

DISAFFILIATION AGREEMENT
THE FLORIDA CONFERENCE OF THE UNITED METHODIST CHURCH
As approved by Conference Board of Trustees October 7, 2022
FOR REVIEW ONLY

[* Name of Unincorporated Local Church], [* City], Florida
[* Date of Church Conference Vote], 2023

This Disaffiliation Agreement (this "Agreement") is entered into as of the date stated above by and among the members and Board of Trustees of the United Methodist local church named above ("Local Church"), The Florida Annual Conference of The United Methodist Church (the "Annual Conference"), and The Board of Trustees of The Florida Annual Conference of The United Methodist Church, Inc. (the "Conference Board") and, together with the Annual Conference, the "Florida Conference").

WHEREAS, Local Church is a United Methodist local church in the Annual Conference;

WHEREAS, Local Church has held a church conference in compliance with Paragraphs 246.8, 248, and 2553.2-.3 of *The Book of Discipline of The United Methodist Church* (the "Discipline") at which at least two-thirds of its professing members who were present at the church conference 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 Paragraph 2501.1 of the Discipline (the "Trust Clause"), 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, Paragraph 2501.2 of the Discipline provides that property subject to the Trust Clause "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."

WHEREAS, Paragraph 2553 of the Discipline provides a specific circumstance in which property subject to the Trust Clause can be released from the trust imposed by the Trust Clause.

WHEREAS, Paragraph 2553.4 of the Discipline requires the terms and conditions of Local Church's disaffiliation from The United Methodist Church to be "memorialized in a binding Disaffiliation Agreement."

WHEREAS, Paragraph 2529.1,b(3) of the Discipline provides that a local church "cannot sever its connectional relationship to The United Methodist Church without the consent of the annual conference," and the Judicial Council of The United Methodist Church has ruled in Judicial Decision 1379 dated April 25, 2019, that this consent may be provided by a vote of "a simple majority of the members of the annual conference present and voting" at a session of the annual conference convened after the vote by the church conference of a local church to disaffiliate from the denomination pursuant to Paragraph 2553 of the Discipline.

WHEREAS, Local Church desires to acquire from the Florida Conference all of the Florida Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible, property held by Local Church, and Local Church and the Florida Conference desire to resolve all matters between them and comply with the requirements of Paragraphs 2553 and 2529.1,b(3) of the Discipline.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, Local Church, the Conference Board, and the Annual Conference agree as follows:

1. Conditions Precedent. The obligations of the parties under this Agreement are subject to the satisfaction of each of the following conditions precedent before the effective date for Local Church's disaffiliation from The United Methodist Church that is specified in Section 3 below (the "Disaffiliation Date"):

(a) Church Conference Vote. Local Church must deliver to the Annual Conference before March 1, 2023, a certificate in substantially the form of Exhibit C to this Agreement that is (i) signed and certified by an authorized officer of Local Church to be accurate and complete, and (ii) evidences that at least two-thirds of the professing members present at a 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 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." Upon receipt, the Annual Conference may attach the signed certificate of the authorized officer of Local Church to this Agreement as Exhibit C in substitution of the unsigned form that is attached to this Agreement.

(b) Annual Conference Vote. This Agreement, the release of the property of Local Church from the Trust Clause, and the severance by Local Church of its connectional relationship to The United Methodist Church (the "Disaffiliation") must be "ratified by a simple majority of the members . . . present and voting" at a duly called session of the Annual Conference, as required by Paragraph 2529.1b(3) of the Discipline and Judicial *Decision* 1379 dated April 25, 2019, of the Judicial Council of The United Methodist Church. If the Disaffiliation is approved by the requisite vote of its members, the Annual Conference shall deliver promptly to Local Church written certification of the approval from the Annual Conference Secretary.

(c) Performance of Obligations. Local Church must pay, perform, and satisfy when due all its obligations under this Agreement that are required to be paid, performed, or satisfied by it on or before the Disaffiliation Date.

(d) Representations and Warranties. Each representation and warranty of Local Church in this Agreement must be accurate in all material respects as of the date of this Agreement and as of the Disaffiliation Date, as though made on that date.

(e) Joinder Agreement. The members of Local Church and the members of the Board of Trustees of Local Church must execute a Joinder Agreement in substantially the form attached as Exhibit H to this Agreement to accept, ratify, approve, authorize, assent to, and agree to be bound by this Agreement. In addition, if Local Church proposes to transfer by gift, sale, merger, assignment, conveyance, or any other means all or substantially all its property to a new or existing church corporation or other entity to operate as a church with its property after the Disaffiliation Date, the contemplated successor church to Local Church must execute a Joinder Agreement in substantially the form attached as Exhibit G to this Agreement to accept, approve, and agree to be bound by this Agreement and to assume and agree to perform all the obligations of Local Church under this Agreement.

If either of the conditions precedent set forth in subsections (a) and (b) above is not satisfied before the Disaffiliation Date, this Agreement shall immediately and automatically terminate and become null and void as of its date of execution. In addition, if any of the other conditions precedent set forth above are not fully satisfied before the Disaffiliation Date, the Florida Conference may terminate this Agreement by written notice to Local Church, whereupon this Agreement will become null and void. For avoidance of doubt, the condition precedent set forth in subsection (b) above will not be satisfied if a petition for approval of this Agreement and the Disaffiliation of Local Church is submitted to a vote of the members of the Annual Conference at a duly-called session of the Annual Conference and the petition is not approved by the affirmative vote of a simple majority of the members of the Annual Conference who are present and vote on the petition at the session. If this Agreement is terminated in accordance with the preceding sentences, none of the parties to this Agreement (or any other person or entity) will have any further duty, right, liability, or obligation under this Agreement.

2. Applicability of Trust Clause. Local Church acknowledges and agrees that, pursuant to the Trust Clause, it holds all its property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. If Local Church timely complies with all its obligations under this Agreement, Local Church's disaffiliation from The United Methodist Church will be effective as of 12:01 a.m. on July 1, 2023; provided that the Disaffiliation is completed no later than December 31, 2023.

4. Local Church's Obligations. Unless a different date is specified, Local Church shall do all the following before the Disaffiliation Date:

(a) **Payments.** Local Church shall pay to the Annual Conference by no later than June 15, 2023, in a manner specified by the Annual Conference, the following:

(i) Any and all costs associated with the transfer of title, release of the Trust Clause, or other legal work relating to Local Church's retention of its real and personal, tangible and intangible, property in accordance with Section 6 below, whether incurred or to be incurred by Local Church or the Florida Conference.

(ii) Any unpaid apportionments of Local Church for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by the Annual Conference;

(iii) An additional twelve (12) months of apportionments, as calculated by the Annual Conference;

(iv) Local Church's pro rata share, as determined by the Annual Conference based the apportionment fair-share decimal of Local Church as of the date of this Agreement, of the 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 and indicated in the last Wespath report provided to the Annual Conference before the date of this Agreement;

(v) Any unpaid insurance premiums that are due the Annual Conference through the Disaffiliation Date for the insurance provided to Local Church through the Ministry Protection insurance program of the Annual Conference;

(vi) Any unpaid pension contributions for the appointed clergy of Local Church that are due the Annual Conference through the Disaffiliation Date; and

(vii) Any unpaid salary and/or benefits that are due the appointed clergy of Local Church through the Disaffiliation Date.

