

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
23 CVS 2156

FIFTH AVENUE UNITED  
METHODIST CHURCH OF  
WILMINGTON,

Plaintiff,

vs.

THE NORTH CAROLINA  
CONFERENCE, SOUTHEASTERN  
JURISDICTION, OF THE UNITED  
METHODIST CHURCH, INC., et al.

Defendants.

**AFFIDAVIT OF REVEREND DR.  
CONNIE MITCHELL SHELTON**

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Reverend Dr. Connie Mitchell Shelton, being first duly sworn, deposes and says:

1. My name is Reverend Dr. Connie Mitchell Shelton. I currently serve as the presiding bishop of the North Carolina Conference of The United Methodist Church. I am over eighteen (18) years of age, under no legal disability, and am a resident of Johnston County, North Carolina. I am a defendant in this lawsuit.

2. I hold a Bachelor of Science degree and a Master of Arts Degree from The University of Southern Mississippi; a Master of Divinity degree from Duke University Divinity School; and a Doctor of Ministry Degree from Columbia Theological Seminary.

Affidavit of Bishop Shelton



3. Prior to being assigned to serve as the Resident Bishop, Raleigh Episcopal Area, of the North Carolina Conference of The United Methodist Church in 2023 I served in the following roles: as the Director of Field Education for Duke Divinity School from 2005-2007; a Joint Senior Pastor for Galloway United Methodist Church in Jackson, Mississippi from 2008-2013; Director of Connectional Ministries with the Mississippi Conference of The United Methodist Church from 2013-2015; and a District Superintendent for the Mississippi Conference of The United Methodist Church from 2015-2022.

4. In my role as District Superintendent in the Mississippi Conference from 2015-2022, I was an elder in full connection appointed by the bishop to the cabinet as an extension of the superintending role of the bishop within the annual conference in accordance with the responsibilities designated for district superintendents under *The Book of Discipline of the United Methodist Church* under the supervision of the resident bishop.

5. I was elected and consecrated a bishop by the Southeastern Jurisdiction of the United Methodist Church in November 2022 and assigned to the Raleigh Episcopal Area, North Carolina Conference, beginning in 2023. As bishop my role is to exercise oversight and support of the Church in its mission of making disciples of Jesus Christ for the transformation of the world. Further information about my role can be found in my resume, which is attached hereto as **Exhibit A**.

## Hierarchical Structure of the United Methodist Church

6. The United Methodist Church (the “UMC”) is a global Christian denomination that traces its origins to the Methodist movement founded in England by John Wesley and his brother Charles Wesley in the 1700’s. The UMC had over 12 million professing members worldwide as of 2021. Due in part to churches disaffiliating from the UMC in recent years, unofficial estimates would place worldwide UMC membership today closer to 11 million.

7. The governing document of the UMC is *The Book of Discipline of the United Methodist Church* (“*The Book of Discipline*” or the “*Discipline*”). *The Book of Discipline* sets forth the basic theology of the UMC as well as the laws and process by which United Methodists govern themselves. The Constitution of the UMC, which establishes the organizational structure of the denomination and the powers and duties of its primary constituent bodies, is set forth in *The Book of Discipline*.

8. *The Book of Discipline* is published, and generally revised and updated every four years, by the General Conference of the UMC. Delegates to the General Conference are elected by members of annual conferences. Legislation included in the *Book of Discipline* is enacted by a majority vote of the General Conference. The Constitution can be amended upon a two thirds vote of the General Conference delegates and a two thirds vote of each of the annual conferences. (Constitution ¶ 59). True and accurate copies of excerpts from the Constitution cited in this Affidavit are attached as **Exhibit B**).

9. All constituent organizations within the UMC are governed by *The Book of Discipline*. The Judicial Council is the highest adjudicative body of the UMC and serves as the functional equivalent of its supreme court. The Judicial Council is empowered, among other things, to determine the constitutionality of legislation enacted by the General Conference and pass upon the legality of decisions of law made by bishops in annual conferences. (Constitution ¶ 56).

10. Annual Conferences are the primary governing administrative bodies within the UMC. (Constitution ¶ 33). Annual conferences vote on constitutional amendments, elect clergy and lay delegates to the General Conference and the jurisdictional or central conferences, are responsible for supervision and ordination of clergy, and have “such other rights as have not been delegated to the General Conference under the Constitution.” (*Id.*). The term “annual conference” refers not only to the organization unit that supervises churches within its territory but also the yearly meeting of clergy and elected lay delegates from the local churches that establishes policy for the conference (an “annual conference session”).

11. There are 54 Annual Conferences located geographically within the United States. Each Annual Conference is led by a bishop appointed by a regional Jurisdictional Conference. The North Carolina Conference, Southeastern Jurisdiction, of the United Methodist Church (the “North Carolina Conference”) covers all local UMC churches in approximately the eastern half of North Carolina. I am the Bishop for the Raleigh Episcopal Area, North Carolina Conference, and I



was assigned to this role by the Southeastern Jurisdiction of the United Methodist Church Committee on Episcopacy.

12. Annual Conferences are composed of districts led by district superintendents. The North Carolina Conference is composed of eight districts, and the Harbor District—led by District Superintendent Tara Lain—spans southeastern North Carolina, including but not limited to churches within New Hanover County.

13. Each local church within the UMC is located in a district and belongs to an annual conference.

### **History of Fifth Avenue UMC Within the United Methodist Church**

14. Methodism in the Americas began through the work of leaders such as Francis Asbury who were dispatched by John Wesley to the colonies to spread the Good News in the 1700's. After the American Revolution the growing Methodist movement became organized as The Methodist Episcopal Church beginning in 1784.

15. The first *Book of Discipline* was adopted in 1784 at the historic Christmas Conference, which established the Methodist Church in America, to serve as the governing document for the new church. That original *Book of Discipline* is the direct predecessor of the current *The Book of Discipline* that governs the UMC.

16. The UMC is the product of a series of divisions and mergers from the original Methodist Episcopal Church. As a result of a dispute over slavery, annual conferences from the slaveholding states, including North Carolina, separated from the Methodist Episcopal Church and formed The Methodist Episcopal Church, South

at a General Conference of the Methodist Episcopal Church that took place in 1844. In 1939, the Methodist Episcopal Church and the Methodist Episcopal Church, South reunited and joined with The Methodist Protestant Church to form The Methodist Church. In 1968, The Methodist Church then merged with the Evangelical United Brethren to form The United Methodist Church.

17. Fifth Avenue United Methodist Church (hereinafter, “Fifth Avenue UMC” or the “Church”) was established as a church of the Methodist Episcopal Church, South in 1847. The Church thereafter was and remained a member of each of the predecessor organizations that ultimately came together to form The United Methodist Church. In other words, the Church became a member of The Methodist Church when that denomination was established in 1939, then became a member of The United Methodist Church beginning in 1968. The Church continued to be a local church within The United Methodist Church until it was formally closed by a majority vote of all of the assembled delegates at the annual meeting session of the North Carolina Conference (the “Annual Conference Session”) that took place on June 15-17, 2023.

18. Prior to its closure, the Church was a local church within the Harbor District of the North Carolina Conference served by Phil Streuter, Lay Pastor; Reverend Tara C. Lain, District Superintendent, and Reverend Dr. Connie Mitchell Shelton, Bishop.

### Fifth Avenue UMC and the Trust Clause

19. As a United Methodist Church, Fifth Avenue UMC since its founding in 1847 has been subject to the supervision of the Conference and its predecessors and the rules and requirements set forth in *The Book of Discipline* and its predecessors, including but not limited to the Trust Clause currently set forth in Paragraph 2501 *et. al* of *The Discipline*. The Trust Clause provides:

**¶ 2501. Requirement of the Trust Clause for All Property**—1. All properties of United Methodist local churches and other United Methodist agencies and institutions are held, in trust, for the benefit of the entire denomination, and ownership and usage of church property is subject to the *Discipline*. This trust requirement is an essential element of the historic polity of The United Methodist Church or its predecessor denominations or communions and has been a part of the *Discipline* since 1797. It reflects the connectional structure of the Church by ensuring that the property will be used solely for purposes consonant with the mission of the entire denomination as set forth in the *Discipline*. The trust requirement is thus a fundamental expression of United Methodism whereby local churches and other agencies and institutions within the denomination are both held accountable to and benefit from their connection with the entire worldwide Church.

...

The United Methodist Church is organized as a connectional structure, and titles to all real and personal, tangible and intangible property held at jurisdictional, annual, or district conference levels, or by a local church or charge, or by an agency or institution of the Church, shall be held in trust for the United Methodist Church and subject to the provisions of its *Discipline*.

*Discipline* ¶ 2501.1 (emphasis added). True and accurate copies of all provisions of the *Discipline* cited in this Affidavit are attached as **Exhibit C**.

20. Paragraph 2501.2 of *The Discipline* provides that “[t]he trust is and always has been irrevocable, except as provided in the *Discipline*. Property 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*.”

21. *The Book of Discipline* requires that conveyances of real property for use as a place of divine worship or other activities for members of The United Methodist Church must include the following trust clause in their deeds:

*In trust, that said premises shall be used, kept, and maintained as a place of divine worship of the United Methodist ministry and members of The United Methodist Church; subject to the Discipline, usage, and ministerial appointments of said Church as from time to time authorized and declared by the General Conference and by the annual conference within whose bounds the said premises are situated. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.*  
*Discipline ¶ 2503.1.*

However, the *Discipline* also makes clear that “the absence of the trust clause in any deed or conveyance shall in no way exclude a local church or church agency, or the board of trustees of either, from or relieve it of its connectional responsibilities to The United Methodist Church. Nor shall it absolve a local church or church agency or the board of trustees of either, of its responsibility and accountability to The United Methodist Church, including the responsibility to hold all of its property in trust for The United Methodist Church.” (*Discipline ¶ 2503.6*).

22. The *Discipline* provides that the intent of the founders, board of trustees or later local church or church agency to be bound by the trust clause can be shown by any or all of the following:

a) the conveyance of the property to a local church or church agency (or the board of trustees of either) of The United Methodist Church or any predecessor to The United Methodist Church:

b) the use of the name, customs, and polity of The United Methodist Church or any predecessor to The United Methodist Church in such a way as to be thus known to the community as a part of such denomination; or

c) the acceptance of the pastorate of ordained ministers appointed by a bishop or employed by the superintendent of the district or annual conference of The United Methodist Church or any predecessor to The United Methodist Church. *Discipline* ¶ 2501.6(a)-(c).

#### **History of the Trust Clause**

23. John Wesley, the founder of Methodism, established the precursor for the trust clause when he worked with British lawyers in the 1750's to craft deeds for three Methodist preaching houses in England that included language meant to ensure that the preachers for those meeting houses would be appointed by Mr. Wesley and would teach established Methodist doctrine.

24. Thereafter, the trust clause has been included in every *Book of Discipline of the Methodist Episcopal Church*, in the *Doctrines and Discipline of the Methodist Episcopal Church, South* upon its separation from the Methodist Church, in the *Doctrines and Discipline of The Methodist Church* following reunification, and in every edition of *The Book of Discipline of the United Methodist Church* since its establishment in 1968. True and accurate copies of provisions setting forth the trust

clause for the Methodist Episcopal Church, South in 1856 and 1918, for The Methodist Church in 1952 and 1956, and for the United Methodist Church from 1984 are attached hereto as **Exhibits D, E, F, G, and H.**

### **Connectionalism, Itinerancy, and Mission**

25. The trust clause was established to support three core principles that go to the heart and theology of Methodism—connectionalism, itinerancy, and mission.

26. Under the UMC principle of connectionalism all United Methodist congregations are interconnected with and accountable to one another. Local churches are accountable to annual conferences to use their property in accordance with the mission and priorities of the denomination through the trust clause and otherwise, but they also have a voice in the governance of annual conferences through the right to send lay and pastoral delegates to the annual conference to vote on matters of significance to the conference. Annual conferences provide support to local churches in many forms, including pastoral appointments, periodic loans and grants, development and provision of UMC hymnals and Sunday school materials, and many other things.

27. Itinerancy refers to the commitment by pastors to go and serve wherever their bishops send them, and for churches to accept pastoral appointments from bishops. John Wesley was an “itinerant” preacher who traveled from town to town in England, and the founders of Methodism in America such as Francis Asbury rode circuits in which they preached in several churches in a specific territory. Today,

bishops follow a careful consultative process for making appointments that considers the gifts and grace of clergy and the missional and contextual needs of the broader community surrounding the local church receiving the pastoral appointment. The Great Commission, which is the mission of the denomination, always comes first: “To make disciples of Jesus Christ for the transformation of the world.” *Discipline* ¶ 120. The trust clause ensures that churches will be served by pastors who follow the biblical mandate to make disciples and affirm the Articles of Religion reflected in the UMC doctrine.

28. The mission of the UMC is “to make disciples of Jesus Christ for the transformation of the world. Local churches and extension ministries of the Church provide the most significant arenas through which disciple-making occurs.” *Discipline* ¶ 120.

#### **Articles of Incorporation of Fifth Avenue UMC**

29. According to Paragraph 2529.1(c) of *The Book of Discipline*, the organizing documents of a local church must “reflect its connectional relationship to The United Methodist Church.” That paragraph also provides that a church’s articles of incorporation or other organizing documents must require the church to be organized and operated in accordance with the *Discipline*.

30. Consistent with this requirement, Fifth Avenue UMC adopted articles of incorporation on September 26, 2006 which upon information and belief remain in

effect as of the date of this Affidavit. The Church's Articles of Incorporation include the following provisions:

**ARTICLE IV**  
**Purpose**

The corporation is organized for religious purposes. More specifically, the purposes for which the corporation is formed are more fully set forth in *The Book of Discipline* (hereinafter the *Discipline*) of The United Methodist Church or as may hereafter, from time to time, be amended including, but not limited to, the following:

A. The promotion of the Christian religion through regular public worship, the preaching of the Word of God, the administration of the sacraments, ordinances, and other means of grace, the edification of believers, the evangelization of the world and the promotion of the missionary and benevolence causes.

....

D. Supporting the Doctrine of the United Methodist Church and all its property, both real or personal, shall be subject to the *Discipline*, Laws, Usages, and Ministerial appointments of the United Methodist Church as are now or shall be, from time to time, established, made and declared by the lawful authority of the said church.

...

F. All of the above shall be in accordance with the Doctrines, Laws, Usages, *Discipline*, and Ministerial appointments of The United Methodist Church.

....

**ARTICLE X**  
**Conduct of Business**

The business of this corporation shall be conducted in conformity with the *Discipline* of The United Methodist Church as the same now



exists or as may hereafter be amended, changed, or modified, and the bylaws of the corporation shall include the *Discipline* of The United Methodist Church and no bylaws shall be adopted inconsistent with the provisions of the *Discipline*. All Bylaws and regulations of this corporation shall at all times be in conformity with the *Discipline* of The United Methodist Church.

A true and accurate copy of the Articles of Incorporation of Fifth Avenue United Methodist Church of Wilmington is attached as **Exhibit I**.

31. As an incorporated United Methodist Church, Fifth Avenue UMC was aware that its ownership of Church property was subject to the rules set forth in the *Discipline*. The *Discipline* includes extensive rules governing how an incorporated local church acquires title to church property (*Discipline* ¶ 2538-2539); sells, transfers, or mortgages church property (*Discipline* ¶ 2541-2542); uses proceeds from the mortgage or sale of church property (*Discipline* ¶ 2543); finances and builds churches, parsonages, and other church buildings (*Discipline* ¶ 2544); and manages church property on an ongoing basis (*Discipline* ¶ 2550).

**Closure of Fifth Avenue UMC Under *Discipline* ¶ 2549.3(b)**

32. By virtue of its status as a United Methodist Church bound by the *Discipline*, the Church was subject to Paragraph 2549 concerning the disposition of property of closed local churches. United Methodist Churches close for many reasons. In essence, a church closes when it is no longer able or willing to engage in the activities necessary to fulfill the mission of our denomination to make disciples of Jesus Christ for the transformation of the world.

33. The minimal expectations of a local UMC church are set forth in Paragraphs 201-204 of the *Discipline*. In addition to providing comfort, community and spiritual growth to their members, local UMC churches are required by the *Discipline* to “provide a strategic base from which Christians move out to the structures of society.” (*Discipline* ¶ 202). Churches are expected, among other things, “to minister to persons in the community where the church is located, to provide appropriate training and nurture to all, to cooperate in ministry with other local churches, to defend God’s creation and live as an ecologically responsible community, and to participate in the worldwide mission of the church.” (*Id.*). And churches have “a definite evangelistic, nurture, and witness responsibility for [their] members and the surrounding area and a missional outreach responsibility to the local and global community.” (*Discipline* ¶ 204).

34. Church closures typically occur after the district superintendent guides the congregation of a declining church in an assessment of its past, present and potential ministry and works with them to develop a plan for the future use of the church property. Members then vote at a church conference whether to close the church and voluntarily transfer its property to the annual conference board of trustees in accordance with Paragraphs 2549.2 and 2549.3(a) of the *Discipline*.

35. At the most recent Annual Conference Session held in June 2023 the assembled delegates voted to formally approve the closure of eight churches in this

manner, after their congregations had voted to close the church at a church conference.

36. The *Discipline* also includes a provision that allows the bishop, the majority of district superintendents, and the appropriate district board of church location and building to take immediate action to preserve church property subject to the trust clause where circumstances warrant without first guiding the congregation in an assessment or holding a church conference vote. Paragraph 2549.3(b) of the *Discipline* provides:

At any time between sessions of annual conference, if the presiding bishop, the majority of district superintendents, and the appropriate district board of church location and building all consent, they may, in their sole discretion, declare that exigent circumstances exist that require immediate protection of the local church's property, for the benefit of the denomination. In such case, title to all the real and personal, tangible and intangible property of the local church shall immediately vest in the annual conference board of trustees who may hold or dispose of such property in its sole discretion, subject to any standing rules of the annual conference. Exigent circumstances include, but are not limited to, situations where a local church no longer serves the purpose for which it was organized or incorporated (§§ 201-204) or where the local church property is no longer used, kept, or maintained by its membership as a place of divine worship of The United Methodist Church. When it next meets, the annual conference shall decide whether to formally close the local church.

37. Paragraph 2549.3(b) incorporates Paragraphs 201 to 204 of the *Discipline* into its definition of the circumstances that can lead to a decision to declare exigent circumstances that require protection of the church's property for the benefit of the denomination. Those are the paragraphs that define the minimum expectations for local UMC churches within the structure of our denomination.

38. On March 24, 2023 a resolution was adopted in accordance with Paragraph 2549.3(b) of the *Discipline* by the District Superintendents of the North Carolina Conference, the Harbor District Board of Church Location and Building, and me as the Presiding Bishop of the North Carolina Conference declaring that exigent circumstances exist that require immediate closure of Fifth Avenue UMC (the “Resolution,” a true and accurate copy of which is attached as **Exhibit J**).

39. The reasons for the declaration of exigent circumstances were set forth in detail in the Resolution. In essence, considering all of the minimum requirements for a functional UMC church set forth in Paragraphs 201-204 of the *Discipline*, we determined that the Church no longer served the purpose for which it was organized or incorporated.

40. By virtue of the Resolution and in accordance with Paragraph 2549.3(b) of the *Discipline*, title to all the real and personal, tangible and intangible property of the Church immediately vested in the Board of Trustees of the North Carolina Conference, Southeastern Jurisdiction, of the United Methodist Church, Inc. (the “Conference Board of Trustees”) on March 24, 2023.

41. On that date an Affidavit of Declaration of Ownership in the Board of Trustees of the North Carolina Conference, Southeastern Jurisdiction, of the United Methodist Church, Inc. (the “Affidavit”) signed by H. Gray Southern, the Conference Secretary of the North Carolina Conference was filed with the New Hanover County Register of Deeds providing notice to all parties that the Conference Board of Trustees

had become the owner of all real property formerly owned by the Church. A true and accurate copy of the Affidavit is included herewith as **Exhibit K**.

42. Paragraph 2549.3(b) allows the relevant officials from an annual conference “in their sole discretion” to declare that exigent circumstances exist that require immediate protection of church property “[a]t any time between sessions of annual conference.” This interim decision allows a conference to protect the church property until the next session of the annual conference. Thereafter, “[w]hen it next meets, the annual conference shall decide whether to formally close the local church.” *Id.*

43. The next annual conference session of the North Carolina Conference following the Resolution took place from June 15-17, 2023. The Conference Board of Trustees brought the following motion before the Annual Conference Session on June 16, 2023:

In accordance with paragraph 2549.3(b) of The Book of Discipline and with the recommendation and consent of Bishop Shelton, the unanimous Cabinet, and the Harbor District Board of Church Location and Building, the Board of Trustees moves for approval of the formal closure of Fifth Avenue United Methodist Church.

44. Several members of the Annual Conference Session asked questions seeking clarification, and in accordance with the parliamentary rules governing the Annual Conference Session there were three speeches in favor of the motion and three speeches against. A vote was held and the motion passed by a clear majority of the assembled delegates. As a result of this vote, the Church is now formally closed.

45. During the discussion regarding the motion for approval of the closure of the Church, Rev. Paul Stallsworth, a delegate to the Annual Conference Session, requested a decision of law with respect to five questions concerning the legality under the *Discipline* of the decision to declare exigent circumstances and effectively close the Church on an interim basis pending a vote to formally close the Church at the Annual Conference Session. Under Paragraph 51 of the Constitution of the UMC, a bishop presiding over an annual conference session is required to “decide all questions of law coming before the bishop in the regular business of a session.” The decision of the bishop then must be reported to the Judicial Council, “which shall affirm, modify or reverse” the decision. (Constitution ¶ 51).

46. On July 7, 2023 I issued a ruling in response to the request from Mr. Stallsworth for a ruling of law (the “Ruling”). A true and accurate copy of the Ruling is attached as **Exhibit L**. The Ruling has been reported to the Judicial Council, which will review the Ruling and provide a decision.

#### **The Church’s Request for Disaffiliation**

47. At the time the Resolution was issued on March 24, 2023, the North Carolina Conference was aware the Church had submitted a request to disaffiliate from the UMC pursuant to the procedure set forth in Paragraph 2553 of the *The Book of Discipline*.

48. Paragraph 2553 was enacted at a special session of the General Conference held in February 2019 in an effort to bring closure to decades of protracted

theological and doctrinal disagreements regarding the status of gay, lesbian, transsexual, bisexual and queer persons (“LGBTQ” persons) within the UMC and specifically whether United Methodist clergy can perform same sex weddings and whether LGBTQ persons can be ordained as clergy. Among other things, conservative groups represented at the General Conference session wanted to strengthen the existing prohibitions against same sex weddings and the ordination of LGBTQ clergy while more liberal groups wanted to remove those restrictions from the *Discipline*.

49. Ultimately, the prohibitions on ordination of LGBTQ persons and same sex weddings were strengthened at the 2019 special session. The special session also enacted Paragraph 2553, which allows churches a limited right to “disaffiliate” 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 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.”

50. While Paragraph 2553 provides a “limited right” of churches to disaffiliate if they meet the requirements of that paragraph, the Judicial Council has ruled that a church cannot disaffiliate from the UMC under this Paragraph or any other provision of the *Discipline* unless the disaffiliation is “ratified by a simple majority of the members of the annual conference present and voting” at an annual

conference session. Judicial Council Decision No. 1379 (April 25, 2019), copy attached hereto as **Exhibit M**. *See also Discipline* ¶ 2529.1(b)(3)(a local church “cannot sever its connectional relationship to The United Methodist Church without the consent of the annual conference”).

51. A church that has begun the process of disaffiliation remains a UMC church subject to all provisions of the *Discipline* until a particular church’s disaffiliation is complete. The North Carolina Conference thus has the right and responsibility to evaluate whether each local church is viable and satisfies the minimum requirements for a local church under Paragraphs 201-204 of the *Discipline* regardless of whether the church council for that church has submitted a request for disaffiliation or otherwise expressed an interest in disaffiliation.

52. In the case of Fifth Avenue UMC, Conference officials determined in 2023 that the Church did not satisfy the minimum expectations for a local church and the Church should be closed. Through a declaration of exigent circumstances Conference leadership protected the Church property subject to the trust clause and gave the voting delegates of the Annual Conference Session the opportunity to vote on whether the Church should be formally closed. Conference officials did not attempt to guide the congregation in an assessment of the potential of the church property in light of the fact that the congregation had already indicated it wished to disaffiliate.



53. The Conference has made clear that as a general rule if the members of a particular congregation overwhelmingly believe the church can best fulfill its mission to make disciples for Jesus Christ apart from the UMC as a result of genuinely held disagreements over issues of human sexuality, then the North Carolina Conference will not stand in the way of that calling, and will cooperate with churches to enable them to disaffiliate. Indeed, on the same day the Annual Conference Session voted to approve the closure of Fifth Avenue UMC, the assembled delegates also voted in favor of a motion by the Conference Board of Trustees to ratify the disaffiliations of 59 local churches within the North Carolina Conference. This followed the prior approval of 249 local church disaffiliations at a specially called session of the North Carolina Conference in November 2022. But the Conference has to evaluate the circumstances of each Church in light of the broader mission of the denomination, and in the instance of Fifth Avenue UMC the best judgment of the leaders of the Conference and the majority of its assembled delegates at the Annual Conference Session was that Fifth Avenue UMC should be closed.

Further the affiant sayeth not.

This the 12<sup>th</sup> day of July, 2023.

*Reverend Dr. Connie Mitchell Shelton*  
Reverend Dr. Connie Mitchell Shelton

Sworn to and Subscribed Before Me  
this 12<sup>th</sup> day of July, 2023.

*Katherine P. Duncan*  
\_\_\_\_\_  
Notary Public

My commission expires: 6-22-2024



# Exhibit

A

**Bishop Connie Mitchell Shelton**  
**North Carolina Conference**  
**The United Methodist Church**  
**700 Waterfield Ridge Place**  
**Garner, NC 27529**

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**Experience**

**Resident Bishop, Raleigh Episcopal Area**  
***North Carolina Conference***  
***The United Methodist Church***  
**2023 - Present**

1. The role and calling forth of the bishop is to exercise oversight and support of the Church in its mission of making disciples of Jesus Christ for the transformation of the world. The basis of such discipleship of leadership (episkopé) lies in discipline and a disciplined life.
2. The role of the bishop is to faithfully practice, model and lead the spiritual disciplines of our faith and to call and inspire the clergy and laity within the Church to practice the Christian disciplines in their individual lives through the tradition of personal holiness. The bishop is to lead in public worship, in the celebration of the sacraments, and in the commendation of our faith.
3. The role of the bishop is to continue to learn and to teach how to make disciples and lead faithful and fruitful congregations using scripture, spiritual disciplines, our Wesleyan heritage, and the history and doctrines of the Church.
4. The role of bishop is to lead the whole Church in claiming its mission of making disciples of Jesus Christ for the transformation of the world. The bishop leads by discerning, inspiring, strategizing, equipping, implementing, and evaluating the fulfillment of the mission of the church. Working in partnership with the Council of Bishops, the cabinet and lay and clergy leadership of the annual conference, and the professing members of the Church, the bishop urges the whole church to move toward the vision of sharing Christ with the world in fulfillment of our mission, faithful discipleship, and "an even better way" of being Christ's people in the world.
5. The role of the bishop is to be a prophetic voice for justice in a suffering and conflicted world through the tradition of social holiness. The bishop encourages and models the mission of witness and service in the world through proclamation of the gospel and alleviation of human suffering.

