



History and Context

The United Methodist Church is a denomination that cares deeply about its mission, unity, and people. While there are many and differing gifts and thinking within the church, together we are committed to working toward unity and strengthening the mission of The United Methodist Church. The Rio Texas Annual Conference has a long history of working with diverse people, cultures, and understandings to preserve and grow the mission of the church in South Texas. It is our sincerest hope to continue and grow that mission.

Regretfully, we have come to a denominational impasse about the inclusion of and ministry with LGBTQ people within The United Methodist Church. For several decades, General Conference sessions have sought to address the impasse with no success. As a result, in 2019 a Special Session of the General Conference passed legislation allowing congregations to disaffiliate from the denomination. The 2020 General Conference was being positioned to further address the issue of separation. However, due to the worldwide Covid-19 pandemic and the further postponement of the 2020 General Conference until 2024, a heightened confusion and even anxiety within annual conferences and local congregations regarding separation is hurting the witness and mission of The United Methodist Church.

It is our sincere desire to have the church continue to be one and carry out the mission of the church. We hope that no one individual or congregation would feel compelled to leave. Our congregations have long thrived with a diversity of people, political opinion, and even theological approach. However, it is realistic to acknowledge that separation by some congregations is inevitable. It is our hope that we continue to treat one another with grace and respect as we move into this time. It is our desire as a conference to bless one another's ministry and send each other forth to new futures of ministry. Blessing and sending requires the commitment of both parties to articulate expectations, and to treat and talk about each other in a manner that witnesses to the world that though we disagree, we recognize and affirm God's grace and blessing.

Much work was put into creating mechanisms for the 2020 General Conference to create a pathway for separation to be done with civility and fairness. Yet, all of those ideas remain only as potential proposals for future consideration. The following procedures are ways to move forward with the existing paths to disaffiliation currently in the discipline.

The following are the disciplinary paragraphs that will guide congregations that desire to disaffiliate or separate from The United Methodist Church:

¶ 2501ⁱ – The trust clause

¶ 1504.23ⁱⁱ – requirement of the payment of pension liabilities

¶ 2553ⁱⁱⁱ – guidelines for disaffiliation for reasons associated with the church position on human sexuality

¶ 2549^{iv} - disposition of property of a closed local church

¶ 229^v – transfer from discontinued local churches

These paragraphs have guided our work as the Rio Texas Annual Conference in preparing the following procedures. In addition, there have been several recent Judicial Council rulings that affect our work together. Most notable is JDC ruling 1379.

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.



Discerning Pathways: Guidelines for disaffiliation under ¶ 2553

The Rio Texas Conference Bishop, Cabinet, and Board of Trustees hope that congregations remain affiliated with The United Methodist Church and the Rio Texas Conference. We believe there is room for you in The United Methodist Church. However,

- Because the 2019 Called Session of the General Conference approved the minority report for petition 90066, “Minority Report on Disaffiliation,” and the Judicial Council ruled in decision 1379 (April 25, 2019) that the petition is constitutional as amended, and
- Because this new paragraph in the Discipline, 2553, allows for a local church to disaffiliate from the denomination “over issues related to human sexuality,” and states that “annual conferences may develop additional standard terms that are not inconsistent with the standard form of this paragraph,” and
- Because such a decision has significant impact on the local church or ministry setting, the community in which the ministry is located, the Annual Conference, and the strategy and witness of the Church of Jesus Christ in contexts local and regional, and therefore must be undertaken with the greatest sensitivity to matters both spiritual and temporal,

Therefore, the following procedure governing the process and conditions for churches and ministry settings within Rio Texas for discernment about disaffiliation under ¶2553 from The United Methodist Church:

1. When the local church or ministry setting considers disaffiliation, it shall contact the District Superintendent in writing expressing its intent to consider disaffiliation. Once the District Superintendent has been contacted, a discernment period of no less than six months shall begin.
2. During this discernment time the local church/ministry shall:
 - Enter into an intentional time of prayer
 - Assess the impact of their decision upon the church, community, and conference and share a written assessment with its congregation and the District Superintendent.

