, the Local Church does not own or lease or have any other interest in any other Land or Real Property.

4.8 **Restricted Gifts.** The Local Church has no gifts, grants, endowments, restricted accounts and similar funds available or pledged to the Local Church which are the subject of restrictions by the grantor or by state law(s) relating to endowments, funds or the like, the terms of which would be violated by this Agreement or disaffiliation from The United Methodist Church.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF ANNUAL CONFERENCE

The Annual Conference represents and warrants to the Local Church as of the date hereof and the Disaffiliation Date as follows:

5.1 **Organization and Qualification.** Annual Conference is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of North Carolina. Annual Conference has all requisite corporate power and authority to own or lease its properties and assets and to carry on its business as it is now being conducted.

5.2 **Authorization; Enforceability.** The Annual Conference has full power and authority to execute, deliver and perform this Disaffiliation Agreement and all agreements and transactions contemplated hereby. The execution, delivery and performance of this Agreement and all transactions contemplated hereby have been duly authorized by all corporate action required by the Annual Conference. This Disaffiliation Agreement has been duly and validly executed and delivered by the Annual Conference, and constitutes, and each of the other agreements to be executed pursuant to the terms hereof and upon execution and delivery will

constitute, legal, valid and binding obligations of the Annual Conference, enforceable in accordance with their terms.

5.3 **No Conflict or Violation.** The execution, delivery and performance of this Disaffiliation Agreement or any document related hereto by Annual Conference and the consummation by Annual Conference of all of the transactions contemplated hereby or thereby, will not (with or without the giving of notice or the lapse of time or both): (a) violate or require any consent or approval under any applicable provision of any order, writ, injunction, decree, rule, regulation or law; (b) require any consent or approval by, notice to or registration with any governmental authority or any other person or entity; or, (c) violate any provision of the Articles of Incorporation of Annual Conference or its Bylaws.

ARTICLE 6

CORPORATE MATTERS; PROPERTY; RELEASES

6.1 **Intellectual Property.** The Local Church either has already or will, as of the Disaffiliation Date, cease all use of the terms “United Methodist” or “UMC”, the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same, and shall refrain from using any similarly confusing names, logos, designs, trademarks or service marks in any fashion. In addition, the Local Church shall remove “United Methodist” or “UMC” from any URL’s, e-mail addresses, websites, social media pages and sites, as well as the other items of Intellectual Property noted hereunder.

6.2 **Group Tax Exemption Ruling.** As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any Subsidiaries or affiliates (if any) 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 Subsidiaries and affiliates (if any) which have been included in the group tax exemption ruling, will be removed as of the Disaffiliation Date.

6.3 **Historical Documents.** Prior to the Disaffiliation Date, the Local Church will work with the Archives for the Annual Conference to turn over originals or acceptable copies (whether hard copy or electronic) of church archives, membership rolls, and other historical documents related to funerals, baptisms, weddings, minutes, etc., of the Local Church for archiving with the Annual Conference.

6.4 **Cemetery.** The Local Church agrees and insures that, after the Disaffiliation Date, its cemetery and/or columbarium, will continue to be maintained in substantially the same manner as presently maintained. In addition, Local Church will honor any and all contracts, deeds, and agreements for burial and/or interment in its cemetery or columbarium, as well as insuring and continued access for families and loved ones of United Methodists buried there and for burials in unfilled graves and columbarium slots.

6.5 **Conduct of Local Church Operations.** From the date of this Disaffiliation Agreement through and until the Closing, the Local Church: (a) will conduct its operations substantially in accordance with past practice and will use commercially reasonable efforts, subject to the foregoing, to maintain and preserve its operations and organization consistent with past practice and efficient and economical management, (b) will not take any action that is inconsistent with its charitable purposes under Section 501(c)(3) of the Code or that otherwise adversely affects its tax-exempt status, and (c) will not take any action that would cause its representations and warranties in this Disaffiliation Agreement not to remain true and correct as of Closing, except with the prior written consent of the Annual Conference.

6.6 **Organizational Transition.** Local Church shall take all steps necessary to close and/or dissolve any legal entities of the Local Church and to settle, liquidate, or transfer all assets and obligations of such entities, or to establish any new legal entities, or to modify its current organizing documents as needed to effectuate its disaffiliation from The United Methodist Church, to the satisfaction of Annual Conference.

