



# Breakthrough

## December 2022 Conference Workbook

The United Methodist Church | Bishop James G. Nunn  
*Presiding Bishop of the NWTX Conference*

**Northwest Texas Annual Conference**  
SPECIAL CALLED SESSION OF THE ANNUAL CONFERENCE

December 3, 2022 | Lubbock, Texas | LakeRidge UMC  
[www.nwtxconf.org](http://www.nwtxconf.org)

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## photography policy

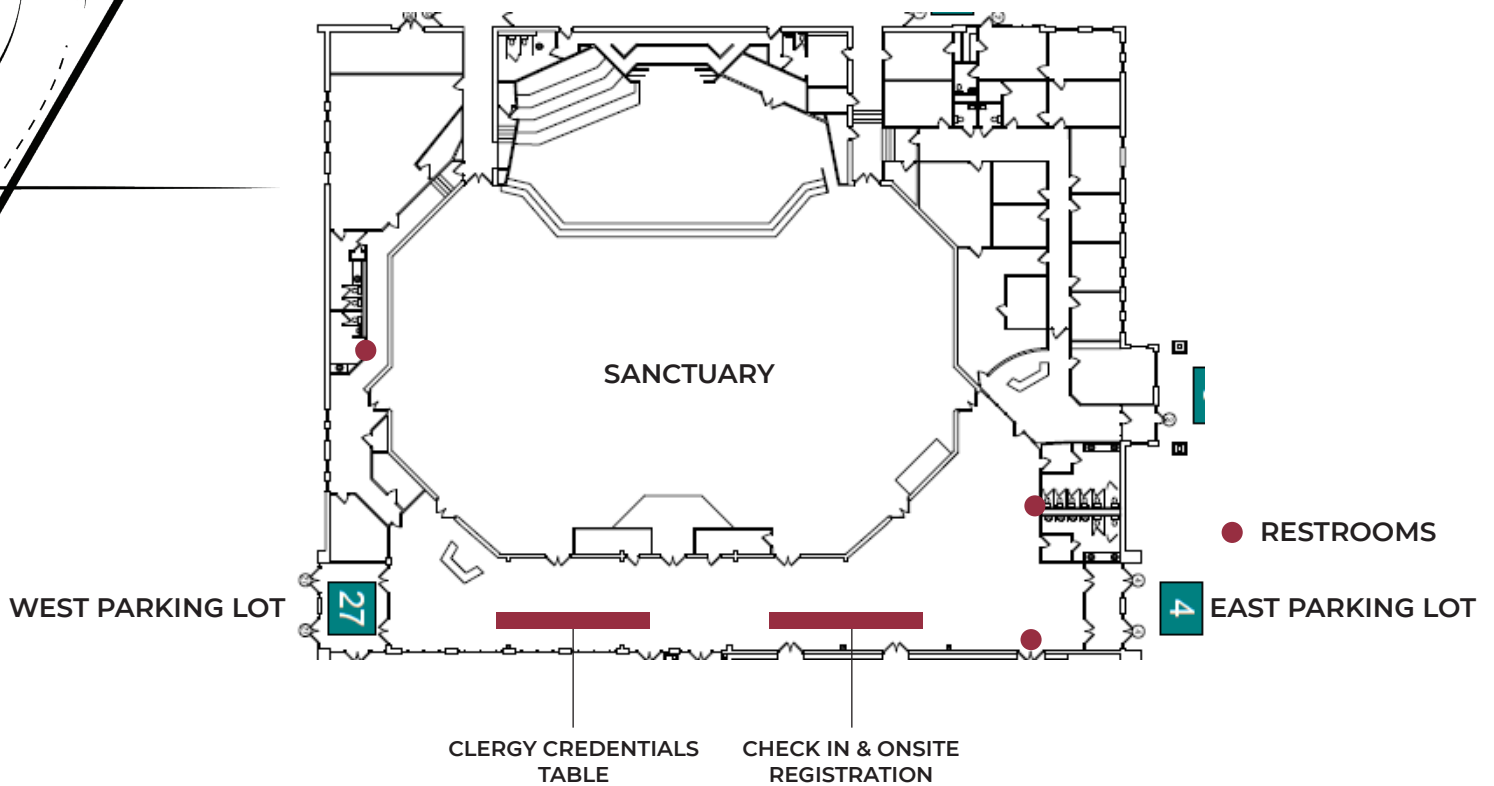
The NWTX Conference of The United Methodist Church has designated representatives to photograph and/or video during the sessions of Annual Conference.