The Annual Conference shall provide to Local Church on or before June 1, 2023, a statement of the foregoing amounts as of May 1, 2023. If Local Church has paid to the Annual Conference before the Disaffiliation Date its full Ministry Protection insurance premium for the current year, the premium will be prorated as of the Disaffiliation Date based on the number of months before and after the Disaffiliation Date, and the portion of the premium that is attributable to the period after the Disaffiliation Date will be credited against the payments delineated in clauses (i)-(iv), (vi), and (vii) above.

(b) **Other Liabilities.** Local Church shall either satisfy all its debts, loans, and liabilities (except for any accrued expenses, accounts payable, and loans from the Florida United Methodist Foundation but including all liability for prior acts of Local Church) or assign or transfer those obligations to another church, or new entity (if any) that is

organized to operate as a church after the Disaffiliation Date with the real property now owned by Local Church, and that assumes the obligations in writing. Local Church shall provide to the Annual Conference promptly after the Disaffiliation Date sufficient documentation, in form and content satisfactory to the Annual Conference, that the foregoing has been accomplished.

(c) **Intellectual Property.** Local Church shall cease, and shall cause its affiliates to cease, all use of the letters "UMC," the words "United Methodist," the Cross & Flame insignia of The United Methodist Church, and any other intellectual property of the denomination and the Annual Conference, including the removal of same from all websites, email addresses, financial accounts, social media pages and sites, uniform resource locators (URLs), and signage on property and buildings containing the same. In addition, Local Church and its affiliates shall refrain from using in any way any similarly confusing logos, names, designs, trademarks, or service marks. Notwithstanding the foregoing, Local Church may continue to use after the Disaffiliation Date any bibles, hymnals, and books of worship that have already been purchased and are then in use by the Local Church. Also, Local Church may keep and display awards and honorary plaques and the like that contain "UMC," "United Methodist," or "the Cross & Flame insignia of The United Methodist Church.

(d) **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 cease to use, any documentation stating that Local Church or any affiliate of Local Church is included in the Internal Revenue Service group tax exemption ruling for The United Methodist Church that is administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any affiliates of Local Church that have been included in the group tax exemption ruling will be removed from it without notice as of the Disaffiliation Date. Local Church or its successors shall be solely responsible for obtaining from the Internal Revenue Service its own ruling or determination letter regarding exemption from United States federal income tax.

(e) **Continued Care of Cemeteries.** If Local Church has a cemetery, memorial garden, mausoleum, columbarium, or other place for the disposition of human remains, Local Church shall continue to maintain it in compliance with all applicable laws and provide access to it after the Disaffiliation Date for families and loved ones of United Methodists who are buried there on the same terms and conditions as the members of Local Church.

(f) **Historical Records.** Local Church shall deliver to the Annual Conference on or before May 1, 2023, all its books and records of members, baptisms, weddings, and funerals, as well as copies of all its Forms W-2, Forms W-3, and Forms 941 for the most recent seven (7) years, and the Annual Conference shall place those records in the Annual Conference Archives.

(g) **Financial Statements.** Local Church shall provide to the Annual Conference on or before May 1, 2023, complete and accurate copies of a statement of financial position (balance sheet) of Local Church as of March 31, 2023, and a statement of activities (income statement) of Local Church for the twelve (12) months ended December 31, 2022, including any and all related notes, schedules, and reports of independent certified public accountants, together with a certificate in the form of **Exhibit F** to this Agreement that is signed by an officer of its Board of Trustees and attests to the accuracy and completeness of the financial statements. If Local Church does not have or prepare interim or annual financial statements, it may provide to the Annual Conference in lieu of the foregoing financial statements copies of Table 2 (Church Assets & Expenses) and Table 3 (Church Income) of its Local Church Report to the Conference for the year ending December 31, 2022.

(h) **Restricted Gifts.** During the period between the date of this Agreement and the Disaffiliation Date, Local Church and the Florida Conference shall work together to identify and review any gifts, grants, donations, endowments, and memorial bequests to Local Church that are dedicated or restricted as to use or subject to reversion, revocation, redirection, change of control, or similar provisions, to ensure compliance with all restrictions particular to United Methodism and to determine any actions that are necessary, such as the consent or acknowledgment of the donor, to assure that the assets will not be adversely affected by the Disaffiliation of Local Church. Local Church shall treat all dedicated and restricted funds and property received by it before the date of this Agreement, or subsequently

received by it in its pre-disaffiliation name, in accordance with requirements of applicable law and the provisions of any written direction of the donor regarding the use of the funds or property.

5. Organizational Transition. Local Church shall do the following in connection with its organizational transition relating to its Disaffiliation:

(a) **Name Change.** Local Church shall take all steps necessary to amend on or promptly after the Disaffiliation Date, in a manner satisfactory to the Annual Conference, its articles of incorporation and bylaws as needed to remove any reference to "UMC" or "United Methodist" or any other indication that Local Church is affiliated or connected with The United Methodist Church. In furtherance of this obligation, Local Church shall deliver to the Annual Conference on or after the execution date of this Agreement any document reasonably requested by the Annual Conference to amend, effective as of the Disaffiliation Date, the bylaws or articles of incorporation of Local Church to accomplish the foregoing.

(b) **Liabilities and Obligations.** As provided in **Section 4(b)**, Local Church shall do one of the following in connection with its Disaffiliation: (a) satisfy all its debts, loans, and liabilities (except for accounts payable, accrued expenses, and loans from the Florida United Methodist Foundation) before the Disaffiliation Date and continue its existence as a church after the Disaffiliation Date; or (b) transfer (by gift, sale, merger, assignment, conveyance, or other means) all its property and obligations to another church or a new entity that assumes and agrees to pay and perform all the obligations of Local Church under this Agreement and all its debts, loans, and liabilities (including accounts payable, accrued expenses, and loans from the Florida United Methodist Foundation) as of the Disaffiliation Date by executing a Joinder Agreement to this Agreement in form and content satisfactory to the Florida Conference.

(c) **Dissolution of Local Church.** If Local Church transfers (by gift, sale, merger, assignment, conveyance, or other means) all or substantially all its property and obligations to another church or a new entity to operate as a church with its property after the Disaffiliation Date, Local Church promptly shall dissolve and liquidate as a corporation in accordance with applicable Florida law, effective as of the Disaffiliation Date, and shall execute and deliver to the Florida Conference on or after the execution date of this Agreement Articles of Dissolution, a Notice of Dissolution, a signed Consent to Dissolution and Liquidation of its Board of Trustees, and any other documents that the Florida Conference reasonably requests to effectuate the dissolution of Local Church promptly or after the Disaffiliation Date.

(d) **Successor Church.** If Local Church transfers (by gift, sale, merger, assignment, conveyance, or other means) all or substantially all its property to a new or existing church corporation or other entity to operate as a church with its property after the Disaffiliation Date, Local Church shall assure that the articles of incorporation, bylaws, or other governance documents of the surviving entity do not contain the letters "UMC" or the words "United Methodist" or otherwise indicate any affiliation or connectional relationship with The United Methodist Church.

(e) **Indemnification.** Local Church shall indemnify, hold harmless, and defend with approved counsel the Florida Conference and their respective agents, officers, directors, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take any action that is required by this **Section 5**.