6.7 **Real Property; Personal Property.**

(a) On the Disaffiliation Date, as between the Parties, the Local Church will have full title and ownership of the Real Property and Personal Property, subject to any secured obligations assigned and assumed by and to the new operating entity of the Local Church. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed on or prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the Real Property and Personal Property, both tangible and intangible, of Local Church. However, if any loans or other obligations secured by the Real Property or Personal Property are not satisfied by Local Church at Closing or otherwise assigned and/or assumed by the new operating entity of the Local Church at Closing (with the consent of the relevant secured party), there shall be no Closing, as this provision is an express condition precedent to the obligations of the Parties to Closing.

(b) At Closing, the Annual Conference shall deliver to the Local Church: (i) the Deed(s) quitclaiming and releasing all interest of the Annual Conference in the Real Property to the Local Church; (ii) the Bill of Sale conveying all the interest of the Annual Conference in the Personal Property to the Local Church; and, (iii) a FIRPTA certificate.

6.8 **AS/IS Conveyance.** **THE PARTIES AGREE THAT, EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THIS AGREEMENT, THE INTERESTS OF THE ANNUAL CONFERENCE IN THE REAL PROPERTY AND PERSONAL PROPERTY SHALL BE CONVEYED TO THE LOCAL CHURCH "AS IS, WHERE IS, WITH ALL FAULTS", SUCH CONVEYANCES SHALL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING ANY WARRANTY OF OR WITH RESPECT TO INCOME POTENTIAL, DEVELOPMENT FEASIBILITY, POTENTIAL OR COSTS, OPERATING EXPENSES, USES,**

MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), AND THE ANNUAL CONFERENCE DOES HEREBY DISCLAIM AND RENOUNCE ANY SUCH REPRESENTATION OR WARRANTY, EXCEPT AS MAY BE EXPRESSLY SET FORTH HEREIN. THE LOCAL CHURCH IS NOT RELYING, AND AGREES THAT IT SHALL NOT RELY, UPON ANY REPRESENTATION, INDUCEMENT OR UNPERFORMED PROMISE OF THE ANNUAL CONFERENCE EXCEPT TO THE EXTENT SUCH INDUCEMENT, REPRESENTATION OR UNPERFORMED PROMISE IS EXPRESSLY SET FORTH HEREIN. THE LOCAL CHURCH HAS BEEN IN SOLE AND EXCLUSIVE POSSESSION OF THE REAL PROPERTY AND THE PERSONAL PROPERTY AND IS FULLY AWARE OF ALL FAULTS AND MATTERS RELATING THERETO.

6.9 **Release of Claims.** Upon Closing, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and release and discharge each other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The Parties further represent they have no pending lawsuit, charge, complaint, or other action against each other.

6.10 Indemnification.

(a) The Local Church shall defend, indemnify, and hold the Annual Conference (including its respective officers, directors, trustees, agents, and employees) harmless against any and all actions, claims, demands, lawsuits, loss, costs, damages, judgments, liabilities, settlement or expenses incurred, claimed, obtained, or sustained, including without limitation attorneys' fees and costs, of any nature whatsoever, whether in law or in equity, arising from or otherwise attributed to any failure of representations or warranties of Local Church made herein or the breach of any covenants made by Local Church in this Disaffiliation Agreement.

(b) The Annual Conference shall defend, indemnify, and hold the Local Church (including its respective officers, directors, trustees, agents, and employees) harmless against any and all actions, claims, demands, lawsuits, loss, costs, damages, judgments, liabilities, settlement or expenses incurred, claimed, obtained, or sustained, including without limitation attorneys' fees and costs, of any nature whatsoever, whether in law or in equity, arising from or otherwise attributed to any failure of representations or warranties of the Annual Conference made herein or the breach of any covenants made by the Annual Conference in this Disaffiliation Agreement.

(c) The foregoing obligations of the Local Church and Annual Conference shall be limited to eighteen (18) months after the Disaffiliation Date and shall terminate and expire thereafter.

