

Creating vital congregations that make disciples
of Jesus Christ, who make disciples equipped and
sent to transform lives, communities, and the world.



November 9, 2022

Dear Grace (Conway) United Methodist Church,

Please accept this letter as notification of acceptance of your disaffiliation agreement with the Arkansas Conference of The United Methodist Church by the Conference Board of Trustees in accordance with paragraph 2553 with the *Book of Discipline of The United Methodist Church* and related Conference legislation. The Conference Board of Trustees will now request a vote of the Annual Conference at the special called session that begins at 10 am on Saturday, November 19, 2022 in Hot Springs, Arkansas.

If you have any questions or concerns, please do not hesitate to contact Alison Huskey at alison.huskey@arumc.org.

Yours in Christ,

A handwritten signature in blue ink, appearing to read "Tony Griffin".

Rev. Dr. Tony Griffin
President, Conference Trustees
Arkansas Conference of The United Methodist Church

Creating vital congregations that make disciples
of Jesus Christ, who make disciples equipped and
sent to transform lives, communities, and the world.



October 25, 2022

To: Bishop Gary Mueller, Arkansas Conference Bishop
Rev. Herschel Richardson, Pastor
Eddy Clarke, Church Trustees Chair
Reverend Tony Griffin, Conference Trustees Chair
Mr. Todd Burris, Arkansas Conference Director of Administrative Services

Dear All,

This email is to certify that on October 23, 2022 the Grace United Methodist Church held a church conference following the provisions of ¶1246.8 and ¶1248, for the sole purpose of considering the following motion:

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 the Arkansas Conference of the United Methodist Church related to these issues that follow, we, the Grace United Methodist Church, under the authority of ¶12553 of The 2016 Book of Discipline, choose to disaffiliate from the United Methodist Church, and in accordance with ¶12529 of The 2016 Book of Discipline we authorize the church's Board of Trustees to act on the church's behalf to complete and implement the disaffiliation agreement with the Arkansas Conference Board of Trustees.

The motion to disaffiliate from the United Methodist Church passed by a vote of 123 to 18, thus reaching the two-thirds threshold required by ¶12553.3 of *The 2016 Book of Discipline* and Judicial Council Decision 1379. Accordingly, as District Superintendent of the Central District, I do now certify the vote. A copy of the official minutes and attendance report is attached.

With this vote, the Trustees of the *Grace United Methodist Church* are now authorized to move to the next phase of the Disaffiliation Process by working with the Conference Trustees to complete the standard disaffiliation agreement, which can be found by following this [link](#). To help this process move as quickly and smoothly as possible, you are strongly encouraged to engage the services of an attorney who will be able to work with the conference trustees on the church's behalf. As a next step, the Chair of the Church Trustees should contact Mr. Todd Burris, the Arkansas Conference Director of Administrative Services, at tburris@arumc.org or 501-324-8024 to begin the process.

Sincerely,

Rev. Dr. Ulysses Washington
District Superintendent

cc: Rev. John Fleming, Northeast District Superintendent

Dr. Ann Ferris, SW District Superintendent
Dr. Blake Bradford, NW District Superintendent
Rev. Edna Morgan, SE District Superintendent
Rev. Jim Polk, Assistant to the Bishop
Ms. Michelle Ator, Conference Chancellor

DISAFFILIATION AGREEMENT
PURSUANT TO ¶2553 of
The Book of Discipline of the United Methodist Church
between The Arkansas Conference of the United Methodist Church
and Grace United Methodist Church

This Disaffiliation Agreement Pursuant to ¶2553 (*"Disaffiliation of a Local Church Over Issues Related to Human Sexuality"*) is entered into this _____ day of _____, 20__, by and between Grace United Methodist Church (hereafter referred to as "Disaffiliating Church") and The Arkansas Conference of The United Methodist Church (hereafter referred to as "Arkansas Conference.")