6. Property. If all the conditions precedent specified in **Section 1** have been satisfied, the Annual Conference shall deliver to Local Church on or as soon as reasonably possible after the Disaffiliation Date a Release of Trust in substantially the form attached as **Exhibit D** to this Agreement to release and relinquish all interest of the Florida Conference and The United Methodist Church pursuant to the Trust Clause in all personal property, tangible and intangible, of Local Church and the real property of Local Church that is described on **Exhibit A**, which shall include any cemetery, mausoleum, columbarium, or memorial garden of Local Church. The parties shall ensure that all necessary transfers of property interests or other transactions relating to the above properties are completed on or promptly after the Disaffiliation Date or any later date when all the conditions precedent specified in **Section 1** have been satisfied. Any and all costs of such transfers or other transactions shall be borne by Local Church. The Florida Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey

all of the Florida Conference's interest, both for itself and on behalf of The United Methodist Church, in the real property of Local Church described on [Exhibit A](#) and all personal, tangible and intangible, property of Local Church.

7. Release of Claims; Indemnification. If the Disaffiliation of Local Church becomes effective on the Disaffiliation Date, as evidenced by the delivery to Local Church by the Florida Conference of a duly executed Release of Trust in the form attached as [Exhibit D](#) to this Agreement, Local Church and the Florida Conference shall release and indemnify one another and their respective agents, members, agencies, officers, directors, trustees, employees, affiliates, assignees, representatives, and successors and predecessors in interest as provided in [Exhibit E](#). The release and indemnifications provisions set forth in [Exhibit E](#) are incorporated by reference in this Agreement as part of this section and are an integral part of this Agreement. For avoidance of doubt, the release and indemnification provisions set forth on [Exhibit E](#) will be null and void if the Disaffiliation of Local Church does not become effective or if this Agreement is terminated before the Disaffiliation of Local Church becomes effective.

8. Termination. If Local Church fails to satisfy on or before the Disaffiliation Date all the conditions precedent to its Disaffiliation that are set forth in [Section 1](#) of this Agreement, the Florida Conference reserves the right to terminate this Agreement by written notice to Local Church, in which case the Disaffiliation of Local Church will not become effective. In addition, if the Disaffiliation of Local Church does not become effective by December 31, 2023, this Agreement will be null and void as of its date of execution.

9. Continuing as Plan Sponsor. Nothing in this 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.

10. Insurance. As of 12:01 a.m., Eastern Daylight Savings Time, on the Disaffiliation Date, Local Church will cease to be insured through the Ministry Protection insurance program of the Annual Conference and the related insurance policies of the Annual Conference, which currently provides to Local Church the insurance coverage summarized in the 2023 Insurance Summary of the Annual Conference for the coverage period December 31, 2022, to December 31, 2023, which is posted on the Disaffiliation Website of the Annual Conference at [[*Link to website](#)] and incorporated by reference as an exhibit to this Agreement (the "[Insurance Summary](#)"). Consequently, Local Church will need to procure its own casualty, property, liability, workers' compensation, and other kinds of insurance. On and after the Disaffiliation Date, Local Church shall not make any claim for coverage under the Ministry Protection insurance program of the Annual Conference or any of the related insurance policies of the Annual Conference, whether currently, previously, or subsequently in force, and regardless of whether coverage is provided on a "claims made" or "occurrence" basis. In addition to any other kind of insurance that it may choose to maintain, Local Church shall purchase, have in force before the Disaffiliation Date, and keep in full force and effect for at least three full calendar years following the Disaffiliation Date, the insurance specified below and comply with the other insurance requirements specified below:

(a) ***Commercial General Liability.*** A policy of commercial general liability insurance that is issued on an "occurrence" basis and provides for the following: (i) at least \$1,000,000 of combined single-limit coverage per occurrence for bodily injury and property damage; (ii) at least \$1,000,000 of coverage per occurrence for personal injury and advertising liability; (iii) at least \$1,000,000 of coverage per occurrence for contractual liability that insures, pursuant to its terms or an endorsement, the indemnification obligations of Local Church to the Florida Conference under this Agreement for tort liability to a third person or organization for bodily injury or property damage; (iv) if a general aggregate limit applies, a general aggregate limit equal to twice the sum of all the required separate coverage limits; (v) a deductible or coinsurance amount of not more than \$1,000 per occurrence; and (vi) the payment of all legal fees and other costs and expenses of defending and investigating claims, without reduction of the coverage or general aggregate limits. Local Church shall cooperate with the Florida Conference to amend the terms of the release and indemnification provided to the "FLUMC Released Parties" (as defined in [Exhibit E](#)) pursuant to [Section 7](#) and [Exhibit E](#) of this Agreement in any reasonable manner requested by the Annual Conference to satisfy any requirement of the issuer of the policy of commercial general liability insurance to insure the indemnification obligations of Local Church to the Florida Conference under this Agreement.

(b) ***Pastoral Professional Liability.*** A policy of professional liability insurance that is issued on a "claims made" basis with a retroactive date of December 31, 2009, and provides for the following: (i) at least \$1,000,000 of coverage

per claim for Local Church and its pastors for damages arising out of pastoral counseling by the pastor or others for which an insured is liable; (ii) a deductible or coinsurance amount of not more than \$1,000; and (iii) the payment of all legal fees and other costs and expenses of defending and investigating claims, without reduction of the coverage limit.

(c) **Sexual Abuse and Molestation Liability.** A policy of liability insurance that is issued on a “claims-made” basis with a retroactive date that is at least three years before the Disaffiliation Date and provides for the following: (i) at least \$1,000,000 of coverage per claim for sexual abuse or molestation injury; (ii) a deductible or coinsurance amount of not more than \$1,000; and (iii) the payment of all legal fees and other costs and expenses of defending and investigating claims, without reduction of the coverage limit.

(d) **Additional Insureds and Policy Notices.** Each policy of insurance required by this section shall name the Conference Board, the Annual Conference, and their respective past and present agents, members, officers, directors, trustees, employees, affiliates, assignees, volunteers, and successors and predecessors in interest as additional insureds, and provide by its terms or an endorsement that (i) the additional insured coverage is the same as the coverage for Local Church, (ii) the additional insured coverage is primary to any other insurance available to an additional insured, (iii) any insurance or self-insurance maintained by an additional insured is in excess of, and non-contributory with, the policy of insurance of Local Church, and (iv) the insurer is obligated to give the Annual Conference not fewer than 30 days' advance written notice of the insurer's intention to amend, cancel, not renew, or reduce the coverage of the policy and not fewer than ten days' advance written notice of the insurer's intention to cancel the policy based on the nonpayment of a premium. Local Church waives any right to subrogation that any insurer of Local Church may acquire against any additional insured by virtue of the payment of any loss under any insurance policy required by this Agreement and shall obtain any policy endorsement that is necessary to affect this waiver of subrogation. This waiver of subrogation applies, however, regardless of whether an additional insured receives a waiver of subrogation endorsement from the insurer. If Local Church transfers all or substantially all its property to a successor church on or after the Disaffiliation Date and the insurance required by this Agreement is issued in the name of the successor church, the successor church shall maintain the insurance required by this Agreement, and the Local Church must be named as an additional insured under the insurance policies of the successor church.