As a participant, your likeness may be utilized by the NWTX Conference for information sharing and ministry purposes.

Unless we receive a written request from you to not use your likeness, we will assume that your presence is consent. NWTX Communications will serve as primary Annual Conference photographers and videographers.

If you have any questions, contact Jaime Montgomery, Chief Communications Officer at [montgomery@nwtxconf.org](mailto:montgomery@nwtxconf.org).

# LakeRidge UMC Locations



## agenda

**9:00 AM - 11:00 AM | CHECK IN**  
Foyer, Main Building

**9:00 AM - 10:00 AM | RECEIVING CLERGY CREDENTIALS**  
Foyer, Main Building

**10:00 AM - 1 PM | BUSINESS SESSION**  
Sanctuary, Main Building

# Parliamentary Procedures

## MOTIONS: RANKING & REQUIREMENTS BY RANKS

### RANKING MOTIONS

The ranking motions are listed in order of rank. When any of these motions is immediately pending, those above it are in order and those below it are not in order.

<i>Privileged Motions</i>	Second Required?	Debatable?	Amendable?	Vote Required
Adjourn	Yes	No	No	Majority
Raise a question of privilege	No	No	No	No vote. Chair rules.
Call for order of the day	No	No	No	No vote. Chair rules.
<i>Subsidiary Motion</i>				
Table	Yes	No	No	Majority
Move the previous question	Yes	No	No	2/3
Refer to Committee	Yes	Yes	Yes	Majority
Amend	Yes	Yes	Yes	Majority
Main Motions	Yes	Yes	Yes	Majority

### NON-RANKING MOTIONS

Whether these non-ranking motions are in order depends upon the business already under consideration and what purpose they may serve when introduced.

<i>Incidental Motions</i>	Second Required?	Debatable?	Amendable?	Vote Required
Appeal	Yes	No	No	Majority
Divide the question	Yes	No	Yes	Majority
Parliamentary inquiry	No	No	No	No vote
Point of order/point of information	No	No	No	No vote. Chair rules/responds
Suspend the rules	Yes	No	No	2/3
Withdraw a motion	No	No	No	Majority
<i>Motions that bring a question back</i>				
Reconsider	Yes	Per original	No	Majority
Take from the table	Yes	No	No	Majority

## COMMON MOTIONS: RANKING & REQUIREMENTS BY FUNCTION

Motion	What to say	Sec-ond?	Debate?	Amend?	Vote?
Adjourn	"I move that we Adjourn"	Yes	No	No	Majority
Adopt a report	"I move that the report be adopted"	Yes	Yes	No	Majority
Amend a motion on the floor	"I move to amend by [describe]"	Yes	Yes	Yes	Majority
Complain about air conditioning, noise, etc.	"I rise to a question of privilege"	No	No	No	No vote. Chair rules.
Divide motion into parts to be voted on separately	"I move that we divide the question to consider separately [specify]"	Yes	No	Yes	Majority
End debate	"I move the previous question."	Yes	No	No	Two
Introduce a main motion	"I move that ..."	Yes	Yes	Yes	Majority
Give closer study	"I move to refer the matter to committee."	Yes	Yes	Yes	Majority
Protest a breach of rules or conduct	"I rise to a point of order."	No	No	No	No vote. Chair rules.
Reconsider an action	"I move to reconsider the vote on [specify]"	Yes	Same as original motion	No	Majority
Request information	"Point of information."	No	No	No	No vote. Chair responds.
Suspend an issue	"I move to table the motion."	Yes	No	No	Majority
Suspend the rules	"I move to suspend the rules so that [specify]"	Yes	No	No	Two-thirds
Take up a tabled matter	"I move to take from the table [specify]"	Yes	No	No	Majority
Vote on a chair's ruling	"I appeal from the decision that [specify]"	Yes	No	No	Majority



# Called Annual Conference: December 3, 2022

In accordance with ¶1603.5 of the 2016 *Book of Discipline* and with the support of the District Superintendents, I, Bishop James G. Nunn, hereby call a Special Session of the Northwest Texas Annual Conference to be held on Saturday, December 3, 2022, 10:00 a.m. to 1:00 p.m. at LakeRidge United Methodist Church, Lubbock, Texas.