6. The role of the bishop is to be the shepherd of the whole flock and thereby provide leadership toward the goal of understanding, reconciliation, and unity within the Church—The United Methodist Church and the church universal.
7. The role of the bishop is to uphold the discipline and order of the Church by consecrating, ordaining, commissioning, supervising, and appointing persons in ministry to the Church and the world. As the presiding officer of the annual conference, the resident bishop provides order and leads in new opportunities for ministry within the annual conference. The bishop shares with other bishops the oversight of the whole church through the Council of Bishops and is held accountable through the Council of Bishops in collaboration with conference and jurisdictional committees on episcopacy.

**District Superintendent**  
***Mississippi Conference***  
***The United Methodist Church***  
**2015-2022**

District superintendents are elders in full connection appointed by the bishop to the cabinet as an extension of the superintending role of the bishop within the annual conference through the same disciplines and in accordance with their responsibilities designated in the Book of Discipline under the supervision of the resident bishop.

**Director of Connectional Ministries**  
***Mississippi Conference***  
***The United Methodist Church***  
**2013-2015**

In partnership with the Bishop and Cabinet and the elected leadership of the Annual Conference, the Director of Connectional Ministries shall have the following primary responsibilities:

- (a) To serve as steward of the vision of the Annual Conference, including the development, clarification, interpretation, and embodiment of the vision;
- (b) To serve as leader of the continuous process of transformation and renewal necessary for the Annual Conference to be faithful to our Christian identity in a changing world;
- (c) To ensure alignment of the total resources of the Annual Conference to its vision;
- (d) To ensure the connections among the local, district, Annual Conference, and general church ministries for the purpose of networking, resourcing, and communicating their shared ministry

**Joint Senior Pastor**  
***Galloway United Methodist Church***  
***Jackson, Mississippi***  
**2008-2013**

Galloway United Methodist Church, birthed in 1836, is a flagship church located next to the State Capitol of Mississippi.

**Director of Field Education**  
***Duke Divinity School***  
***Durham, North Carolina***  
**2005-2007**

The director of field education places Master of Divinity students in their required contextual learning in churches and organizations across the country and world. The goal is for students to practice the skills of ministry, discern God's call on their life and vocation, and reflect theologically with an experienced supervisor.

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**Education**

**Doctor of Ministry**  
***Columbia Theological Seminary***

**Master of Divinity**  
***Duke University Divinity School***

**Master of Arts**  
***The University of Southern Mississippi***

**Bachelor of Science**  
***The University of Southern Mississippi***

Exhibit

B

*The* BOOK *of*  
DISCIPLINE  
OF THE UNITED METHODIST CHURCH



2016



THE BOOK OF DISCIPLINE  
OF  
THE UNITED METHODIST CHURCH

*Part I*  
THE CONSTITUTION

**PREAMBLE**

The church is a community of all true believers under the Lordship of Christ. It is the redeemed and redeeming fellowship in which the Word of God is preached by persons divinely called, and the sacraments are duly administered according to Christ's own appointment. Under the discipline of the Holy Spirit the church seeks to provide for the maintenance of worship, the edification of believers, and the redemption of the world.

The church of Jesus Christ exists in and for the world, and its very dividedness is a hindrance to its mission in that world.

The prayers and intentions of The United Methodist Church and its predecessors, The Methodist Church and The Evangelical United Brethren Church, have been and are for obedience to the will of our Lord that his people be one, in humility for the present brokenness of the Church and in gratitude that opportunities for reunion have been given.

Therefore, The United Methodist Church has adopted and amended the following Constitution.<sup>1</sup>

**DIVISION ONE—GENERAL**

¶ 1. *Article I. Declaration of Union*—The Evangelical United Brethren Church and The Methodist Church have been united into

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1. The Constitution was adopted in Chicago, Illinois, on Nov. 11, 1966, by the General Conferences of The Evangelical United Brethren Church and The Methodist Church and thereafter by the requisite vote in the annual conferences of the two churches. The Plan of Union was made effective by the Uniting Conference in Dallas, Texas, on April 23, 1968. Preamble amended 2000.

of the annual conference,<sup>58</sup> the conference president of United Methodist Women, the conference president of United Methodist Men, the conference lay leader, district lay leaders, the conference director of Lay Servant Ministries, conference secretary of Global Ministries (if lay), the president or equivalent officer of the conference young adult organization, the president of the conference youth organization, the chair of the annual conference college student organization,<sup>59</sup> and one young person between the ages of twelve (12) and seventeen (17) and one young person between the ages of eighteen (18) and thirty (30)<sup>60</sup> from each district to be selected in such a manner as may be determined by the annual conference.<sup>61</sup> In the annual conferences of the central conferences, the four-year participation and the two-year membership requirements may be waived by the annual conference for young persons under thirty (30)<sup>62</sup> years of age. Such persons must be professing<sup>63</sup> members of The United Methodist Church and active participants at the time of election.<sup>64</sup> Each charge served by more than one clergy shall be entitled to as many lay members as there are clergy members. The lay members shall have been for the two years next preceding their election members of The United Methodist Church<sup>65</sup> and shall have been active participants in The United Methodist Church for at least four years next preceding their election.<sup>66</sup>

If the lay membership should number less than the clergy members of the annual conference, the annual conference shall, by its own formula, provide for the election of additional lay members to equalize lay and clergy membership of the annual conference.<sup>67</sup>

¶ 33. *Article II.*—The annual conference is the basic body in the Church and as such shall have reserved to it the right to vote on all constitutional amendments, on the election of clergy and lay delegates to the General and the jurisdictional or central conferences, on all matters relating to the character and conference

58. Amended 1996.

59. Amended 1996.

60. Amended 2000.

61. Amended 1968, 1970, 1980, 1984.

62. Amended 2000.

63. Amended 2000.

64. Amended 1988.

65. Amended 1972, 1976.

66. Amended 1976.

67. See Judicial Council Decisions 24, 113, 129, 349, 378, 479, 495, 511, 553, 561, 1212; and Decision 7, Interim Judicial Council.

relations of its clergy members, and on the ordination of clergy and such other rights as have not been delegated to the General Conference under the Constitution, with the exception that the lay members may not vote on matters of ordination, character, and conference relations of clergy except that the lay members of the conference board of ordained ministry and the committee on investigation may vote on matters of ordination, character, and conference relations of clergy, with the further exception that lay members of the district committee on ordained ministry be full participating members of the district committee on ordained ministry with vote.<sup>68</sup> It shall discharge such duties and exercise such powers as the General Conference under the Constitution may determine.<sup>69</sup>

¶ 34. *Article III.*—The annual conference shall elect clergy and lay delegates to the General Conference and to its jurisdictional or central conference in the manner provided in this section, Articles IV and V.<sup>70</sup> The persons first elected up to the number determined by the ratio for representation in the General Conference shall be representatives in that body. Additional delegates shall be elected to complete the number determined by the ratio for representation in the jurisdictional or central conference, who, together with those first elected as above, shall be delegates in the jurisdictional or central conference. The additional delegates to the jurisdictional or central conference shall in the order of their election be the reserve delegates to the General Conference.<sup>71</sup> The annual conference shall also elect reserve clergy and lay delegates to the jurisdictional or central conference as it may deem desirable. These reserve clergy and lay delegates to the jurisdictional or central conferences may act as reserve delegates to the General Conference when it is evident that not enough reserve delegates are in attendance at the General Conference.<sup>72</sup>

¶ 35. *Article IV.*—The clergy delegates to the General Conference and to the jurisdictional or central conference shall be elected from<sup>73</sup> the clergy members in full connection and shall be elected by the clergy members of the annual conference or provisional

68. Amended 1996.

69. See Judicial Council Decisions 78, 79, 132, 405, 406, 524, 532, 534, 552, 584, 690, 742, 782, 862.

70. See Judicial Council Decisions 435, 592.

71. See Judicial Council Decision 352.

72. Amended 1992.

73. Amended 1996.

A bishop may be assigned by the Council of Bishops for presidential service or other temporary service in another jurisdiction than that which elected the bishop, provided that the request is made by a majority of the bishops in the jurisdiction of the proposed service.

In the case of an emergency in any jurisdiction or central conference through the death or disability of a bishop or other cause, the Council of Bishops may assign a bishop from another jurisdiction or central conference to the work of the said jurisdiction or central conference, with the consent of a majority of the bishops of that jurisdiction or central conference.

¶ 50. *Article VI.*—The bishops, both active and retired, of The Evangelical United Brethren Church and of The Methodist Church at the time union is consummated shall be bishops of The United Methodist Church.

The bishops of The Methodist Church elected by the jurisdictions, the active bishops of The Evangelical United Brethren Church at the time of union, and bishops elected by the jurisdictions of The United Methodist Church shall have life tenure. Each bishop elected by a central conference of The Methodist Church shall have such tenure as the central conference electing him shall have determined.<sup>95</sup>

The jurisdictional conference shall elect a standing committee on episcopacy to consist of one clergy and one lay delegate from each annual conference, on nomination of the annual conference delegation. The committee shall review the work of the bishops, pass on their character and official administration, and report to the jurisdictional conference its findings for such action as the conference may deem appropriate within its constitutional warrant of power. The committee shall recommend the assignments of the bishops to their respective residences for final action by the jurisdictional conference.

¶ 51. *Article VII.*—A bishop presiding over an annual, central, or jurisdictional conference shall decide all questions of law coming before the bishop in the regular business of a session,<sup>96</sup> provided that such questions be presented in writing and that the decisions be recorded in the journal of the conference.

Such an episcopal decision shall not be authoritative except for the pending case until it shall have been passed upon by the

95. See Judicial Council Decisions 4, 303, 361, 709.

96. See Judicial Council Decision 33.

Judicial Council. All decisions of law made by each bishop shall be reported in writing annually, with a syllabus of the same, to the Judicial Council, which shall affirm, modify, or reverse them.<sup>97</sup>

¶ 52. *Article VIII.*—The bishops of the several jurisdictional and central conferences shall preside in the sessions of their respective conferences.<sup>98</sup>

¶ 53. *Article IX.*—In each annual conference there shall be one or more district superintendents who shall assist the bishop in the administration of the annual conference and shall have such responsibilities and term of office as the General Conference may determine.<sup>99</sup>

¶ 54. *Article X.*—The bishops shall appoint, after consultation with the district superintendents, ministers to the charges; and they shall have such responsibilities and authorities as the General Conference shall prescribe.<sup>100</sup>

#### DIVISION FOUR—THE JUDICIARY

¶ 55. *Article I.*—There shall be a Judicial Council. The General Conference shall determine the number and qualifications of its members, their terms of office, and the method of election and the filling of vacancies.

¶ 56. *Article II.*—The Judicial Council shall have authority:

1. To determine the constitutionality of any act of the General Conference upon an appeal of a majority of the Council of Bishops or one-fifth of the members of the General Conference and to determine the constitutionality of any act of a jurisdictional or central conference upon an appeal of a majority of the bishops of that jurisdictional or central conference or upon the appeal of one-fifth of the members of that jurisdictional or central conference.

2. To hear and determine any appeal from a bishop's decision on a question of law made in the annual conference when said appeal has been made by one-fifth of that conference present and voting.

3. To pass upon decisions of law made by bishops in annual conferences.

4. To hear and determine the legality of any action taken therein by any General Conference board or jurisdictional or central

97. See Judicial Council Decision 763.

98. See Judicial Council Decisions 395, 1194, 1195, 1196.

99. See Judicial Council Decisions 368, 398.

100. See Judicial Council Decision 1307.

conference board or body, upon appeal by one-third of the members thereof, or upon request of the Council of Bishops or a majority of the bishops of a jurisdictional or a central conference.

5. To have such other duties and powers as may be conferred upon it by the General Conference.

6. To provide its own methods of organization and procedure.

¶ 57. *Article III.*—All decisions of the Judicial Council shall be final. When the Judicial Council shall declare unconstitutional any act of the General Conference then in session, that decision shall be reported back to that General Conference immediately.

¶ 58. *Article IV.*—The General Conference shall establish for the Church a judicial system that shall guarantee to our clergy a right to trial by a committee and an appeal, and to our members a right to trial before the Church, or by a committee, and an appeal.<sup>101</sup>

#### DIVISION FIVE—AMENDMENTS

¶ 59. *Article I.*—Amendments to the Constitution shall be made upon a two-thirds majority of the General Conference present and voting and a two-thirds affirmative vote of the aggregate number of members of the several annual conferences present and voting, except in the case of the first and second Restrictive Rules, which shall require a three-fourths majority of all the members of the annual conferences present and voting. The vote, after being completed, shall be canvassed by the Council of Bishops, and the amendment voted upon shall become effective upon their announcement of its having received the required majority.<sup>102</sup>

In the event that the General Conference adopts an amendment to the Constitution, the General Conference may immediately adopt enabling legislation for such amendment which shall be contingent on ratification of the amendment by the required two-thirds affirmative vote of the aggregate number of members of the several annual conferences present and voting, and effective once the Council of Bishops, operating as a canvasser of votes, announces that the amendment has been passed. In the same manner, an annual conference may approve legislation in anticipation of such a change in the *Discipline* and/or Constitution

101. See Judicial Council Decision 522.

102. See Judicial Council Decisions 154, 243, 244, 349, 483, 884, 961; amended 1976.

that would likewise become effective upon the effective date of said disciplinary change or Constitutional Amendment.

¶ 60. *Article II.*—Amendments to the Constitution may originate in either the General Conference or the annual conferences.

¶ 61. *Article III.*—A jurisdictional or central conference<sup>103</sup> may by a majority vote propose changes in the Constitution of the Church, and such proposed changes shall be submitted to the next General Conference. If the General Conference adopts the measure by a two-thirds vote, it shall be submitted to the annual conferences according to the provision for amendments.

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103. Amended 1980.



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*The* BOOK *of*  
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2016

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## *Part IV*

# THE MINISTRY OF ALL CHRISTIANS

## THE MISSION AND MINISTRY OF THE CHURCH

### Section I. The Churches

¶ 120. *The Mission*—The mission of the Church is to make disciples of Jesus Christ for the transformation of the world. Local churches and extension ministries of the Church provide the most significant arenas through which disciple-making occurs.

¶ 121. *Rationale for Our Mission*—The mission of the Church is to make disciples of Jesus Christ for the transformation of the world by proclaiming the good news of God's grace and by exemplifying Jesus' command to love God and neighbor, thus seeking the fulfillment of God's reign and realm in the world. The fulfillment of God's reign and realm in the world is the vision Scripture holds before us. The United Methodist Church affirms that Jesus Christ is the Son of God, the Savior of the world, and the Lord of all. As we make disciples, we respect persons of all religious faiths and we defend religious freedom for all persons. Jesus' words in Matthew provide the Church with our mission: "Therefore, go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, teaching them to obey everything that I've commanded you" (28:19-20), and "You must love the Lord your God with all your heart, with all your being, and with all your mind. . . . You must love your neighbor as you love yourself" (22:37, 39).

This mission is our grace-filled response to the Reign of God in the world announced by Jesus. God's grace is active everywhere,

*Part VI*  
ORGANIZATION  
AND ADMINISTRATION

*Chapter One*  
THE LOCAL CHURCH

**Section I. The Church and Pastoral Charge**

¶ 201. *Definition of a Local Church*—The local church provides the most significant arena through which disciple-making occurs. It is a community of true believers under the Lordship of Christ. It is the redemptive fellowship in which the Word of God is preached by persons divinely called and the sacraments are duly administered according to Christ's own appointment. Under the discipline of the Holy Spirit, the church exists for the maintenance of worship, the edification of believers, and the redemption of the world.

¶ 202. *The Function of the Local Church*—The church of Jesus Christ exists in and for the world. It is primarily at the level of the charge consisting of one or more local churches that the church encounters the world. The local church is a strategic base from which Christians move out to the structures of society. The function of the local church, under the guidance of the Holy Spirit, is to help people to accept and confess Jesus Christ as Lord and Savior and to live their daily lives in light of their relationship with God. Therefore, the local church is to minister to persons in the community where the church is located, to provide appropriate training and nurture to all, to cooperate in ministry with other

local churches, to defend God's creation and live as an ecologically responsible community, and to participate in the worldwide mission of the church, as minimal expectations of an authentic church.

¶ 203. *Relation to the Wider Church*—The local church is a connectional society of persons who have been baptized, have professed their faith in Christ, and have assumed the vows of membership in The United Methodist Church. They gather in fellowship to hear the Word of God, receive the sacraments, praise and worship the triune God, and carry forward the work that Christ has committed to his church. Such a society of believers, being within The United Methodist Church and subject to its *Discipline*, is also an inherent part of the church universal, which is composed of all who accept Jesus Christ as Lord and Savior, and which in the Apostles' Creed we declare to be the holy catholic church.

¶ 204. *Care of Members*—Each local church shall have a definite evangelistic, nurture, and witness responsibility for its members and the surrounding area and a missional outreach responsibility to the local and global community. It shall be responsible for ministering to all its members, wherever they live, and for persons who choose it as their church.

¶ 205. *Definition of a Pastoral Charge*—1. A pastoral charge shall consist of one or more churches that are organized under and subject to the *Discipline* of The United Methodist Church, with a charge conference, and to which an ordained or licensed minister is or may be duly appointed or appointable as pastor in charge or co-pastor. Where co-pastors are appointed, the bishop may designate for administrative purposes one as pastor in charge.<sup>1</sup>

2. A pastoral charge of two or more churches may be designated a circuit or a cooperative parish.

3. A pastoral charge may be designated by the bishop and cabinet as a "teaching parish" when either a local church with a pastor or a cooperative parish with a director is available to serve as a counseling elder for a provisional, local, or student pastor appointed or assigned to the teaching parish. A teaching parish shall have a demonstrable commitment to a cooperative or team ministry style and the training of pastors.

1. See Judicial Council Decisions 113, 319.

## *Chapter Six*

# CHURCH PROPERTY

### Section I. All Titles—In Trust

¶ 2501. *Requirement of the Trust Clause for All Property*—1. All properties of United Methodist local churches and other United Methodist agencies and institutions are held, *in trust*, for the benefit of the entire denomination, and ownership and usage of church property is subject to the *Discipline*. This trust requirement is an essential element of the historic polity of The United Methodist Church or its predecessor denominations or communions and has been a part of the *Discipline* since 1797. It reflects the connectional structure of the Church by ensuring that the property will be used solely for purposes consonant with the mission of the entire denomination as set forth in the *Discipline*. The trust requirement is thus a fundamental expression of United Methodism whereby local churches and other agencies and institutions within the denomination are both held accountable to and benefit from their connection with the entire worldwide Church.

In consonance with the legal definition and self-understanding of The United Methodist Church (see ¶ 141), and with particular reference to its lack of capacity to hold title to property, The United Methodist Church is organized as a connectional structure, and titles to all real and personal, tangible and intangible property held at jurisdictional, annual, or district conference levels, or by a local church or charge, or by an agency or institution of the Church, shall be held in trust for The United Methodist Church and subject to the provisions of its *Discipline*. Titles are not held by The United Methodist Church (see ¶ 807.1) or by the General Conference of The United Methodist Church, but instead by the incorporated conferences, agencies, or organizations of the denomination, or in the case of unincorporated bodies of the denomination, by boards of trustees established for the purpose of holding and administering real and personal, tangible and intangible property.

2. The trust is and always has been irrevocable, except as provided in the *Discipline*. Property 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*.

3. Local churches and other United Methodist agencies and institutions may acquire, hold, maintain, improve, and sell property for purposes consistent with the mission of the Church, unless restricted or prevented by the *Discipline*.

¶ 2502. *Registration of the Name United Methodist*—The words *United Methodist* are not to be used as, or as a part of, a trade name or trademark or as a part of the name of any business firm or organization, except by corporations or other business units created for the administration of work undertaken directly by The United Methodist Church. The General Council on Finance and Administration is charged with supervision and registration of “United Methodist” and the denomination’s insignia (¶ 807.10 and ¶ 807.11).

¶ 2503. *Trust Clauses in Deeds*—1. Except in conveyances that require that the real property so conveyed shall revert to the grantor if and when its use as a place of divine worship has been terminated, all written instruments of conveyance by which premises are held or hereafter acquired for use as a place of divine worship or other activities for members of The United Methodist Church shall contain the following trust clause:<sup>1</sup>

*In trust, that said premises shall be used, kept, and maintained as a place of divine worship of the United Methodist ministry and members of The United Methodist Church; subject to the Discipline, usage, and ministerial appointments of said Church as from time to time authorized and declared by the General Conference and by the annual conference within whose bounds the said premises are situated. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.*

2. All written instruments by which premises are held or hereafter acquired as a parsonage for the use and occupancy of the ministers of The United Methodist Church shall contain the following trust clause:

*In trust, that such premises shall be held, kept, and maintained as a place of residence for the use and occupancy of the ordained ministers of The United Methodist Church who may from time to time be entitled to occupy the same by appointment; subject to the Discipline and usage of said Church as from time to time authorized and declared by the General Conference and by the annual conference within whose bounds the said premises are situated. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.*

1. See Judicial Council Decision 688.



3. In case the property so acquired is to be used for both a house of worship and a parsonage, the provisions of both trust clauses specified in §§ 1 and 2 above shall be inserted in the conveyance.

4. In case the property so acquired is not to be used exclusively for a place of worship, or a parsonage, or both, all written instruments by which such premises are held or hereafter acquired shall contain the following trust clause:

*In trust, that said premises shall be kept, maintained, and disposed of for the benefit of The United Methodist Church and subject to the usages and the Discipline of The United Methodist Church. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.*

5. When property is acquired from another United Methodist entity or organization, whether it is to be used as a place of divine worship, parsonage, or other use, all written instruments by which such premises are held or hereafter acquired shall contain the following trust clause:

*In trust, that said premises shall be held, kept, maintained, and disposed of for the benefit of The United Methodist Church and subject to the usages and the Discipline of The United Methodist Church.*

6. However, the absence of a trust clause stipulated in §§ 1, 2, 3, 4, or 5 above in deeds and conveyances executed previously or in the future shall in no way exclude a local church or church agency, or the board of trustees of either, from or relieve it of its connectional responsibilities to The United Methodist Church. Nor shall it absolve a local church or church agency or the board of trustees of either, of its responsibility and accountability to The United Methodist Church, including the responsibility to hold all of its property in trust for The United Methodist Church; provided that the intent of the founders and/or a later local church or church agency, or the board of trustees of either, is shown by any or all of the following:

a) the conveyance of the property to a local church or church agency (or the board of trustees of either) of The United Methodist Church or any predecessor to The United Methodist Church;

b) the use of the name, customs, and polity of The United Methodist Church or any predecessor to The United Methodist Church in such a way as to be thus known to the community as a part of such denomination; or

c) the acceptance of the pastorate of ordained ministers appointed by a bishop or employed by the superintendent of the district or annual conference of The United Methodist Church or any predecessor to The United Methodist Church.

¶ 2504. *Effect of Union*—Nothing in the Plan of Union at any time after the union is to be construed so as to require any existing local church of any predecessor denomination to The United Methodist Church to alienate or in any way to change the title to property contained in its deed or deeds at the time of union, and lapse of time or usage shall not affect said title or control. Title to all property of a local church, or charge, or agency of the Church shall be held subject to the provisions of the *Discipline*, whether title to the same is taken in the name of the local church trustees, or charge trustees, or in the name of a corporation organized for the purpose, or otherwise.

¶ 2505. *Oil, Gas, and Mineral Leases*—Subject to and in accordance with the laws of the state, province, or country, the governing body of any church unit or agency owning land in trust for The United Methodist Church as provided in this *Discipline* may lease said land for the production of oil, gas, coal, and other minerals, upon such terms as it may deem best; provided, however, that such production shall not interfere with the purpose for which said land is held. The moneys received from such leases as rentals, royalties, or otherwise shall be used so far as practicable for the benefit of the church unit and for the promotion of the interests of The United Methodist Church. The lessee shall have no control over or responsibility for the payments made under such lease.

## Section II. Compliance With Law

¶ 2506. *Conformity With Local Law—Church Corporations*—  
1. All provisions of the *Discipline* relating to property, both real and personal, and relating to the formation and operation of any corporation, and relating to mergers are conditioned upon their being in conformity with the local laws, and in the event of conflict therewith the local laws shall prevail; provided, however, that this requirement shall not be construed to give the consent of The United Methodist Church to deprivation of its property without due process of law or to the regulation of its affairs by state statute where such regulation violates the constitutional guarantee of freedom of religion and separation of church and state or violates the right of the Church to maintain its connectional struc-

from such charge and established as a pastoral charge or united with another pastoral charge, each such local church shall be entitled to receive its just share of the then-reasonable value of the parsonage in which it has invested funds, with the exception that those churches departing from a circuit who had joined the circuit after the parsonage was acquired would have no claim on any value of the parsonage. The amount of such value and just share shall be determined by a committee of three persons, appointed by the district superintendent, who shall be members of The United Methodist Church but not of any of the interested local churches. Such committee shall hear all interested parties and shall take into account the investment of any church in any such property before arriving at a final determination. From any such determination there is reserved to each of the interested churches the right of appeal to the next succeeding annual conference, the decision of which shall be final and binding. Any sum received as or from such share shall not be applied to current expense or current budget.

¶ 2529. *Charge Conference Authority*—In a pastoral charge consisting of one local church, the charge conference, constituted as set forth in ¶¶ 246-247, shall be vested with power and authority as hereinafter set forth in connection with the property, both real and personal, of the said local church. In fulfilling that duty, the charge conference may delegate certain duties and responsibilities to the board of trustees as described below. However, the board of trustees shall always be subject to the direction of the charge conference. The charge conference may:

1. *a)* If it so elects, direct the board of trustees to incorporate the local church, expressly subject, however, to the *Discipline* of The United Methodist Church (see ¶ 2506) and in accordance with the pertinent local laws and in such manner as will fully protect and exempt from any and all legal liability the individual officials and members, jointly and severally, of the local church and the charge, annual, jurisdictional, and general conferences of The United Methodist Church, and each of them, for and on account of the debts and other obligations of every kind and description of the local church.