(e) **Acceptable Insurers and Policy Forms.** Local Church shall procure the insurance that is required by this Agreement from one or more reputable commercial insurance companies that are licensed to do business in the State of Florida and have an A.M. Best's rating of A: VII or higher and pursuant to separate policies or as an endorsement to the policy of commercial general liability insurance that is required by this Agreement. Local Church may satisfy the specified insurance limit for pastoral professional liability or sexual abuse and molestation liability pursuant to a combination of a primary coverage policy and an excess liability policy. If the insurance is provided as an endorsement to the policy of commercial general liability insurance, the policy shall provide for separate limits of coverage for each insurance coverage so a claim under any particular insurance coverage does not reduce the insurance limit for any other insurance coverage provided by the policy. The policies of insurance required by this Agreement must be issued on policy forms that are acceptable to the Florida Conference.

(f) **Certificates of Insurance.** Local Church shall deliver to the Annual Conference before the Disaffiliation Date, annually thereafter on or before the first, second, and three-year anniversaries of the Disaffiliation Date, and at any other time requested by the Annual Conference one or more certificates of insurance that evidence that the insurance required by this Agreement is in full force and effect, together with the Declarations and Endorsement Page of each policy and copies of all required amendatory endorsements or the applicable policy language providing the coverage required by this Agreement.

11. Further Assurances. The parties to this Agreement shall execute and deliver to one another after the Disaffiliation Date any additional document reasonably requested by a party to vest, perfect, or confirm of record the actions contemplated by this Agreement, so long as the requested document will comply with applicable law and the Discipline, will not increase or extend any liability or obligation of a party that is contemplated by this Agreement, and will not impose on any party any new or additional liability or obligation. In addition, the parties to this Agreement intend to comply fully with the Discipline in connection with the actions contemplated by this Agreement and shall take any different or additional action, and execute any different or additional documentation, that is required for the actions contemplated by this Agreement to comply with Paragraph 2553 or any other provision of the Discipline.

12. Representations and Warranties of Local Church. Local Church represents and warrants the following to the Florida Conference as of the date of this Agreement and as of the Disaffiliation Date:

(a) **Organization.** Local Church is an unincorporated religious association governed by the laws of the State of Florida.

(b) **No Subsidiaries.** Local Church does not have any direct or indirect subsidiaries or any other affiliates (as defined in **Section 17)**, except as disclosed on **Exhibit B** to this Agreement.

(c) **Authorization.** The execution, delivery, and performance of this Agreement by Local Church have been duly authorized by its members and Board of Trustees and all other requisite action of Local Church in accordance with the Discipline, applicable law, and its Bylaws, Articles of Incorporation, and other governing documents, and this Agreement constitutes a valid, binding, and enforceable obligation of Local Church.

(d) **Local Church Names.** Local Church does not use a church, corporate, or fictitious name other than its current corporate name, except as disclosed on **Exhibit B** to this Agreement.

(e) **Real Property.** Local Church does not own or lease any interest in any real property other than its ownership of the real estate described on **Exhibit A** to this Agreement.

(f) **Financial Statements.** All the financial statements of Local Church provided to the Annual Conference pursuant to this Agreement fairly present or will fairly present the financial condition and operating activities of Local Church as of the dates and for the periods indicated.

(g) **Financial Accounts.** Set forth on **Exhibit B** to this Agreement is a list of all the bank, brokerage, investment, and other financial accounts of Local Church that specifies for each account (i) the kind of account, (ii) the account number, (iii) the name of the financial institution where the account is maintained, and (iv) the account balance as of February 1, 2023, and all of that financial account information is accurate and complete as of its date.

(h) **Restricted Assets.** Local Church does not have any gifts, grants, donations, endowments, memorial bequests, or financial accounts that are dedicated or restricted as to use, except as disclosed on **Exhibit B** to this Agreement or in a statement of financial position that has been provided to the Annual Conference in connection with this Agreement, and is not a party to any agreement, mortgage, or promissory note that restricts the use or spending of its funds.

(i) **No Litigation.** No claim of any kind has been asserted or, to its knowledge, threatened by any person or entity against Local Church, and no lawsuit or other legal proceeding of any kind affecting Local Church or any of its property is pending before any court, arbitrator, or governmental authority or, to its knowledge, threatened by any person or entity or otherwise reasonably foreseeable.

(i) **Termination of Insurance.** Local Church has reviewed the Insurance Summary and acknowledges that (A) the Annual Conference currently provides to it the insurance described in the Insurance Summary, (B) as a result of its Disaffiliation, it will cease to be insured through the Annual Conference under any of the insurance described in the Insurance Summary, regardless of whether the claim arises from an act, event, activity, or inaction that occurred before or after the Disaffiliation Date, and (C) it consequently, it will need to obtain its own insurance on and after the Disaffiliation Date.

(j) **Insurance Claims.** Local Church does not have any unresolved property insurance matters or any active claims with the Ministry Protection Insurance Program of the Annual Conference. Local Church has not had any claim asserted against it within the last five years relating to sexual abuse or molestation liability, and no member of its church council knows of any basis for such a claim.

(k) **Accuracy of Representations and Warranties.** All the representations and warranties of Local Church in this Agreement are true and correct in all material respects as of both the date of this Agreement and the Disaffiliation Date.

13. Notices. Every notice, consent, approval, or indemnification claim that is required or permitted to be made or given to or by a party or an indemnified person under this Agreement will be valid only if it is in writing (whether or not this Agreement expressly provides for it to be in writing), delivered personally or by email, commercial courier, or certified, first-class, postage prepaid, United States mail (whether or not a return receipt is requested or received by the sender), and addressed, if to Local Church, to the email or street address listed on **Exhibit B** to this Agreement, and, if to the Florida Conference, to its email or street address listed below:

The Florida Annual Conference of The United Methodist Church
450 Martin Luther King Jr. Avenue
Lakeland, Florida 33815
Email: csmelser@flumc.org

Attention: Treasurer and Director of Administrative Services

or to any other email or street address designated by a party after the date of this Agreement by notice to the other parties to this Agreement that is validly given in accordance with the provisions of this **Section 13**. A validly given notice, consent, approval, or indemnification claim under this Agreement will be effective and "received" for purposes of this Agreement on the earlier of (i) the day of its actual receipt, if delivered in person or by commercial courier, (ii) the day after its transmission, if it is delivered by email and a copy is also delivered by certified, first-class, postage-prepaid, United States mail, or (iii) the fifth day after it is postmarked by the United States Postal Service, if it is delivered by certified, first class, postage prepaid, United States mail. Each party promptly shall notify the other parties of any change in its email address or street address for notices.

14. Non-Severability. The parties to this Agreement intend for each provision of this Agreement to be construed and interpreted whenever possible as valid and enforceable under applicable law. Each of the terms of this Agreement is a material and integral part of it. If any provision of this Agreement is finally determined by a court to be unenforceable or contrary to law, the entire Agreement shall be deemed null and void as of its date of execution.

15. Survival. The provisions of **Sections 4(b)-4(e), 4(h), 5, 7, and 9-18** will remain in full force and effect and survive the consummation of this Agreement and the Disaffiliation of Local Church.

16. Assignment and Successors. This Agreement is binding on, and inures to the benefit of, every assignee, successor in interest, and legal representative of a party to this Agreement, including without limitation any church or entity to which Local Church transfers any of its real property after the Disaffiliation Date. However, Local Church shall not assign any of its rights, or delegate any of its obligations, under this Agreement to anyone without the advance written consent of the Annual Conference, which it may refuse or withhold in its sole discretion. Any attempted assignment or delegation by Local Church without the advance written consent of the Annual Conference will be invalid and ineffective against the Florida Conference. In any event, an assignment by Local Church of this Agreement or any of its rights under its will not relieve Local Church of any of its obligations to the Florida Conference under this Agreement.