The purpose of the called session is as follows:

1. To act on enabling motions of the Annual Conference
2. To act on reports from the Board of Trustees on the following matters:
  - a. Recommendations for disaffiliation
  - b. Recommendations for property issues related to Ceta Canyon campgrounds
3. To act on a joint report from the MAT team and trustees related to the discontinuance of the United Methodist relationship with the current NWTX Wesley Foundations
4. To act on a report from the Conference Board of Pension and Health Benefits:
  - a. the Funding Reserve Trust for Clergy Benefits Plans
  - b. a recommendation for grants to retired clergy and contributions to active clergy UMPIP accounts
5. Item of information: Shared Ministries distribution

*-Bishop James Nunn*

## Called Conference Enabling Motions

As the Northwest Texas Conference Secretary, I hereby call the Roll which will stand as registrants at the Clerk's table on this day, December 3, 2022, in the Narthex of LakeRidge United Methodist Church; and I make the following single motion encompassing the parameters of Conference business:

1. That the Bar of the Conference for voting and debate be set as the Sanctuary of LakeRidge United Methodist Church.
2. That the List of Annual Conference officials be approved as presented.

Tellers: Jim Wright - AB, Lisa Peterson - AB, Toni Bailey - AMA, David Cook - AMA,  
Kevin Bushart - BSP, Monty Dollar - LBK, Gary Eggart - LBK, Karron Smith - LBK

Head Teller: Kevin Bushart

Secretary Assistants: Paula Hughes, Cindy Martin, Erin Ward

Committee on Minutes: Jennifer Andersen
3. That the Official Agenda of the Conference be set as the Official Call issued by Bishop James Nunn for the December 3, 2022 Called Annual Conference to include all materials published in the 2022 Called Annual Conference Workbook and as amended or supplemented; and
4. That debate be limited to three speeches for and three speeches against and that each speech be limited to two minutes.

# RECOMMENDATIONS FOR DISAFFILIATION FROM THE NWTX CONFERENCE TRUSTEES

**WHEREAS**, the General Conference of The United Methodist Church sitting in official session as a body in 2019 promulgated legislation recorded as ¶12553 of *the Book of Discipline of The United Methodist Church*, allowing a local church to disaffiliate from The United Methodist Church; and

**WHEREAS**, ¶12553 provides the process and terms for disaffiliating from The United Methodist Church be set in conjunction with local rules developed by the Board of Trustees of the Annual Conference; and

**WHEREAS**, the churches named in the attached **Exhibit "A"** have been provided ¶12553 and the rules of disaffiliation set forth by the Northwest Texas Annual Conference Board of Trustees and do hereby swear to the faithful execution of said requirements; and

**WHEREAS**, the Northwest Texas Annual Conference does hereby certify that churches named herein have complied fully with the requirements set forth in ¶12553 and the rules of the Northwest Texas Annual Conference Board of Trustees; and

**WHEREAS**, real and personal Property held by the churches named herein has historically been in use for the activities of The United Methodist Church. Pursuant to the terms of *The Book of Discipline of The United Methodist Church* (the "*Discipline*"), the Property is subject to a trust clause (the "Trust Clause"), which may be found in previous deeds affecting the real and personal Property, providing as follows:

"This conveyance is made 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 the Annual Conference within whose bounds the said premises are situated, this provision being solely for the benefit of the Grantee, and the Grantors reserve no right or interest in said premises."