*b)* Regardless of whether the charge conference elects to incorporate the local church, the local church:

(1) must be organized and operated in compliance with the *Discipline*;

(2) cannot act in a manner contrary to the purpose of The United Methodist Church, the annual conference, or the *Discipline*; and

(3) cannot sever its connectional relationship to The United Methodist Church without the consent of the annual conference.

c) The organizing documents (articles of incorporation, charter, bylaws, or equivalents) of a local church shall reflect its connectional relationship to The United Methodist Church. The adoption or modification of a local church's organizing documents must be approved, in writing, by its pastor and district superintendent. Specifically, local church organizing documents shall, at a minimum:

(1) require the local church to be organized and operated in compliance with the *Discipline*;

(2) prohibit the local church from acting in a manner contrary to the purpose of The United Methodist Church, the annual conference, or the *Discipline*;

(3) prohibit the local church from severing its connectional relationship to The United Methodist Church without the annual conference's consent;

(4) require the pastor and the district superintendent to approve, in writing, the adoption of, and changes to, the local church's organizing documents; and

(5) include language consistent with the Internal Revenue Code to protect the local church's tax-exempt status.

d) The failure of a local church's organizing documents to meet the requirements of ¶ 2529.1c(1)-(4) does not relieve the local church of its connectional responsibilities to The United Methodist Church, nor does it absolve its pastor and membership of the responsibility to operate the local church as a United Methodist church, in accordance with the *Discipline*. The organizing documents are deemed modified to the extent necessary to comply with ¶ 2529.1c(1)-(4) if any of the circumstances described in ¶ 2503.6a-c apply.

2. Direct the board of trustees with respect to the purchase, sale, mortgage, encumbrance, construction, repairing, remodeling, and maintenance of any and all property of the local church.

3. Direct the board of trustees with respect to the acceptance or rejection of any and all conveyances, grants, gifts, donations, legacies, bequests, or devises, absolute or in trust, for the use and

benefit of the local church, and to require the administration of any such trust in accordance with the terms and provisions thereof and with the local laws appertaining thereto. (See ¶ 2533.5.)

4. Direct the board of trustees to do any and all things necessary to exercise such other powers and duties relating to the property, real and personal, of the local church concerned as may be committed to it by the *Discipline*.

5. To recommend that consideration be given to placing such investable property with a United Methodist foundation serving such charge conference, to benefit the local church, charge conference or their successors, or in the absence of such a foundation, with the United Methodist Foundation.

¶ 2530. *Local Church Board of Trustees' Organization and Membership*—The board of trustees shall organize as follows:

1. Within thirty days after the beginning of the ensuing calendar or conference year (whichever applies to the term of office), each board of trustees shall convene at a time and place designated by the chairperson, or by the vice chairperson in the event that the chairperson is not reelected a trustee or because of absence or disability is unable to act, for the purpose of electing officers of the said board for the ensuing year and transacting any other business properly brought before it.

2. The board of trustees shall elect from the membership thereof, to hold office for a term of one year or until their successors shall be elected, a chairperson, vice chairperson, secretary, and, if need requires, a treasurer; provided, however, that the chairperson and vice chairperson shall not be members of the same class; and provided further, that the offices of secretary and treasurer may be held by the same person; and provided further, that the chairperson shall be a professing member of the local church. The duties of each officer shall be the same as those generally connected with the office held and which are usually and commonly discharged by the holder thereof. The church local conference may, if it is necessary to conform to the local laws, substitute the designations *president* and *vice president* for and in place of *chairperson* and *vice chairperson*.

3. Where necessity requires, as a result of the incorporation of a local church, the corporation directors, in addition to electing officers as provided in § 2 above, shall ratify and confirm by appropriate action and, if necessary, elect as officers of the corporation the treasurer or treasurers, as the case may be, elected by

pulpit and in the weekly bulletin, newsletter, or electronic notice of the church; and provided further, that written consent to such action shall be given by the pastor and the district superintendent. (See ¶ 2544.)

¶ 2538. *Incorporated Local Church Property—Title and Purchase*—Unless otherwise required by local law (¶ 2506), the title to all property now owned or hereafter acquired by an incorporated local church, and any organization, board, commission, society, or similar body connected therewith, shall be held by and/or conveyed to the corporate body in its corporate name, in trust for the use and benefit of such local church and of The United Methodist Church. Every instrument of conveyance of real estate shall contain the appropriate trust clause as set forth in the *Discipline* (¶ 2503).

¶ 2539. *Incorporated Local Church Property—Notice and Authorization*—Prior to the purchase by a local church corporation of any real estate, a resolution authorizing such action shall be passed by the charge conference in corporate session, or such other corporate body as the local laws may require, with the members thereof acting in their capacity as members of the corporate body, by a majority vote of those present and voting at any regular or special meeting called for that purpose, provided that not less than ten days' notice of such meeting and the proposed action shall have been given from the pulpit and in the weekly bulletin, newsletter, or electronic notice of the local church or other means if required or permitted by local law, and provided further, that written consent to such action shall be given by the pastor and the district superintendent, and provided further, that all such transactions shall have the approval of the charge conference.

¶ 2540. *Unincorporated Local Church Property—Sale, Transfer, Lease, or Mortgage*—Any real property owned by or in which an unincorporated local church has any interest may be sold, transferred, leased for a term of thirty days or more (which shall include leases for less than thirty days if such a lease is consecutive with the same lessee), or mortgaged subject to the following procedure and conditions:

1. Notice of the proposed action and the date and time of the regular or special meeting of the charge conference at which it is to be considered shall be given at least ten days prior thereto from the pulpit of the church and in its weekly bulletin, newsletter, or electronic notice, or other means if required or permitted by local law.

2. A resolution authorizing the proposed action shall be passed by a majority vote of the charge conference members (in a pastoral charge consisting of two or more local churches, the church local conference; see ¶ 2527) present and voting at a special meeting called to consider such action.

3. The written consent of the pastor of the local church and the district superintendent to the proposed action shall be necessary and shall be affixed to or included in the instrument of sale, conveyance, transfer, lease, or mortgage. Prior to consenting to any proposed action required under this paragraph involving any United Methodist church property, the pastor, district superintendent, and the district board of church location and building shall ensure that: (a) a full investigation shall be made and an appropriate plan of action shall be developed for the future missional needs of the community; (b) the transfer or encumbrance shall conform to the *Discipline*; (c) the congregation, if no longer to continue as an organized local United Methodist Church, does not sell but may transfer title of its facilities to another United Methodist church or agency; and (d) the congregation, in case of relocation, first offers its property to a United Methodist congregation or agency at a price not to exceed fair market value. The district strategies or other missional strategies should include the ministries of both United Methodist congregations and the community where the existing facility is located. Certification by the district superintendent shall be conclusive evidence that the transfer or encumbrance conforms to the *Discipline*. The requirements of investigation and the development of a plan of action, however, shall not affect the merchantability of the title to the real estate or the legal effect of the instruments of sale or transfer.

4. Unless the charge conference directs otherwise, any contract, deed, bill of sale, mortgage, or other necessary written instrument needed to implement any resolution authorizing action regarding local church property may be executed by and on behalf of the local church by any two officers of the board of trustees, who thereupon shall be duly authorized to carry out the direction of the charge conference; and any written instrument so executed shall be binding and effective as the action of the local church.

¶ 2541. *Incorporated Local Church Property—Sale, Transfer, Lease, or Mortgage*—Any real property owned by or in which an incorporated local church has any interest may be sold, trans-



ferred, leased for a term of thirty days or more (which shall include leases for less than thirty days if such a lease is consecutive with the same lessee), or mortgaged subject to the following procedure and conditions:

1. Notice of the proposed action and the date and time of the regular or special meeting of the members of the corporate body—i.e., members of the charge conference at which it is to be considered—shall be given at least ten days prior thereto from the pulpit of the church and in its weekly bulletin, newsletter, or electronic notice or other means if required or permitted by local law.

2. A resolution authorizing the proposed action shall be passed by a majority vote of the members of the corporate body present and voting at any regular or special meeting thereof called to consider such action and a majority vote of the members of the charge conference, if the corporate members are different than the charge conference members.

3. The written consent of the pastor of the local church and the district superintendent to the proposed action shall be necessary and shall be affixed to or included in the instrument of sale, conveyance, transfer, lease, or mortgage. Prior to consenting to any proposed action required under this paragraph involving any United Methodist church property, the pastor, the district superintendent, and the district board of church location and building shall ensure that—(a) a full investigation shall be made and an appropriate plan of action shall be developed for the future missional needs of the community; (b) the transfer or encumbrance shall conform to the *Discipline*; (c) the congregation, if no longer to continue as an organized United Methodist church, does not sell but may transfer title of its facilities to another United Methodist church or agency; and (d) the congregation, in case of relocation, first offers its property to a United Methodist congregation or agency at a price not to exceed fair market value. The district strategies or other missional strategies should include the ministries of both United Methodist congregations and the community where the existing facility is located. Certification by the district superintendent shall be conclusive evidence that the transfer or encumbrance conforms to the *Discipline*. The requirements of investigation and the development of a plan of action shall not affect the merchantability of the title to the real estate or the legal effect of the instruments of sale or transfer.



4. The resolution authorizing such proposed action shall direct and authorize the corporation's board of directors to take all necessary steps to carry out the action and to cause to be executed, as hereinafter provided, any necessary contract, deed, bill of sale, mortgage, or other written instrument.

5. The board of directors at any regular or special meeting shall take such action and adopt such resolutions as may be necessary or required by the local laws.

6. Any required contract, deed, bill of sale, mortgage, or other written instrument necessary to carry out the action so authorized shall be executed in the name of the corporation by any two of its officers, and any written instrument so executed shall be binding and effective as the action of the corporation.

¶ 2542. *Disposition and Mortgage of Church Building or Parsonage*—Real property acquired by a conveyance subject to the trust clause may be sold in conformity with the provisions of the *Discipline* of The United Methodist Church when its use as a church building or parsonage, as the case may be, has been, or is intended to be, terminated; and when such real estate is sold or mortgaged in accordance with the provisions of the *Discipline* of The United Methodist Church, the written acknowledged consent of the proper district superintendent representing The United Methodist Church to the action taken shall constitute a release and discharge of the real property so sold and conveyed from the trust clause or clauses; or in the event of the execution of a mortgage, such consent of the district superintendent shall constitute a formal recognition of the priority of such mortgage lien and the subordination of the foregoing trust provisions thereof; and no bona fide purchaser or mortgagee relying upon the foregoing record shall be charged with any responsibility with respect to the disposition by such local church of the proceeds of any such sale or mortgage; but the board of trustees receiving such proceeds shall manage, control, disburse, and expend the same in conformity to the order and direction of the charge conference or church local conference, subject to the provisions of the *Discipline* of The United Methodist Church with respect thereto.

¶ 2543. *Restriction on Proceeds of Mortgage or Sale*<sup>10</sup>—1. No real property on which a church building or parsonage is located shall be mortgaged to provide for the current budget or operating

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10. See Judicial Council Decision 688.

expense of a local church. The principal proceeds of a sale of any such property shall not be used for the current budget or operating expense of a local church. Provided that provisions are made for the current and future missional needs of the congregation and the current and future housing needs of a pastor, the principal may be used for capital improvements beyond the regular operating budget when written approval is granted by the district superintendent and pastor. This provision shall apply alike to unincorporated and incorporated local churches.<sup>11</sup>

2. A local church, whether or not incorporated, on complying with the provisions of the *Discipline* may mortgage its unencumbered real property as security for a loan to be made to a conference board of global ministries or a city or district missionary society, provided that the proceeds of such loan shall be used only for aiding in the construction of a new church.

3. Exception to this restriction may be granted in specifically designated instances to allow use of equity and/or accumulated assets from the sale of property to provide for congregational redevelopment efforts including program and staff. Such exception may be granted by the annual conference, the bishop, and the cabinet upon request of the local church in consultation with congregation development staff where applicable. A clear and detailed three-to-five-year redevelopment plan that projects a self-supporting ministry must accompany the request.

¶ 2544. *Planning and Financing Requirements for Local Church Buildings*—1. If any local church desires to:

- a) build a new church, a new educational building, or a new parsonage; or
- b) purchase a church, educational building, or parsonage; or
- c) remodel an existing church, an existing educational building, or an existing parsonage where the cost of the remodeling will exceed 25 percent of the value of the existing structure or require mortgage financing, then the local church shall first establish a study committee to:
  - (1) analyze the needs of the church and community;
  - (2) project the potential membership with average attendance;
  - (3) write up the church's program of ministry (¶¶ 201-204); and

11. See Judicial Council Decision 399.

(4) develop an accessibility plan including chancel areas.

The information and findings obtained by the study committee shall:

(a) form the basis of a report to be presented to the charge conference (¶ 2544.4);

(b) be used by the building committee (¶ 2544.5);  
and

(c) become a part of the report to the district board of church location and building (¶¶ 2544.6, 2521.1).

2. After the study committee finishes its work, the local church shall secure the written consent of the pastor and the district superintendent to the building project, purchase proposal, or remodeling project.

3. In the case of a building project or purchase proposal, the local church shall secure the approval of the proposed site by the district board of church location and building as provided in the *Discipline* (¶ 2520.1).

4. The charge conference of the local church shall authorize the building project, purchase proposal, or remodeling project at a regular or called meeting. Notice of the meeting and the proposed action shall have been given for not less than ten days prior thereto from the pulpit of the church, and in its weekly bulletin, newsletter, or electronic notice or other means if required or permitted by local law.

a) After approving a building project or a remodeling project, the charge conference shall elect a building committee of not fewer than three members of the local church to serve in the development of the project as hereinafter set forth; provided that the charge conference may commit to its board of trustees the duties of the building committee.

b) After approving a purchase proposal, the charge conference shall be deemed to have authorized and directed the board of trustees to proceed with the purchase. In the case of the purchase of a parsonage, the board of trustees shall either:

(1) purchase a parsonage that has on the ground-floor level:

(a) one room that can be used as a bedroom by a person with a disability;

(b) one fully accessible bathroom; and

(c) fully accessible laundry facilities; or

(2) purchase a parsonage without the accessible features for persons with disabilities specified above and remodel it within one year's time, so that it does have those features.

5. The building committee shall:

*a)* use the information and findings of the study committee and any other relevant information to estimate carefully the building facilities needed, as the case may be, to house the church's program of worship, education, and fellowship or to provide for the present and future pastors and their families;

*b)* ascertain the cost of any property to be purchased; and

*c)* develop preliminary architectural plans that:

(1) comply with local building, fire, and accessibility codes;

(2) clearly outline the location on the site of all proposed present and future construction; and

(3) provide adequate facilities for parking, entrance, seating, rest rooms, and accessibility for persons with disabilities, but providing for such adequate facilities shall not apply in the case of a minor remodeling project;

*d)* provide on the ground-floor level of a newly constructed parsonage:

(1) one room that can be used as a bedroom by a person with a disability;

(2) a fully accessible bathroom; and

(3) fully accessible laundry facilities;

*e)* secure an estimate of the cost of the proposed construction;

*f)* develop a financial plan for defraying the total cost, including an estimate of the amount the membership can contribute in cash and pledges and the amount the local church can borrow if necessary.

6. The building committee shall submit to the district board of church location and building for its consideration and preliminary approval:

*a)* a statement of the need for the proposed facilities;

*b)* the preliminary architectural plans, including accessibility plans;

*c)* the preliminary cost estimate; and

*d)* the preliminary financial plan.

7. After preliminary approval by the district board of church location and building, the pastor, with the written consent of the

district superintendent, shall call a church conference, giving not less than ten days' notice (except as local laws may otherwise provide) of the meeting and the proposed action from the pulpit or in the weekly bulletin. At the church conference, the building committee shall present:

- a) the preliminary architectural plans;
- b) the preliminary cost estimate;
- c) the preliminary financial plan; and
- d) the building committee's recommendation.

A majority vote of the membership present and voting at the church conference shall be required to approve the preliminary architectural plans, cost estimate, and financial plan and the building committee's recommendation.

8. After approval by the church conference, the building committee shall develop detailed plans and specifications and secure a reliable and detailed estimate of cost, which shall be presented for approval to the charge conference and to the district board of church location and building.

9. After approval by the charge conference and district board of church location and building, the building committee may begin the building project or remodeling project. Written documentation substantiating the approvals of the charge conference and the district board of church location and building shall be lodged with the district superintendent and the secretary of the charge conference.

10. In metropolitan areas, the building committee shall ensure that adequate steps are taken to obtain the services of minority (nonwhite) and female skilled persons in the construction in proportion to the racial and ethnic balance in the area. In non-metropolitan areas, the building committee shall ensure that racial and ethnic persons are employed in the construction where available and in relation to the available workforce.

11. The local church shall acquire a fee simple title to the lot or lots on which any building is to be erected. The deed or conveyance shall be executed as provided in this chapter. It is recommended that contracts on property purchased by a local church be contingent upon the securing of a guaranteed title, and the property's meeting of basic environmental requirements of lending institutions and of local and state laws.

12. If a loan is needed, the local church shall comply with the provisions of ¶ 2540 or ¶ 2541.

13. The local church shall not enter into a building contract or, if using a plan for volunteer labor, incur obligations for materials until it has cash on hand, pledges payable during the construction period, and (if needed) a loan or written commitment therefore that will assure prompt payment of all contractual obligations and other accounts when due.

14. Neither the trustees nor any other members of a local church shall be required to guarantee personally any loan made to the church by any board created by or under the authority of the General Conference.

15. It is recommended that a local church not enter into a binding building contract without the contractor being properly bonded or furnishing other forms of security, such as an irrevocable letter of credit approved by the conference, district, or local church attorney.

¶ 2545. *Consecration and Dedication of Local Church Buildings*—On acquisition or completion of any church-owned building, a service of consecration may be held. Before any church-owned building is formally dedicated, all indebtedness against the same shall be discharged.

¶ 2546. *Merger of Local United Methodist Churches*—Two or more local churches, in order to more effectively fulfill their ministry (¶¶ 201-204), may merge and become a single church by pursuing the following procedure:

1. The merger must be proposed to the charge conference of each of the merging churches by a resolution stating the terms and conditions of the proposed merger.

2. The plan of the merger as proposed to the charge conference of each of the merging churches shall be approved by each of the charge conferences in order for the merger to be effected, except that for a charge conference that includes two or more local churches, the required approval shall be by the church local conference of each local church in accordance with the requirements of ¶ 2527.

3. The merger must be approved by the superintendent or superintendents of the district or districts in which the merging churches are located.

4. The requirements of any and all laws of the state or states in which the merging churches are located affecting or relating to the merger of such churches must be complied with, and in any case where there is a conflict between such laws and the pro-

bishop and of a majority of the district superintendents and of the district board of church location and building and at the request of the charge conference or of a meeting of the membership of the church, where required by local law, and in accordance with the said law, the annual conference may instruct and direct the board of trustees of a local church to deed church property to a federated church.

2. With the consent of the presiding bishop and of a majority of the district superintendents and of the district board of church location and building and at the request of the charge conference or of a meeting of the membership of the local church, where required by local law, and in accordance with said law, the annual conference may instruct and direct the board of trustees of a local church to deed church property to one of the other denominations represented in the Pan-Methodist Commission or to another evangelical denomination under an allocation, exchange of property, or comity agreement, provided that such agreement shall have been committed to writing and signed and approved by the duly qualified and authorized representatives of both parties concerned.

¶ 2549. *Disposition of Property of a Closed Local Church—*

1. Except as provided in ¶ 2549.3, the district superintendent may, pursuant to this paragraph, recommend the closure of a local church, upon a finding that:

a) The local church no longer serves the purpose for which it was organized or incorporated (¶¶ 201-204); or

b) The local church property is no longer used, kept, or maintained by its membership as a place of divine worship of The United Methodist Church.

2. *Procedure—*a) Prior to a recommendation to close a local church, the district superintendent shall:

(1) Guide the congregation in an assessment of its potential as outlined in ¶ 213, in consultation with the appropriate agency assigned the responsibility of the conference parish and community development strategy;

(2) Obtain and consider an opinion of legal counsel as to the existence of any reversion, possibility of reverter, right of reacquisition, or similar restrictions to the benefit of any party;

(3) Develop, in consultation with the appropriate district board of church location and building, a plan for the future use of all the real and personal, tangible and intangible property of the local church; and



(4) Develop a plan for the transfer of the membership of the local church (¶ 229).

b) Upon a recommendation by the district superintendent, and with the consent of the presiding bishop, a majority of the district superintendents, and the appropriate district board of church location and building, the annual conference may declare a local church closed. If the annual conference closes a local church, title to all the real and personal, tangible and intangible property of the local church shall immediately vest in the annual conference board of trustees, who shall hold said property in trust for the benefit of the annual conference.

c) The annual conference board of trustees may retain, sell, lease, or otherwise dispose of the property of a closed local church in accordance with the direction of the annual conference, if any. It shall be the duty of the annual conference board of trustees to remove, insofar as reasonably practicable or necessary, all Christian and United Methodist insignia and symbols from such property. In the event of loss, damage to, or destruction of such local church property, the annual conference board of trustees, as the duly and legally authorized representative of such local church, is authorized to make a claim for, and collect on, any applicable insurance policies. If the annual conference board of trustees sells or leases the property, consideration should be given to selling or leasing the property to one of the other denominations represented in the Commission on Pan-Methodist Cooperation and Union.

d) If the annual conference closes any local church, the failure to complete any of the prior steps will not invalidate such closure.

3. *Ad Interim Procedures*—a) At any time between sessions of annual conference, a local church may voluntarily transfer title to all its real and personal, tangible and intangible property to the annual conference board of trustees following the procedures set forth in ¶ 2540 or ¶ 2541. In such case, the annual conference board of trustees shall hold or dispose of such property in its sole discretion, subject to any standing rule of the annual conference. When it next meets, the annual conference shall decide whether to formally close the local church.

b) At any time between sessions of annual conference, if the presiding bishop, the majority of the district superintendents, and the appropriate district board of church location and building all consent, they may, in their sole discretion, declare that



exigent circumstances exist that require immediate protection of the local church's property, for the benefit of the denomination. In such case, title to all the real and personal, tangible and intangible property of the local church shall immediately vest in the annual conference board of trustees who may hold or dispose of such property in its sole discretion, subject to any standing rule of the annual conference. Exigent circumstances include, but are not limited to, situations where a local church no longer serves the purpose for which it was organized or incorporated (¶¶ 201-204) or where the local church property is no longer used, kept, or maintained by its membership as a place of divine worship of The United Methodist Church. When it next meets, the annual conference shall decide whether to formally close the local church.

4. All the deeds, records, and other official and legal papers, including the contents of the cornerstone, of a closed local church shall be collected by the district superintendent and shall be deposited for permanent safekeeping with the annual conference commission on archives and history.

5. The annual conference board of trustees shall review all gifts held in trust, assets of any endowment funds, and assets of any foundation of the closed local church. The annual conference board of trustees shall dispose of the property in its discretion, unless otherwise directed by the annual conference or as required by law.

6. Any gift, legacy, devise, annuity, or other benefit that accrues to a closed local church shall become the property of the annual conference board of trustees. The annual conference board of trustees shall dispose of the property in its discretion, unless otherwise directed by the annual conference or as required by law.

7. If a local church in an urban center with more than 50,000 population is closed, any proceeds of the sale of its property must be used for new and/or existing ministries within urban transitional communities, as described in ¶ 212.

If a local church in a non-urban center is closed, any proceeds of the sale of its property may be used for new churches, new faith communities, new missional initiatives, relocating churches, churches building multi-campus facilities for the purpose of evangelistic church extension, or an organization that is a nonprofit and has values consistent with The United Methodist Church's values and is consistent with our Wesleyan heritage, theology, and United Methodist polity. In addition, the proceeds

may be used to revitalize or enhance church ministry, or be given to an organization that is a vetted nonprofit and has values consistent with The United Methodist Church's values and is consistent with our Wesleyan heritage, theology, and United Methodist polity. In addition, the proceeds may be used to embrace or continue the work and vision of ministry with the poor in the community.<sup>12</sup>

¶ 2550. *Board of Trustees Report to the Charge Conference*—The board of trustees shall annually make a written report to the charge conference, in which shall be included the following:

1. The legal description and the reasonable valuation of each parcel of real estate owned by the church;
2. The specific name of the grantee in each deed of conveyance of real estate to the local church;
3. An inventory and the reasonable valuation of all personal property owned by the local church;
4. The amount of income received from any income-producing property and a detailed list of expenditures in connection therewith;
5. The amount received during the year for building, rebuilding, remodeling, and improving real estate, and an itemized statement of expenditures;
6. Outstanding capital debts and how contracted;
7. A detailed statement of the insurance carried on each parcel of real estate, indicating whether restricted by co-insurance or other limiting conditions and whether adequate insurance is carried;
8. The name of the custodian of all legal papers of the local church, and where they are kept;
9. A detailed list of all trusts in which the local church is the beneficiary, specifying where and how the funds are invested, clarifying the manner in which these investments made a positive contribution toward the realization of the goals outlined in the Social Principles of the Church, and in what manner the income therefrom is expended or applied.
10. An evaluation of all church properties, including the chancel areas, to ensure accessibility to persons with disabilities; and when applicable, a plan and timeline for the development of accessible church properties.

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12. See Judicial Council Decision 1202.

## Addendum to *The Book of Discipline of The United Methodist Church, 2016*

The action of the 2019 General Conference affected the following portions of the *Book of Discipline*. The new text of each paragraph or subparagraph is printed below. These will replace the corresponding portions printed in the 2016 *Book of Discipline*, and should be used when preparing petitions to the 2020 General Conference. The majority of these changes will become effective on January 1, 2020 for annual conferences in the United States of America, and will become effective twelve months after the close of the 2020 General Conference for those in central conferences. The new subparagraph 1504.23, new paragraph 2553, and the amended Clergy Retirement Security Program (CRSP) became effective at the close of the 2019 General Conference.

### ¶ 304.3, page 226, footnote 1.

1. “*Self-avowed practicing homosexual*” is understood to mean that a person openly acknowledges to a bishop, district superintendent, district committee of ordained ministry, Board of Ordained Ministry, or clergy session that the person is a practicing homosexual; or is living in a same-sex marriage, domestic partnership or civil union, or is a person who publicly states she or he is a practicing homosexual. See Judicial Council Decisions 702, 708, 722, 725, 764, 844, 984, 1020, 1341.

### ¶ 304.5, page 226.

5. In all votes regarding license, ordination, or conference membership, the requirements set forth herein are minimum requirements. Each person voting is expected to vote prayerfully based on personal judgment of the applicant’s gifts, evidence of God’s grace, and promise of future usefulness for the mission of the Church. The district committee on ordained ministry and the Board of Ordained Ministry shall not approve or recommend any person for candidacy, licensing, commissioning, or ordination who does not meet the qualifications of ¶ 304.1-3, based on the full examination and thorough inquiry into the person’s fitness by the committee and board (see Judicial Council Decisions 1343 and 1344). The bishop presiding in the clergy session shall rule any such unqualified candidate out of order and not eligible to be acted upon.

### ¶ 362, pages 314-317.

¶ 362. *Complaint Procedures*—1. Ordination and membership in an annual conference in The United Methodist Church is a sacred trust. The qualifications and duties of local pastors, associate members, provisional members, and full members are set forth in *The Book of Discipline of The United Methodist Church*, and we believe they flow from the gospel as taught by Jesus the Christ and proclaimed by his apostles. Whenever a person in any of the above categories, including those on leaves of all types, honorable or administrative location, or retirement, is accused of violating this trust, the membership of his or her ministerial office shall be subject to review.