WHEREAS, Disaffiliating Church is currently a United Methodist congregation that is a part of, and located within, the boundaries of the Arkansas Conference; and

WHEREAS, the parties acknowledge and agree that as current United Methodists, their rights and responsibilities with respect to church property are governed by church polity as set out in *The Book of Discipline of the United Methodist Church* (hereafter referred to as the "*Discipline*") and as interpreted by the Judicial Council of the United Methodist Church; and

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Disaffiliating Church holds its real and personal, tangible and intangible, property "in trust for The United Methodist Church and subject to the provisions of its *Discipline*;" and

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

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

WHEREAS, Disaffiliating Church has completed a process of discernment concerning disaffiliation from the United Methodist Church as mandated by the Principles adopted by the 2021 Arkansas Annual Conference, in which all members had voice; and

WHEREAS, Disaffiliating Church held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of the *Discipline* at which at least two-thirds (2/3) of the professing members present at the church conference of the Disaffiliating Church voted to disaffiliate from The United Methodist Church "for reasons of conscience regarding a change in the requirements and provisions of the *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" and Disaffiliating Church has provided certification, which has been deemed

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sufficient by the Arkansas Conference as evidence of same, and which is attached hereto as **Exhibit A**; and

WHEREAS, ¶ 2553.4 of the *Discipline* requires the terms and conditions of Disaffiliating Church's disaffiliation from The United Methodist Church to be "memorialized in a binding Disaffiliation Agreement;" and

WHEREAS, Disaffiliating Church and the Arkansas Conference wish to enter into this Disaffiliation Agreement to (1) comply fully with all requirements of the *Discipline* as interpreted by The Judicial Council, (2) graciously resolve all matters between them in a manner consistent with love for each other as brothers and sisters in Christ and to benefit the ongoing and future Christian ministries of both parties, and (3) to fully and finally release the Arkansas Conference's interest in the real and personal property of Grace United Methodist Church.

THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, which the parties acknowledge constitute good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Disaffiliating Church and the Arkansas Conference agree as follows:

I. Disaffiliating Church's Obligations:

Disaffiliating Church shall, at its sole expense, complete the following acts on or before the times specified:

*Conference calculations as of 11/16/2022

1. Payments:

Due on the Disaffiliation Date listed in section IV.1, the Disaffiliating Church shall pay to the Arkansas Conference, in a manner specified by the Arkansas Conference, the following:

- a. Any unpaid tithe for the twelve (12) months immediately prior to the Disaffiliation Date, totaling \$0.00; *\$6,543.58
- b. An additional twelve (12) months tithe, equal to the previous twelve (12) month's tithe, totaling *\$41,609.00;
- c. An amount equal to Disaffiliating Church's pro rata share, as determined by the Arkansas Conference, of the Arkansas Conference's defined pension obligations, based on the Arkansas Conference's aggregate funding obligations as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider, totaling \$107,417.61; *\$59,336.62
- d. Any prior year pension outstanding balances, as recorded in the permanent records of the Arkansas Conference Board of Pension, totaling \$0.00; *\$2,431.23
- e. Any outstanding salary arrearage;

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- f. Repayment of district, annual conference or general church grants made in the past ten years, excluding benevolence grants, totaling \$0.00;
- g. If the Disaffiliating Church's current pastor(s) remains in the United Methodist Church for the current appointive year, an amount equal to the difference between the agreed-upon compensation, including housing and pension, for the current appointive year and the appointive pastor's new compensation, if a lesser amount, totaling \$70,976.08; *\$53,857.08 (if applicable)
- h. All costs and fees associated with the transfer of any asset or liability.

2. *Obligations Regarding Endowments:*

Disclosure: Within 30 days following any vote for disaffiliation, the Disaffiliating Church will identify and produce to the Arkansas Conference copies of all documents relevant to all endowments, trusts, memorial bequests, donations and any other rights made to or for the benefit of the Disaffiliating Church that contain restrictions particularly limiting them to United Methodism.

*** Response: The Disaffiliating Church has no endowments, trusts, memorial bequests, donations or any other rights that contain with such restrictions.*

Transfer: The Disaffiliating Church will formally transfer all endowments, trusts, memorial bequests, donations and any other rights made to or for the benefit of the Disaffiliating Church that contain restrictions particularly limiting them to United Methodism to the Arkansas Conference. This resolution will be completed as of the Disaffiliation Date if required by the documents themselves on a case by case basis.