17. Contract Interpretation. The headings preceding the text of the sections of this Agreement are solely for convenient reference, are not a substantive part of this Agreement, and do not affect its meaning or interpretation. The exhibits to this Agreement are an integral part of it and are incorporated by reference in this Agreement. All references in this Agreement to an exhibit or section are to an exhibit or section of this Agreement unless otherwise expressly indicated. All the defined terms in **Exhibit E** are incorporated by reference in this Agreement and have the respective meanings attributed to them in **Exhibit E**. As used in this Agreement, (a) the word "**or**" is not exclusive, (b) words in the singular number include words in the plural number and vice versa, (c) the word "**days**" refers to calendar days, including Saturdays, Sundays, and holidays, (d) the word "**including**" is always without limitation and should be interpreted to connote "including but not limited to," (e) the word "**may**" is intended to indicate permission and authorization and not possibility and should be interpreted to connote "is permitted to," (f) "**litigation costs**" means all

reasonable costs, expenses, and fees of attorneys, mediators, arbitrators, and expert and evidentiary witness that are incurred in connection with settling, defending, prosecuting, participating in, or preparing to settle, defend, prosecute, or participate in any audit, claim, inquiry, mediation, arbitration, investigation, bankruptcy proceeding, or trial or appellate litigation, including travel expenses and court filing, reporting, and transcription fees, and (g) an “**affiliate**” of Local Church means any trust, corporation, partnership, limited liability company, or other legal entity with respect to which Local Church, directly or indirectly through one or more intermediaries, has the power, as a member, trustee, manager, beneficiary, shareholder, general partner, or managing partner or pursuant to a contract, trust powers, or the governing documents of the entity, to elect or appoint all or a majority of the managers, directors, trustees, or other governing body of the entity or otherwise to direct or control the policies and management of the entity.

18. Entire Agreement; Third Party Rights. This Agreement records the entire understanding between Local Church and the Florida Conference regarding the disaffiliation of Local Church from The United Methodist Church and supersedes any previous or contemporaneous agreement, representation, or understanding, oral or written, by either Local Church or the Florida Conference. Nothing in this Agreement, whether express or implied, is intended or should be construed to confer or grant to any person, other than Local Church, the Conference Board, the Annual Conference, the members of the Annual Conference, and their respective permitted assignees and successors in interest, any claim, right, remedy, or privilege pursuant to this Agreement or any provision of it, except that the members of the Annual Conference, the FLUMC Released Parties (as defined in **Exhibit E**), and the Local Church Released Parties (as defined in **Exhibit E**) are third-party beneficiaries of the release and indemnification provisions of **Section 7**, including **Exhibit E** that is incorporated by reference in **Section 7**.

19. Waiver and Amendment. A waiver, amendment, or modification of this Agreement or any provision of it will be valid and effective only if it is in writing and signed on behalf of Local Church and the Florida Conference, except as otherwise provided below in this section. The signatories to this Agreement on behalf of Local Church are authorized by its members and Board of Trustees to approve and execute a waiver, amendment, or modification of this Agreement on behalf of Local Church. With the approval of the Conference Board, the Florida Conference may do the following without any action, consent, approval, agreement, or signature of Local Church: (a) waive any obligation of Local Church under this Agreement; (b) extend the Disaffiliation Date specified in **Section 3** (but not beyond December 31, 2023); (c) extend the time for Local Church to satisfy any condition precedent set forth in **Section 1** (but not beyond December 31, 2023); (d) waive any condition precedent of Local Church that is set forth in **Section 1(c), 1(d), or 1(e)**; (e) increase any amount payable under **Section 4** to reflect an extension of the Disaffiliation Date or an extension of time for Local Church to satisfy any condition precedent set forth in **Section 1**; or (f) amend or otherwise modify any other provision of this Agreement in any manner that is not adverse to Local Church or contrary to the requirements of Paragraph 2553 of the Discipline. In addition, the Treasurer of the Annual Conference and the President of the Conference Board are authorized and empowered, without any further action consent, approval, or agreement of Local Church, the Annual Conference, or the Conference Board, to extend the Disaffiliation Date (but not beyond December 31, 2023) or to extend the time for Local Church to satisfy any condition precedent set forth in **Section 1** (but not beyond December 31, 2023).

20. Execution and Effective Date. This Agreement may be executed by the parties in identical counterparts and by manual, digital, or facsimile signature. Each executed counterpart of this Agreement will be considered an original, and all executed counterparts, together, will constitute the same agreement. This Agreement will become effective as of its date of execution when each party to this Agreement has executed a counterpart of it.

[Signatures on next page]

COUNTERPART SIGNATURE PAGE FOR DISAFFILIATION AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

[*NAME OF LOCAL CHURCH]

By: _____

Name: _____

Chair of Board of Trustees

[*Name of Local Church]

By: _____

Name: _____

Vice Chair of Board of Trustees

[*Name of Local Church]

[Signatures continued on next page]

COUNTERPART SIGNATURE PAGE FOR DISAFFILIATION AGREEMENT

**THE BOARD OF TRUSTEES OF THE FLORIDA
ANNUAL CONFERENCE OF THE UNITED
METHODIST CHURCH, INC.**

By: _____
Craig A. Smelser, Treasurer

**THE FLORIDA ANNUAL CONFERENCE
OF THE UNITED METHODIST CHURCH**

By: _____
Craig A. Smelser, Treasurer and
Director of Administrative Services

[Signatures continued on next page]

COUNTERPART SIGNATURE PAGE FOR DISAFFILIATION AGREEMENT

**THE FLORIDA ANNUAL CONFERENCE
OF THE UNITED METHODIST CHURCH**

By: _____
Name: _____
District Superintendent
[*District Name] District of The Florida
Annual Conference of The United
United Methodist Church

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

[*NAME OF LOCAL CHURCH]

EXHIBIT B

DISCLOSURE SCHEDULE FOR DISAFFILIATION AGREEMENT

[*NAME OF LOCAL CHURCH]

Financial Accounts of Local Church

<u>Type</u>	<u>Account Number</u>	<u>Institution</u>	<u>Balance</u>
Checking			
Savings			
Investment			
Money Market			

Exceptions to Representations and Warranties of Local Church

Section 10(b) - Subsidiaries

None

Section 10(c) – Church Names

None

Section 10 (e) – Restricted Assets

None

Email and Street Addresses of Local Church for Notices Under Disaffiliation Agreement

[*Name of Local Church]

[*Local Church Street Address]

{*City}, Florida [*Zip Code]

Email: [*Email Address]

Attention: [*Name and Title of Church Representative]

EXHIBIT C
CHURCH CONFERENCE VOTE CERTIFICATION

CERTIFICATE OF CHURCH SECRETARY

I certify to The Florida Annual Conference of The United Methodist Church that I am the Secretary of the local United Methodist Church named below ("**Local Church**") and that two-thirds of the members of Local Church who were present at a duly-called meeting of the church conference of Local Church that was held on the date stated below voted in favor of Local Church severing its connectional relationship to The United Methodist Church and disaffiliating from the denomination 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 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. I further certify that the vote on the action was:

_____ FOR _____ AGAINST _____ ABSTAIN

Church Conference Date: _____, 2023

[*Name], Secretary
[*Name of Local Church]
[*City, State]

EXHIBIT D
RELEASE OF TRUST

RELEASE OF TRUST

The Florida Annual Conference of The United Methodist Church and The Board of Trustees of The Florida Annual Conference of The United Methodist Church, Inc. (together, the "**Florida Conference**") confirm that [***Name of Church**], [***City**], Florida (the "**Church**"), has severed its connectional relationship to The United Methodist Church and disaffiliated from the denomination effective as of July 1, 2023, in compliance with Paragraphs 2553 and 2529.1.b)(3) of The Book of Discipline of The United Methodist Church (the "**Discipline**") and Judicial Decision 1379 dated April 25, 2019, of the Judicial Council of The United Methodist Church.