ARTICLE 7
CLOSING, TIME, AND TERMINATION

7.1 **Closing.** Subject to the satisfaction or appropriate waiver of all conditions set forth in this Disaffiliation Agreement, the Closing of the transactions contemplated shall be effective as of the Disaffiliation Date. The Closing shall take place at the offices of as further agreed upon by the Parties at 10 A.M. Eastern Time (US).

7.2 **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.

7.3 **Termination upon Mutual Consent.** This Agreement may be terminated and the disaffiliation and the other transactions contemplated hereby may be abandoned at any time prior to the Disaffiliation Date by the mutual written consent of the Parties.

7.4 **Other Termination.** This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Disaffiliation Date by either Party if:

(a) prior to the Disaffiliation Date, there has been a material breach of any representation, warranty, covenant or agreement on the part of a Party set forth in this Agreement; provided, however, that, if such breach is curable by the breaching Party through the exercise of its commercially reasonable efforts and for so long as the breaching Party continues to exercise such commercially reasonable efforts (but in no event longer than thirty (30) days after the non-breaching Party's written notification to the breaching Party of the occurrence of such breach), the non-breaching Party may not terminate this Agreement; or,

(b) if all the conditions set forth in this Agreement have not been satisfied or waived on or before the Disaffiliation Date, unless such satisfaction has been frustrated or made impossible by any act or failure to act of non-breaching Party.

7.5 **Effect of Termination.** In the event of termination of this Disaffiliation Agreement, no Party hereto (or any of its trustees or officers) shall have any liability or further obligation to the other Party to this Disaffiliation Agreement, except that nothing herein will relieve either Party from liability for any breach of this Disaffiliation Agreement.

7.6 **Force Majeure.** Neither party be deemed to be in breach or default or otherwise responsible for delays or failures in performance resulting from acts of God, acts of war or civil disturbance, public health epidemics, executive orders, governmental action or inaction, fires, earthquakes, unavailability of labor, materials, power or communication, or other causes beyond either party's reasonable control.

ARTICLE 8
MISCELLANEOUS

8.1 **Severability**. If any provision of this Disaffiliation Agreement or the application of any such provision to any Party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Disaffiliation Agreement or the application of such provision to such Party or circumstances other than those to which it is so determined to be invalid and unenforceable shall not be affected thereby, and each provision hereof shall be validated and shall be enforced to the fullest extent permitted by law.

8.2 **Waiver**. Any provision of this Disaffiliation Agreement may be waived prior to the Closing if, and only if, such waiver is in writing and signed by an authorized representative of the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege under this Disaffiliation Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as otherwise provided in this Disaffiliation Agreement, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

8.3 **Notices**. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed given: (i) when delivered, if delivered personally to the intended recipient; (ii) three (3) business days following sending by registered or certified mail, postage prepaid; and (iii) one (1) business day following sending, if sent by overnight delivery via a national courier service providing proof of delivery, and in each case, addressed to a party at the following address for such party (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.3):

If to Annual Conference: WNCC
 Attn. R. Mark King
 13924 Professional Center Drive
 Suite 200
 Huntersville, NC 28078

with a copy to: Ascension Law, PLLC
 5821 Fairview Road
 Suite 500
 Charlotte, NC 28209
 Attention: Gregory D. Huffman

If to Local Church: Mt. Pleasant United Methodist Church
 6424 Old Greensboro Road
 Thomasville, NC 27360
 Attention:

with a copy to: Dalton & Tomich, PLC
The Chrysler House
719 Griswold. Suite 270
Detroit, MI. 48170
Att: Daniel P. Dalton
ddalton@daltontomich.com

8.4 **Applicable Law.** This Disaffiliation Agreement shall be governed and construed and interpreted in accordance with the laws of the State of North Carolina, excepting only its conflict of laws principles.

8.5 **Publicity.** The Parties agree that no press release or other announcement concerning the transactions contemplated hereby shall be issued by any Party without the advance written consent of the other Party, except as such release or announcement may be required by law, in which case the Party making the release or announcement shall show such release or announcement in advance to the other Party.