**NOW THEREFORE BE IT RESOLVED**, that churches named herein be considered no longer part of or affiliated with The United Methodist Church effective 11:59 p.m. December 31, 2022, and that said churches hereby relinquish any and all benefit and support of and from The United Methodist Church now and in the future; and

**BE IT FURTHER RESOLVED**, that the Northwest Texas Annual Conference of The United Methodist Church does hereby relinquish any and all present and future claims granted by the commonly called Trust Clause, under *The Book of Discipline of The United Methodist Church* to property owned by the churches named herein. The Northwest Texas Annual Conference does hereby release any right or privilege to enforce any restrictions to any real property that may be held in trust and 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*, or of any predecessor denomination, as set forth in the *Discipline*, any Deed, or any deed previously recorded with respect to any real or personal property of the churches named herein. To the extent that words of grant are necessary, the Northwest Texas Annual Conference does hereby convey all its interest created by virtue of the Trust Clause in any real and any personal property held by the churches named herein. THIS CONVEYANCE IS MADE WITHOUT WARRANTY OF TITLE, WHETHER EXPRESS OR IMPLIED.

# RECOMMENDATIONS FOR DISAFFILIATION - EXHIBIT A

ABILENE DISTRICT
Abilene, Aldersgate
Abilene, Bethel
Abilene, Caps
Abilene, Elmwood West
Abilene, Grace
Abilene, First
Abilene, Potosi
Abilene, Wylie
Albany
Anson
Aspermont
Baird
Benjamin
Blackwell
Childress
Chillicothe
Clyde
Crowell
Elbert
Fargo
Hamby
Hamlin
Haskell
Knox City
Margaret
McCaulley
Munday
Nolan
Paducah
Pioneer Memorial
Roby
Rotan
Sagerton
Seymour
Stamford, St. John
Throckmorton
Tuscola
Vera
Vernon, First

AMARILLO DISTRICT
Adrian
Allison
Amarillo, Faith Southwest
Amarillo, Pleasant Valley
Amarillo, Saint Paul
Amarillo, Saint Stephen
Booker
Borger, First
Borger, St. Andrew
Canadian
Canyon
Channing
Claude
Dalhart, Central
Darrouzett
Dumas, Hunt Memorial
Follett
Groom
Gruver
Heald
Hedley
Higgins
McLean
Memphis
Miami
Middlewell
Mobeetie
Panhandle
Perryton
Shamrock
Spearman
Stinnett
Sunray
Texline UMC
Vega
Wellington
Wheeler

BIG SPRING DISTRICT
Andrews, Means Memorial
Andrews, Wesley
Big Spring, First
Coahoma
Colorado City
Cooper
Dorn Chapel
Garden City
Graham Chapel
Hermleigh
Ira
Lamesa, First
Lamesa, La Trinidad
Loraine
Midland, First
Midland, St. Paul
New Home
Plains
Post
Seminole
Slaton
Snyder, First
Snyder, Trinity
Stanton
Sweetwater, First
Tahoka

LUBBOCK DISTRICT
Amherst
Anton
Bovina
Crosbyton
Dimmitt
Earth
Farwell, Hamlin Memorial
Floydada
Frona
Hale Center
Happy
Hereford, First
Idalou
Kress
Littlefield
Lockney
Lorenzo
Lubbock, Agape'
Lubbock, Aldersgate
Lubbock, Canyon
Lubbock, La Trinidad
Lubbock, LakeRidge
Lubbock, Oakwood
Lubbock, St. Luke's
Lubbock, St. Matthew
Matador
McAdoo
Muleshoe, El Divino Salvador
Muleshoe, First
New Deal
Oklahoma Lane
Olton
Plainview, First
Plainview, Grace
Quitaque
Ralls
Silverton
Spade
Spur
Sudan
Tulia, First
Turkey
Wolfforth

# RECOMMENDATIONS FOR PROPERTY ISSUES RELATED TO CETA CANYON CAMPGROUNDS

1 **WHEREAS**, the Northwest Texas Conference of The United Methodist Church recognizes the value in continue  
2 opportunities for Christian camping within the borders of the Conference; and

3  
4 **WHEREAS**, Ceta Canyon Camp and Retreat Center has been a resource for Christian camping in the  
5 Northwest Texas Conference since 1918; and

6  
7 **WHEREAS**, Ceta Canyon Camp and Retreat Center operates as a 501(c)(3) entity with no legal affiliation to  
8 The United Methodist Church; and

9  
10 **WHEREAS**, the Northwest Texas Conference of The United Methodist Church holds legal interest in the  
11 property which is the location of the Ceta Canyon Camp and Retreat Center; and