Therefore, the Florida Conference, for itself and on behalf of The United Methodist Church, releases, relinquishes, and discharges all interest of the Florida Conference and The United Methodist Church in all the real and personal, tangible and intangible, property of the Church, including the real property described on the attached **Exhibit A**, from the trust for the benefit of The United Methodist Church that is imposed by Paragraph 2501 of the Discipline (the "**UMC Trust**"), whether or not the deeds of record or other instruments of title for the property reference the UMC Trust or include a trust clause as provided in Paragraph 2503 of the Discipline. Further, the Florida Conference confirms that all actions and consents required by the Discipline for the release of the property from the UMC Trust have been taken and obtained.

Effective Date: July 1, 2023

[Signatures on next pages]

COUNTERPART SIGNATURE PAGE FOR RELEASE OF TRUST

THE BOARD OF TRUSTEES OF THE FLORIDA ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH, INC.

WITNESSES:

Witness for Craig A. Smelser

By: _____
Craig A. Smelser, Treasurer

Witness for Craig A. Smelser

THE FLORIDA ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH

WITNESSES:

Witness for Craig A. Smelser

By: _____
Craig A. Smelser, Treasurer and
Director of Administrative Services

Witness for [Craig A. Smelser

ACKNOWLEDGEMENT

STATE OF FLORIDA
COUNTY OF POLK

The foregoing Release of Trust was acknowledged before me by means of physical presence or online notarization on _____, 2023, by **Craig A. Smelser**, as Treasurer and Director of Administrative Services of The Florida Annual Conference of the United Methodist Church and as Treasurer of The Board of Trustees of the Florida Annual Conference of The United Methodist Church, Inc., He is known to me or produced a driver's license as identification.

Name: _____
Notary Public, State of Florida
Notarial Stamp:

[Signatures continued on next page]

COUNTERPART SIGNATURE PAGE FOR RELEASE OF TRUST

**THE FLORIDA ANNUAL CONFERENCE
OF THE UNITED METHODIST CHURCH**

Witness for [*Name of District Superintendent]

Witness for [*Name of District Superintendent]

By: _____
[*Name of District Superintendent]
District Superintendent
[*District Name] District of The
Florida Annual Conference of The
United Methodist Church

ACKNOWLEDGEMENT

STATE OF FLORIDA
COUNTY OF _____

The foregoing Release of Trust was acknowledged before me by means of physical presence or online notarization, on _____, 2023, by [*Name of District Superintendent], as District Superintendent of the [*District Name] District of The Florida Annual Conference of the United Methodist Church, who is known to me or produced a driver's license as identification.

Name: _____
Notary Public, State of Florida
Notarial Stamp:

EXHIBIT E
RELEASE AND INDEMNIFICATION

The following provisions regarding release and indemnification are incorporated by reference in Section 7 of the Disaffiliation Agreement dated [***Date**], 2023, by and among [***Name of Local Church**], [***City**], Florida (“**Local Church**”), The Florida Annual Conference of The United Methodist Church (the “**Annual Conference**”), and The Board of Trustees of The Florida Annual Conference of The United Methodist Church, Inc. (the “**Conference Board**” and, together with the Annual Conference, the “**Florida Conference**”), to which this exhibit is attached:

(1) Defined Terms. As used below and in Section 7 of this Agreement, the following terms have the respective meanings attributed to them:

“**Liabilities**” means all costs, debts, claims, losses, damages, expenses, liabilities, judgments, agreements, assessments, indebtedness, causes of action, and statutory and contractual obligations of any and every kind whatsoever, including without limitation cross claims, counterclaims, contingent claims, claims for contribution or indemnification, claims for personal injury or property damage, litigation costs (as defined in Section 17 of this Agreement), any liability for treble, special, punitive, indirect, exemplary, incidental, and consequential damages, and fines, taxes, interest, penalties, and late charges imposed or assessed by third parties or governmental authorities, in each case whether choate or inchoate, direct or derivative, asserted or unasserted, liquidated or unliquidated, or arising at law, in equity, under contract or tort law, or pursuant to statutory or common law.

“**Indemnified Losses**” means all costs, claims, losses, damages, expenses, and liabilities, including fines, taxes, interest, monetary penalties, premiums for bonds, amounts paid in settlement, litigation costs (as defined in Section 17 of this Agreement), claims and liability for property damage or personal injury, and any liability for treble, special, punitive, indirect, exemplary, incidental, and consequential damages, including without limitation all claims for sexual harassment, pastoral counseling, and sexual abuse, harassment, or molestation.

(2) Local Church Release. Local Church, for itself, its successors and assigns, and its past, present, and future members, pastors, officers, trustees, and affiliates (collectively, the “**Local Church Affiliates**”), forever, irrevocably, and unconditionally acquits, remises, releases, discharges and agrees not to sue, to the fullest extent permitted by law, the Conference Board, the Annual Conference, and their respective past, present, and future agents, members, agencies, insurers, officers, directors, trustees, employees, affiliates, assignees, volunteers, representatives, and successors and predecessors in interest, by operation of law or otherwise (collectively, the “**FLUMC Released Parties**”) from and with respect to any and all Liabilities that any of the Local Church Affiliates or any person claiming through any of the Local Church Affiliates has or might claim to have at any time in the future against any of the FLUMC Released Parties based on any act, event, inaction, omission, condition, judgment, agreement, assessment, employment, statutory duty, insurance policy, contractual obligation, goods or services provided, or other event or conduct of any kind or nature whatsoever that arose, existed, or occurred on or before the Disaffiliation Date (collectively, the “**Local Church Released Claims**”), except for the obligations of the Florida Conference to Local Church under this Agreement, and except for any pending insurance claim by an insured under insurance provided by or through the Annual Conference that is made, reported, and based on an incident occurring before the Disaffiliation Date. For avoidance of doubt, the foregoing release and covenant not to sue by the Local Church Affiliates applies to all claims of Local Church and Liabilities of the FLUMC Released Parties with respect to the medical, casualty, property, liability, and other insurance programs sponsored or administered by the Annual Conference, including any claim for insurance coverage, to defend an asserted claim, or relating to amounts paid to, or funds, reserves, and investment assets held by, the Annual Conference in connection with the insurance programs sponsored or administered by it. Notwithstanding the foregoing release and covenant not to sue, Local Church may take action to enforce this Agreement in any court where jurisdiction and venue are proper.