8.6 **Assignment.** This Disaffiliation Agreement may not be assigned by any Party without the prior written consent of the other Party, such consent to be in the sole discretion of the Party from which it is sought. Any such assignment without the consent of the other party, whether by merger, operation of law, agreement or otherwise shall be void and a breach of this Disaffiliation Agreement.

8.7 **Binding Effect Benefits.** This Disaffiliation Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective permitted successors and assigns; provided, however, that nothing in this Disaffiliation Agreement shall be construed to confer any rights, remedies, obligations or liabilities on any person other than the Parties hereto or their respective successors and permitted assigns.

8.8 **Entire Agreement.** This Disaffiliation Agreement, together with the exhibits and schedules hereto which are incorporated herein by this reference, embodies the entire agreement and understanding of the Parties hereto and supersedes any prior agreement or understanding between the Parties with respect to the subject matter of this Disaffiliation Agreement.

8.9 **Amendment.** This Disaffiliation Agreement may be amended only by a writing duly executed by the Parties hereto.

8.10 **Further Assurances.** Each Party to this Disaffiliation Agreement will execute and deliver, or cause to be executed and delivered, such additional or further transfers, assignments, endorsements or other instruments as the other Party or its counsel may reasonably request for the purpose of carrying out the transactions contemplated by this Disaffiliation Agreement.

8.11 **Counterparts.** This Disaffiliation Agreement may be executed in one or more counterparts (and by facsimile or portable document format (pdf) transmission), each of which shall be deemed an original, but all of which together shall constitute one and the same document.

Execution Version

8.12 **Headings.** Headings of the articles and sections in this Disaffiliation Agreement are for reference purposes only and shall not be deemed to have any substantive effect.

[Signature Page Immediately Follows]

Execution Version

IN WITNESS WHEREOF, the parties have caused this Disaffiliation Agreement to be executed by their duly authorized representatives.

THE BOARD OF TRUSTEES, WESTERN NORTH CAROLINA CONFERENCE, UNITED METHODIST CHURCH, INC., a North Carolina non-profit corporation

By: Robert E. Wilhoit
Robert E. Wilhoit, President

By: _____
Susan K. Irvin, Vice-President

MT. PLEASANT UNITED METHODIST CHURCH, a North Carolina unincorporated non-profit association

By: _____,
_____, Chairperson
Board of Trustees

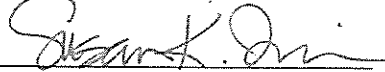
By: _____,
_____, Vice-Chair
Board of Trustees

Execution Version

IN WITNESS WHEREOF, the parties have caused this Disaffiliation Agreement to be executed by their duly authorized representatives.

THE BOARD OF TRUSTEES, WESTERN NORTH CAROLINA CONFERENCE, UNITED METHODIST CHURCH, INC., a North Carolina non-profit corporation

By: _____
Robert E. Wilhoit, President

By: 
Susan K. Irvin, Vice-President

MT. PLEASANT UNITED METHODIST CHURCH, a North Carolina unincorporated non-profit association

By: _____
_____, Chairperson
Board of Trustees

By: _____
_____, Vice-Chair
Board of Trustees

IN WITNESS WHEREOF, the parties have caused this Disaffiliation Agreement to be executed by their duly authorized representatives.

THE BOARD OF TRUSTEES, WESTERN NORTH CAROLINA CONFERENCE, UNITED METHODIST CHURCH, INC., a North Carolina non-profit corporation

By: _____
Robert E. Wilhoit, President

By: _____
Susan K. Irvin, Vice-President

MT. PLEASANT UNITED METHODIST CHURCH, a North Carolina unincorporated non-profit association

By: Mark O. Long
Mark O. Long, Chairperson
Board of Trustees

By: Danny J. Burt
DANN J. BURTON, Vice-Chair
Board of Trustees

SUPPLEMENTARY INDEX

Exhibit A-Local Church Vote Certification
Exhibit B-Bill of Sale
Exhibit C-Deed(s)
Exhibit D-FIRPTA

Schedule 3.2-Other Liabilities
Schedule 3.4-Financial Statements
Schedule 4.5-Litigation; Legal Liabilities
Schedule 4.7-Leases & Land

Execution Version

EXHIBIT A
Local Church Certification

[To Be Provided]



MT. PLEASANT
CHURCH

6516 Old Greensboro Rd.
Thomasville, NC 27360
336-475-6757
MtPleasant.Church

TO: Western Jurisdiction Annual Conference Trustees

FROM: Mt. Pleasant United Methodist Church

March 17, 2020

RE: Vote to Disaffiliate

Trustees,

Pursuant to the requirements of paragraph 2553 of the Book of Discipline, Mt. Pleasant Church held a Called Vote on January 19, 2020 on the matter of disaffiliating from the United Methodist Church.