3. *Satisfaction of Liabilities:*

Disclosure: No later than 30 days following any vote for disaffiliation, the Disaffiliating Church shall fully disclose to the Arkansas Conference all of its existing debts, loans, liabilities and contractual obligations. An accounting of all such debts, loans, liabilities and contractual obligations is set out in **Exhibit B** to this Agreement.

Satisfaction: The Disaffiliating Church shall provide documentation satisfactory to the Arkansas Conference that it has satisfied, assigned or transferred all such debts, loans, liabilities or other obligations to its new entity, thereby fully releasing the Grace United Methodist Church and the Arkansas Conference, and all of their trustees, officers, members, agents and employees, from any further liability for any debts, loans, liabilities and contractual obligations in any way associated with Grace United Methodist Church. This resolution shall be completed on the Disaffiliation Date.

4. *Intellectual Property:*

Effective as of the Disaffiliation Date, Disaffiliating Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the United Methodist denomination and the Arkansas Conference.

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5. **Group Tax Exemption Ruling:**

Disaffiliating Church shall cease to use, and shall ensure that Grace United Methodist Church, and all of its affiliates, that have been included in the United Methodist denomination's group tax exemption ruling shall cease to use any and all documentation stating that Disaffiliating Church is associated with or included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. The Disaffiliation Date will be the last date for the Disaffiliating Church and any of its affiliates that have been included in the group tax exemption ruling to use their current Federal Employer Identification Number. Disaffiliating Church will obtain a new Federal Employer Identification Number from the Internal Revenue Service as may be required.

6. **Local Church Records:**

No later than Disaffiliation, the Disaffiliating Church agrees it shall provide print or digital copies, in their entirety, to the Arkansas Conference all Grace United Methodist Church archives, historic membership rolls, and historical documents, including but not limited to documents related to funerals, baptisms, weddings, and all trustee, committee, and council meeting minutes. The Disaffiliating Church agrees to maintain said documents in their original form indefinitely. If the Disaffiliating Church ceases operations, then the original documents shall be given to the Arkansas Conference or its successor organization.

7. **Membership: Membership on file with AR Conf Board of Trustees**

No later than 30 days following a vote to disaffiliate, the Disaffiliating Church will furnish to the Arkansas Conference a roll of all members who have not expressed an intent to remove their membership in the United Methodist Church in order to allow their membership to be transferred to another United Methodist Church.

8. **Cemeteries and Columbaria:**

If the Disaffiliating Church has a cemetery and/or columbarium, Disaffiliating Church agrees that it will accept ownership of and retain full responsibility for maintaining the cemetery and/or columbarium in accordance with the requirements of Arkansas law. Disaffiliating Church further agrees that it will forever continue to provide access to the cemetery and/or columbarium, for families, friends, and loved ones of those interned therein.

9. **Organizational Transition:**

Disaffiliating Church shall take all steps necessary to establish a new legal entity to fully effectuate its complete disaffiliation from Grace United Methodist Church, the Arkansas Conference, and the United Methodist denomination as a whole no later than the Disaffiliation Date.

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10. *Transfer of Property:*

Disaffiliating Church agrees that it will:

- a. Take all steps necessary to dissolve any legal entities of the Grace United Methodist Church in accordance with Arkansas law, on the Disaffiliation Date, and
- b. Settle, liquidate or transfer all assets of Grace United Methodist Church on the Disaffiliation Date to its new legal entity, which are listed in **Exhibit C**.
- c. The parties agree, however, that the Disaffiliating Church will retain limited rights and duties provided by Arkansas law sufficient only to wind up the affairs of Grace United Methodist Church, including those that might exist after the Disaffiliation Date.