This review shall have as its primary purpose a just resolution of any violations of this sacred trust, in the hope that God’s work of justice, reconciliation and healing may be realized in the body of Christ.

A just resolution is one that focuses on repairing any harm to people and communities, achieving real accountability by making things right in so far as possible and bringing healing to all the parties. Just resolutions shall state all identified harms and how they shall be addressed by the Church and other parties to the complaint. In appropriate situations, processes seeking a just resolution as defined in ¶ 362.1c may be pursued. Special attention should be given to ensuring that cultural, racial, ethnic and gender contexts are valued throughout the process in terms of their understandings of fairness, justice, and restoration.

A complaint is a written and signed statement claiming misconduct as defined in ¶ 2702.1. When a complaint is received by the bishop, both the person making the complaint and the person against whom the complaint is made will be informed in writing of the process to be followed at that stage. When and if the stage changes, those persons will continue to be informed in writing of the new process in a timely fashion. All original time limitations may be extended for one 30-day period upon the consent of the complainant and the respondent.

a) *Supervision*—In the course of the ordinary fulfillment of the superintending role, the bishop or district superintendent may receive or initiate complaints about the performance or character of a clergyperson. A complaint is a written and signed statement claiming misconduct or unsatisfactory performance of ministerial duties.<sup>78</sup> The person filing the complaint and the clergyperson shall be informed by the district superintendent or bishop of the process for filing the complaint and its purpose.

of the legislation that has been enacted, the translation to be approved by the resident bishop or bishops of the central conference. This provision, however, shall not exclude the election of delegates to the General Conference by annual conferences within the territory of central conferences or provisional central conferences. Legislation passed at the 2019 called session of General Conference shall not take effect in central conferences until twelve months after the close of the 2020 General Conference in order to afford the necessary time to organize a central conference and “to make such rules and regulations for the administration of the work within their boundaries including such changes and adaptations of the General *Discipline* as the conditions in the respective areas may require, subject to the powers that have been or shall be vested in the General Conference” (§ 31.5 of the Constitution), without regard to the language used in a central conference.

**NEW ¶ 1504.23, page 676.**

**[This new subparagraph became effective at the close of the 2019 General Conference.]**

23. If a local church or charge in the United States changes its relationship to The United Methodist Church through closure, abandonment, or release from the trust clause pursuant to ¶ 2548, ¶ 2549, or otherwise, notwithstanding whether property with title held by the local church is subject to the trust (under the terms of ¶ 2501), the local church shall contribute a withdrawal liability in an amount equal to its pro rata share of any aggregate unfunded pension obligations to the annual conference. The General Board of Pension and Health Benefits shall determine the aggregate funding obligations of the annual conference using market factors similar to a commercial annuity provider, from which the annual conference will determine the local church’s share. Nothing in the foregoing prevents an annual conference from collecting other obligations from a church or charge.

**NEW ¶ 2553, page 776.**

**[This new paragraph became effective at the close of the 2019 General Conference.]**

Section VIII. Disaffiliation of Local Churches Over Issues Related to Human Sexuality

¶ 2553. *Disaffiliation of a Local Church Over Issues Related to Human Sexuality*—1. Basis—Because of the current deep conflict within The United Methodist Church around issues of human sexuality, a local church shall have a limited right, under the provisions of this paragraph, to disaffiliate 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 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.

2. *Time Limits*—The choice by a local church to disaffiliate with The United Methodist Church under this paragraph shall be made in sufficient time for the process for exiting the denomination to be complete prior to December 31, 2023. The provisions of ¶ 2553 expire on December 31, 2023 and shall not be used after that date.

3. *Decision Making Process*—The church conference shall be conducted in accordance with ¶ 248 and shall be held within one hundred twenty (120) days after the district superintendent calls for the church conference. In addition to the provisions of ¶ 246.8, special attention shall be made to give broad notice to the full professing membership of the local church regarding the time and place of a church conference called for this purpose and to use all means necessary, including electronic communication where possible, to communicate. The decision to disaffiliate from The United Methodist Church must be approved by a two-thirds (2/3) majority vote of the professing members of the local church present at the church conference.

4. *Process Following Decision to Disaffiliate from The United Methodist Church*—If the church conference votes to disaffiliate from The United Methodist Church, the terms and conditions for that disaffiliation shall be established by the board of trustees of the applicable annual conference, with the advice of the cabinet, the annual conference treasurer, the annual conference benefits officer, the director of connectional ministries, and the annual conference chancellor. The terms and conditions, including the effective date of disaffiliation, shall be memorialized in a binding Disaffiliation Agreement between the annual conference and the trustees of the local church, acting on behalf of the members. That agreement must be consistent with the following provisions:

a) Standard Terms of the Disaffiliation Agreement. The General Council on Finance and Administration shall develop a standard form for Disaffiliation Agreements under this paragraph to protect The United Methodist Church as set forth in ¶ 807.9. The agreement shall include a recognition of the validity and applicability of ¶ 2501, notwithstanding the release of property therefrom. Annual conferences may develop additional standard terms that are not inconsistent with the standard form of this paragraph.



b) Apportionments. The local church shall pay any unpaid apportionments for the 12 months prior to disaffiliation, as well as an additional 12 months of apportionments.

c) Property. A disaffiliating local church shall have the right to retain its real and personal, tangible and intangible property. All transfers of property shall be made prior to disaffiliation. All costs for transfer of title or other legal work shall be borne by the disaffiliating local church.

d) Pension Liabilities. The local church shall contribute withdrawal liability in an amount equal to its pro rata share of any aggregate unfunded pension obligations to the annual conference. The General Board of Pension and Health Benefits shall determine the aggregate funding obligations of the annual conference using market factors similar to a commercial annuity provider, from which the annual conference will determine the local church's share.

e) Other Liabilities. The local church shall satisfy all other debts, loans, and liabilities, or assign and transfer them to its new entity, prior to disaffiliation.

f) Payment Terms. Payment shall occur prior to the effective date of departure.

g) Disaffiliating Churches Continuing as Plan Sponsors of the General Board of Pension and Health Benefits Plans. The United Methodist Church believes that a local church disaffiliating under ¶ 2553 shall continue to share common religious bonds and convictions with The United Methodist Church based on shared Wesleyan theology and tradition and Methodist roots, unless the local church expressly resolves to the contrary. As such, a local church disaffiliating under ¶ 2553 shall continue to be eligible to sponsor voluntary employee benefit plans through the General Board of Pension and Health Benefits under ¶ 1504.2, subject to the applicable terms and conditions of the plans.

h) Once the disaffiliating local church has reimbursed the applicable annual conference for all funds due under the agreement, and provided that there are no other outstanding liabilities or claims against The United Methodist Church as a result of the disaffiliation, in consideration of the provisions of this paragraph, the applicable annual conference shall release any claims that it may have under ¶ 2501 and other paragraphs of *The Book of Discipline of The United Methodist Church* commonly referred to as the trust clause, or under the agreement.

**¶ 2701.5, pages 787-788.**

5. *A Just Resolution in Judicial Proceedings*—A just resolution is one that focuses on repairing any harm to people and communities, achieving real accountability by making things right in so far as possible and bringing healing to all the parties. Just resolutions shall state all identified harms and how they shall be addressed by the Church and other parties to the complaint. Special attention should be given to ensuring that cultural, racial, ethnic, age, and gender contexts are valued throughout the process in terms of their understandings of fairness, justice, and restoration. During the just resolution process, the parties may be assisted by a trained, impartial third party facilitator(s) or mediator(s), in reaching an agreement satisfactory to all parties. Processes that seek a just resolution are encouraged at any time, including through the judicial proceedings. After the referral of a matter as a judicial complaint from counsel for the Church to the committee on investigation, if a process seeking a just resolution is used, the appropriate persons, including the counsel for the Church, the complainant(s), and the counsel for the respondent, should enter into a written agreement outlining such process, including any agreement on confidentiality. No matter where in the process a just resolution is achieved, the complainant(s) shall be a party to the resolution process and every effort shall be made to have the complainant(s) agree to the resolution before it may take effect. If resolution is achieved, a written statement of resolution, including terms and conditions, shall be signed by the same persons who signed the written agreement outlining the process, and they shall agree on any matters to be disclosed to third parties. If the resolution results in a change of ministerial status, the disclosure agreement shall not prevent the disciplinary disclosures required for possible readmission.

**¶ 2706.5.c.3, pages 799-800.**

(3) Upon recommendation of the counsel for the Church and the counsel for the respondent, the committee may refer the matter to the resident bishop as deemed appropriate for a process seeking a just resolution. The bishop shall institute such a process and may use the assistance of a trained, impartial third party facilitator(s) or mediator(s). Such referral will not constitute a dismissal or double jeopardy under ¶ 2701.2d. The appropriate persons, including the counsel for the Church, the complainant, and counsel for the respondent, should enter into a written agreement outlining the process, including any agreements on confidentiality. No matter where in the process a just resolution is achieved, the complainant(s) shall be a party to the resolution process and every effort shall be made to have the complainant(s) agree to the resolution before it may take effect. If resolution is achieved, a

# Exhibit

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EX 1278 AS 101  
THE DOCTRINES

AND

DISCIPLINE

OF THE

METHODIST EPISCOPAL CHURCH,  
SOUTH.

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Nashville, Tenn.:

E. STEVENSON & F. A. OWEN, AGENTS,  
FOR THE METHODIST EPISCOPAL CHURCH, SOUTH.

1856.

21. PACIFIC CONFERENCE shall include the state of California and that part of the Territory of New Mexico west of the Rocky Mountains.

22. KANSAS MISSION CONFERENCE shall include the Kansas Territory, and that part of the Territory of New Mexico not included in the Pacific Conference.

23. INDIAN MISSION CONFERENCE shall be bounded on the north by the Missouri River; east by the states of Missouri and Arkansas; south by Red River, and west by the Rocky Mountains, with the exception of the Kansas River district.

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## SECTION II.

### *Of Building and Securing Churches.*

*Quest.* 1. Is anything advisable in regard to building?

*Ans.* 1. Let all our churches be built plain and decent, and with free seats; but not more expensive than is absolutely unavoidable; otherwise the necessity of raising money will make rich



## Sec. 2. SECURING CHURCHES. 207

men necessary to us. But if so, we must be dependent on them, yea, and governed by them. And then farewell to Methodist discipline, if not doctrine too.

2. In order more effectually to prevent our people from contracting debts which they are not able to discharge, it shall be the duty of the quarterly conference of every circuit and station, where it is contemplated to build a house or houses of worship, to secure the ground or lot on which such house or houses are to be built, according to our deed of settlement, which deed must be legally executed ; and also said quarterly conference shall appoint a judicious committee of at least three members of our Church, who shall form an estimate of the amount necessary to build ; and three-fourths of the money, according to such estimate, shall be secured or subscribed before any such building shall be commenced.

3. In all cases where debts for building houses of worship have been, or

may be, incurred contrary to, or in disregard of, the above recommendation, our members and friends are requested to discountenance, by declining pecuniary aid to all agents who shall travel abroad beyond their own circuits or districts for the collection of funds for the discharge of such debts; except in such peculiar cases as may be approved by an annual conference, or such agents as may be appointed by their authority.

4. In future, we will admit no charter, deed, or conveyance, for any house of worship to be used by us, unless it be provided in such charter, deed, or conveyance, that the trustees of said house shall at all times permit such ministers and preachers belonging to the Methodist Episcopal Church, South, as shall from time to time be duly authorized by the General Conference of the ministers of our Church, or by the annual conferences, to preach and expound God's holy word, and to execute the discipline of the Church, and to

Sec. 2. SECURING CHURCHES. 209

administer the sacraments therein, according to the true meaning and purport of our deed of settlement.

5. As it is contrary to our economy to build houses with pews to sell or rent, it shall be the duty of the several annual conferences to use their influence to prevent houses from being so built in future; and as far as possible to make those houses free which have already been built with pews.

*Quest. 2.* What shall be done for the security of our preaching houses, and the premises belonging thereto?

*Ans.* Let the following plan of a deed of settlement be brought into effect in all possible cases, and as far as the laws of the States respectively will admit of it. But each annual conference is authorized to make such modification in the deeds as they may find the different usages and customs of law require in the different states and territories, so as to secure the premises firmly by deed, and permanently to the Methodist Episcopal

Church, South, according to the true intent and meaning of the following form of a deed of settlement ; any thing in the said form to the contrary notwithstanding :—

THIS INDENTURE, made this  
 day of \_\_\_\_\_ in the year of our Lord  
 one thousand \_\_\_\_\_ hundred and  
 between \_\_\_\_\_ of the \_\_\_\_\_ in the  
 state of \_\_\_\_\_ (if the grantor be  
 married, insert the name of his wife) of  
 the one part, and \_\_\_\_\_ trustees,  
 in trust for the uses and purposes here-  
 inafter mentioned, all of the  
 \_\_\_\_\_ in the state of \_\_\_\_\_ aforesaid, of  
 the other part, WITNESSETH, that the said  
 \_\_\_\_\_ (if married, insert the name  
 of his wife) for and in consideration of  
 the sum of \_\_\_\_\_ specie, to  
 \_\_\_\_\_ in hand paid, at and upon the seal-  
 ing and delivery of these presents, the  
 receipt whereof is hereby acknowledged,  
 \_\_\_\_\_ hath (or have) given, granted, bargained,  
 sold, released, confirmed, and conveyed,  
 and by these presents doth (or do) give,

Sec. 2. SECURING CHURCHES. 211

grant, bargain, sell, release, confirm, and convey unto them, the said

and their successors, (trustees in trust for the uses and purposes hereinafter mentioned and declared,) all the estate, right, title, interest, property, claim, and demand whatsoever, either in law or equity, which he the said

(if married, here insert the name of his wife) hath (or have) in, to, or upon all and singular a certain lot, or piece of land, situate, lying, and being in the and state aforesaid, bounded and butted as follows, to-wit, (here insert the several courses and distances of the land to the place of beginning,) containing and laid out for acres of land, together with all and singular the houses, woods, waters, ways, privileges, and appurtenances thereto belonging, or in any wise pertaining: **TO HAVE AND TO HOLD** all and singular the above-mentioned and described lot or piece of land, situate, lying, and being as aforesaid, together with all and sin-

gular the houses, woods, waters, ways, and privileges thereto belonging, or in any wise appertaining unto them the said \_\_\_\_\_ and their successors in office for ever in trust, that they shall erect and build, or cause to be erected and built thereon, a house or place of worship for the use of the members of the Methodist Episcopal Church, South, according to the rules and discipline which from time to time may be agreed upon and adopted by the ministers and preachers of the said Church at their General Conferences; and in further trust and confidence that they shall at all times, forever hereafter, permit such ministers and preachers belonging to the said Church, as shall from time to time be duly authorized by the General Conferences of the ministers and preachers of the said Methodist Episcopal Church, South, or by the annual conferences authorized by the said General Conference, to preach and expound God's holy word therein. And the said \_\_\_\_\_ doth

Sec. 2. SECURING CHURCHES. 213

by these presents warrant, and forever defend, all and singular the before-mentioned and described lot or piece of land, with the appurtenances thereto belonging, unto them the said and their successors, chosen and appointed as aforesaid, from the claim or claims of him the said his heirs and assigns, and from the claim or claims of all persons whatever. In testimony whereof, the said (if married, insert the name of his wife) have hereto set their hands and seals, the day and year aforesaid.

Sealed and delivered in }  
 the presence of us, }  
 (Two witnesses.) }  
 Grantor's (L. S.)  
 his wife's (L. S.)

Received the day of the date }  
 of the above written in- }  
 denture, the consideration }  
 therein mentioned in full. }  
 Witness.] Grantor's (L. S.)  
 County, ss.

BE IT REMEMBERED, that on the



day of \_\_\_\_\_ in the year of our  
Lord one thousand \_\_\_\_\_ personally  
appeared before me, one of the jus-  
tices of the peace, in and for the  
county of \_\_\_\_\_ and state of  
the within-named \_\_\_\_\_ the grantor  
(if married, insert the name of his  
wife) acknowledged the within deed  
of trust to be their act and deed, for  
the uses and purposes therein men-  
tioned and declared ; and she the said  
\_\_\_\_\_ wife of the said \_\_\_\_\_ being  
separate and apart from her said hus-  
band, by me examined, declared that  
she had made the same acknowledg-  
ment, freely and with her own con-  
sent, without being induced thereto  
through fear or threats of her said  
husband. In testimony whereof I have  
hereto set my hand and seal, the day  
and year first above written.

Here the justice's name. (L. S )



# Exhibit

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DISCIPLINE

1918

THE DOCTRINES  
AND  
DISCIPLINE

OF THE  
METHODIST EPISCOPAL CHURCH, SOUTH

1918

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EDITED BY  
THE BOOK EDITOR

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NASHVILLE, TENN.; DALLAS, TEX.; RICHMOND, VA.  
PUBLISHING HOUSE M. E. CHURCH, SOUTH  
SMITH & LAMAR, AGENTS  
1918

house of worship shall be built unless the authority of the Quarterly Conference shall first have been obtained; and *provided, further*, that no business involving the purchase, sale, creating lien on, or otherwise disposing of Church property, shall be transacted unless at least ten days' notice of the meeting of the Quarterly Conference shall have been given, and that five members of the Quarterly Conference shall constitute a quorum for the transaction of such business.

¶ 488. *Ans. 3.* In all cases where debts for building houses of worship have been or may be incurred contrary to or in disregard of the above recommendation, our members and friends are requested to discountenance, by declining pecuniary aid to all agents who shall travel abroad beyond their own circuits or Districts, for the collection of funds for the discharge of such debts, except in such peculiar cases as may be approved by an Annual Conference.

¶ 489. *Ans. 4.* In future we will admit no charter, devise, deed, or conveyance, for any house of worship to be used by us, unless it contains the "Trust Clause," or be in conformity thereto. Each Annual Conference is authorized to make such modification in the deeds as it may find the different usages and customs of law require in the different States and Territories, so as to secure the property firmly by deed, and permanently *in fee*

*simple*, to the Methodist Episcopal Church, South; but in all conveyances of ground for the building of houses of worship, or upon which they may have been already built, let the "Trust Clause" be inserted at the proper place.

¶ 490. *Ans.* 5. The "Trust Clause" shall be as follows: "In trust, that said premises shall be used, kept, maintained, and disposed of, as a place of divine worship for the use of the ministry and membership of the Methodist Episcopal Church, South; subject to the discipline, usage, and ministerial appointments of said Church, as from time to time authorized and declared by the General Conference of said Church, and by the Annual Conference within whose bounds the said premises are situated."

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## SECTION II.

### OF BUILDING PARSONAGES.

*Question.* What advice or direction is given concerning the building of dwelling houses for the use of married traveling preachers?

¶ 491. *Ans.* 1. It is recommended to our friends, in general, to purchase a lot of ground in each pastoral charge, and to build a preacher's house thereon, and to furnish it with at least heavy furniture, and to settle the same on trustees appointed by the Quarterly Conference, according to our deed of settlement.



¶ 492. *Ans.* 2. It shall be the duty of the Presiding Elders and preachers to use their influence to carry into effect the above rules respecting building houses for the accommodation of preachers and their families. In order to do this, each Quarterly Conference shall appoint a committee (unless other measures have been adopted), who, with the advice and aid of the preachers and Presiding Elder, shall devise such means as may seem fit to raise money for that purpose. And it is recommended to the Annual Conferences to make a special inquiry of their members respecting this part of their duty.

¶ 493. *Ans.* 3. Likewise, in all conveyances of ground for the building of dwelling houses for the use of the preachers, or upon which they may have been already built, let the following clause be inserted at the proper place: "In trust, that such premises shall be held, kept, maintained, and disposed of, as a place of residence for the use and occupancy of the preachers of the Methodist Episcopal Church, South, who may from time to time be appointed in said place; subject to the usage and discipline of said Church, as from time to time authorized and declared by the General Conference of said Church, and by the Annual Conference within whose bounds the said premises are situated."

¶ 494. *Ans.* 4. In all States and Territories

where the laws thereof will permit, let the society secure a charter of incorporation, and let all real estate and other property now owned, or hereafter to be acquired for church, parsonage, or other purposes, be deeded directly to the society in its corporate name. The secular affairs of such corporation shall be managed and controlled by a Board of Trustees, which shall be elected and organized according to the direction of the Discipline, with power in the corporation to acquire, hold, sell, and convey the property, both real and personal. In all such cases, and in States or Territories where church property is required to be held by trustees (and not permitted to be held by corporations), let all deeds or other conveyances, under which the Church acquires property for any purpose, contain the appropriate Trust Clause set out in ¶ 490 or ¶ 493, as the case may be; and the Board of Church Extension shall have forms of deeds suitable to each State or Territory prepared for free distribution.

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### SECTION III.

#### OF THE DIVISION, TRANSFER, OR SALE OF CHURCH PROPERTY.

¶ 495. When any circuit, station, or mission shall be divided into two or more charges, each separate charge may constitute a new board or boards of trustees; and the church property held

by the trustees of the original charge shall be conveyed to the new boards thus created, and the former board or boards shall be freed from all pecuniary liabilities, such being transferred to the new boards respectively. And when any division is made of a circuit, station, or District, having parsonage property, in order to adjust the rights and equities of the subdivisions of any such charge in such parsonage property, the Quarterly Conferences of the respective subdivisions, or the District Conference (in case of the division of a District), shall each select an arbitrator, and these arbitrators an umpire, who together shall constitute a board of reference, to which shall be referred the question of adjusting the rights of the respective parties interested in such parsonage property; and the decision of the board of reference in any such case shall be acquiesced in and carried into effect by the parties concerned. And if any Quarterly or District Conference shall fail, after written notice, to appoint such arbitrator within one year after such division, this shall work a forfeiture of the claim of such Conference in the property.

¶ 496. The trustees, with the consent of the preacher in charge and the Quarterly Conference, or if a District parsonage, then of the Presiding Elder and the District Conference, shall have power to sell any church or parsonage property, which



has gone out of use, or which should be removed to another place, the proceeds of which shall be invested in other church property under the direction of the Quarterly or District Conference.

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#### SECTION IV.

##### OF CREATING LIENS UPON CHURCH PROPERTY.

¶ 497. No person, or persons, or board of trustees, shall have authority to make or create any mortgage, or other contract lien, upon church property: *provided, nevertheless*, that if the said trustees, or any of them, or their successors, have advanced, or shall advance, any sum or sums of money, or are, or shall be, responsible for any sum or sums of money on account of church property, and they, the said trustees, or their successors, be obliged to pay the said sum or sums of money, they, or a majority of them, shall be authorized to raise the said sum or sums of money by a mortgage on the said property, or by selling the said property, after notice given the preacher in charge, or the Presiding Elder of the District, if the money due be not paid to the said trustees, or their successors, within one year after such notice has been given; and if such sale take place, the said trustees, or their successors, after paying the debt and other expenses which are due, from the money arising from such sale, shall pay over the re-

mainder of the money produced by the said sale to the steward or stewards of the circuit, station, or mission; which surplus of the produce of said sale shall be forwarded by the said steward or stewards to the Quarterly Conference within whose bounds it is situated, at its next session; which said Quarterly Conference shall dispose of the said money, by a vote of the majority, for the use of said circuit, station, or mission.

¶ 498. *Provided, further,* that the trustees of any house of worship or parsonage, or other property held for the benefit of the Church, a majority of them uniting therein, by the consent and authority of the Quarterly Conference, or of the District Conference, or two-thirds of the District Stewards, if it be a District parsonage, may borrow money from the Board of Church Extension or any person or corporation, and secure the repayment thereof by mortgage upon any property held in trust by said trustees, upon such terms and conditions as may be agreed upon between the contracting parties.

¶ 499. *Provided, further,* that such trustees, when duly authorized, as provided in ¶ 498, shall also have power to create a lien upon such property conditioned for the repayment to said Board of Church Extension of any conditional donation made in aid of such house of worship or parsonage by said Board, in the event that such property shall

ever thereafter be aliened from the Methodist Episcopal Church, South, or cease to be used for, or be devoted to, other uses than the purposes authorized by the trust clauses in our deeds, as prescribed by the Discipline. In the event of a sale under any mortgage, provided for in this or the preceding paragraph, the surplus money arising therefrom shall be disposed of as provided in ¶ 497. Money received under the provisions of this or the preceding paragraph shall be used by the trustees for the exclusive purpose of purchasing, paying debts upon, or improving, church or parsonage property. Whenever any property upon which such conditional mortgages have been placed shall be sold by the trustees for the purpose of purchasing property elsewhere, to be used for like purposes, it shall be the duty of the officers of the Board of Church Extension to release said lien, provided equal security be given by mortgage on the new site.

# Exhibit

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DOCTRINES AND DISCIPLINE OF  
THE METHODIST CHURCH

DOCTRINES

AND

DISCIPLINE

OF

The Methodist Church

1952

[ THE METHODIST EPISCOPAL CHURCH  
THE METHODIST EPISCOPAL CHURCH, SOUTH  
THE METHODIST PROTESTANT CHURCH ]

THE METHODIST PUBLISHING HOUSE

NASHVILLE	CINCINNATI	CHICAGO	NEW YORK
DALLAS	RICHMOND	BALTIMORE	KANSAS CITY
DETROIT	PITTSBURGH	PORTLAND	SAN FRANCISCO



the consent of the pastor, or in his absence the consent of the district superintendent.

¶ 166. 1. "Trustee," "Trustees," and "Board of Trustees," as used herein or elsewhere in the Discipline, shall be construed to be synonymous with "director," "directors," and "Board of Directors" applied to corporations.

2. "Local laws" shall be construed to mean the laws of the country, state, or other like political unit within the geographical bounds of which the church property is located.

SEC. III. Acquisition of Property

¶ 167. If the local laws do not prescribe that title to property, both real and personal, shall be otherwise taken and held, in which event the provisions thereof shall take precedence and shall be observed and the provisions hereof subordinated thereto, the title to all real property now owned or hereafter acquired by an **unincorporated local church**, and any organization, board, commission, society, or similar body connected therewith, shall be held by and/or conveyed and transferred to its duly elected trustees, who shall be named in the written instrument conveying or transferring title, and their successors in office and their assigns, as the Board of Trustees of such local church (naming it and the individual trustees), in trust, nevertheless, for the use and benefit of such local church and of The Methodist Church. Every instrument of conveyance of real estate shall contain the appropriate trust clause, as hereinafter set forth in ¶ 174.

¶ 168. Prior to the purchase by an unincorporated local church of any real estate a resolution authorizing such action shall be passed at a meeting of the Quarterly Conference, by a majority vote of its members present and voting, at a regular meeting or a special meeting of the Quarterly Conference called for that purpose; *provided*, however, that not less than ten days' notice of such meeting and the proposed action shall have been given from the pulpit or in the weekly bulletin of the church; and *provided*, further, that written consent to such action shall be given by the pastor and the district superintendent.