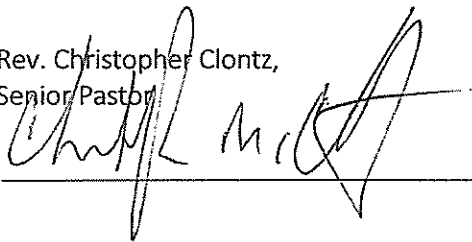
Attached is the ballot that was presented to the congregation.

Rev. Amy Coles from our District office presided over the meeting.

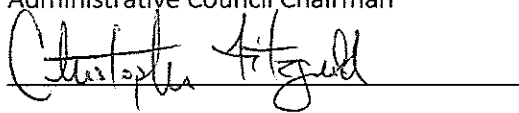
The vote was 267 in favor of disaffiliating to 1 opposed to disaffiliating. Rev. Coles has the actual ballots from the vote.

We certify that this vote count is accurate, and that the voters present were members in good standing with the church.

Rev. Christopher Clontz,
Senior Pastor



Christopher Fitzgerald,
Administrative Council Chairman





6516 Old Greensboro Rd.
Thomasville, NC 27360
336-475-6757
MtPleasant.Church

Ballot to Disaffiliate

Whereas, by near unanimous consent the congregation of the Mt. Pleasant United Methodist Church has expressed disagreement with the results of the 2019 special session of the UMC Conference regarding the adoption of the "traditional plan" as presented;

And Whereas, the Mt. Pleasant United Methodist Church believes the "traditional plan" as approved does not sufficiently address the lack of accountability for Bishops and Clergy who openly disobey the Book of Discipline;

And Whereas, the Mt. Pleasant United Methodist Church does not agree with the passage of petitions at the 2019 session of The Western North Carolina Conference, one of which presented the tenants of UMC Next which rejects the "traditional plan", and another petition which stated the annual conference's strong disagreement with and condemnation of the traditional plan.

And Whereas, the General Conference did provide a disaffiliation process for congregations that disagree with the actions of the United Methodist Church and its language regarding human sexuality and accountability to the church;

Therefore be it resolved that the Mt. Pleasant United Methodist Church, with a more than two thirds vote of members at special called church conference has voted to disaffiliate from the United Methodist Church per Book of Discipline per paragraph 2553 and

Therefore, Mt. Pleasant UMC requests the disaffiliation of Mt. Pleasant from the United Methodist Church be placed on the 2020 Annual Conference agenda of the meeting of Western North Carolina Annual Conference and asks that the conference respect and affirm the desire of the Mount Pleasant congregation to disaffiliate with the United Methodist Church.

Be it resolved that Board of Trustees and Disaffiliation Committee of Mount Pleasant UMC be given the authority to negotiate and enter into a formal disaffiliation agreement with the Conference Trustees and execute all deeds, contracts, instruments, etc. needed to carry it out and

Be it resolved that said formal disaffiliation agreement will be placed on the agenda of the 2020 meeting of the Western North Carolina Annual Conference and ask that the conference respect and affirm the desire of the Mount Pleasant congregation to disaffiliate from The United Methodist Church, effective at the close of the Annual Conference.

Do you vote to support the above resolutions so that Mt. Pleasant United Methodist Church will petition for Disaffiliation at the 2020 Annual Conference?

Yes _____

No _____

Execution Version

EXHIBIT B
Bill of Sale

[Form Attached]

BILL OF SALE

This Bill of Sale is made and entered into as of this ____ day of [_____], 2020 (the "Effective Date") by and between THE BOARD OF TRUSTEES, WESTERN NORTH CAROLINA CONFERENCE, UNITED METHODIST CHURCH, INC., a North Carolina non-profit corporation (the "Seller") and [_____], a [North Carolina non-profit corporation] (the "Buyer").