12  
13 **WHEREAS**, the Board of Trustees of the Northwest Texas Conference by vote has approved subject to  
14 conditions listed herein the transfer of title to said property believing it to be in the best interest of continuing  
15 Christian camping in the Northwest Texas Conference area;

16  
17 **WHEREAS**, real and personal Property held by the Ceta Canyon Camp and Retreat Center has historically  
18 been in use for the activities of The United Methodist Church. Pursuant to the terms of *The Book of Discipline*  
19 *of The United Methodist Church* (the "*Discipline*"), the Property is in addition subject to a trust clause (the  
20 "Trust Clause"), which may be found in previous deeds affecting the real and personal Property, providing as  
21 follows:

22  
23 "This conveyance is made in trust, that said premises shall be used, kept, and maintained as a place  
24 of divine worship of the United Methodist ministry and members of The United Methodist Church,  
25 subject to the *Discipline*, usage and ministerial appointments of said church as from time to time  
26 authorized and declared by the General Conference and the Annual Conference within whose  
27 bounds the said premises are situated, this provision being solely for the benefit of the Grantee, and  
28 the Grantors reserve no right or interest in said premises."

29  
30 **NOW THEREFORE BE IT RESOLVED** that effective 11:59 p.m. December 31, 2022 the Northwest Texas  
31 Conference of the United Methodist Church does hereby agree to transfer deed of title where held to any  
32 property which is the current location of the Ceta Canyon Camp to said organization subject to restriction;  
33 and

34  
35 **BE IT FURTHER RESOLVED**, that the Northwest Texas Conference of The United Methodist Church does hereby  
36 agree to receive in exchange for the deed to said property a reversion in perpetuity in favor of the Northwest  
37 Texas Conference of The United Methodist Church or its direct successors in the amount of one half of the  
38 commercially appraised value of the entirety of said property at the time of sale should the property be the  
39 subject of a contract for the sale of said property; and

40  
41 **BE IT FURTHER RESOLVED**, that not withstanding the reversion contemplated in this document the  
42 Northwest Texas Annual Conference of The United Methodist Church does hereby relinquish any and all other  
43 claims granted by the commonly called Trust Clause, under *The Book of Discipline of The United Methodist*  
44 *Church* to property owned by the ministries named herein. Not withstanding the reversion contemplated in  
45 this document, the Northwest Texas Annual Conference does hereby release any right or privilege to enforce  
46 any other restrictions to any real property that may be held in trust and held, kept, maintained and disposed  
47 of for the benefit of The United Methodist Church and subject to the usages and the *Discipline* of The United  
48 Methodist Church, or of any predecessor denomination, as set forth in the *Discipline*, any Deed, or any deed  
49 previously recorded with respect to any real or personal property of the ministries named herein.

# RECOMMENDATIONS FOR THE NWTX WESLEY FOUNDATIONS

1 **WHEREAS**, campus ministry for the Northwest Texas Conference of The United Methodist Church is directed  
2 by the Conference Mission Advancement Team; and

3  
4 **WHEREAS**, the Conference Mission Advancement Team pursues campus ministry through the Wesley  
5 Foundations at Texas Tech University, South Plains College, and West Texas A&M; and

6  
7 **WHEREAS**, the Wesley Foundations are governed as 501(c)(3) organizations separate from the Northwest  
8 Texas Conference legal entity; and

9  
10 **WHEREAS**, the governing boards of directors of the Wesley Foundations have decided by vote to formally  
11 discontinue affiliation with The United Methodist Church; and

12  
13 **WHEREAS**, the Conference Mission Advancement Team has approved the discontinuation of the Wesley  
14 Foundations subject to approval by the General Board of Higher Education and Ministry; and

15  
16 **WHEREAS**, the Wesley Foundations agree to rules, regulations and licensing laws associated with  
17 discontinuing the relationship with The United Methodist Church as specified in *The Book of Discipline of*  
18 *The United Methodist Church* and as executed by the General Board of Higher Education and Ministry and  
19 other relevant agencies of The United Methodist Church; and