¶ 169. If the local laws do not prescribe that title to real property of an **incorporated local church** shall be otherwise taken and held, in which event the provisions thereof shall take precedence and shall be observed, and the provisions hereof subordinated thereto, the title to all property, both real and personal, now owned or hereafter acquired by an incorporated local church, and any organization, board, commission, society, or similar body connected therewith, shall be held by and/or conveyed to the corporate body in its corporate name, in trust, nevertheless, for the use and benefit of such local church and of The Methodist Church. Every instrument of conveyance of real estate shall contain the appropriate trust clause, as hereinafter set forth in ¶ 174.

¶ 170. Prior to the purchase by a local-church corporation of any real estate, a resolution authorizing such action shall be passed by the Quarterly Conference in corporate session, or such other corporate body as the local laws may require, with the members thereof acting in their capacity as members of the corporate body, by a majority vote of those present and voting, at any regular or special meeting called for that purpose; *provided* that not less than ten days' notice of such meeting and the proposed action shall have been given from the pulpit or in the weekly bulletin of the local church; and *provided*, further, that written consent to such action shall be given by the pastor and the district superintendent; and *provided*, further, that all such transactions shall have the approval of the Quarterly Conference.

SEC. IV. Sale, Transfer, and Mortgage of Property

¶ 171. Any real property owned by, or in which an **unincorporated local church** has any interest, may be sold, transferred, or mortgaged subject to the following procedure and conditions:

1. Notice of the proposed action and the date and time of the regular or special meeting of the Quarterly Conference at which it is to be considered shall be given at least fourteen days prior thereto from the pulpit of the church or in its weekly bulletin.
2. A resolution authorizing the proposed action shall

be passed by a majority vote of the Quarterly Conference members present and voting and by a majority vote of the members of said church present and voting at a special meeting called to consider such action.

3. The written consent of the pastor of the local church and the district superintendent to the proposed action shall be necessary and shall be affixed to the instrument of sale, transfer, or mortgage.

4. The resolution authorizing such proposed action shall direct that any contract, deed, bill of sale, mortgage, or other necessary written instrument be executed by and on behalf of the local church by any two of the officers of its Board of Trustees, who thereupon shall be duly authorized to carry out the direction of the Quarterly Conference; and any written instrument so executed shall be binding and effective as the action of the local church. (See ¶ 173.)

¶ 172. Any real property owned by, or in which an incorporated local church has any interest, may be sold, transferred, or mortgaged subject to the following procedure and conditions:

1. Notice of the proposed action and the date and time of the regular or special meeting of the members of the corporate body, i.e., members of the Quarterly Conference, at which it is to be considered, shall be given at least fourteen days prior thereto from the pulpit of the church or in its weekly bulletin.

2. A resolution authorizing the proposed action shall be passed by a majority vote of the members of the corporate body present and voting at any regular or special meeting thereof called to consider such action, and by a majority vote of the members of said church present and voting at a special meeting called to consider such action.

3. The written consent of the pastor of the local church and the district superintendent to the proposed action, shall be necessary, and shall be affixed to the instrument of sale, conveyance, transfer, or mortgage.

4. The resolution authorizing such proposed action shall direct and authorize the corporation's Board of Directors to take all necessary steps to carry out the

action so authorized, and to cause to be executed, as hereinafter provided, any necessary contract, deed, bill of sale, mortgage, or other written instrument.

5. The Board of Directors at any regular or special meeting shall take such action and adopt such resolutions as may be necessary or required by the local laws.

6. Any required contract, deed, bill of sale, mortgage, or other written instrument necessary to carry out the action so authorized shall be executed in the name of the corporation by any two of its officers, and any written instrument so executed shall be binding and effective as the action of the corporation. (See ¶ 173.)

¶ 173. No real property on which a church building or parsonage is located shall be mortgaged to provide for the current (or budget) expense of a local church, nor shall the principal proceeds of a sale of any such property be so used. This provision shall apply alike to unincorporated and incorporated local churches.

#### SEC. V. Trust Clauses and Release Therefrom

¶ 174. 1. Except in conveyances from governmental agencies or subdivisions which require that the real property so conveyed shall revert to the grantor if and when its use as a place of divine worship has been terminated, all written instruments of conveyance by which premises are held or hereafter acquired, for use as a place of divine worship for members of The Methodist Church or for other church activities, shall contain the following trust clause:

*In trust, that said premises shall be used, kept, and maintained as a place of divine worship of the Methodist ministry and members of The Methodist Church; subject to the Discipline, usage, and ministerial appointments of said church as from time to time authorized and declared by the General Conference and by the Annual Conference within whose bounds the said premises are situated. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.*



2. All written instruments by which premises are held or hereafter acquired as a parsonage for the use and occupancy of the ministers of The Methodist Church shall contain the following trust clause:

*In trust, that such premises shall be held, kept, and maintained as a place of residence for the use and occupancy of the ministers of The Methodist Church who may from time to time be entitled to occupy the same by appointment; subject to the Discipline and usage of said church, as from time to time authorized and declared by the General Conference and by the Annual Conference within whose bounds the said premises are situated. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.*

3. However, the absence of the trust clause stipulated in § 1 or § 2 of this paragraph in deeds and conveyances previously executed shall in no way exclude a local church from or relieve it of its Methodist connectional responsibilities. Nor shall it absolve a local congregation or Board of Trustees of its responsibility to The Methodist Church provided that the intent and desire of the founders and/or the later congregations and Boards of Trustees is shown by any or all of the following indications: (a) the conveyance of the property to the trustees of the local Methodist church or any of its predecessors; (b) the use of the name, customs, and polity of The Methodist Church in such a way as to be thus known to the community as a part of this denomination; (c) the acceptance of the pastorate of ministers appointed by a bishop of The Methodist Church or employed by the superintendent of the district in which it is located.

¶ 175. Real property acquired by a conveyance containing either or both of the foregoing trust clauses (¶ 174) may be sold in conformity with the provisions of the Discipline of The Methodist Church (¶¶ 171-73) when its use as a church building or parsonage, as the case may be, has been or is intended to be terminated; and when such real estate is sold or mortgaged in accordance with the provisions of the Discipline of The Methodist

church, the written acknowledged consent of the proper district superintendent representing The Methodist Church to the action taken shall constitute a release and discharge of the real property so sold and conveyed from either or both of the foregoing trust clauses; or, in the event of the execution of a mortgage, such consent of the district superintendent shall constitute a formal recognition of the priority of such mortgage lien and the subordination of the foregoing trust provisions thereof; and no bona fide purchaser or mortgagee relying upon the foregoing record shall be charged with any responsibility with respect to the disposition by such local church of the proceeds of any such sale or mortgage; but the Board of Trustees receiving such proceeds shall manage, control, disburse, and expend the same in conformity to the order and direction of the Quarterly Conference, subject to the provisions of the Discipline of The Methodist Church with respect thereto.

#### Sec. VI. Incorporation of Local Churches

¶ 176. When so authorized and directed by its Quarterly Conference, the Board of Trustees of a local church shall immediately take and perform any and all necessary steps and actions to incorporate the local church under and in conformity with the laws of the country, state or like political unit in which it is located. The necessary articles to be filed with the proper governmental officials to secure a charter, and any and all amendments thereto that at any time may be contemplated, shall be submitted to the district superintendent having jurisdiction for his written approval as to the conformity of the same with the provisions of the Discipline of The Methodist Church, and shall contain the following provisions:

1. The corporation shall support the doctrine, and it, and all its property, both real and personal, shall be subject to the laws, usages, and ministerial appointments of The Methodist Church as are now or shall be from time to time established, made, and declared by the lawful authority of the said church.

2. The Board of Directors of the corporation shall be the Board of Trustees of the local church, elected and

# Exhibit

# G

DOCTRINES AND DISCIPLINE OF  
THE METHODIST CHURCH

DOCTRINES

AND

DISCIPLINE

OF

The Methodist Church

1956

[ THE METHODIST EPISCOPAL CHURCH  
THE METHODIST EPISCOPAL CHURCH, SOUTH  
THE METHODIST PROTESTANT CHURCH ]

THE METHODIST PUBLISHING HOUSE

NASHVILLE	CINCINNATI	CHICAGO	NEW YORK
DALLAS	RICHMOND	BALTIMORE	KANSAS CITY
DETROIT	PITTSBURGH	PORTLAND	SAN FRANCISCO

unit in which the local church is located; and shall have the supervision, oversight, and care of all real property owned by the local church and of all property and equipment acquired directly by the local church or by any society, board, class, commission, or similar organization connected therewith; *provided* that the Board of Trustees shall not violate the rights of any local-church organization elsewhere granted in the Discipline; *provided*, further, that the Board of Trustees shall not prevent or interfere with the pastor in the use of any of the said property (¶ 174) for religious services or other proper meetings or purposes recognized by the law, usages, and customs of The Methodist Church, or permit the use of said property for religious or other meetings without the consent of the pastor, or in his absence the consent of the district superintendent; and *provided*, further, that the Quarterly Conference may assign certain of these duties to a Building Committee as set forth in ¶ 180. (See also ¶ 278 §§ 5, 6.)

¶ 166. 1. "Trustee," "trustees," and "Board of Trustees" as used herein or elsewhere in the Discipline, shall be construed to be synonymous with "director," "directors," and "Board of Directors" applied to corporations.

2. "Local laws" shall be construed to mean the laws of the country, state, or other like political unit within the geographical bounds of which the church property is located.

3. Trustees or other members of a local church shall not be required to guarantee personally any loan made to the church by any board created by or under the authority of the General Conference.

4. Should a trustee of a local church or a director of an incorporated local church refuse to execute properly a legal instrument relating to any property of the church, when duly directed so to do by the Quarterly Conference (¶¶ 157-58), and when all legal requirements have been satisfied with reference to such execution, the said Quarterly Conference may by majority vote declare his membership on the Board of Trustees or Board of Directors vacated, and elect his successor for the unexpired term.

SEC. III. Acquisition of Property

¶ 167. If the local laws do not prescribe that title to property, both real and personal, shall be otherwise taken and held, in which event the provisions thereof shall take precedence and shall be observed and the provisions hereof subordinated thereto, the title to all real property now owned or hereafter acquired by an **unincorporated local church**, and any organization, board, commission, society, or similar body connected therewith, shall be held by and/or conveyed and transferred to its duly elected trustees, who shall be named in the written instrument conveying or transferring title, and their successors in office and their assigns, as the Board of Trustees of such local church (naming it and the individual trustees), in trust, nevertheless, for the use and benefit of such local church and of The Methodist Church. Every instrument of conveyance of real estate shall contain the appropriate trust clause, as hereinafter set forth in ¶ 174.

¶ 168. Prior to the purchase by an unincorporated local church of any real estate a resolution authorizing such action shall be passed at a meeting of the Quarterly Conference, by a majority vote of its members present and voting, at a regular meeting or a special meeting of the Quarterly Conference called for that purpose; *provided*, however, that not less than ten days' notice of such meeting and the proposed action shall have been given from the pulpit or in the weekly bulletin of the church; and *provided*, further, that written consent to such action shall be given by the pastor and the district superintendent. (See ¶ 180.)

¶ 169. If the local laws do not prescribe that title to real property of an **incorporated local church** shall be otherwise taken and held, in which event the provisions thereof shall take precedence and shall be observed, and the provisions hereof subordinated thereto, the title to all property, both real and personal, now owned or hereafter acquired by an incorporated local church, and any organization, board, commission, society, or similar body connected therewith, shall be held by and/or conveyed



to the corporate body in its corporate name, in trust, nevertheless, for the use and benefit of such local church and of The Methodist Church. Every instrument of conveyance of real estate shall contain the appropriate trust clause, as hereinafter set forth in ¶ 174.

¶ 170. Prior to the purchase by a local-church corporation of any real estate, a resolution authorizing such action shall be passed by the Quarterly Conference in corporate session, or such other corporate body as the local laws may require, with the members thereof acting in their capacity as members of the corporate body, by a majority vote of those present and voting, at any regular or special meeting called for that purpose; *provided* that not less than ten days' notice of such meeting and the proposed action shall have been given from the pulpit or in the weekly bulletin of the local church; and *provided*, further, that written consent to such action shall be given by the pastor and the district superintendent; and *provided*, further, that all such transactions shall have the approval of the Quarterly Conference. (See ¶ 180.)

**Sec. IV. Sale, Transfer, and Mortgage of Property**

¶ 171. Any real property owned by, or in which an unincorporated local church has any interest, may be sold, transferred, or mortgaged subject to the following procedure and conditions:

1. Notice of the proposed action and the date and time of the regular or special meeting of the Quarterly Conference at which it is to be considered shall be given at least ten days prior thereto (except as local laws may otherwise provide) from the pulpit of the church or in its weekly bulletin.

2. A resolution authorizing the proposed action shall be passed by a majority vote of the Quarterly Conference members present and voting and by a majority vote of the members of said church present and voting at a special meeting called to consider such action.

3. The written consent of the pastor of the local church and the district superintendent to the proposed

action shall be necessary and shall be affixed to the instrument of sale, transfer, or mortgage.

4. The resolution authorizing such proposed action shall direct that any contract, deed, bill of sale, mortgage, or other necessary written instrument be executed by and on behalf of the local church by any two of the officers of its Board of Trustees, who thereupon shall be duly authorized to carry out the direction of the Quarterly Conference; and any written instrument so executed shall be binding and effective as the action of the local church. (See ¶ 173.)

¶ 172. Any real property owned by, or in which an unincorporated local church has any interest, may be sold, transferred, or mortgaged subject to the following procedure and conditions:

1. Notice of the proposed action and the date and time of the regular or special meeting of the members of the corporate body, i.e., members of the Quarterly Conference, at which it is to be considered, shall be given at least ten days prior thereto (except as local laws may otherwise provide) from the pulpit of the church or in its weekly bulletin.

2. A resolution authorizing the proposed action shall be passed by a majority vote of the members of the corporate body present and voting at any regular or special meeting thereof called to consider such action, and by a majority vote of the members of said church present and voting at a special meeting called to consider such action; *provided* that for the sale of property which was conveyed to the church to be sold and its proceeds used for a specific purpose a vote of the members of said church shall not be required.

3. The written consent of the pastor of the local church and the district superintendent to the proposed action shall be necessary and shall be affixed to the instrument of sale, conveyance, transfer, or mortgage.

4. The resolution authorizing such proposed action shall direct and authorize the corporation's Board of Directors to take all necessary steps to carry out the action so authorized, and to cause to be executed, as here-

inafter provided, any necessary contract, deed, bill of sale, mortgage, or other written instrument.

5. The Board of Directors at any regular or special meeting shall take such action and adopt such resolutions as may be necessary or required by the local laws.

6. Any required contract, deed, bill of sale, mortgage, or other written instrument necessary to carry out the action so authorized shall be executed in the name of the corporation by any two of its officers and any written instrument so executed shall be binding and effective as the action of the corporation. (See ¶ 173.)

¶ 173. 1. No real property on which a church building or parsonage is located shall be mortgaged to provide for the current (or budget) expense of a local church, nor shall the principal proceeds of a sale of any such property be so used. This provision shall apply alike to unincorporated and incorporated local churches.

2. A local church, whether or not incorporated, on complying with the provisions of ¶ 171 or ¶ 172, may mortgage its unencumbered real property as security for a loan to be made to a Conference Board of Missions, or a city or district missionary society; provided that the proceeds of such loan shall be used only for aiding in the construction of a new church.

**Sec. V. Trust Clauses and Release Therefrom**

¶ 174. 1. Except in conveyances from governmental agencies or subdivisions<sup>1</sup> which require that the real property so conveyed shall revert to the grantor if and when its use as a place of divine worship has been terminated, all written instruments of conveyance by which premises are held or hereafter acquired, for use as a place of divine worship for members of The Methodist Church or for other church activities, shall contain the following trust clause:

*In trust, that said premises shall be used, kept, and maintained as a place of divine worship of the Methodist ministry and members of The Methodist Church; subject*

<sup>1</sup> See Judicial Council Decision 107.

*to the Discipline, usage, and ministerial appointments of said church as from time to time authorized and declared by the General Conference and by the Annual Conference within whose bounds the said premises are situated. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.*

2. All written instruments by which premises are held or hereafter acquired as a parsonage for the use and occupancy of the ministers of The Methodist Church shall contain the following trust clause:

*In trust, that such premises shall be held, kept, and maintained as a place of residence for the use and occupancy of the ministers of The Methodist Church who may from time to time be entitled to occupy the same by appointment; subject to the Discipline and usage of said church, as from time to time authorized and declared by the General Conference and by the Annual Conference within whose bounds the said premises are situated. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.*

3. However, the absence of the trust clause stipulated in § 1 or § 2 of this paragraph in deeds and conveyances previously executed shall in no way exclude a local church from or relieve it of its Methodist connectional responsibilities. Nor shall it absolve a local congregation or Board of Trustees of its responsibility to The Methodist Church provided that the intent and desire of the founders and/or the later congregations and Boards of Trustees is shown by any or all of the following indications: (a) the conveyance of the property to the trustees of the local Methodist church or any of its predecessors; (b) the use of the name, customs, and polity of The Methodist Church in such a way as to be thus known to the community as a part of this denomination; (c) the acceptance of the pastorate of ministers appointed by a



bishop of The Methodist Church or employed by the superintendent of the district in which it is located.

¶ 175. Real property acquired by a conveyance containing either or both of the foregoing trust clauses (¶ 174) may be sold in conformity with the provisions of the Discipline of The Methodist Church. (¶¶ 171-73) when its use as a church building or parsonage, as the case may be, has been or is intended to be terminated; and when such real estate is sold or mortgaged in accordance with the provisions of the Discipline of The Methodist Church, the written acknowledged consent of the proper district superintendent representing The Methodist Church to the action taken shall constitute a release and discharge of the real property so sold and conveyed from either or both of the foregoing trust clauses; or, in the event of the execution of a mortgage, such consent of the district superintendent shall constitute a formal recognition of the priority of such mortgage lien and the subordination of the foregoing trust provisions thereof; and no bona fide purchaser or mortgagee relying upon the foregoing record shall be charged with any responsibility with respect to the disposition by such local church of the proceeds of any such sale or mortgage; but the Board of Trustees receiving such proceeds shall manage, control, disburse, and expend the same in conformity to the order and direction of the Quarterly Conference, subject to the provisions of the Discipline of The Methodist Church with respect thereto.

Sec. VI. **Incorporation of Local Churches**

¶ 176. When so authorized and directed by its Quarterly Conference, the Board of Trustees of a local church shall immediately take and perform any and all necessary steps and actions to incorporate the local church under and in conformity with the laws of the country, state, or like political unit in which it is located. The necessary articles to be filed with the proper governmental officials to secure a charter, and any and all amendments thereto that at any time may be contemplated, shall be submitted to the district superintendent having jurisdiction for his

written approval as to the conformity of the same with the provisions of the Discipline of The Methodist Church, and shall contain the following provisions:

1. The corporation shall support the doctrine, and it, and all its property, both real and personal, shall be subject to the laws, usages, and ministerial appointments of The Methodist Church as are now or shall be from time to time established, made, and declared by the lawful authority of the said church.
2. The Board of Directors of the corporation shall be the Board of Trustees of the local church, elected and organized as prescribed in the Discipline of The Methodist Church.
3. The corporation shall have the power to acquire and hold title in fee simple, in trust, or otherwise, to both real and personal property, and to improve, incubate, sell, convey, and dispose of all such property in conformity with the Discipline of The Methodist Church.
4. Subject to the provisions of the Discipline, the corporation shall have the power to erect and maintain buildings for the worship of God, for training in Christian faith and conduct, and for Christian social intercourse, and to acquire or build and maintain residences for the use and occupancy of its ministers.
5. The by-laws of the corporation shall include the Discipline of The Methodist Church as from time to time enacted, authorized, and declared by its General Conference; and no other by-law shall be adopted inconsistent with the provisions of the Discipline.
6. The members of the corporation shall be the members of the Quarterly Conference, or such other body of the local church as the local laws may permit or require.
7. If, for any reason, the corporation shall cease to exist as a legal entity and its charter shall expire or be terminated, the title to all its property, both real and personal, shall be vested in the trustees of the Annual Conference, if the Annual Conference itself is unincorporated, in the same manner as it holds title to any other real estate, or in the Annual Conference in its corporate name if it is incorporated; and all such property shall be held in trust for the benefit of the local church.

# Exhibit

# H



THE  
BOOK  
OF  
Discipline  
1984

# THE BOOK OF DISCIPLINE



THE BOOK OF DISCIPLINE  
OF  
THE UNITED METHODIST CHURCH

THE  
BOOK OF DISCIPLINE  
OF THE  
UNITED METHODIST  
CHURCH

*1984*

The United Methodist Publishing House  
Nashville, Tennessee



Chapter Seven  
CHURCH PROPERTY

Section I. All Titles—in Trust.

¶ 2501. In consonance with the legal definition and self-understanding of The United Methodist Church (see ¶ 112), and with particular reference to its lack of capacity to hold title to property, The United Methodist Church is organized as a **connectional structure**, and titles to all properties held at General, Jurisdictional, Annual, or District Conference levels, or by a local church or charge, or by an agency or institution of the Church, shall be held in trust for The United Methodist Church and subject to the provisions of its Discipline. Titles are not held by "The United Methodist Church" (see ¶ 906.7) or by "The General Conference of The United Methodist Church," but instead by the incorporated conferences, agencies, or organizations of the denomination, or in the case of unincorporated bodies of the denomination, by boards of trustees established for the purpose of holding and administering property.

¶ 2502. The word "Methodist" is not by our approval or consent to be used as, or as a part of, a trade name or trademark or as a part of the name of any business firm or organization, except by corporations or other business units created for the administration of work undertaken directly by The United Methodist Church.

¶ 2503. *Trust Clauses in Deeds.*—1. Except in conveyances which require that the real property so conveyed shall revert to the grantor if and when its use as a place of divine worship has been terminated, all written instruments of conveyance by which premises are held or hereafter acquired for use as a place of divine worship for members of The United Methodist Church or for other church activities shall contain the following trust clause:

*In trust, that said premises shall be used, kept, and maintained as a place of divine worship of the United Methodist ministry and members of The United Methodist Church; subject to the Discipline, usage, and ministerial appointments of said church as from time to time authorized and declared by the General Conference and by the Annual Confer-*

*ALL TITLES—IN TRUST ¶ 2503*  
*within whose bounds the said premises are situated. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.*

2. All written instruments by which premises are held or hereafter acquired as a parsonage for the use and occupancy of the ministers of The United Methodist Church shall contain the following trust clause:

*In trust, that such premises shall be held, kept, and maintained as a place of residence for the use and occupancy of the ministers of The United Methodist Church who may from time to time be entitled to occupy the same by appointment; subject to the Discipline and usage of said church, as from time to time authorized and declared by the General Conference and by the Annual Conference within whose bounds the said premises are situated. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.*

3. In case the property so acquired is to be used for both a house of worship and a parsonage, the provisions of both trust clauses specified in §§1 and 2 above shall be inserted in the conveyance.

4. In case the property so acquired is not to be used exclusively for a place of worship, or a parsonage, or both, all written instruments by which such premises are held or hereafter acquired shall contain the following trust clause:

*In trust, that said premises shall be kept, maintained, and disposed of for the benefit of The United Methodist Church and subject to the usages and the Discipline of The United Methodist Church. This provision is solely for the benefit of the grantee, and the grantor reserves no right or interest in said premises.*

5. However, the absence of a trust clause stipulated in §§ 1, 2, 3, or 4 above in deeds and conveyances previously executed shall in no way exclude a local church or church agency from or relieve it of its connectional responsibilities to The United Methodist Church. Nor shall it absolve a local congregation or church agency or Board of Trustees of its responsibility and accountability to The United Methodist Church; provided that the intent and desires of the founders and/or the later congregations or Boards

of Trustees are shown by any or all of the following indications: (a) the conveyance of the property to the trustees of a local church or agency or any predecessor to The United Methodist Church; (b) the use of the name, customs, and polity of any predecessor to The United Methodist Church in such a way as to be thus known to the community as a part of such denomination; (c) the acceptance of the pastorate of ministers appointed by a bishop or employed by the superintendent of the District or Annual Conference of any predecessor to The United Methodist Church.

¶ 2504. Nothing in the Plan of Union at any time after the union is to be construed so as to require any existing local church of any predecessor denomination to The United Methodist Church to alienate or in any way to change the title to property contained in its deed or deeds at the time of union, and lapse of time or usage shall not affect said title or control. Title to all property of a local church, or charge, or agency of the Church shall be held subject to the provisions of the Discipline, whether title to the same is taken in the name of the local church trustees, or charge trustees, or in the name of a corporation organized for the purpose, or otherwise.

¶ 2505. Subject to and in accordance with the laws of the state, province, or country, the governing body of any church unit or agency owning land in trust for The United Methodist Church as provided in this Discipline may lease said land for the production of oil, gas, coal, and other minerals, upon such terms as it may deem best; *provided*, however, that such production shall not interfere with the purpose for which said land is held. The moneys received from such leases as rentals, royalties, or otherwise, shall be used so far as practicable for the benefit of the church unit and for the promotion of the interests of The United Methodist Church. The lessee shall have no control over or responsibility for the payments made under such lease.

## Section II. Compliance with Law.

¶ 2506. All provisions of the Discipline relating to property, both real and personal, and relating to the formation and operation of any corporation, and relating to mergers, are conditioned upon their being in conformity with the local laws,

and in the event of conflict therewith the local laws shall prevail; *provided*, however, that this requirement shall not be construed to give the consent of The United Methodist Church to deprivation of its property without due process of law or to the regulation of its affairs by state statute where such regulation violates the constitutional guarantee of freedom of religion and separation of Church and state or violates the right of the Church to maintain connective structure; and *provided* further, that the services of worship of every local church of The United Methodist Church shall be open to all persons without regard to race, color, or national origin. "Local laws" shall be construed to mean the laws of the country, state, or other like political unit within the geographical bounds of which the church property is located.<sup>1</sup>

¶ 2507. In order to secure the right of property, with the appurtenances thereof, of the churches and parsonages of The United Methodist Church, care shall be taken that all conveyances and deeds be drawn and executed in due conformity to the laws of the respective states, provinces, and countries in which the property is situated and also in due conformity to the laws of The United Methodist Church. Deeds shall be registered or recorded directly upon their execution.

¶ 2508. *Instituting and Defending Civil Action.*—Because of the nature of The United Methodist Church (¶ 112) no individual or affiliated church body or unit, nor any official thereof, may commence or participate in any suit or proceeding in the name of or on behalf of The United Methodist Church, excepting, however, the following:

1. Any person or church unit served with legal process in the name of The United Methodist Church may appear for the purpose of presenting to the court the non-jural nature of The United Methodist Church and to raise issues of lack of jurisdiction of the court, lack of capacity of such individual or unit to be served with process, and related Constitutional issues in defense of denominational interests.

2. Any denominational unit authorized to hold title to property and enforce trusts for the benefit of the denomination may bring suit in its own name to protect denominational interests.

<sup>1</sup>See Judicial Council Decisions 11, 315.