1. PURCHASE OF EQUIPMENT AND PERSONAL PROPERTY. For valuable consideration, the sum of \$1.00, receipt of which is acknowledged, Seller agrees to quitclaim, transfer, sell, waive and release any interest it has or may have, including as the beneficiary of any trust interest created by the provisions of The Book of Discipline of The United Methodist Church, and Buyer agrees to accept all of Seller's interest in the personal property, contents, furnishings, and equipment found in that real property located at [_____], North Carolina, including all accounts, monies, funds, notes, and other intangibles (hereinafter collectively, the "Personal Property") on the terms and conditions set forth in this Bill of Sale.

2. INSPECTION. Buyer has been in exclusive possession of the Personal Property and waives all rights to inspect and/or reject the Personal Property or any part thereof.

3. RISK OF LOSS. The sole risk of loss arising from the Personal Property, regardless of the cause, shall pass to Buyer upon execution hereof.

4. DISCLAIMER OF WARRANTIES. Seller hereby excludes, and Buyer waives, all express or implied warranties with respect to the Personal Property, and further:

THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE OF THIS BILL OF SALE. WITH THIS SALE, AND SELLER EXPLICITLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY AND ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. BUYER ACKNOWLEDGES THAT IT IS PURCHASING THE EQUIPMENT AS-IS AND WHERE LOCATED WITH NO CLAIMS OR WARRANTIES REGARDING CONDITION OR SUITABILITY, EITHER EXPRESS OR IMPLIED.

5. This Bill of Sale shall be construed and governed in accordance with the laws of the State of North Carolina.

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representative to execute and deliver this Bill of Sale.

The Board of Trustees, Western North Carolina Conference,
United Methodist Church, Inc.

By: _____

Name/Office: _____

[_____]

By: _____

Execution Version

EXHIBIT C
Deed(s)

[Form Attached]

QUITCLAIM DEED

THIS INSTRUMENT WAS PREPARED BY:

Gregory D. Huffman
Ascension Law
5821 Fairview Road
Suite 500
Charlotte, NC 28209

Mail after recording to: [_____]

NORTH CAROLINA

NO REVENUE

[_____] COUNTY

THIS QUITCLAIM DEED made this ____ day of [____], 2020, by and between **THE TRUSTEES OF THE WESTERN NORTH CAROLINA CONFERENCE OF THE UNITED METHODIST CHURCH, INC.**, a North Carolina Not-For-Profit corporation, whose mailing address is [_____] (“Grantor”) and [_____] (“Grantee”), a North Carolina [_____] whose mailing address is [_____].

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WHEREAS, Mt. Pleasant United Methodist Church was a “Local Church,” as defined by The Book of Discipline of The United Methodist Church (2016 Edition, as amended)(the “Discipline”);

WHEREAS, pursuant to the Discipline, Mt. Pleasant United Methodist Church holds all of its property and assets in trust for the benefit of The United Methodist Church; and,

WHEREAS, pursuant to that Disaffiliation Agreement Pursuant to ¶ 2553 between Grantor and Mt. Pleasant United Methodist Church dated March [___], 2020, Grantor agreed to transfer any and all its right, title and interest in the real property set out herein to Grantee.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has remised and released, and by these presents does remise, release and forever quitclaim unto Grantee and its assigns all right, title, and interest of said Grantor in and to that certain tract of land lying and being in [] Township, [] County, North Carolina, as more particularly described:

See the attached Exhibit A which is incorporated by reference herein as if set out in full.

THE PREPARER OF THIS INSTRUMENT DID NOT SEARCH OR CERTIFY TITLE.

To have and to hold the aforesaid tract or parcel of land and all privileges thereunto belonging to said Grantee and its assigns free and discharged from all right, title, claim and interest of the Grantor or anyone claiming by, through or under them.

IN WITNESS WHEREOF, the Grantor has hereunto set their hands and seals the day and year first above written.

