

Preliminary Summary of Disaffiliation Terms and Conditions

Church Name: _____

This document is NOT a final term sheet/disaffiliation agreement, but includes a good faith disclosure and estimation of the terms and conditions that the Conference Trustees currently believe will appear in the final term sheet/disaffiliation agreement.

Because each church is unique each term sheet will be specific to the congregation; the payment amount of each line item will vary from church to church based on the congregation's circumstances. Any amount that may be provided in the disaffiliation discernment process is an estimated amount based on the information that is known at that time.

All line items included herein are estimates only and do not reflect the final numbers; the ultimate terms and conditions are set by the conference trustees after the Church Conference vote to disaffiliate. The trustees reserve the right to modify the terms and conditions reflected herein.

Further, this document is intended to summarize payments to the Annual Conference. A local church may incur additional fees and expenses associated with disaffiliation. For example, legal, accounting and real estate professional fees are the responsibility of the local church and are not reflected in this estimate. Additionally, it is possible that a local church may need to satisfy liens from entities not associated with the Conference to receive clean title to its real property.

To be effective, disaffiliation must be ratified by a simple majority vote of the Annual Conference (those members

Summary of Disaffiliation Terms Unrelated to Pre-Disaffiliation Payments

Any payments paid prior to Disaffiliation Date held in escrow by Annual Conference

Local Church must cease using United Methodist Intellectual Property

Local Church must cease using UMC Group Tax Exemption Ruling

Local Church must cease using PA State Sales Tax Exemption

Right of first Refusal on Real Property for 15 years (AC can match any bona fide offer)

Provide Historical and Organizational Documents to St. George's for archiving

Reincorporate or Modify Organizational Document to reflect change in Relationship to UMC

Mutual Indemnification

Liability pass-through for future claims (right to seek contribution for claims against A/C).

Mandatory Arbitration

Legal fees for enforcement borne by local church

(Financial terms appear on following page)

Payments Due Prior to Disaffiliation Date	Notes	Amount
Unpaid Apportionments for 12 months immediately prior to Disaffiliation Date	To be finalized 30 days prior to Disaffiliation Date	\$ -
Additional 12 months apportionments	To be finalized 30 days prior to Disaffiliation Date	\$ -
Pro Rata Share of Pension Withdrawal Liability as calculated by Wespath	To be finalized 30 days prior to Disaffiliation Date, based on Wespath's most recent unfunded liability report	\$ -
Pro rata share of Unfunded Retiree Medical	To be finalized 30 days prior to Disaffiliation Date based on most recent actuarial valuation performed by outside consultants	\$ -
Ministry Transition Payment (12 months for appointed clergy or assigned lay pastors that remain with UMC)	Payment is based on 12 months employment costs and two moves for any appointed clergy or assigned lay pastors that remain in the UMC. Will be finalized based on clergy/ lay pastor decisions 30 days prior to Disaffiliation Date.	\$ -
Missional Transition Support Payment	To be finalized 30 days prior to Disaffiliation Date. Initial estimate is based on data from statistical reports but will be updated based on financial reports provided by local Church as part of the discernment process. Will not exceed 33% of the three year average value of non real estate assets of the local church	\$ -
Unforgiven Historical Balances Owed	To be finalized 30 days prior to Disaffiliation Date	\$ -
Repay any loans from Loan Fund or any other Annual Conference affiliated agency	To be finalized 30 days prior to Disaffiliation Date	\$ -
Repay any grants rec'd from AC affiliated organizations from July 1, 2022 to Disaffiliation Date	To be finalized 30 days prior to Disaffiliation Date	\$ -
Fee to Historic St. George's	Will not be updated unless Annual Conference votes to change the amount paid to St. George's for a closing church	\$ 5,000
Share of the AC BSA Settlement	Will be updated 30 days prior to Disaffiliation Date.	\$ -
Administrative Costs	Does not include 3,500 charge to engage in Discernment process. Flat rate.	\$ 6,500
Payment of legal fees, admin costs, disbursements incurred by the AC due to LC proceeding outside 2553.	Will be updated 30 days prior to Disaffiliation Date; if local church stays within process outlined in 2553 and conference policies, this should be 0.	\$ -
Additional payment terms fitting unique circumstances of local church, as set by the Annual Conference Trustees		\$ -