# Exhibit

## I

**ARTICLES OF INCORPORATION  
OF  
FIFTH AVENUE UNITED METHODIST CHURCH  
OF WILMINGTON**

**A Nonprofit Corporation**

We the undersigned, natural persons of the age of twenty-one years or more, acting as incorporators for the purpose of creating a nonprofit corporation under the laws of the State of North Carolina as contained in Chapter 55A of the North Carolina General Statutes entitled "North Carolina Nonprofit Corporation Act", and these several amendments thereto, do hereby submit these Articles of Incorporation:

**ARTICLE I  
Corporate Name**

The name of the corporation shall be Fifth Avenue United Methodist Church of Wilmington.

**ARTICLE II  
Charitable or Religious Corporation**

The corporation is a charitable or religious corporation as defined in Section 55A-1-40(4) of the North Carolina General Statutes.

**ARTICLE III  
Period of Duration**

The period of duration of the corporation shall be perpetual.

**ARTICLE IV  
Purpose**

The corporation is organized for religious purposes. More specifically, the purposes for which the corporation is formed are more fully set forth in *The Book of Discipline* (hereinafter the *Discipline*) of The United Methodist Church or as may hereafter, from time to time, be amended including, but not limited to, the following:

- A. The promotion of the Christian religion through regular public worship, the preaching of the Word of God, the administration of the sacraments, ordinances, and other means of grace, the edification of believers, the evangelization of the world and the promotion of the missionary and benevolence causes.

- B. Receiving, holding and disbursing gifts, bequests, and funds arising from all sources.
- C. Acquiring, owning and maintaining real estate, buildings, and other property real or personal, incidental, necessary or proper to carry out said objects.
- D. Supporting the Doctrine of the United Methodist Church and all its property, both real and personal, shall be subject to the *Discipline*, Laws, Usages, and Ministerial appointments of the United Methodist Church as are now or shall be, from time to time, established, made and declared by the lawful authority of the said church.
- E. Doing of any and all things necessary or incident to the accomplishment of such purposes.
- F. All of the above shall be in accordance with the Doctrines, Laws, Usages, *Discipline*, and Ministerial appointments of The United Methodist Church.

**ARTICLE V**  
**Registered Office, Registered Agent,**  
**And Principal Office**

- A. Registered Office. The street address and county of the initial registered office of the corporation are:

409 South Fifth Street  
Wilmington, North Carolina 28401  
New Hanover County

- B. Registered Agent. The name of the initial registered agent of the corporation is:

R. Shawn Blackwelder

- C. Principal Office. The street address and mailing address of the initial principal office of the corporation are:

409 South Fifth Street  
Wilmington, North Carolina 28401  
New Hanover County

## ARTICLE VI

### Members

Membership of Fifth Avenue United Methodist Church of Wilmington shall be composed of persons whose names appear on the rolls of the church at any given time. Admission and termination of membership shall be determined by the Charge Conference as set forth in the *Discipline* of the United Methodist Church. Upon the filing of the Articles of Incorporation of Fifth Avenue United Methodist Church of Wilmington all present members of Fifth Avenue United Methodist Church located in Wilmington, North Carolina shall automatically become members of this nonprofit corporation, and all the rights, privileges, immunities, powers, franchises, authority, property and obligations of such unincorporated society or association shall thereupon pass to, vest in and be the rights, privileges, immunities, powers, franchise, authority, property and obligations of Fifth Avenue United Methodist Church of Wilmington, a corporation not for profit.

## ARTICLE VII

### Board of Directors

The Directors of Fifth Avenue United Methodist Church of Wilmington shall be the members of the Board of Trustees of the church and elected in accordance with the *Discipline* of The United Methodist Church. The initial Board of Trustees is as follows:

NAME	ADDRESS
Charles R. Taylor	524 Barclay Hills Dr. Wilmington, N. C. 28405
Sarah S. Godwin	111 Lee's Cut Wrightsville Beach, N. C. 28480
Ralph W. Parks, III	309 S. 2 <sup>nd</sup> St. Wilmington, N. C. 28401
C. Stuart Piner	6369 Myrtle Grove Rd Wilmington, N.C. 28409
Judy Chabak	2405 Sunburst Ct Wilmington, N.C. 28411
Emma M. Council	3715-A St. James Ct. Wilmington, N. C. 28403

William E. Roesink

3830 Canterbury Rd.  
Wilmington, N. C. 28403

**ARTICLE VIII**  
**Incorporator**

The name and address of the initial incorporator is as follows;

Sarah S. Godwin  
111 Lees' Cut  
Wrightsville Beach, N. C. 28480

**ARTICLE IX**  
**Powers**

- A. General Powers. The corporation shall have all rights, powers, privileges, and immunities which are now and which may be during the existence of the corporation conferred by the laws of the State of North Carolina upon a corporation of a similar type and nature.
- B. Specific Powers. In addition to such general powers granted to corporations under the laws of the State of North Carolina, the corporation may engage in any lawful activities which are incidental to and in furtherance of the exempt purposes of the corporation, including full power and authority to do all of the following:
- a. Accept, administer, and disburse donations, contributions, and gifts of all kinds;
  - b. Make donations for the public welfare or for religious, charitable, scientific, or educational purposes;
  - c. Receive, acquire, purchase, own, hold title to, lease, rent, sell and otherwise deal with real property and personal property in furtherance of its purpose;
  - d. Improve, encumber, lease, sell, convey, and dispose of real property and personal property;
  - e. Erect and maintain buildings for the worship of God, for training in Christian faith and conduct, and for Christian social activities;

- f. Purchase, lease, and/or rent and otherwise acquire or build and maintain residences for the use and occupancy of its ministers;
- g. Own and operate motor vehicles in furtherance of its purpose;
- h. Operate facilities and support and sponsor programs for the recreation and education of its members, their guests, and the youth of the community.

C. Powers exercised in Accordance with the *Discipline*. All powers of the corporation shall at all times be exercised consistent with and in full compliance and conformity with the *Discipline* of The United Methodist Church.

## ARTICLE X Conduct of Business

The business of this corporation shall be conducted in conformity with the *Discipline* of The United Methodist Church as the same now exists or as may hereafter be amended, changed, or modified, and the bylaws of the corporation shall include the *Discipline* of The United Methodist Church and no bylaws shall be adopted inconsistent with the provisions of the *Discipline*. All Bylaws and regulations of this corporation shall at all times be in conformity with the *Discipline* of The United Methodist Church.

But notwithstanding the above, however, at no time shall any of the amendments, bylaws, or regulations of the corporation be prohibited by or be in conflict with the nonprofit corporate laws of the State of North Carolina.

## ARTICLE XI

Except to the extent that the North Carolina General Statutes prohibit such limitation or elimination of liability of Directors for breaches of duty, no Director of the corporation shall have any personal liability arising out of any action whether by or in the right of the corporation or otherwise for monetary damages for breaches of any duty as a Director. No amendment to or appeal of this Article shall apply to or have any effect on the liability or alleged liability of any Director of the corporation for or with respect to any acts or omissions of such Director occurring prior to such amendment or repeal. The provisions of the Article shall not be deemed to limit or preclude indemnification of a Director by the corporation or any liability that has not been eliminated by the provisions of this Article.

**ARTICLE XII****Nonprofit Status**

A. Prohibited Activities. No part of the net earnings of Fifth Avenue United Methodist Church of Wilmington, shall inure to the benefit of, or be distributable to its members, trustee's officers, or other private persons, except to pay reasonable compensation for services rendered and to make payments and distributions in the furtherance of purposed set forth in these Articles of Incorporation.

B. Distributions Upon Dissolution. If for any reason the corporation shall be abandoned, discontinued, or cease to exist as a legal entity and its charter shall expire or be terminated, after all of its liabilities and obligations have been discharged or adequate provision made therefore, the title to all of its property, both real and personal shall be vested and be the property of the North Carolina annual conference of The United Methodist Church, pursuant to the said *Discipline* of The United Methodist Church, and if it should not be in existence to any successor United Methodist organization and if none to an organization qualified under Section 501(c)(3) of the Internal Revenue Code of the United States.

IN WITNESS WHEREOF, we have hereunto subscribed our names, this the 26 day of September, 2006.

**INCORPORATOR:**

Sarah S. Godwin  
**SARAH S. GODWIN**



# Exhibit

J

## **RESOLUTION FOR CLOSURE OF FIFTH AVENUE UNITED METHODIST CHURCH**

Pursuant to the recommendation of Rev. Tara Lain, District Superintendent of the Harbor District of the North Carolina Conference, Southeastern Jurisdiction, of the United Methodist Church, Inc. (the “North Carolina Conference”), the following resolution is adopted by Presiding Bishop Connie Shelton, the District Superintendents of the North Carolina Conference, and the Harbor District Board of Church Location and Building to declare that exigent circumstances exist that require immediate closure of Fifth Avenue United Methodist Church in Wilmington, North Carolina in accordance with Paragraph 2549.3(b) of The Book of Discipline of the United Methodist Church (“The Book of Discipline”):

### **BE IT RESOLVED:**

WHEREAS, under The Book of Discipline local churches are organized to serve the local community in which the Church is located, and church property is held in trust to ensure that the property is used solely for purposes consonant with the mission of the entire denomination for the maintenance of worship, the edification of believers, and the redemption of the world; and

WHEREAS, Fifth Avenue United Methodist Church in Wilmington, North Carolina (the “Church”) was organized in 1847 and has served the Wilmington community as part of the United Methodist denomination (and its predecessors, including the Methodist Episcopal Church South) for more than 170 years; and

WHEREAS, the original property for the Church was donated to the Church trustees by Miles Costin in trust pursuant to a deed which provided that the land was donated for the purpose of constructing a place of worship at which the ministers of the Methodist Episcopal Church South (now the United Methodist Church) would be permitted to preach God’s Holy Word “forever hereafter.” This property and all other properties owned by the Church are held in trust for the benefit of the United Methodist Church and uses of Church property are subject to The Book of Discipline; and

WHEREAS, though the Church has a rich and robust history of serving its membership and the local community as a thriving United Methodist Church, membership and missional activity of the Church has recently declined and the Church has a current membership of 205 and average weekly attendance of approximately 20 members; and

WHEREAS, contrary to the expressed intention of the donor of the original property for the Church that the property be used “forever after” as a place for preaching God’s Word by United Methodist ministers, the congregation has initiated a procedure seeking for the Church to disaffiliate from the United Methodist Church; and

WHEREAS, the North Carolina Conference has a clear, present and pressing need to respond to local needs in the community by providing space for, among other things, basic needs for unsheltered people, a gathering space for senior adults and persons with disabilities, space for providing shelter and other assistance following major storms, and a welcoming space for worship and study for one or more new United Methodist faith communities; and

WHEREAS, the current membership of the Church has declined opportunities to collaborate with and participate in important ministries and needs of the North Carolina Conference and the local community; and

WHEREAS, the location of the Church property is well-suited towards meeting these missional needs of the North Carolina Conference;

NOW THEREFORE, the undersigned Bishop Connie Shelton, the District Superintendents of the North Carolina Conference, and members of the Harbor District Board of Church Location and Building hereby declare that exigent circumstances exist that require immediate protection of the property of Fifth Avenue United Methodist Church in Wilmington, North Carolina for the benefit of the United Methodist denomination. Accordingly, Fifth Avenue United Methodist Church is hereby CLOSED in accordance with Paragraph 2549.3 (b) of The Book of Discipline because the Church no longer serves the purpose for which it was organized and incorporated. Title to all the real and personal, tangible and intangible property of the Church shall immediately vest in The Board of Trustees of the North Carolina Conference, Southeastern Jurisdiction, of the United Methodist Church, Inc. (the "North Carolina Conference Board of Trustees"). The North Carolina Conference Board of Trustees is hereby authorized to use or dispose of all properties of Fifth Avenue United Methodist Church under such terms and conditions as such the North Carolina Conference Board of Trustees may deem meet and proper.

Effective this 24th day of March, 2023:

Bishop Connie Shelton

Darin Blanton

Chris L. Bondy

Michael D. Fouse

Dona M. White

Kenneth J. Jolley

Jana C. Lavin

Immael Ruiz Millam

Jon E. Strother

Rebecca Black

Rebecca W. Blackmore

M. Louis Daniel

Becca Dettekman

Earl D. Hoff

Su W. Hansen

Timothy P. Hill

Heather W. Keaves

Exhibit

K

BK: RB 6629  
PG: 1196 - 1203

2023007019

NC FEE \$26.00

RECORDED:

03/24/2023

NEW HANOVER COUNTY,

02:17:27 PM

MORGHAN GETTY COLLINS

EXTX \$0.00

BY: KELLIE GILES

REGISTER OF DEEDS

DEPUTY

ELECTRONICALLY RECORDED

Drafted By and Return To:  
Charles F. Powers III  
Poyner Spruill LLP  
P.O. Box 1801  
Raleigh, N.C. 27602-1801

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF NEW HANOVER )

**AFFIDAVIT OF DECLARATION OF OWNERSHIP  
IN THE BOARD OF TRUSTEES OF THE NORTH CAROLINA CONFERENCE,  
SOUTHEASTERN JURISDICTION,  
OF THE UNITED METHODIST CHURCH, INC.**

H. Gray Southern, being duly sworn, hereby deposes and states as follows:

1. I am over the age of eighteen. I suffer from no disabilities that would render me incompetent to testify in this matter. I have personal knowledge of the facts stated in this affidavit, unless they are stated as being upon information and belief, in which case I believe them to be true.

2. I am a resident of Wake County, North Carolina. I currently serve as Assistant to the Bishop and Conference Secretary of the North Carolina Conference, Southeastern Jurisdiction, of The United Methodist Church, Inc. ("the North Carolina Conference"), and am fully informed as to the laws, rules and polity of the Conference, including the requirements of *The Book of Discipline of The United Methodist Church* ("The Book of Discipline") with respect to the Board of Trustees of the Conference and its title to and sale of real estate.

3. The Book of Discipline, the instrument setting forth the laws, plan, polity, and process by which United Methodists govern themselves, provides (and provided at all relevant times herein), in pertinent part, that "(i)f the presiding bishop, the majority of the district superintendents, and the appropriate district board of church location and building all consent, they may in their sole discretion, declare that exigent circumstances exist that require immediate protection of the local church's property, for the benefit of the denomination. In such case, title to all the real and personal, tangible and intangible property of the local church shall immediately vest in the annual conference board of trustees who may hold or dispose of such property in its sole discretion subject to any standing rule of the annual conference. Exigent circumstances include, but are not limited to, situations where a local church is no longer

serving the purpose for which it was organized or incorporated....” Book of Discipline, Paragraph 2549.3 (b).

4. The following resolution was approved and adopted as of March 24, 2023 with respect to the property of Fifth Avenue United Methodist of Wilmington, having an address of 409 S. 5<sup>th</sup> Avenue, Wilmington, North Carolina, a member church of the North Carolina Conference, in the Harbor District thereof:

#### **RESOLUTION FOR CLOSURE OF FIFTH AVENUE UNITED METHODIST CHURCH**

Pursuant to the recommendation of Rev. Tara Lain, District Superintendent of the Harbor District of the North Carolina Conference, Southeastern Jurisdiction, of the United Methodist Church, Inc. (the “North Carolina Conference”), the following resolution is adopted by Presiding Bishop Connie Shelton, the District Superintendents of the North Carolina Conference, and the Harbor District Board of Church Location and Building to declare that exigent circumstances exist that require immediate closure of Fifth Avenue United Methodist Church in Wilmington, North Carolina in accordance with Paragraph 2549.3(b) of The Book of Discipline of the United Methodist Church (“The Book of Discipline”):

#### **BE IT RESOLVED:**

WHEREAS, under The Book of Discipline local churches are organized to serve the local community in which the Church is located, and church property is held in trust to ensure that the property is used solely for purposes consonant with the mission of the entire denomination for the maintenance of worship, the edification of believers, and the redemption of the world; and

WHEREAS, Fifth Avenue United Methodist Church in Wilmington, North Carolina (the “Church”) was organized in 1847 and has served the Wilmington community as part of the United Methodist denomination (and its predecessors, including the Methodist Episcopal Church South) for more than 170 years; and

WHEREAS, the original property for the Church was donated to the Church trustees by Miles Costin in trust pursuant to a deed which provided that the land was donated for the purpose of constructing a place of worship at which the ministers of the Methodist Episcopal Church South (now the United Methodist Church) would be permitted to preach God’s Holy Word “forever hereafter.” This property and all other properties owned by the Church are held in trust for the benefit of the United Methodist Church and uses of Church property are subject to The Book of Discipline; and

WHEREAS, though the Church has a rich and robust history of serving its membership and the local community as a thriving United Methodist Church, membership and missional activity of the Church has recently declined and the Church has a current membership of 205 and average weekly attendance of approximately 20 members; and

WHEREAS, contrary to the expressed intention of the donor of the original property for the Church that the property be used “forever after” as a place for preaching God’s Word by United

Methodist ministers, the congregation has initiated a procedure seeking for the Church to disaffiliate from the United Methodist Church; and

WHEREAS, the North Carolina Conference has a clear, present and pressing need to respond to local needs in the community by providing space for, among other things, basic needs for unsheltered people, a gathering space for senior adults and persons with disabilities, space for providing shelter and other assistance following major storms, and a welcoming space for worship and study for one or more new United Methodist faith communities; and

WHEREAS, the current membership of the Church has declined opportunities to collaborate with and participate in important ministries and needs of the North Carolina Conference and the local community; and

WHEREAS, the location of the Church property is well-suited towards meeting these missional needs of the North Carolina Conference;

NOW THEREFORE, the undersigned Bishop Connie Shelton, the District Superintendents of the North Carolina Conference, and members of the Harbor District Board of Church Location and Building hereby declare that exigent circumstances exist that require immediate protection of the property of Fifth Avenue United Methodist Church in Wilmington, North Carolina for the benefit of the United Methodist denomination. Accordingly, Fifth Avenue United Methodist Church is hereby CLOSED in accordance with Paragraph 2549.3 (b) of The Book of Discipline because the Church no longer serves the purpose for which it was organized and incorporated. Title to all the real and personal, tangible and intangible property of the Church shall immediately vest in The Board of Trustees of the North Carolina Conference, Southeastern Jurisdiction, of the United Methodist Church, Inc. (the "North Carolina Conference Board of Trustees"). The North Carolina Conference Board of Trustees is hereby authorized to use or dispose of all properties of Fifth Avenue United Methodist Church under such terms and conditions as such the North Carolina Conference Board of Trustees may deem meet and proper.

5. Accordingly, under the above-quoted provisions of the Book of Discipline and pursuant to the above-quoted resolution of the North Carolina Conference with respect to the property of Fifth Avenue United Methodist of Wilmington in the Harbor District of the North Carolina Conference, the Board of Trustees of the North Carolina Conference, Southeastern Jurisdiction, of the United Methodist Church, Inc. (a North Carolina non-profit corporation domiciled and having its principal place of business in Wake County, North Carolina, with a mailing address of 700 Waterfield Ridge Place, Garner, NC 27529), is the successor in interest to, and owner of all property the title to which was formerly vested in, Fifth Avenue United Methodist of Wilmington in the Harbor District of the North Carolina Conference, including without limitation the following described real property:

Being all of those certain tracts or parcels of land located in the City of Wilmington, New Hanover County, North Carolina, and being more particularly described as follows:



**Tract 1:**

BEGINNING at a point in the northern line of Church Street which is eastwardly along said northern line 110 feet from the northeast intersection of 5th and Church Streets, said beginning point also marks the southeast corner of a parcel of land owned by Joseph O. and Pauline Maultsby, and described in deed in Book 1242, Page 59 of the New Hanover County Registry; runs thence from said beginning point, northwardly and parallel to 5th Street, and along and with the Maultsby eastern line and the eastern line of the parcel owned by Otis and Alice V. Pierce described in deed recorded in Book 1111, Page 690 of said Registry, 66 feet to the northeast corner of Pierce and the property of Fifth Avenue United Methodist Church (the "Church"); thence along and with one of the Church's lines eastwardly and parallel to Church Street 27.6 feet to a point; thence southwardly, parallel to 5th Street and along and with another of the Church's lines 66 feet to the northern line of Church Street; thence westwardly along and with the northern line of Church Street 27.6 feet to the BEGINNING.

**Tract 2:****Parcel A:**

BEGINNING IN THE SOUTHERN line of Nun Street eighty-two (82) feet six (6) inches east of the intersection of the southern line of Nun Street with the eastern line of Fifth Street, running thence eastwardly with an along the southern line of Nun Street forty-one (41) feet three (3) inches; thence southwardly parallel with Fifth Street sixty-six (66) feet; thence Westwardly parallel with Nun Street forty-one (41) feet three (3) inches; thence northwardly parallel with Fifth Street sixty-six (66) feet to the point of beginning, the same being part of lot One (1) in Block one hundred, four (104) according to the official plan of the City of Wilmington.

**Parcel B:**

BEGINNING at a point in the southern line of Nun Street 123 feet 9 inches eastwardly from the intersection of the southern line of Nun Street with the eastern line of Fifth Street; running thence eastwardly with and along the southern line of Nun Street 39 feet 7 inches; thence southwardly and parallel with Fifth Street 66 feet; thence Westwardly parallel with Nun Street 39 feet 7 inches; thence northwardly parallel with Fifth Street 66 feet to the point of Beginning.

Together with and subject to an easement over a strip of land described as follows: Beginning at a point in the southern line of Nun Street 163.4 feet east of the intersection of the southern line of Nun Street with the eastern line of Fifth Street, running thence eastwardly with the southern line of Nun Street 7 feet; thence southwardly parallel with Fifth Street 66 feet; thence westwardly parallel with Nun Street 7 feet; thence northwardly parallel with Fifth Street 66 feet to the point of beginning.

Together with all and singular the lands, tenements, easements and appurtenances thereto belonging or in anywise appertaining.

**Parcel C:**

BEGINNING at a point in the Eastern line of Fifth Street (now known as Fifth Avenue) Sixty-six (66) feet South from the Southern line of Nun Street, and running thence Southwardly with and along said Eastern line of Fifth Street Sixty-Six (66) feet; thence Eastwardly and parallel with the said Southern line of Nun Street One Hundred and Sixty-Five (165) feet, thence Northwardly and parallel with said Eastern line of Fifth Street Sixty-Six (66) feet; thence Westwardly and parallel with said Southern line of Nun Street One Hundred and Sixty-Five (165) feet, to the said Eastern line of Fifth Street, the point of beginning, same being the West One-half (1/2) of Lot Number Two (2), Block Number One Hundred and four (104), according to the official plan of the said City of Wilmington.

**Parcel D:**

Beginning in the Eastern line of 5<sup>th</sup> Street one hundred twenty feet south of the Southern line of Nun Street, running thence southwardly along the Eastern line of Fifth Street sixty six feet thence eastwardly and parallel with Nun Street one hundred sixty-five feet, thence northwardly sixty six feet and thence westwardly and parallel with Nun Street one hundred sixty-five feet to the beginning on Fifth Street, the same being Lot 3 in Block 104, according to the official plan of the said City of Wilmington and being the same land as described in Deed recorded in Book AAAA, Page 608, New Hanover County Registry. Together with all singular the tenements, houses, woods, waterways, privileges, appurtenance thereunto belonging or in any way appertaining.

**Parcel E:**

Lying and being in the County of New Hanover and State of aforesaid near the Town of Wilmington butted and bounded as follows to wit. Beginning at a stake in the East Boundary line of the East Boundary of Fifth Street of the Town of Wilmington between the streets of said Town known by the names of Church Street and Nunn Street were the same continued opposite to and directly East of Lot No. 40 under Letter A running North 84 East one hundred and sixty five feet to a stake thence North 6 West sixty six feet then South 84 West one hundred and sixty five feet to said Boundary Line then with that line South 6 East sixty six feet to the first station containing one fourth of an acre of land and being the same land as described in Deed recorded in Book II, Page 422, New Hanover County Registry. Together with all singular the tenements, houses, woods, waterways, privileges, appurtenance thereunto belonging or in any way appertaining.

**Parcel F:**

BEGINNING in the Eastern line of Fifth Street at a point Sixty-Six (66) feet North of the Northeast intersection of Church and Fifth Streets; running thence Northwardly with the Eastern line of Fifth Street Thirty-Three (33) feet; thence Eastwardly and parallel with Church Street One Hundred and Sixty-Five (165) feet; thence Southwardly and parallel with Fifth Street Thirty-Three (33) feet; thence Westwardly and parallel with Church Street One Hundred and Sixty-Five (165) feet to the Eastern line of Fifth Street, the Beginning, and being a part of the West half of Lot No. Five Block No. 104, according to the official plan of the said City of Wilmington,

SAVING, EXCEPTING and RESERVING to the heirs and assigns of Elizabeth P. LeGwin, Deceased, a right-of-way for ingress and egress, in, to and over that certain strip of land:

BEGINNING in the Eastern line of Fifth Street at a point Sixty-Six (66) feet North of the Northeast intersection of Church and Fifth Streets; running thence Northwardly with the Eastern line of Fifth Street Eight (8) feet; thence Eastwardly parallel with Church Street Sixty-Six (66) feet; thence Southwardly parallel with Fifth Street Eight (8) feet; thence Westwardly parallel with Church Street Sixty-Six (66) feet to the Beginning, for pedestrians, carts, wagons, vehicles, and any and all other means of transportation in, to, and over the said strip of land for the said Elizabeth P. LeGwin, Deceased, her heirs and assigns.

AND BEING the same property conveyed to Elizabeth P. LeGwin (now deceased) by John B. Taylor and Wife, Mary Taylor, by deed dated June 14th, 1901, recorded in Book 31, at pages 401, et seq., and subsequently conveyed by the said Elizabeth P. LeGwin to LeRoy C. LeGwin, by deed recorded December 19th, 1913, in Book 73, at Page 259, of the records in the Office of the Register of Deeds of New Hanover County. TOGETHER with all and singular the lands, tenements, easements and appurtenances there unto belonging, or in anywise appertaining.

**Parcel G:**

BEGINNING IN THE Eastern line of Fifth Street at a point ninety nine (99) feet northwardly from its intersection with the Northern line of Church Street, running thence Northwardly along said line thirty three (33) feet, thence eastwardly, parallel with Church Street one hundred, Sixty five (165) feet, thence southwardly, parallel with Fifth Street thirty three (33) feet, thence Westwardly parallel with Church Street one hundred, Sixty Five (165) feet to the Eastern line of Fifth Street, the point of Beginning, Same being part of Lot five (5) in Block one hundred and four (104) according to the official plan of the City of Wilmington, North Carolina.

**Parcel H:**

Beginning at a point in the Northern line of Church Street 137½ feet eastwardly from its intersection with the Eastern line of Fifth Street, and running thence eastwardly along said Northern line of Church Street 27½ feet, thence northwardly parallel with Fifth Street 66 feet, thence Westwardly parallel with Church Street 27½ feet, and thence southwardly parallel with Fifth Street 66 feet to the beginning. The same being part of Lot 6, Block 104, according to the official plan of the City of Wilmington, N.C.;

Being also the same lot conveyed by G.C. McIntire, Commissioner, to the New Hanover County and the City of Wilmington, municipal corporations, dated April 13, 1949, and recorded in Book 429, Page 547, office of the Register of Deeds of New Hanover County.