11. *No Premature Transfer of Property:*

The Disaffiliating Church understands and agrees that if this Disaffiliation Agreement is not affirmed by the Arkansas Annual Conference by a simple majority of the members . . . present and voting” at a duly-called session of the Arkansas Annual Conference, as required by 2529.1b(3) and Judicial Council Decision 1379, the entire agreement will be null and void. The Disaffiliating Church therefore specifically agrees, represents and warrants that it is responsible for the upkeep and all costs associated with maintaining the value and good condition of all property at issue until the time of final transfer of assets, which will occur on the Disaffiliation Date, contingent upon affirmation by the Arkansas Annual Conference, and that it will not destroy, damage, sell, convey or transfer any property, real or personal, to the new entity or any other party prior to the Disaffiliation Date.

12. *No Warranties, Release, Indemnity and Hold Harmless:*

The Disaffiliating Church hereby specifically understands and agrees that it is accepting title to, and possession of, the property of Grace United Methodist Church, real and personal, in its current condition, in whatever state it may exist, as of the Disaffiliation Date. The Disaffiliating Church understands and agrees that neither the Grace United Methodist Church, nor the Arkansas Conference, nor any of their trustees, officers, members, agents, servants, employees, or representatives have made any promises, representations or warranties regarding the suitability of any property for future use, or the status of legal title, to any real or personal property associated with Grace United Methodist Church.

Disaffiliating Church, for itself, its new entity, and all of their members, representatives, officers, trustees, agents, servants, successors and assigns, hereby agrees to release, acquit, discharge, indemnify, defend, and hold harmless the Arkansas Conference and all of its officers, directors, trustees, agents, and employees, and representatives from all claims, causes of action, liabilities, damages,

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fees (including attorney's fees), or costs, tangible or intangible, seen or unforeseen, in any way resulting from any claim, action, or cause of action for damages to persons or property resulting from anything omitted, done or suffered to be done in any way related to the transfer of title and possession of the property to the Disaffiliating Church's new entity, the release of the trust clause, or resulting from Disaffiliating Church's failure to meet its obligations pursuant to this Disaffiliation Agreement.

II. The Arkansas Conference's Obligations:

Release of Trust Clause: Upon approval by the District Superintendent, and contingent upon the Annual Conference's ratification of this Disaffiliation Agreement, The Arkansas Conference agrees to release all of its current interest in the real and personal property of Grace United Methodist Church, effective as of the Disaffiliation Date, to the Disaffiliating Church's new entity.

III. Mutual Release:

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

IV. Required Dates and Other Conditions:

1. ***Disaffiliation Date:*** The agreed Disaffiliation Date as referenced in this Agreement is 12/31/2022 (AH). The Disaffiliating Church agrees and understands that it must take all necessary actions in this agreement to disaffiliate with The United Methodist Church within the time prescribed by *the Discipline*. In accordance with ¶ 2553.2 of the *Discipline*, the Disaffiliation Date must be after the Arkansas Annual Conference's ratification of the Disaffiliation Agreement, but no later than December 31, 2023. Should the Disaffiliating Church fail to satisfy all of its obligations as set forth

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herein on or before the specified dates, the Disaffiliation Agreement shall be null and void.

2. **Arkansas Annual Conference Ratification:** In accordance with the requirements of the *Discipline* ¶ 2529.1b(3) and Judicial Council Decision 1379, in order to be effective, this Disaffiliation Agreement must be “ratified by a simple majority of the members . . . present and voting” at a duly-called session of the Arkansas Annual Conference. If the Arkansas Annual Conference does not ratify this Agreement, it shall be null and void in its entirety.


V. Survival:

The rights and obligations of the parties to this Disaffiliation Agreement shall survive following the ratification, where it shall occur, of this Agreement by the Arkansas Annual Conference, and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns in order to effect the letter and intent of this agreement.


VI. Non-Severability:

Each of the terms and conditions of this Disaffiliation Agreement are a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

Signatories for The Disaffiliating Church

Printed Name: William Buchanan Signature:  Date: 10/27/22
Trustee Chair

Printed Name: Eddy Clarke Signature:  Date: 10/24/22
Church Council Chair

Printed Name: Karen Mooningham Signature:  Date: 10/24/22
Secretary

Signatories for The Arkansas Conference of the United Methodist Church

Printed Name: _____ Signature: _____ Date: _____
Conference Trustee President

Printed Name: _____ Signature: _____ Date: _____
Director of Administrative Services

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Exhibit A
Certification of Local Church Vote to Disaffiliate

Certification

In accordance with ¶ 2553, the Grace *United Methodist Church* certifies that at least two-thirds (2/3) of its professing members present at a church conference of the membership voted to disaffiliate from the United Methodist Church for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference.