[Signatures Pages Attached Separately]

**SIGNATURE AND ACKNOWLEDGMENT PAGE
FOR QUITCLAIM DEED**

**THE BOARD OF TRUSTEES, WESTERN NORTH
CAROLINA CONFERENCE, UNITED METHODIST
CHURCH, INC., a North Carolina non-profit
corporation**

By: _____
[_____] , President and Board Chair

State of North Carolina - County of _____

I, _____, a Notary Public of the aforesaid state and county do hereby certify that _____, personally appeared before me this day and who is personally known to me or who produced satisfactory evidence of their identity in the form of a driver's license, and who acknowledged that they voluntarily executed the foregoing instrument for the purposes stated therein and that they are the President and Board Chair of **The Board of Trustees, Western North Carolina Conference, United Methodist Church, Inc., a North Carolina non-profit corporation, Grantor**, and that they, as President and Board Chair, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and Notarial stamp or seal this ____ day of [____], 2020.

My Commission Expires: _____ Notary Public

(Affix Seal)

Notary's Printed or Typed Name

**SIGNATURE AND ACKNOWLEDGMENT PAGE
FOR QUITCLAIM DEED**

**THE BOARD OF TRUSTEES, WESTERN NORTH
CAROLINA CONFERENCE, UNITED METHODIST
CHURCH, INC., a North Carolina non-profit
corporation**

By: _____
[_____], Vice President

State of North Carolina - County of _____

I, _____, a Notary Public of the aforesaid state and county do hereby certify that [____], personally appeared before me this day and who is personally known to me or who produced satisfactory evidence of their identity in the form of a driver's license, and who acknowledged that they voluntarily executed the foregoing instrument for the purposes stated therein and that they are the Vice President of **The Board of Trustees, Western North Carolina Conference, United Methodist Church, Inc., a North Carolina non-profit corporation, Grantor**, and that they, as Vice President, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and Notarial stamp or seal this _____ day of March, 2020.

My Commission Expires: _____ Notary Public

(Affix Seal)

Notary's Printed or Typed Name

EXHIBIT A

PROPERTY DESCRIPTION

[]

Execution Version

EXHIBIT D
FIRPTA

[Form Attached]

FIRPTA AFFIDAVIT

NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by **The Board of Trustees, Western North Carolina Conference, United Methodist Church, Inc.**, a North Carolina non-profit corporation ("Transferor"), the undersigned hereby certifies the following on behalf of Seller:

Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

Transferor is not a disregarded entity as defined in §1.1445-2(b)(2)(iii);

Transferor's U.S. employer identification number is: 56-6001440; and

Transferor's office address is Post Office Box 2757, Huntersville, NC 28070.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: [July] ___, 2020

The Board of Trustees, Western North Carolina
Conference, United Methodist Church, Inc.,
a North Carolina non-profit corporation

By: _____
Name: [_____]
Its: President

NOTICE TO TRANSFEREE (BUYER): You are required by law to retain this Certificate until the end of the fifth tax year following the tax year in which the transfer takes place and make the Certificate available to the Internal Revenue Service if requested to do so during that period.

SCHEDULE 3.2
Other Liabilities

1. Promissory Note between Mt. Pleasant United Methodist Church, as borrower, and The United Methodist Foundation of Western North Carolina, Inc., as lender, in the maximum principal amount of \$2,400,000.00 dated July 11, 2016;
2. Deed of Trust and Security Agreement Securing Future Advances securing up to \$2,400,000.00, for the benefit of The United Methodist Foundation of Western North Carolina, Inc., with Trustee Services, Inc., as trustee, recorded at Book 2229, Page 1697, in the Office of the Register of Deeds for Davidson County, North Carolina.