(3) Local Church Indemnification. Local Church shall fully and completely indemnify, hold harmless, and defend (with legal counsel selected by the Annual Conference) the FLUMC Released Parties from and against all Indemnified Losses that are paid, incurred, or sustained by any of them as a result of, with respect to, or in connection with a Local Church Released Claim, a breach of this Agreement by Local Church, an inaccuracy in any warranty, representation, or acknowledgement of Local Church in this Agreement, or any claim, lawsuit, cross claim, counterclaim, cause of action, or claim for contribution or indemnification that is asserted by a third party and is based on, results from, or arises in any way out of any act, inaction, omission, employment, negligence, misconduct, recklessness, statutory duty, or contractual obligation of Local Church, any affiliate of Local Church, or any of their respective members, managers, partners, officers, directors, trustees, employees, or volunteers. In addition, Local Church shall reimburse the FLUMC Released Parties for all litigation costs that they incur, as they are incurred, in connection with any claim, cross claim, counterclaim, or cause of action asserted by a third party and indemnified under this provision, whether or not in connection with pending or threatened litigation in which any of the FLUMC Released Parties is a party. Notwithstanding the foregoing or anything in this Agreement to the contrary, Local Church is not obligated to provide any indemnification or reimbursement for litigation costs to any FLUMC Released Party for any Indemnified Loss that a court determines pursuant to a final judgment to result primarily from the negligence, misconduct, recklessness, or violation of law by any FLUMC Released Party. The foregoing contractual indemnification is in lieu of any right of contribution or indemnification that any of the FLUMC Released Parties might have under any statute or common law.

(4) Florida Conference Release. The Conference Board and the Annual Conference, for themselves and their respective members, trustees, and affiliates (collectively, the "FLUMC Affiliates"), forever, irrevocably, and unconditionally acquit, remise, release, discharge and agree not to sue, to the fullest extent permitted by law, the Local Church and its agents, members, officers, directors, trustees, employees, affiliates, assignees, representatives, and successors and predecessors in interest, by operation of law or otherwise (collectively, the "Local Church Released Parties") from and with respect to any and all Liabilities that any of the FLUMC Affiliates or any person claiming through any of the FLUMC Affiliates has or might claim to have at any time in the future against any of the Local Church Released Parties based on any act, event, inaction, omission, condition, judgment, agreement, assessment, employment, statutory duty, contractual obligation, goods or services provided, or other event or conduct of any kind or nature whatsoever that arose, existed, or occurred on or before the Disaffiliation Date (collectively, the "FLUMC Released Claims"), except for the obligations of Local Church to the Florida Conference under this Agreement. Notwithstanding the foregoing release and covenant not to sue, the Florida Conference may take action to enforce this Agreement in any court where jurisdiction and venue are proper.

(5) Florida Conference Indemnification. The Florida Conference shall fully and completely indemnify, hold harmless, and defend (with legal counsel selected by Local Church) the Local Church Released Parties from and against all Indemnified Losses that are paid, incurred, or sustained by any of them a result of, with respect to, or in connection with an FLUMC Released Claim, a breach of this Agreement by the Florida Conference, an inaccuracy in any warranty, representation, or acknowledgement of the Florida Conference in this Agreement, or any claim, lawsuit, cross claim, counterclaim, cause of action, or claim for contribution or indemnification that is asserted by a third party and is based on, results from, or arises in any way out of any act, inaction, omission, employment, negligence, misconduct, recklessness, statutory duty, or contractual obligation of the Florida Conference, any affiliate of the Florida Conference, or any of the respective members, managers, partners, officers, directors, trustees, or employees of the Florida Conference or any of its affiliates. In addition, the Florida Conference shall reimburse the Local Church Released Parties for all litigation costs that they incur, as they are incurred, in connection with any claim, cross claim, counterclaim, or cause of action that is asserted by a third party and indemnified under this provision, whether or not in connection with pending or threatened litigation in which any of the Local Church Released Parties is a party. Notwithstanding the foregoing or anything in this Agreement to the contrary, the Florida Conference is not obligated to provide any indemnification or reimbursement of litigation costs to any Local Church Released Party for any Liability that a court determines pursuant to a final judgment to result primarily from the negligence, misconduct, recklessness, or violation of law by any Local Church Released Party. The foregoing contractual indemnification is in lieu of any right of contribution or indemnification that any Local Church Released Parties might have under any statute or common law.

(6) Payment of Indemnification Claims. A person or entity who is entitled to indemnification under this Agreement (an "Indemnitee") and seeks indemnification for an Indemnified Loss from a party to this Agreement shall

give prompt notice to the party who is obligated under this Agreement to provide indemnification to the Indemnitee under this Agreement (the "**Indemnitor**") of any event that might give rise to a claim or action for indemnification under this Agreement. The Indemnitor shall pay to the Indemnitee the amount of the Indemnified Loss within 15 days after the Indemnitor receives from the Indemnitee a written claim for payment of the Indemnified Loss that describes the claim and the nature and amount of the Indemnified Loss to the extent determinable (an "**Indemnification Claim**"). An Indemnitor shall pay an Indemnification Claim without any set-off, defense, deduction, or counterclaim, unless the Indemnitor disputes the validity or amount of the Indemnification Claim or the Indemnification Claim pertains to a claim or legal proceeding that is subject to a defense, in which case the Indemnitor shall pay the Indemnification Claim within 15 days after the amount or validity of the Indemnification Claim is finally determined by a court or agreement of the Indemnitee and the Indemnitor. The sentence does not affect, however, the obligation of an Indemnitor to reimburse an Indemnitee promptly for litigation costs associated with the defense of any claim or legal proceeding that is the subject to a defense. If an Indemnitor disputes only a portion of an Indemnification Claim, the Indemnitor shall pay the Indemnitee the undisputed portion of the Indemnification Claim within 15 days after receipt of the Indemnification Claims. The indemnification obligations of the parties under this Agreement are absolute, irrevocable, and unconditional, are not subject to any set-off, defense, deduction, or counterclaim based on a claim that an Indemnitor might have against any Indemnitee. An Indemnitor shall pay to an Indemnitee, on demand, interest on the amount of any Indemnification Claim that is not paid when due, from the date when due until paid, at the annual rate then provided by Florida law for the payment of interest on judgments.

(7) Settlement of Claims. An Indemnitee shall obtain the advance written approval of the Indemnitor (which the Indemnitor shall not unreasonably delay or withhold) before settling, compromising, or admitting civil liability with respect to any claim or legal proceeding for which it has requested, or intends to request, indemnification, or payment of litigation costs from the Indemnitor pursuant to this Agreement. The Indemnitor Parties shall notify an Indemnitee whether or not the Indemnitor will approve a proposed settlement within 15 days after the date when the Indemnitee gives the Indemnitor notice of the proposed settlement that summarizes all the material settlement terms and conditions of the settlement, and an Indemnitor's failure to notify the Indemnitee within the 15-day period as to whether it will approve the proposed settlement will constitute its approval of the proposed settlement. An Indemnitor shall not settle, compromise, or admit civil liability in any pending or threatened legal proceeding for any claim or legal proceeding for indemnification has been requested by an Indemnitee pursuant to this Agreement, unless either (a) the Indemnitor obtains the advance written consent of the Indemnitee (which consent the Indemnitee shall not unreasonably delay or withhold) or (b) the settlement, compromise, or admission of civil liability includes the unconditional release of the Indemnitee from all liability arising out of the claim for which indemnification has been requested by the Indemnitee. An Indemnitor will not have any liability for contribution, indemnification, or payment of litigation costs for any claim or legal proceeding that is settled or compromised without its advance written approval.