Together with all and singular, the lands, tenements, easements and appurtenances thereto belonging, or in anywise appertaining.

**Less and Except the following two tracts:****Tract A:**

Located in the City of Wilmington, New Hanover County, State of North Carolina and being described as follows: BEGINNING at a point in the southern right of way line of Nun Street (66' Public right of way), said point being located North 84 degrees 23 minutes 00 seconds East - 160.00' from the intersection of the southern right of way line of Nun Street and the eastern right of way line of S. 5th Street (99' Public right of way), and runs thence from said beginning point, North 84 degrees 23 minutes 00 seconds East - 3.33' to a point; thence South 05 degrees 37 minutes 00 seconds East - 66.00' to a point in the line of the Church property (Deed Book 606, Page 490); thence with the Church property, North 84 degrees 23 minutes 00 seconds East - 1.67' to a point in the Revitalize ILM property (Parcel #6, Deed Book 6418, Page 2923); thence with the Revitalize ILM line, South 05 degrees 37 minutes 00 seconds East - 66.00' to an iron rod, the southeast corner of the Church property (Deed Book 606, Page 490); thence with the Church line, South 84 degrees 23 minutes 00 seconds West - 5.00' to a point; thence North 05 degrees 37 minutes 00 seconds West - 132.00' to the point of beginning, containing 549.78 Square Feet, and being a portion of that land described in a deed to the Trustees of Fifth Avenue Methodist Church recorded in Deed Book 606, Page 490 of the New Hanover County Register of Deeds.

**Tract B:**

Located in the City of Wilmington, New Hanover County, State of North Carolina and being described as follows: BEGINNING at a point in the southern right of way line of Nun Street (66' Public R/W), said point being located North 84 degrees 23 minutes 00 seconds East - 163.33' from the intersection of the southern line of Nun Street and the eastern right of way line of S. 5th Street, and runs thence with the southern right of way line of Nun Street, North 84 degrees 23 minutes 00 seconds East - 1.67' to an iron rod, the northwest corner of Parcel #6 of the Revitalize ILM property, thence with their line, South 05 degrees 37 minutes 00 seconds East - 66.00' to a point, the northeast corner of the Fifth Avenue United Methodist Church property (Deed Book 118, Page 378); thence with the Church property, South 84 degrees 23 minutes 00 seconds West - 1.67' to a point, thence with the Church property (Deed Book 606, Page 490), North 05 degrees 37 minutes 00 seconds West - 66.00' to the point of beginning, containing 110.00 Square Feet.

I declare under penalty of perjury under the laws of the State of North Carolina that the foregoing is true and correct, and that I executed this Affidavit of Declaration of Ownership on this the 24 day of March, 2023.

H. Gray Southern (SEAL)  
H. Gray Southern  
Assistant to the Bishop and Conference  
Secretary  
The North Carolina Conference,  
Southeastern Jurisdiction of the United  
Methodist Church, Inc.

I, Sandra J. Chrisawn, a Notary Public, do hereby certify that H. Gray Southern personally appeared before me this day and being duly sworn acknowledged the execution of this Affidavit of Declaration of Ownership for the purpose stated therein and in the capacity indicated.

Witness my hand and notarial seal this 24 day of March, 2023.



Sandra J. Chrisawn  
Notary Public

Sandra J. Chrisawn  
Notary's Printed Name

Commission Expires: 12-4-2025

# Exhibit

# L



DECISION IN RESPONSE TO THE REV. PAUL STALLSWORTH'S REQUEST FOR A DECISION OF LAW IN FIVE (5) PARTS AT THE NORTH CAROLINA ANNUAL CONFERENCE, JUNE 15, 2023.

The Rev. Paul Stallsworth made a request for a decision of law responding to five (5) questions on the March 26, 2023 closure of Fifth Avenue United Methodist Church in Wilmington, North Carolina (the "Church"). These questions were presented in writing at the time of the delegate body's consideration of whether to ratify the decision to close the Church and were proper questions of law under the requirements of JCD 799 and JCD 1329 except as otherwise set forth herein. The questions and my responses to them, as well as my decision of law, are below:

1. Does the initiation of the disaffiliation process by a local church under Par. 2553 prevent the bishop, district superintendents, and district board of church location and building from declaring exigent circumstances for that church under Par. 2549.3(b)? That is, which takes precedence—the local church's limited right to disaffiliate under Par. 2553 or the ability to declare exigent circumstances and seize church property under Par. 2549.3(b)?

The Effective Date of the Resolution for Closure of Fifth Avenue United Methodist Church (the "Resolution," a copy of which is included as an exhibit to this Decision) was March 24, 2023. At that time the Church had submitted its Disaffiliation Inquiry Form and was requesting a church council meeting to vote on disaffiliation, but no meeting had been scheduled or vote held. Paragraph 2549.3(b) of The Book of Discipline 2016 clearly states (*italics added*) that "At any time between sessions of annual conference, if the presiding bishop, the majority of the district superintendents, and the appropriate district board of church location and building all consent, they may, *in their sole discretion*, declare that exigent circumstances exist that require immediate protection of the local church's property . . . ." The Book of Discipline plainly establishes that the existence of exigent circumstances allows the presiding bishop, the Cabinet, and the appropriate district committee of church location and building to act at any time, regardless of what other circumstances or options a local church is addressing.

2. Can the local church's intent to initiate, or initiation of, the process of disaffiliation under Par. 2553 be considered an exigent circumstance under Par. 2549.3(b)?

The question is moot and hypothetical as the annual conference delegates were tasked with deciding whether to close the church, not whether the interim decision to declare exigent circumstances was correct.

3. Where title to local church property vests in the conference board of trustees under Par. 2549.3(b), because of a declaration of exigent circumstances, does due process require that the local church be given the opportunity to challenge the declaration of exigent circumstances in an appropriate forum?

The Church has been afforded all process that is due under United Methodist polity. Title to the Church's property vested *temporarily* in the Conference Board of Trustees upon issuance of the Resolution in order to protect the Church property for the benefit of the denomination before the pending session of annual conference. Thereafter, supporters of the Church exercised the opportunity at annual conference to present arguments that assembled delegates should vote against formally closing the Church. The Church also had the opportunity to challenge the declaration of exigent circumstances by working with a supporter to request the present ruling of law, which is subject to review by the Judicial Council.

4. Did the bishop violate Par. 414.2, and the district superintendent violate Par. 419.4, by the way they announced exigent circumstances at, and seized the property of, Fifth Avenue United Methodist Church under Par. 2549.3(b)? If so, does such violation render the declaration of exigent circumstances null and void?



Neither the bishop nor the district superintendent violated the requirements in the respective disciplinary paragraphs named. Par. 414.2 requires a bishop to build relationships with people of local congregations and to strengthen the local church. Relationship building has been at the heart of my work since I began my ministry here in January 2023, including several visits to Wilmington and the Harbor District. Par. 419.4 requires a district superintendent to “establish working relationships” and to “seek to form creative and effective connections with the local congregations on his or her district.” That work is precisely what the current district superintendent, and her predecessors, have been attempting through contact with this local church. There is no violation of Pars. 414.2 or 419.4.

5. Does the seizure of Fifth Avenue United Methodist Church’s property under Par. 2549.3(b) and that congregation’s closure violate the plain reading of Pars. 414.2, 419.4, 2549.3(b) and 2553 of The Book of Discipline?

The actions of the NC Annual Conference are completely consistent with all disciplinary mandates, including to spread the Gospel and strengthen our witness. There is no violation of the cited paragraphs.

There are no violations of The Book of Discipline.

## **RESOLUTION FOR CLOSURE OF FIFTH AVENUE UNITED METHODIST CHURCH**

Pursuant to the recommendation of Rev. Tara Lain, District Superintendent of the Harbor District of the North Carolina Conference, Southeastern Jurisdiction, of the United Methodist Church, Inc. (the “North Carolina Conference”), the following resolution is adopted by Presiding Bishop Connie Shelton, the District Superintendents of the North Carolina Conference, and the Harbor District Board of Church Location and Building to declare that exigent circumstances exist that require immediate closure of Fifth Avenue United Methodist Church in Wilmington, North Carolina in accordance with Paragraph 2549.3(b) of The Book of Discipline of the United Methodist Church (“The Book of Discipline”):

### **BE IT RESOLVED:**

WHEREAS, under The Book of Discipline local churches are organized to serve the local community in which the Church is located, and church property is held in trust to ensure that the property is used solely for purposes consonant with the mission of the entire denomination for the maintenance of worship, the edification of believers, and the redemption of the world; and

WHEREAS, Fifth Avenue United Methodist Church in Wilmington, North Carolina (the “Church”) was organized in 1847 and has served the Wilmington community as part of the United Methodist denomination (and its predecessors, including the Methodist Episcopal Church South) for more than 170 years; and

WHEREAS, the original property for the Church was donated to the Church trustees by Miles Costin in trust pursuant to a deed which provided that the land was donated for the purpose of constructing a place of worship at which the ministers of the Methodist Episcopal Church South (now the United Methodist Church) would be permitted to preach God’s Holy Word “forever hereafter.” This property and all other properties owned by the Church are held in trust for the benefit of the United Methodist Church and uses of Church property are subject to The Book of Discipline; and

WHEREAS, though the Church has a rich and robust history of serving its membership and the local community as a thriving United Methodist Church, membership and missional activity of the Church has recently declined and the Church has a current membership of 205 and average weekly attendance of approximately 20 members; and

WHEREAS, contrary to the expressed intention of the donor of the original property for the Church that the property be used “forever after” as a place for preaching God’s Word by United Methodist ministers, the congregation has initiated a procedure seeking for the Church to disaffiliate from the United Methodist Church; and

WHEREAS, the North Carolina Conference has a clear, present and pressing need to respond to local needs in the community by providing space for, among other things, basic needs for unsheltered people, a gathering space for senior adults and persons with disabilities, space for providing shelter and other assistance following major storms, and a welcoming space for worship and study for one or more new United Methodist faith communities; and

WHEREAS, the current membership of the Church has declined opportunities to collaborate with and participate in important ministries and needs of the North Carolina Conference and the local community; and

WHEREAS, the location of the Church property is well-suited towards meeting these missional needs of the North Carolina Conference;

NOW THEREFORE, the undersigned Bishop Connie Shelton, the District Superintendents of the North Carolina Conference, and members of the Harbor District Board of Church Location and Building hereby declare that exigent circumstances exist that require immediate protection of the property of Fifth Avenue United Methodist Church in Wilmington, North Carolina for the benefit of the United Methodist denomination. Accordingly, Fifth Avenue United Methodist Church is hereby CLOSED in accordance with Paragraph 2549.3 (b) of The Book of Discipline because the Church no longer serves the purpose for which it was organized and incorporated. Title to all the real and personal, tangible and intangible property of the Church shall immediately vest in The Board of Trustees of the North Carolina Conference, Southeastern Jurisdiction, of the United Methodist Church, Inc. (the "North Carolina Conference Board of Trustees"). The North Carolina Conference Board of Trustees is hereby authorized to use or dispose of all properties of Fifth Avenue United Methodist Church under such terms and conditions as such the North Carolina Conference Board of Trustees may deem meet and proper.

Effective this 24th day of March, 2023:

Bishop Connie Shelton

Darin J. Blanton

Chris L. Bondy

Michael D. Fress

Dena M. White

Kenneth J. Jolley

Jana C. Lavin

Jamael Ruiz Mullain

Jon E. Strother

Abelina Black

Rebecca W. Blackmore

M. Linné Daniel

Becca Dettkeman

Earl D. Duff

Su W. Hansen

Timothy D. Proulx

Heather W. Weaver

# **The Minutes for the 56th Session of the North Carolina Conference of the United Methodist Church Meeting in Annual Conference**

**June 15-17, 2023 at the Greenville, NC Convention Center**

**MORNING SESSION • WEDNESDAY, JUNE 15, 2022**

## ***Annual Conference Executive Session for the Clergy***

Bishop Connie Mitchell Shelton called the Executive Session to order at 10:28 a.m. on June 15, 2022.

Bishop Shelton gave opening remarks and explained voting privileges. She asked for a motion to approve the presence of the laity connected to the executive session. The motion was made, seconded, and permission was granted. Bishop Debra Wallace-Padgett will not be joining us to assist in parliamentary matters. Instead, Mr. Eric Steven, Conference Chancellor, and Rev. Taylor Mills, Parliamentarian, will be assisting.

The Board of Ordained Ministry presented a motion to vote on candidates for full connection by paper ballot.<sup>A</sup> Rev. David Blackman (Clergy, District Superintendent, Gateway) prayed for the voting process. All voting members obtained paper ballots. Rev. Angelo Sanchez (Clergy, Wrightsboro, Harbor) led the body in singing, "Spirit of the Living God." Bishop Shelton read Colossians 1 and reflected on "Our Theological Task."

The character of the District Superintendents was declared blameless by Bishop Shelton and was approved with no exceptions by the Clergy Executive Session. Bishop Shelton then called on the District Superintendents to report on the character of the clergy within their districts. Without exception, the clergy of each district were declared to be blameless in their character and administration. Bishop Shelton then asked the Executive Session to vote on the character of the clergy of the North Carolina Annual Conference and the report was approved.

Bishop Shelton called on Rev. Dr. Sangwoo Kim, the Chair of the Conference Board of Ordained Ministry (BOM), to lead the Executive Session through the Business of the Annual Conference for the Executive Clergy Session Report (BAC).

Rev. Kim recognized the work of Rev. Laura Wacker Stern who has resigned as the chair of the Order of Elders. The BOM nominated Rev. Ben Williams as chair of the Order of Elders to fill the uncompleted term until 2024. The motion passed unanimously.

The additions to the Board of Managers, Pastors' School & Convocation, Rev. Johnny Llerena and Rev. Tracy Clayton Sexton, were approved.

Those to be elected as members in Full Connection (pg. 26, BAC) were introduced to the Executive Session. Bishop Shelton asked the candidate the historic questions as recorded in the Book of Discipline. The body was reminded the BOM recommended a paper ballot. Chancellor Stevens explained abstention votes. Rev. Peg Witt (Clergy, Retired, Sound) offered a substitution to the BOM motion.<sup>B</sup> Motion was seconded. Discussion ensued. Rev. Para Drake (Clergy, Retired, Corridor) moved to amend the Witt motion.<sup>C</sup> The Drake amendment failed. The Executive Clergy Session then voted on the Witt motion of approving the slate of candidates for Full Connection and approved for ordination. The Witt motion was approved, 144-for and 130-against. Candidates were approved for Full Connection and ordination, 249-for and 49-against.

Rev. Ismael Ruiz-Millan (Clergy, District Superintendent, Heritage) offered a prayer for the Executive Clergy Session.

Rev. Kim continued to work through the questions of the Business of the Annual Conference for the Executive Clergy Session until question 38.a) which were approved.

The Clergy Session was called to a recess at 12:18 p.m. and will resume at 6:30 p.m.

### ***Annual Conference Executive Session for the Laity***

Mr. John Hall, Conference Lay Leader, welcomed and thanked the laity for attending the Annual Conference.

Mr. Hall then introduced Ms. Martha Caves, Conference UWF President; Mr. Bill Huggins, Conference UMM President; and Mr. Will Rouse, Conference UMYF President.

Dr. Christine Dodson, Conference Treasurer, explained the procedures used on the floor of the Annual Conference.

The 2023 Conference theme is Graceful Hospitality.

Mr. Clement Quintyne, Capital District Co-Lay Leader, closed with prayer.

### **AFTERNOON SESSION • THURSDAY, JUNE 15, 2023**

#### ***Plenary Session***

Bishop Connie Mitchell Shelton called the Plenary Session to order at 1:31 p.m. with a welcome to all in attendance.

Rev. Dr. Gray Southern, Conference Secretary, gave an additional welcome. Rev. Southern introduced Dr. Christine Dodson, Conference Treasurer, and Rev. Belton Joyner, Jr. (Clergy, Retired, Corridor) as they serve on the Southeastern Jurisdiction's Committee on the Episcopacy officially welcoming Bishop Shelton and the Rev. Dr. Joey Shelton to the North Carolina Conference. Rev. Joyner then offered a prayer for their work in the conference.

Worship began at 1:43 p.m. The Call to Worship was a spoken word piece by Rev. Samantha Kiley (Clergy, Capital, Church on Morgan). All sang, "*And Are We Yet Alive.*" Rev. Bill Negron (Clergy, Harbor, Concord & Dixon's Chapel) offered an opening prayer. The choir sang "*One Faith, One Hope, One Lord.*" Bishop Shelton preached from John 17:20-24. Worship concluded with a celebration of Holy Communion.

After a brief recess and thank yous, Bishop Shelton called the Plenary Session back to order at 2:50 p.m. Mr. Danny Peck, Chairperson of the Conference Rules Committee, presented the report of the Standing Rules (pgs 13-28 in the Conference Workbook (CW)), of the Annual Conference. Mr. Peck explained the non-printed change to Rule 1. A. 10. on page 14: The bar included the room with the exception of guest areas. Mr. Peck presented the NC Conference Lay Equalization Plan (LEP) (pgs 29-30, CW). Mr. Peck moved that the rules be approved.

Rev. Elizabeth Roberts (Clergy, Raleigh Wesley Foundation, Capital) moved to make a primary amendment to the Standing Rules motion.<sup>1</sup> The primary amendment was seconded and Rev. Roberts spoke to the amendment. Mr. Ken Ripley (Laity, LEP Member, Heritage) moved to make a secondary amendment.<sup>2</sup> Mr. Ripley's secondary amendment was ruled out of order. After discussion and points of order. Bishop Shelton called for the vote on the primary amendment and it was approved. Bishop Shelton then called for the vote to approve the Standing Rules and LEP and it was approved. Any resolutions need to be given to Rev. Gray Southern before 5 p.m. Thursday for distribution Friday.

Rev. Gray Southern, Conference Secretary, presented the follow up from a request for a decision of law at The Special Session of the North Carolina Annual Conference on November 19, 2022.<sup>3</sup> Bishop Leonard Fairley gave his decision of law on December 6, 2022. The Judicial Council made a ruling on April 25, 2023 affirming Bishop Fairley's ruling.

After two points of information, the Bishop recognized Ms. Ruth Crouse, Raleigh Wesley Foundation, to present the report on Campus Ministry. Rev. Gray Southern presented Ms. Ann Davis with the General Board of Higher Education and Ministry's (GBHEM) Francis Asbury Award.

Bishop Shelton recognized Mr. John Hall, Conference Lay Leader, who began the Connectional Ministries report with a report on the Laity. Others were invited to give reports on the work of Asian Ministries, Creation Care, Hispanic-Latinx Ministries. The Mission Team highlighted the recipients of the Gary Wayne Locklear Mission Endowment for the year. The report continued with Strengthening Black Church Ministries, Conference Health Team, Native American Ministries, Center for Leadership Excellence, Church and Society, Safe Sanctuaries, Disaster Ministries, Committee on the Status and Role of Women (COSROW), Christian Unity and Interreligious Relations, Financial Discipleship Team. Rev. Ben Wolfe from the Evangelism & Discipleship Team presented this year's Harry Denman Evangelism Award winners: Clergy-Wesley Neal, Laity-Daewon Goldenbaum-Yang, and Youth-Gabriela Loaiza Muñoz. Rev. David Kim, Discipleship Ministries, presented Rev. Terry Williams with the One Matters Award.



This portion of the Connectional Ministries report concluded with Race Equity & Justice Ministries and Congregations for Children (C4C).

Dr. David Peele, President of the Board of Trustees, presented the report from the Conference Board of Trustees (pgs 89-92, CW). Dr. Peele presented the first motion regarding the Local Church Disaffiliation Agreement (pgs 92-93, CW). Mr. Ken Ripley made a motion to amend this section.<sup>4</sup> The amendment was ruled out of order. The body voted to approve the Agreement from the Trustees.

Second, the Trustees recommended "Annual Conference approval of the formal closure of Fifth Avenue UMC following the interim closure as declared by the Bishop, the Cabinet, and District Board of Church Location and Building." Rev. Paul Stallsworth (Clergy, Retired, Heritage) rose to request a decision of law.<sup>5</sup> After there was a speech against.

Rev. Heidi Reddy (Clergy, Mt. Pleasant, Fairway) made a motion to adjourn the meeting. Motion passed.

Bishop Shelton dismissed the afternoon session at 5:10 p.m. The plenary session will resume tomorrow at 8:00 a.m. with the Clergy Executive Session resuming at 6:30 p.m. this evening.

## **EVENING SESSION • THURSDAY, JUNE 15, 2023**

### ***Annual Conference Executive Session for the Clergy, continued***

The Annual Conference Executive Session was called to order at 6:31 p.m. Bishop Shelton asked Rev. Kim continued leading the body through the BAC. All items from 38.b) requiring a vote of the Executive Session for the Clergy were approved. Throughout the report there were several opportunities to pause for prayer. Rev. Mike Frese (Clergy, District Superintendent, Corridor) prayed for those on medical leave. Rev. Sunny Limm (Clergy, Trinity, Harbor) prayed for our retirees. Following the conclusion of the BAC, there were points of personal privilege and thank yous.

Rev. Kim then led the body in remembering our Faithfully Departed. Rev. Jon Strother (Clergy, District Superintendent, Sound) prayed for those of our deceased.

Bishop Shelton then led the Clergy Session in a recognition of our new Full Connection members and ordinands. Bishop Shelton prayed for the ordinands. Rev. Angelo Sanchez (Clergy, Wrightsboro, Harbor) was invited to lead all in "Spirit Song."

Bishop Shelton shared information about the Press Release to be shared this evening. There was discussion. A motion was made by Rev. Schylar Ferguson (Clergy, Asbury, Corridor) regarding the timing of the press release and seconded.<sup>D</sup> Following discussion, Rev. Taylor Mills (Clergy, Ann Street, Harbor) moved the question which was seconded. After discussion,



the vote was taken and passed. Rev. David Blackman (Clergy, District Superintendent, Beacon) made a motion to adjourn with a second. The motion passed.

Bishop Shelton adjourned the Clergy Session with the body prayerfully singing, "Great Is Thy Faithfulness" at 7:35 p.m.

## **MORNING SESSION • FRIDAY, JUNE 16, 2023**

The morning session began at 8:00 a.m. with the singing of "Give Thanks with a Grateful Heart" and "Lord, Here Am I." Bishop Connie Mitchell Shelton called for the order of the day: A Biblical Animation Group to present Luke 7:37-50. Following, Mr. Will Rouse, Conference Youth President, began the report from Conference Youth Ministries with Rev. Dr. Jason Villegas, Director of Youth Ministries, to complete the report. Bishop Shelton thanked everyone for the completion of the Connection Ministry reports.

### ***Plenary Session***

At 8:35 a.m. Bishop Shelton reconvened our Plenary Session and invited Dr. David Peele, President of the Board of Trustees, to continue the Board of Trustees report starting on page 90. The body continued with the second motion from the Board of Trustees which recommended the, "Annual Conference approval of the formal closure of Fifth Avenue UMC following the interim closure as declared by the Bishop, the Cabinet, and District Board of Church Location and Building" (pg 90, CW) and one speech against had been shared. Other discussion ensued. Rev. Para Drake (Clergy, Retired, Corridor) moved to make a primary amendment.<sup>6</sup> The Bishop conferred with Mr. Eric Stevens, Conference Chancellor. The primary amendment was ruled out of order. The original motion regarding Fifth Avenue UMC's closure passed.

In the third motion, the Board of Trustees "recommend[s] the Annual Conference vote to formally close Community UMC following the Charge Conference at which the decision to close was duly approved by a majority of those present and voting" (pg 90, CW). After discussion, the motion was put forth for a vote which passed.

Dr. David Peele moved to approve the Board of Trustees report. The motion passed.

Rev. Jim Bolyard, member of the Health Ministry Team, led a prayer of healing.

Ms. Dail Ballard, Executive Director of Camping & Retreat Ministries, shared the report for Camp & Retreat Ministries.

Following several announcements, Rev. Bruce Stanley presented the Methodist Home for Children Report.

Recess was called in preparation of the 10:00 a.m. Memorial Service.

## ***All Saints Celebration and Memorial Service***

The service began at 10:00 a.m. See the bulletin for the *All Saints Celebration and Memorial Service* details.

## **AFTERNOON SESSION • FRIDAY, JUNE 16, 2023**

The afternoon session began with the singing of "How Great Thou Art." Bishop Shelton recognized Rev. Sheila Ahler to lead our Retirees Recognition Service.

Bishop Shelton called for the order of the day, Rev. Adam Hamilton, at 1:25 p.m.

### ***Plenary Session***

The Bishop called the afternoon plenary session to order at 3:19 p.m. Rev. Gray Southern shared two announcements. Following a moment of reflection on Rev. Hamilton's presentation, we moved into business.

Dr. Christine Dodson, Conference Treasurer, introduced the financial conversation for the afternoon. Ms. Anne Lloyd, President of Council on Finance & Administration, presented the budget (pgs 36-52, CW). She reported that the Conference had received a clean audit. Rev. Dennis Goodwin, Chairperson of the Insurance Committee, presented their report (pgs 54-60, CW). Rev. Sheila Ahler, Chairperson of the Board of Pensions, presented their report (pgs 61-71, CW) including edits to be found in the finalized version in the Conference Journal. The report from the Commission on Equitable Compensation was presented by Rev. Tom Greener, Chairperson (pgs 76-81, CW).

Questions regarding these reports were received from the floor. Rev. Belton Joyner, Jr. (Clergy, Retired, Corridor) made a motion to amend the budget.<sup>7</sup> Motion was seconded. After a period of discussion, Rev. Bill Cottingham (Clergy, Retired, Harbor) made a motion to call the question<sup>8</sup>, seconded, passed by show of hands. The Joyner motion passed.

Ms. Anne Lloyd, President of CF&A, moved to approve all financial reports, except the budget. The reports were approved. Rev. Dennis Goodwin moved the insurance report to be approved. The report was approved. Rev. Sheila Ahler moved the Board of Pension report to be approved. The report was approved.

Rev. Tom Greener moved the Equitable Compensation report to be approved. There was discussion. Rev. Heidi Reddy (Clergy, Mt. Pleasant, Fairway) made a motion to increase minimum salary to 3.5%.<sup>9</sup> The Reddy motion was seconded. Rev. Clay Parker (Clergy, Princeton & NC Collective, Capital) rose to amend the Reddy motion.<sup>10</sup> The motion to amend was seconded. After discussion, the motion to amend failed. The Reddy motion was then voted

on with a teller count. The Reddy motion failed: for-332 & against-355. The original motion to receive the Equitable Compensation report was voted on and passed.

The body moved to accept the report of the Joint Committee on Clergy Medical Leave (pgs 72-75, CW). The report was approved.

Rev. George Speake, Conference Statistician, presented the Statistician's Report (pgs 85-88, CW). The report was approved.

The Bishop adjourned this plenary session at 5:12 p.m.