Vote Tally

The church conference was held and votes were taken on: October 23, 2022.

The total number of professing members who were present was: 141.

The number of professing members who voted for disaffiliation was: 123.

The number of professing members who voted against disaffiliation was: 18.

The number of professing members present but who abstained from voting was: -0-

Attestation

The undersigned hereby certify that they were present for and witnessed the voting process set out above, that this certification is true and correct on behalf of the professing members who were present for the church conference where votes were taken regarding disaffiliation from the United Methodist Church.

Attested by: Karen Moomingham
Printed Name: Karen Moomingham
Title: Secretary:

Attested by: William Sudanan
Printed Name: William Sudanan
Title: Trustee

Attested By: U. C. Washington
Printed Name: Rev. Dr. Ulysses Washington
Title: District Superintendent or Elder Presiding

Attested By: Ola Berry
Printed Name: Ola Berry
Title: Trustee

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Exhibit B

Disclosure of existing debts, loans, liabilities and contractual obligations

(Include creditor, address, legal description, amount, and type with plan for pay off or transfer to new entity)

Grace United Methodist Church has no outstanding indebtedness, except for routine accounts payable to service providers which are paid current.

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Exhibit C

Disclosure of Real Property and Other Assets to be Transferred to New Entity

Real Estate Deed on file with AR Conf Board of Trustees

Church Building Address and Legal Description –

Address: 1075 Hogan Lane, Conway, Arkansas 72034

Legal Description: A part of the SE 1/4 of the SW 1/4 of Section 4, Township 5 North, Range 14 West, Faulkner County, Arkansas, described as beginning at a point 190.0 feet south 0 degree 09 minutes 12 seconds west of the northeast corner of said SE 1/4, SW 1/4, thence continue along the east line of said SE 1/4, SW 1/4 south 0 degree 09 minutes 12 seconds west 509.59 feet; said point being 620.0 feet north 0 degree 09 minutes 12 seconds east of the southeast corner of said SE 1/4, SW 1/4; thence leaving said east line south 89 degrees 12 minutes 48 seconds west 660.0 feet, thence north 0 degree 09 minutes 12 seconds east 512.67 feet to the south right of way of Raleigh Drive, thence along said right of way north 89 degrees 28 minutes 51 seconds east 660.0 feet to the point of beginning, containing 7.74 acres, more or less, RESERVING the east 40.0 feet for public road purposes.

Church Parsonage Address and Legal Description - None

Cemetery and Columbaria Address and Legal - None

Other Real Estate Property with Addresses and Legal Descriptions - None

Personal Property (valued over \$2,500)

<u>Furniture</u>	<u>Type</u>	<u>Number</u>
Chairs	Steel Frame - Upholstered	528 with arms + 69 without arms

<u>Office Equipment</u>	<u>Type</u>	<u>Number</u>
None		

Bank Accounts

<u>Acct. No.</u>	<u>Institution</u>	<u>Balance</u>	<u>Authorized Signers</u>	<u>Restrictions</u>
	First Security Bank	101,121.46	see below	Designated Funds
	First Security Bank	9,754.72	see below	Payroll Account
	First Security Bank	39,455.85	see below	Operating Budget Account
	First Security Bank	N/A	see below	Safety Deposit Box

Authorized signers for the accounts and the safety deposit box are:

<u>Vehicles</u>	<u>Year</u>	<u>Make and Model</u>
15 Passenger Bus	2011	Ford E-350

<u>Other Assets</u>	<u>Type</u>	<u>Number / Description</u>
Studio Alive	325	Sound System
Baldwin		Baby Grand Piano
Young Chang		Baby Grand Piano
American Rana		10 burner, double oven commercial stove
Altosa	A001EREF	2 door 44 cu. ft. refrigerator
Altosa	A001 EFREEZER	1 door 20 cu. ft. commercial freezer

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