(8) Representations Relating to Releases. Local Church and the Florida Conference acknowledge that the releases set forth in paragraphs (2) and (4) above are general releases of known and unknown claims, and they expressly waive and assume the risk that, whether as a result of error, oversight, ignorance, negligence, or other circumstances, the law or facts might not be as they currently believe them to be and that they might have a claim that they do not know about and that, if known by them, would materially affect their decision to provide the general release. In addition, Local Church and the Florida Conference make the following representations and warranties to one another:

(a) Local Church represents and warrants to the Florida Conference that: (i) it has not filed any complaint against any of the FLUMC Released Parties in any court or with any local, state, or federal regulatory board or agency; (ii) no entity or person other than the Local Church Affiliates has any interest, whether by assignment, subrogation, or otherwise, in any of the Local Church Released Claims; and (iii) it has not sold, pledged, assigned, transferred, or otherwise disposed of any interest in any of the Local Church Released Claims.

(b) The Florida Conference represents and warrants Local Church that: (i) it has not filed any complaint against any of the Local Church Released Parties in any court or with any local, state, or federal regulatory board or agency; (ii) no entity or person other than the FLUMC Associates has any interest, whether by assignment, subrogation, or otherwise, in any of the FLUMC Released Claims;

and (iii) it has not sold, pledged, assigned, transferred, or otherwise disposed of any interest in any of the FLUMC Released Claims.

EXHIBIT F
FINANCIAL STATEMENT CERTIFICATION

CERTIFICATE OF OFFICER OF BOARD OF TRUSTEES

I certify the following to The Florida Annual Conference of The United Methodist Church and The Board of Trustees of The Florida Annual Conference of The United Methodist Church, Inc.:

1. I am an officer of the Board of Trustees of the United Methodist local church named below ("Local Church") and am familiar with the financial affairs of Local Church.

2. Accompanying this Certificate are a statement of financial position (balance sheet) of Local Church as of March 1, 2023, and a statement of activities (income statement) of Local Church for the 12 months ended December 31, 2022, including any and all related notes, schedules, and reports of independent certified public accountants (collectively, the "Financial Statements").

3. I have reviewed the Financial Statements and, to the best of my knowledge, information, and belief, they are accurate and complete in all material respects and fairly present in all material respects the financial condition and operating results of Local Church as of their date and for the periods indicated.

Date: _____, 2023

Signature of Officer

Name of Officer

Title of Officer

Name of Local Church

EXHIBIT G

JOINDER AGREEMENT OF SUCCESSOR CHURCH

[If Applicable]

JOINDER AGREEMENT OF SUCCESSOR CHURCH

This Joinder Agreement of Successor Church (this "Joinder Agreement") is executed by the church that is a signatory to this Joinder Agreement ("Successor Church"), as the successor in interest to the United Methodist local church that is named below ("Local Church"), with the intention and for the purpose of assuming and agreeing to pay and perform all the debts, loans, and liabilities of Local Church (including accounts payable and accrued expenses) as of the Disaffiliation Date and all the obligations of Local Church under the Disaffiliation Agreement by and among Local Church, The Florida Annual Conference of The United Methodist Church, and The Board of Trustees of The Florida Annual Conference of The United Methodist Church, Inc. that is dated the same date as this Joinder Agreement (the "Disaffiliation Agreement"), including without limitation the insurance requirements set forth in Section 10 and the release and indemnification provisions set forth Exhibit E of the Disaffiliation Agreement, with the intent to be obligated to the same extent as Local Church. The provisions of the Disaffiliation Agreement are incorporated by reference in this Joinder Agreement. All capitalized terms that are used in this Joinder Agreement and defined in the Disaffiliation Agreement have the respective meanings attributed to them in the Disaffiliation Agreement and are incorporated by reference in this Joinder Agreement. This Joinder Agreement has been duly authorized by all requisite action of Successor Church and executed and delivered on behalf of Successor Church by its duly authorized representative, and it constitutes a legal, valid, binding, and enforceable obligation of Successor Church.

Date: [*Date of Disaffiliation Agreement]

[*NAME OF SUCCESSOR CHURCH]

Name of Local Church:

By: _____

[*Name], [*Title]

Its Authorized Representative

EXHIBIT H

JOINDER AGREEMENT OF MEMBERS AND BOARD OF TRUSTEES

**JOINDER AGREEMENT OF MEMBERS AND BOARD OF TRUSTEES
TO
DISAFFILIATION AGREEMENT OF [*NAME OF LOCAL CHURCH]**

This Joinder Agreement is executed by the members and Board of Trustees of [*Name of Local Church], [*City], Florida ("**Local Church**"), a Florida unincorporated association, as of the date indicated below, with the intention of accepting, ratifying, approving, authorizing, assenting to, and agreeing to be legally bound by the Disaffiliation Agreement dated [*Date], 2023, among the members and Board of Trustees of Local Church, The Florida Annual Conference of The United Methodist Church (the "**Annual Conference**"), and The Board of Trustees of The Florida Annual Conference of The United Methodist Church, Inc., that has been executed on behalf of the members and Board of Trustees of Local Church by the Chair and Vice Chair of the Board of Trustees of Local Church (the "**Disaffiliation Agreement**"). In addition, the members and Board of Trustees of Local Church authorize and empower the officers of the Board of Trustees of Local Church to do the following in the name of Local Church and on behalf of the members and Board of Trustees of Local Church:

- (a) Execute and deliver to the Annual Conference the Disaffiliation Agreement and any other document or instrument that they determine to be desirable, necessary, or appropriate to effectuate the disaffiliation of Local Church from The United Methodist Church (the "**Disaffiliation Documents**");
- (b) Make any changes to the form or content of any of the Disaffiliation Documents (including amendments and modifications) that they determine to be desirable, necessary, or appropriate, as conclusively evidenced by their execution of the Disaffiliation Documents on behalf of Local Church;
- (c) Pay from the funds of Local Church all fees, costs, taxes, expenses, and other disbursements that are desirable, necessary, or appropriate to prepare and execute the Disaffiliation Documents and consummate the disaffiliation of Local Church from The United Methodist Church that is contemplated by the Disaffiliation Agreement; and
- (d) Do any and all other acts and things as they may determine are desirable, necessary, or appropriate to execute and deliver any of the Disaffiliation Documents and consummate the disaffiliation of Local Church from The United Methodist Church that is contemplated by the Disaffiliation Agreement.

Date of Church Conference: _____, 2023

BOARD OF TRUSTEES

Name: _____

Name: _____

Name: _____

Name: _____

Name: _____

Name: _____

CHURCH MEMBERS

Name: _____

Name: _____

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Name: _____

CERTIFICATE OF SECRETARY OF BOARD OF TRUSTEES OF LOCAL CHURCH

I certify that I am the Secretary of the Board of Trustees of [*Name of Local Church], [*City], Florida ("Local Church"), a Florida unincorporated association, and that the persons listed above constitute all the members of Local Church and all the members of the Board of Trustees of Local Church.

[*Name], Secretary of Board of Trustees
[*Name of Local Church]