- Consider how the church will deal with practical concerns including, but not limited to 1) the incorporation or reincorporation of the church, 2) how designated funds and endowed funds will be handled, including notification, or if required, obtaining the consent of donors, 3) the resolution of any unpaid loans, 4) the effect of the decision, if any, on any outstanding or pending grants for ministry, 5) the source and cost of future employee health insurance, workers compensation insurance, general liability and property insurance and either tail insurance or suitable indemnification of the Rio Texas Conference for any past liabilities, 6) the process for pastoral succession going forward, and the congregation’s plans if the current pastor decides not to continue with the church, and 7) continued participation in an employee or pastoral benefits plan, if any. For other considerations see the attached agreement.
 - Develop and make available to the congregation and the District Superintendent a plan for either independent operation or affiliation with another denominational entity and include the theological tenets of the new entity, the governance structure, the missional goals, and anticipated costs.
 - Develop a statement articulating their theological and missional foundations in seeking disaffiliation for reasons of conscience “related to human sexuality”.
 - The local church shall hold a minimum of three listening sessions, advertised to and open to the full professing membership, at least one of which is also advertised and open to those beyond professing membership, who participate in the ministries of the church/ministry setting. These sessions shall solicit the input of these constituents and shall report their findings in the assessment referenced above. The sessions shall be facilitated by the district superintendent or their designee. The sessions shall include a discussion of the theological and missional issues referenced above as well as the practical considerations set forth above.
3. At the conclusion of this time of discernment, the church may request a church conference from the district superintendent. With an affirmative 2/3 vote of the professing members present the Disaffiliation Agreement may be formulated in accordance with ¶2553.
- After the church conference votes to disaffiliate, the annual conference will calculate apportionment and unfunded pension liability estimates for that local church.
 - The local church must pay in full the previous 12 months apportionments and the next 12 months apportionments.
 - The local church must pay in full the unfunded pension liability, as calculated by the Rio Texas Conference Board of Pensions in accordance with Wespeth’s guidance.
 - The valuation is based on a market valuation of unfunded liability
 - The valuation takes in to account the local church’s share of the liability calculated through the apportionment decimal for the local church.
 - The local church must complete all forms in accordance with GCFA’s disaffiliation guidance and the agreement must be signed by all parties.

- (See Attached)
- After all the foregoing steps have been completed, the RTX may vote to release the local church from any obligations under the trust clause in ¶2503 in accordance with the then applicable *Book of Discipline*.

Since ¶2553 is no longer valid after December 31, 2023, disaffiliations after that date will be handled under ¶2549 with the process outlined above required for the necessary bishop's approval. This includes a 2/3 vote of the church conference, a period of discernment, and apportionment and liability payments.

The Board of Trustees affirms that, after the expiration of the provisions of ¶2553 and the Disaffiliation Policy, and in accordance with the provisions of ¶2549 which vest the Board of Trustees with the power to dispose of property of a closed church at their sole discretion, the Board of Trustees will continue to enter into agreements with local churches that desire to exit the Annual Conference on the same terms outlined in ¶2553 and the Disaffiliation Policy. A local church shall have a limited right to exit the denomination pursuant to this resolution which shall be available until the later of any new deadline set by General Conference for disaffiliation or December 31, 2024. Any Disaffiliation Agreement entered into pursuant to this resolution shall require approval by a majority vote of the Annual Conference in accordance with the Annual Conference's existing Disaffiliation Policy.



Disaffiliation Agreement

This Disaffiliation Agreement (“Disaffiliation Agreement”), made pursuant to ¶ 2553 of *The Book of Discipline of The United Methodist Church* (the “*Discipline*”) is entered into this _____ day of _____, 202_, by and between _____ UNITED METHODIST CHURCH (“Local Church”) and the RIO TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH (“Annual Conference”).

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

WHEREAS, Local Church has 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 of Local Church present voted to disaffiliate from The United Methodist Church for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues, and

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

WHEREAS, pursuant to ¶ 2501.1 the 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*. (¶ 2501.2)

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

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

WHEREAS, United Methodist Church Judicial Council Decision 1379, which concerned Petition 90066, provides additional guidance regarding the process and requirements for disaffiliation of a Local Church over issues related to human sexuality; and

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them,

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

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

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:

- a. *Church Conference Vote*. At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote to disaffiliate from The United Methodist Church "for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow." Local Church must provide documentation, to the satisfaction of Annual Conference, of the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and shall be included as an exhibit to this Disaffiliation Agreement.
- b. *Annual Conference Vote*. This Disaffiliation Agreement must be ratified by a simple majority of the members . . . present and voting" at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1(b)(3).