Execution Version

SCHEDULE 3.4
Financial Statements

[Attached]

5:15 PM
01/11/19
Cash Basis

Mt. Pleasant UMC
Balance Sheet
As of December 31, 2018

	<u>Dec 31, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
BB&T	
Choir Fund	3,938.05
Operating Account	224,235.01
Outreach Account	12,474.06
Youth Fund	8,955.20
Total BB&T	249,602.32
BB&T - ACH Account	84.39
Family Life Center Savings	153,989.40
Total Checking/Savings	403,676.11
Other Current Assets	
Prepaid Payroll	15,505.78
UMFD Fund	389,011.80
Total Other Current Assets	404,517.58
Total Current Assets	808,193.69
Fixed Assets	
Family Life Center Audio/Video	740.92
Family Life Center Building	3,674,609.96
Family Life Center Furniture &	33,061.80
Family Life Center Kitchen Eq	73,251.22
Remodeling Costs	214,174.38
Total Fixed Assets	3,995,838.28
TOTAL ASSETS	4,804,031.97
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
N/P - UMFWNC Development Fund L	2,286,347.83
Total Long Term Liabilities	2,286,347.83
Total Liabilities	2,286,347.83
Equity	
Unrestrict (retained earnings)	2,191,495.31
Net Income	326,188.83
Total Equity	2,517,684.14
TOTAL LIABILITIES & EQUITY	4,804,031.97

1:20 PM
09/04/19
Cash Basis

Mt. Pleasant UMC
Balance Sheet
As of August 31, 2019

	<u>Aug 31, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
BB&T	
Choir Fund	4,108.05
Operating Account	158,570.11
Outreach Account	8,541.20
Youth Fund	6,537.41
Total BB&T	177,756.77
BB&T - ACH Account	84.39
Family Life Center Savings	132,371.81
Total Checking/Savings	310,212.97
Other Current Assets	
Prepaid Payroll	15,652.07
UMFD Fund	564,011.80
Total Other Current Assets	579,663.87
Total Current Assets	889,876.84
Fixed Assets	
Family Life Center Audio/Video	740.92
Family Life Center Building	3,674,609.96
Family Life Center Furniture &	33,061.80
Family Life Center Kitchen Eq	73,251.22
Remodeling Costs	214,174.38
Total Fixed Assets	3,995,838.28
TOTAL ASSETS	4,885,715.12
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
N/P - UMFWNC Development Fund L	2,191,036.54
Total Long Term Liabilities	2,191,036.54
Total Liabilities	2,191,036.54
Equity	
Unrestrict (retained earnings)	2,517,684.14
Net Income	176,994.44
Total Equity	2,694,678.58
TOTAL LIABILITIES & EQUITY	4,885,715.12

Mt. Pleasant UMC
Balance Sheet
As of December 31, 2019

	<u>Dec 31, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
BB&T	
Choir Fund	4,466.08
Operating Account	124,101.49
Outreach Account	9,403.88
Youth Fund	3,750.24
Total BB&T	<u>141,721.69</u>
Family Life Center Savings	184,808.28
Total Checking/Savings	<u>326,529.97</u>
Other Current Assets	
Prepaid Payroll	16,202.23
UMFD Fund	728,099.22
Total Other Current Assets	<u>744,301.45</u>
Total Current Assets	<u>1,070,831.42</u>
Fixed Assets	
Family Life Center Audio/Video	740.92
Family Life Center Building	3,674,609.96
Family Life Center Furniture &	33,061.80
Family Life Center Kitchen Eq	73,251.22
Remodeling Costs	214,174.38
Total Fixed Assets	<u>3,995,838.28</u>
TOTAL ASSETS	<u><u>5,066,669.70</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
N/P - UMFWNC Development Fund L	2,162,402.83
Total Long Term Liabilities	<u>2,162,402.83</u>
Total Liabilities	<u>2,162,402.83</u>
Equity	
Unrestrict (retained earnings)	2,517,684.14
Net Income	386,582.73
Total Equity	<u>2,904,266.87</u>
TOTAL LIABILITIES & EQUITY	<u><u>5,066,669.70</u></u>

SCHEDULE 4.5
Litigation; Legal Liabilities

1. Soil and groundwater contamination, along with required property use restrictions and remediation requirements affecting the Real Property, as set out in that Notice of Petroleum Residue as issued by the North Carolina Department of Environmental Quality dated November 2, 2016, and recorded at Book 2249, Page 2460, in the Office of the Register of Deeds for Davidson County, North Carolina

SCHEDULE 4.7
Leases & Land

Interests in Land

County	Deed Book/Page	Acreage	Notes
Davidson	2181/1105	10.317	Campus/Parsonage
	1836/1051	0.958	Cemetery
	830/1201	1.358	Cemetery