### **MORNING SESSION • SATURDAY, JUNE 17, 2023**

The morning session was opened with the singing of "His Name Is Wonderful," "Something About That Name," and "Spirit Song."

#### ***Plenary Session***

Bishop Connie Mitchell Shelton called the Saturday morning plenary session to order at 8:25 a.m. Rev. Dr. Chris Brady, (Clergy, District Superintendent, Capital) provided a reflection on Matthew 11:28.

Bishop Shelton called on Ms. Anne Lloyd, Chairperson of CF&A, to continue the budget discussion. Chairperson Lloyd made a motion to amend the budget by increasing the 2025 budget by \$325,000.00 added to page 36, line 4 of the Conference Workbook. The amendment and the budget was approved.

Rev. Dr. Sangwoo Kim, Chairperson of the Board of Ordained Ministry, presented the BOM report.

Rev. Ed Hill (Clergy, St. Luke, Fairway) presented the report from the Board of Managers.

Dr. Christine Dodson, Conference Treasurer, presented the Nominations Report (pgs 82-84, CW). Dr. Dodson moved the Nominations Report to be approved. The report was approved.

Rev. Dr. Tim Catlett presented the report of New Faith Communities. Rev. Ken McClain presented the report from the Church Transformation Ministries.

Rev. Ben Wolfe, Chair of the Committee on Resolutions & Reference, (pgs 93-94, CW & "Affirming the 2022 Southeast Jurisdiction's Resolutions:" Supplement (Supplement)) presented the 2023 Resolutions. First to be considered was the "Creation Care Teams in Local Churches" resolution (pgs 93-94, CW). The Resolutions Committee moved the adoption of the Creation Care Teams resolution. After a speech for, and seeing no further discussion, the resolution passed.

The second to be considered was “Affirming the 2022 Southeast Jurisdiction’s Resolutions” Supplement. The Resolutions Committee moved the adoption of the Supplement resolutions. After discussion, Rev. Lucas Nelson (Clergy, Pittsboro, Fairway) rose to call the question.<sup>11</sup> There was a second and passed. The motion to accept the Supplement resolutions passed.

Mr. Derek Leek, Conference Director of Communications, gave a report on the work of Conference Communications.

Bishop Shelton thanked all who had helped make this Annual Conference Session successful.

Ms. Laura Dallas, Director of Marketing and Resource Coordinator, presented a report on Amplify Media.

The report on General Conference was presented by Rev. Trish Archer and Ms. Emily Innes, General Conference Delegates. General Conference will be hosted by the Western North Carolina and North Carolina Annual Conferences, April 23-May 3, 2024, in Charlotte, North Carolina.

Rev. Gray Southern, Conference Secretary, made a motion to return to the Greeneville Convention Center for the next five years for Annual Conference. The body passed the motion.

Bishop Shelton announced there will be a Special Called Annual Conference to be held on October 7, 2023. The proposed dates for Annual Conference next year will be June 12-15, 2024.

Bishop Shelton moved to the fixing of appointments. Each District Superintendent read the pastoral changes in their district. Time was taken to pray for all the churches as we return home following this Annual Conference session. The body sang, “Grace Alone.”

The business of the annual conference came to a close at 10:23 a.m.

### ***The Service for the Ordering of Ministry***

The Service for the Ordering of Ministry began at 11:00 a.m. and concluded at 12:42 p.m. See the Service for the Ordering of Ministry for more details.

## NOTES

### ***Executive Clergy Session***

#### A. Board of Ordained Ministry Motion

The Board of Ordained Ministry recommends for those presented for membership in full connection and ordination as Deacons and Elders, listed in BAC questions 28, 29, and 30, to be voted on individually by paper ballot.

6/15/2023-Executive Clergy Session-Business of the Annual Conference pgs. 26 & 27 **MOTION RECEIVED A SUBSTITUTION**

#### B. Witt Substitute Motion

I offer a substitute motion to vote on candidates as a slate and not individually.

6/15/2023-Executive Clergy Session-Business of the Annual Conference pgs. 26 & 27 **PASSED: 144-for & 130-against**

#### C. Drake Amendment-1

I move to amend the substitute motion so that the slate is voted on by private ballot.

6/15/2023-Executive Clergy Session-Business of the Annual Conference pgs. 26 & 27 **FAILED**

#### D. Ferguson Amendment

Motion to approve the press release as written and have conference communications staff work to draft an email for pastors whose congregations that may need more pastoral guidance.

6/15/2023-Executive Clergy Session **PASSED**

### ***Plenary Session***

#### 1. Roberts Amendment

I move to undo the "strike" to keep and maintain the rules around resolutions for Section B, paragraphs 4. and 5., which allows for resolutions to be debated and voted on, and for new resolutions to come from the floor. And to remove the new language in bold from 4.

6/15/2023-2:56 p.m.-Standing Rules of Order pgs. 14 & 15 **PASSED**

#### 2. Ripley Amendment-1

I move that Section (B, paragraphs) 4. and 5. related to the resolutions be suspended this year maintaining the current language without change.

6/15/2023-3:00 p.m.-Standing Rules of Order pgs. 14 & 15 **Ruled Out of Order as suspending rules comes later**

#### 3. Smith Decision of Law Request

See The Minutes of The Special Session of the North Carolina Conference of The United Methodist Church Meeting in Annual Conference, Note #4.

#### 4. Ripley Amendment-2

I move that churches seeking to disaffiliate under paragraph 2253 of *The Book of Discipline* be required to specify which change to the BOD in 2019 they object to, and state the reason for their “conscientious objection” as paragraph 2553 requires.

6/15/2023-4:54 p.m.-Board of Trustees: Local Church Disaffiliation Agreement pgs. 91 & 92

### **Ruled Out of Order**

#### 5. Stallworth Decision of Law Request

I request that you make a decision of law by responding to the following five questions of law on the March 26, 2023 closure of Fifth Avenue United Methodist Church in Wilmington.

1. Does the initiation of the disaffiliation process by a local church under Par. 2553 prevent the bishop, district superintendents, and district board of church location and building from declaring exigent circumstances for that church under Par. 2549.3.b? That is, which takes precedence — the local church’s limited right to disaffiliate under Par. 2553 or the ability to declare exigent circumstances and seize church property under Par. 2549.3.b?

2. Can the local church’s intent to initiate, or initiation of, the process of disaffiliation under Par. 2553 be considered an exigent circumstance under Par. 2549.3.b?

3. Where title to local church property vests in the conference board of trustees under Par. 2549.3.b, because of a declaration of exigent circumstances, does due process require that the local church be given the opportunity to challenge the declaration of exigent circumstances in an appropriate forum?

4. Did the bishop violate Par. 414.2, and the district superintendent violate Par. 419.4, by the way they announced exigent circumstances at, and seized the property of, Fifth Avenue United Methodist Church under Par. 2549.3.b? If so, does such violation render the declaration of exigent circumstances null and void?

5. Does the seizure of Fifth Avenue United Methodist Church’s property under Par. 2549.3.b and that congregation’s closure violate the plain reading of Pars. 414.2, 419.4, 2549.3.b, and 2553 of The Book of Discipline?

“I respectfully request this decision of law because the bishop, district superintendents, and district board of church location and building appear to have misinterpreted Par. 2549.3.b and created for themselves an unlimited authority. Using phrases from that paragraph — such as “exigent circumstances” and “in their sole discretion” — they justified the assertion of their own desire and will.

Acknowledge that Fifth Avenue United Methodist Church, in real-estate terms, is worth over two millions dollars. That is not mentioned by the conference.



During this divisive time, conference officials can become defensive — especially since more than one-third of the churches in our conference have disaffiliated. Officials can react to more disaffiliations by following the dictates of institutionalism: they can try to hold onto as many of the conference's assets as possible — in this case, by halting a local church's disaffiliation work, by taking over its property, and by closing it, all under a disciplinary paragraph.

This request for a decision of law is an attempt to check and balance the misinterpretation and misuse of Par. 2549.3.b in The Book of Discipline.

Thank you, Bishop Shelton, for hearing this request and for responding in a timely fashion.

Christ rules the Church!"

6/15/2023-5:05 p.m.

#### 6. Drake Amendment-2

Offer an amendment to the motion on the floor that the conference mission that becomes Fifth Street include ministry to host the present congregation as the mission moves forward as many church buildings today host ministries not necessarily affiliated with our congregations. The vision to have is a reversal that the conference mission host that congregation and give them a place to worship and a place to have Christian education whether they're affiliated or not with the UMC. It seems to me that the discussion centers on an address, a building, and a history that perhaps can be worked through and continue to live even if it's not part of the UMC.

6/16/2023-8:57 a.m.-Board of Trustees Report-**Ruled Out of Order**

#### 7. Joyner Motion

I move that we amend the budget by including camp and retreat ministries for \$205,000, and the Methodist Home for Children for \$120,000.

6/15/2023-3:50 p.m.-Council on Finance & Administration Report pgs 36 & 37 **PASSED:**

Referral to CF&A

#### 8. Cottingham Motion

I move the previous question.

6/16/2023-4:08 p.m.

#### 9. Reddy Motion

I move that we amend the sentence at the top of pg. 77 of the workbook so that instead of reading, "The Commission currently recommends a 3% increase in minimum salary..." it reads, "The Commission currently recommends a 3.5% increase in minimum salary for the year 2024."

6/16/2023-4:13 p.m. Report on Equitable Compensation pg 77 **FAILED:** For-332 Against-355



10. Parker Amendment

I move to amend the Reddy motion to a "6% increase in minimum salary to offset the raise in insurance rates."

6/16/2023-4:18 p.m. Reddy Motion & Report on Equitable Compensation pg 77 **FAILED**

11. Nelson Motion

I move to call the question.

6/17/2023-9:23 a.m.

INTERESTED PARTIES

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The Rev. Dr. H. Gray Southern

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The Rev. Taylor Mills

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NC Annual Conference

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# Exhibit

M

SUBJECT TO FINAL EDITING

## JUDICIAL COUNCIL OF THE UNITED METHODIST CHURCH

### DECISION NO. 1379

IN RE: Petition for Declaratory Decision from the Council of Bishops regarding the constitutionality, meaning, application, and effect of Petition 90066 as amended.

#### DIGEST OF CASE

Paragraph 41 of the Constitution governs the narrowly defined circumstance of a local church transferring from one annual conference to another but does not apply to a local church seeking to exit The United Methodist Church. Under ¶ 33 of the Constitution, the annual conference as the basic body in the Church has the reserved right to make final decisions regarding the disaffiliation of local churches within its boundaries.

Any legislation of the General Conference permitting the “gracious exit” of a local church must require at a minimum that (1) the disaffiliation resolution be approved by a two-thirds majority of the professing members of the local church present and voting at the church conference, (2) the terms and conditions, including effective date, of the agreement between the annual conference and the exiting local church be established by the conference board of trustees in accordance with applicable church law and civil laws, and (3) the disaffiliation agreement be ratified by a simple majority of the members of the annual conference present and voting.

When taken together with the consent of the annual conference pursuant to ¶ 2529.1(b)(3), Petition 90066 as amended meets all three requirements and is constitutional and provides a means for the disaffiliation of a local church.

Our ruling with respect to the disaffiliation of a local church in JCD 1377 is modified.

#### STATEMENT OF FACTS

Acting as Legislative Committee, on February 25, 2019, the delegates to the 2019 Special General Conference amended and reported out Petition 90066, also known as the Taylor Disaffiliation Plan.<sup>1</sup> Subsequently, the committee passed a motion requesting the Judicial Council to determine the constitutionality of the Traditional Plan [hereinafter TP], including Petitions 90066 and 90059 (Boyette Disaffiliation Plan).<sup>2</sup> The following day, we rendered a

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<sup>1</sup> See Daily Christian Advocate [hereinafter DCA], Vol. 2, No. 5 (February 26, 2019), pp. 440-445. Petition 90066 as originally submitted is printed in the Daily Christian Advocate, Vol. 1 [hereinafter ADCA], pp. 205-206.

<sup>2</sup> See DCA, Vol. 2, No. 5 (February 27, 2019), p. 467. The motion passed 437 to 371. The maker of the motion mistakenly invoked ¶ 2610 as the basis for the request. See *id.* at 464. That paragraph applies to acts of the General Conference, not a legislative committee. At the time the motion was made, the delegates acted as a *legislative committee*. The correct provision would have been ¶ 2609.4, which mandates that the “Judicial Council shall hear and determine the legality of any action taken by any body created or authorized by the General Conference...upon appeal by one-third of the members thereof...” Addressing the question whether a legislative committee was authorized to request a declaratory decision from the Judicial Council, the legislative chair cited JCD 1318 and 887 and answered it in the affirmative. See *id.* at 447. In JCD 1318, the Judicial Council accepted jurisdiction under ¶ 2609.4 for a request from the Judicial Administration Legislative Committee. In JCD 887, the Council did likewise but without citing the authority for jurisdiction.

declaratory decision, ruling both disaffiliation plans to be in violation of ¶¶ 33 and 41, therefore, unconstitutional. JCD 1377 at 3-4.

On February 26, during plenary session, the *Minority Report on Disaffiliation* was substituted for the majority report by a vote of 402 to 400.<sup>3</sup> In adopting the minority report, the General Conference enacted a new ¶ 2553, which reads:

¶ 2553. Disaffiliation of a Local Church Over Issues Related to Human Sexuality—

1. *Basis*-- Because of the current deep conflict within The United Methodist Church around issues of human sexuality, a local church shall have a limited right, under the provisions of this paragraph, to disaffiliate 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 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.

2. *Time Limits*--The choice by a local church to disaffiliate with The United Methodist Church under this paragraph shall be made in sufficient time for the process for exiting the denomination to be complete prior to December 31, 2023. The provisions of ¶ 2553 expire on December 31, 2023 and shall not be used after that date.

3. *Decision Making Process*--The church conference shall be conducted in accordance with ¶ 248 and shall be held within one hundred twenty (120) days after the district superintendent calls for the church conference. In addition to the provisions of ¶ 246.8, special attention shall be made to give broad notice to the full professing membership of the local church regarding the time and place of a church conference called for this purpose and to use all means necessary, including electronic communication where possible, to communicate. The decision to disaffiliate from The United Methodist Church must be approved by a two-thirds (2/3) majority vote of the professing members of the local church present at the church conference.

4. *Process Following Decision to Disaffiliate from The United Methodist Church*--If the church conference votes to disaffiliate from The United Methodist Church, the terms and conditions for that disaffiliation shall be established by the board of

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<sup>3</sup> See DCA, Vol. 2, No. 5 (February 27, 2019), p. 521. Listed as Calendar Item 19, the minority report reads (in relevant part):

**Minority Report**

Adopt Petition #90066 (ADCA, p. 205) with the following changes:

1. Delete what is printed as section 2553.3 in its entirety
2. In the section listed as section 2553.5, first sentence, replace “the resident bishop” with “the board of trustees”
3. Delete the first sentence section 2553.5g
4. Change the final sentence section 2553.5g, by replacing it with the following: “Payment shall occur prior to the effective date of departure.”
5. Delete the entirety of what is printed as sub-section 2553.5c, and re-number the rest accordingly.

DCA, Vol. 2, No. 2 (February 24, 2019), p. 386 (with editorial changes as noted in DCA, Vol. 2, No. 5 [February 27, 2019], p. 516). See also 2019 General Conference Legislation Tracking posted online at <http://www.umc.org/who-we-are/2019-general-conference-legislation-tracking>.

trustees of the applicable annual conference, with the advice of the cabinet, the annual conference treasurer, the annual conference benefits officer, the director of connectional ministries, and the annual conference chancellor. The terms and conditions, including the effective date of disaffiliation, shall be memorialized in a binding Disaffiliation Agreement between the annual conference and the trustees of the local church, acting on behalf of the members. That agreement must be consistent with the following provisions:

a) *Standard Terms of the Disaffiliation Agreement.* The General Council on Finance and Administration shall develop a standard form for Disaffiliation Agreements under this paragraph to protect The United Methodist Church as set forth in ¶ 807.9. The agreement shall include a recognition of the validity and applicability of ¶ 2501, notwithstanding the release of property therefrom. Annual conferences may develop additional standard terms that are not inconsistent with the standard form of this paragraph.

b) *Apportionments.* The local church shall pay any unpaid apportionments for the 12 months prior to disaffiliation, as well as an additional 12 months of apportionments.

c) *Property.* A disaffiliating local church shall have the right to retain its real and personal, tangible and intangible property. All transfers of property shall be made prior to disaffiliation. All costs for transfer of title or other legal work shall be borne by the disaffiliating local church.

d) *Pension Liabilities.* The local church shall contribute withdrawal liability in an amount equal to its pro rata share of any aggregate unfunded pension obligations to the annual conference. The General Board of Pension and Health Benefits shall determine the aggregate funding obligations of the annual conference using market factors similar to a commercial annuity provider, from which the annual conference will determine the local church's share.

e) *Other Liabilities.* The local church shall satisfy all other debts, loans, and liabilities, or assign and transfer them to its new entity, prior to disaffiliation.

f) *Payment Terms.* Payment shall occur prior to the effective date of departure.

g) *Disaffiliating Churches Continuing as Plan Sponsors of the General Board of Pension and Health Benefits Plans.* The United Methodist Church believes that a local church disaffiliating under ¶ 2553 shall continue to share common religious bonds and convictions with The United Methodist Church based on shared Wesleyan theology and tradition and Methodist roots, unless the local church expressly resolves to the contrary. As such, a local church disaffiliating under ¶ 2553 shall continue to be eligible to sponsor voluntary employee benefit plans through the General Board of Pension and Health Benefits under ¶ 1504.2, subject to the applicable terms and conditions of the plans.

h) Once the disaffiliating local church has reimbursed the applicable annual conference for all funds due under the agreement, and provided that there are no other outstanding liabilities or claims against The United Methodist Church as a result of the disaffiliation, in consideration of the provisions of this paragraph, the applicable annual conference shall release any claims that it may have under ¶ 2501 and other paragraphs of *The Book of Discipline of The United Methodist Church* commonly referred to as the trust clause, or under the agreement.



On March 6, 2019, the Council of Bishops [hereinafter Petitioner] filed a request for declaratory decision as to the constitutionality, meaning, application, and effect of Petition 90066 as amended.

Petitioner and Beth Ann Cook filed briefs as interested parties. In addition, Lonnie Brooks, Warren Light, John Lomperis, and Thomas Starnes wrote separate briefs as *amici curiae*.

### JURISDICTION

The Judicial Council has jurisdiction pursuant to ¶¶ 2609.1 and 2610.1 of *The Book of Discipline 2016* [hereinafter *The Discipline*]. The Petitioner has standing to request a declaratory decision pursuant to ¶¶ 2609.1 and 2610.2(b) of *The Discipline*.

### ANALYSIS AND RATIONALE

In JCD 1377, we held that the *pre*-minority-report version of Petition 90066 violated ¶ 33 because, “[b]y sidestepping the mandatory annual conference ratification, the proposed legislation infringes upon ‘such other rights [of the annual conference] as have not been delegated to the General Conference under the Constitution.’” JCD 1377 at 4 (quoting JCD 1366 at 45 and Constitution, ¶ 33). Our analysis was based in part on JCD 1366 in which we applied ¶ 41 and ruled a similar provision in the TP unconstitutional on the grounds that the “proposed legislation improperly substitutes the 55-percent majority for the two-thirds supermajority requirement” and “completely omits the annual conference as the body ratifying any local church vote to change affiliation.” JCD 1366 at 45.

Since then, supporters and opponents of the TP alike have argued convincingly that ¶ 41 does not apply to a disaffiliating local church because this provision governs, as the heading says, the narrowly defined circumstance of “Transfer of Local Churches,” or in constitutional terms, a “local church [requesting to] be transferred from one annual conference to another in which it is geographically located.”<sup>4</sup> Constitution, ¶ 41.1. We agree. Consequently, we determine that ¶ 41 is inapplicable when a local church seeks to exit The United Methodist Church.

However, under the principle of enumerated powers, “all matters distinctly connectional,” over which the General Conference has full legislative power, must be expressly listed in the Constitution.<sup>5</sup> Constitution, ¶ 16. Since the disaffiliation of local churches is *not*

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<sup>4</sup> See Opening Brief of Beth Ann Cook, p. 5 (“...however, ¶ 41, by its very terms, is only applicable to the transfer of a local church from one annual conference to another annual conference in The United Methodist Church and does not provide for a ‘mandatory annual conference ratification’ in all situations of a local church changing its affiliation with The United Methodist Church.”); Opening Brief of John Lomperis, p. 5 (“...the plain-sense language of ¶41 is that, in the Constitution’s own words, it only applies to situations in which a congregation seeks to ‘transfer from one annual conference to another [i.e., another UMC annual conference] in which it is geographically located,’ and that nothing in the actual language of ¶41 indicates that it is intended to address congregations leaving The United Methodist Church altogether.”); Opening Brief of Thomas Starnes, p. 8 (“Specifically, we do not believe the Constitution requires annual conference approval by a two-thirds majority vote in the circumstances contemplated by Petition 90066 and similar “disaffiliation” petitions. By its terms, Constitution ¶ 41 expressly applies only to a transfer of a local church from one UMC annual conference to another UMC annual conference. In that particular circumstance, the Constitution not only requires the approval of both annual conferences, but requires supermajorities to approve the transfer at both the church conference and annual conference level.”).

<sup>5</sup> See JCD 5 (Interim Judicial Council): “The powers of a General Conference are enumerated in Paragraph 15 [now ¶ 16] (Art. IV, Division One, Part I) of the Constitution.” [emphasis added].

mentioned among the enumerated powers of the General Conference, this subject matter has “not been delegated to the General Conference under the Constitution,” and, therefore, the final decision concerning exiting local churches belongs to the annual conference as part of its “reserved rights.” Constitution, ¶ 33.

In light of the foregoing conclusions, the parts of our ruling in JCD 1377 that address the question of local church disaffiliation are hereby modified. Any legislation of the General Conference permitting the “gracious exit” of a local church must have the following minimum requirements:

- (1) Approval of the disaffiliation resolution by a two-thirds majority of the professing members of the local church present and voting at the church conference.
- (2) Establishment of the terms and conditions, including effective date, of the disaffiliation agreement between the annual conference and the exiting local church by the conference board of trustees in accordance with applicable Church law and civil laws.
- (3) Ratification of the disaffiliation agreement by a simple majority of the members of the annual conference present and voting.

Upon examination of the *post*-minority-report language, we find that ¶ 2553 satisfies the first two conditions. The legislation lacks a provision stating that the disaffiliation agreement is subject to ratification by the annual conference. Although the board of trustees, cabinet, and other conference officials are mandated to participate in the decision-making process under ¶ 2553.4, their role “in facilitating the change of affiliation...is not sufficient to make up for the annual conference’s involvement.” JCD 1366 at 45. As we recently ruled in JCD 1371, the decision of the board of trustees, though important and necessary, cannot be a substitute for the action of the annual conference. “The Annual Conference is to maintain its role in decision-making.” *Id.* at 3.

As a stand-alone piece of legislation, Petition 90066 falls short of the third requirement. However, its constitutionality, meaning, application, and effect should not be determined in isolation. If upheld, this legislation will be codified as ¶ 2553 in *The Discipline* and must be construed in relation to other pertinent disciplinary paragraphs. Fortunately, there is a provision elsewhere in *The Discipline*, which supplies the missing requirement. Paragraph 2529, placed under “Section VI. Local Church Property” and entitled “*Charge Conference Authority*,” which provides, in § 1(b)(3):

*b)* Regardless of whether the charge conference elects to incorporate the local church, the local church:

- (3) cannot sever its connectional relationship to The United Methodist Church without the consent of the annual conference. [emphasis added]

Although the previous sub-sections pertain to the powers and duties of the charge conference, § 1(b)(3) places a restriction on the local church as a whole but also, by extension, the *church conference* because the latter is integral part of the former. *The Discipline*, ¶ 248.<sup>6</sup> Here is the ingredient found to be missing in JCD 1377, which was already in *The Discipline*. Under ¶ 2529.1(b)(3), the church conference cannot resolve to sever its ties with The United Methodist Church “without the consent of the annual conference.” As a policy, the prohibition of exit

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<sup>6</sup> Entitled “*Church Conference*,” ¶ 248 states:

To encourage broader participation by members of the church, the charge conference may be convened as the church conference, extending the vote to all professing members of the local church present at such meetings [emphasis added].

without annual conference consent is closely related to ¶ 2553, which sets forth the process for congregations deciding to leave the denomination. Even though ¶ 2553 contains no reference to ¶ 2529.1(b)(3), it is indisputable that both provisions regulate the same subject matter, namely the disaffiliation of local churches, and, thus, should be read together. Paragraph 2529.1(b)(3) does not say whether the consent must be obtained *before* or *after* the church conference action, nor does it indicate the majority (*simple* or *supermajority*) required for the annual conference action. Absent specific language to the contrary, this provision can reasonably be construed as requiring ratification (*i.e.* consent after) by simple majority of the members of an annual conference.<sup>7</sup>

Save for ¶ 2529.1(b)(3), the legislation under review would fall short of the third requirement and run afoul of the Constitution. “When reviewing legislation for constitutionality, we defer to the legislative authority of the General Conference. In reviewing acts of the General Conference for constitutionality, our first inclination is to save legislation, if at all possible, and not destroy.” JCD 1210. In deference to the legislative branch, we reluctantly declare amended Petition 90066 constitutional but stress at the same time that the General Conference bears the responsibility to legislatively address the deficiency identified in ¶ 2553.

### RULING

Paragraph 41 of the Constitution governs the narrowly defined circumstance of a local church transferring from one annual conference to another but does not apply to a local church seeking to exit The United Methodist Church. Under ¶ 33 of the Constitution, the annual conference as the basic body in the Church has the reserved right to make final decisions regarding the disaffiliation of local churches within its boundaries.

Any legislation of the General Conference permitting the “gracious exit” of a local church must require at a minimum that (1) the disaffiliation resolution be approved by a two-thirds majority of the professing members of the local church present and voting at the church conference, (2) the terms and conditions, including effective date, of the agreement between the annual conference and the exiting local church be established by the conference board of trustees in accordance with applicable church law and civil laws, and (3) the disaffiliation agreement be ratified by a simple majority of the members of the annual conference present and voting.

When taken together with the consent of the annual conference pursuant to ¶ 2529.1(b)(3), Petition 90066 as amended meets all three requirements and is constitutional and provides a means for the disaffiliation of a local church.

Our ruling with respect to the disaffiliation of a local church in JCD 1377 is modified.

April 25, 2019

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<sup>7</sup> To construe ¶ 2529.1(b)(3) as requiring consent by the annual conference *prior* to the church conference action would be inconsistent with ¶ 2553.4, which stipulates that the terms and conditions of the disaffiliation agreement be established by the board of trustees *after* “the church conference votes to disaffiliate from The United Methodist Church.” As a matter of law and practicality, until a church conference passes the disaffiliation resolution and the board of trustees approves the terms and conditions, there is nothing for the annual conference to consent to.