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

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

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on _____, 202__ ("Disaffiliation Date"). Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above. Assuming Local Church remains current in payment of premiums to Annual Conference for insurances and pension, Local Church's pastor will continue to be covered by Annual Conference's health program as well as the pension program through the General Board of Pensions and Health Benefits; Local Church's staff will continue to be covered by Annual Conference's Worker's Compensation program; Local Church's Treasurer(s) will continue to be bonded; and Local Church's real property will continue to be covered by Annual Conference's Unit Insurance program until the actual date of disaffiliation.

4. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

- a. *Retention of Property.* Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.
- b. *Payments.* On or before the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:
 - i. Any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$_____;
 - ii. An additional twelve (12) months of apportionments, as calculated by Annual Conference, totaling \$_____;
 - iii. An amount equal to Local Church's pro rata share, as determined by Annual Conference, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by Wespath Benefits and Investments using market factors similar to a commercial annuity provider, totaling \$_____. This obligation will be calculated on the Wespath report to the Conference immediately prior to the creation of this Disaffiliation Agreement;
 - iv. Any unpaid salary and/or benefits due to the appointed clergy of the Local Church through the end of the following June.
- c. *Other Liabilities.* Local Church shall either satisfy all of its debts, loans, and liabilities (including to the Texas Methodist Foundation) or assign or transfer such obligations to its new entity. Local Church must provide sufficient documentation of same to Annual Conference, including, but not limited to, an unlimited indemnification of the Conference for liabilities arising before the disaffiliation effective date.
- d. *Intellectual Property.* Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same.
- e. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed from the list of approved entities without additional notice as of the Disaffiliation Date. Local Church or its successors shall be solely responsible for obtaining its own IRS ruling regarding tax exempt status.

f. *Historical Records.* Local Church shall give to Annual Conference all Membership Books (containing Church Membership Records, baptisms, wedding and funerals), as well as the most recent seven (7) years copies of W-2, W-3 and Form 941.¹ Annual Conference shall place those records with the Annual Conference Archives.

5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities under which it or its affiliates have operated, and to settle, liquidate, or transfer all assets and obligations of such entities, establish any new legal entities, or modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church, to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 5.

6. Property. On the Disaffiliation Date, Local Church will have full ownership and assume full responsibility for the Property and assets listed on Exhibit B-1 and Exhibit B-2 hereto, which shall include any cemetery of Local Church. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and releases and discharges the other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuits, charges, complaints, or other actions against each other. Notwithstanding the foregoing releases and covenants not to sue, nothing set forth herein shall prevent either party from taking legal action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. Time Limit. Should the Local Church fail to satisfy all of its obligations set forth herein by the Disaffiliation Date, this Disaffiliation Agreement shall be null and void.

¹ Local Church may photocopy these records before turning them over to the Annual Conference.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits, to the extent permitted by federal law, and provided that Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

10. Non-Severability. Each of the terms of this Disaffiliation Agreement is 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.

11. Execution. This Disaffiliation Agreement may be signed on any number of identical counterparts, such as a faxed or electronic copy, with the same binding effect as if the signatures were on one instrument. Original, faxed or electronically scanned signatures shall be binding.

IN WITNESS THEREOF, the Parties set their hands and seals on the date set forth above.

LOCAL CHURCH

Witness

Chair _____ UMC Trustees

Witness

Vice-Chair _____ UMC
Trustees

RIO TEXAS ANNUAL CONFERENCE
OF THE UNITED METHODIST
CHURCH

Witness

Rev. _____
District Superintendent

Witness

Kevin Reed
Rio Texas Conference Board of Trustees
President

Witness

Richard Irizarry
Rio Texas Conference Board of Trustees
Vice President

APPENDIX

i ¶ 2501

All properties of 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 -2501.1 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.

ii ¶ 1504.23

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.

iii ¶ 2553

Basis—1. 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. 5 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.

iv ¶ 2549

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.

¶ 229 *Transfer from Discontinued Local Churches*—If a local church is discontinued, the district superintendent shall select another United Methodist church and transfer its members thereto, or to such other churches as the members may select.