20  
21 **WHEREAS**, real and personal Property held by the campus ministries named herein has historically been in  
22 use for the activities of The United Methodist Church. Pursuant to the terms of *The Book of Discipline of The*  
23 *United Methodist Church* (the "*Discipline*"), the Property is subject to a trust clause (the "Trust Clause"), which  
24 may be found in previous deeds affecting the real and personal Property, providing as follows:

25  
26 "This conveyance is made in trust, that said premises shall be used, kept, and maintained as a place  
27 of divine worship of the United Methodist ministry and members of The United Methodist Church,  
28 subject to the *Discipline*, usage and ministerial appointments of said church as from time to time  
29 authorized and declared by the General Conference and the Annual Conference within whose  
30 bounds the said premises are situated, this provision being solely for the benefit of the Grantee, and  
31 the Grantors reserve no right or interest in said premises."

32  
33 **NOW THEREFORE BE IT RESOLVED** that effective 11:59 p.m. December 31, 2022 and upon approval of the  
34 General Board of Higher Education and Ministry the Wesley Foundations at Texas Tech University, South  
35 Plains College, and West Texas A&M be considered no longer affiliated with The United Methodist Church  
36 and hereby relinquish any and all benefit and support of and from The United Methodist Church; and

37  
38 **BE IT FURTHER RESOLVED**, that the Northwest Texas Annual Conference of The United Methodist Church  
39 does hereby relinquish any and all present and future claims granted by the commonly called Trust Clause,  
40 under *The Book of Discipline of The United Methodist Church* to property owned by the ministries named  
41 herein. The Northwest Texas Annual Conference does hereby release any right or privilege to enforce any  
42 restrictions to any real property that may be held in trust and held, kept, maintained and disposed of for the  
43 benefit of The United Methodist Church and subject to the usages and *The Discipline of The United Methodist*  
44 Church, or of any predecessor denomination, as set forth in the *Discipline*, any Deed, or any deed previously  
45 recorded with respect to any real or personal property of the ministries named herein. To the extent that  
46 words of grant are necessary, the Northwest Texas Annual Conference does hereby convey all its interest  
47 created by virtue of the Trust Clause in any real and any personal property held by the ministries named  
48 herein. THIS CONVEYANCE IS MADE WITHOUT WARRANTY OF TITLE, WHETHER EXPRESS OR IMPLIED.

49  
50 **BE IT FURTHER RESOLVED**, that the Northwest Texas Conference is granted and retains a reversion interest  
51 in the property so that should the property cease to operate as a campus ministry, ownership of the property  
52 would pass immediately to the Northwest Texas Conference of The United Methodist Church or its successor(s).

# FUNDING RESERVE TRUST FOR CLERGY BENEFIT PLANS

## EXECUTIVE SUMMARY OF THE FUNDING RESERVE TRUST FOR CLERGY BENEFIT PLANS

*Submitted by: Kimberly Wilkerson*

The purpose of the Funding Reserve Trust for Clergy Benefit Plans (the Trust) is to hold funds to pay for benefits of Clergy of the Northwest Texas Annual Conference as of December 31, 2022 in the Medical HRA Plan (the Medicare Connector health reimbursement arrangement under the HealthFlex Plan), the Consolidated DB Plan portion of the Clergy Retirement Security Program, the United Methodist Personal Investment Plan (UMPIP) or a successor of any of the above referenced plans.

It is important this trust be tax exempt. Because it is anticipated the Northwest Texas Annual Conference will cease to exist, the trust could not qualify as ancillary to the Northwest Texas Annual Conference (a church/§501(c)(3) organization). The trust provides it is a supporting organization which is a charity which conducts its exempt purposes by supporting other exempt organizations, usually other public charities (providing benefits for clergy of churches). The Trust satisfies the definition of a supporting organization by allowing the supported organizations (the churches which the Clergy serve) to regularly appoint or elect a majority of the trustees of the trust. Churches which sponsor a benefit plan in which 10% or more of the total number of Clergy determined as of December 31, 2022, participate may appoint up to 10 Class A Trustees. Churches which sponsor a benefit plan in which less than 10% of Clergy participate collectively may elect three Class B Trustees. The Trust provides for three Class C Trustees: Bishop Nunn, Dave Andersen, and Natalie Hermes.

The Trustees have the authority and discretion to manage, administer, invest, and distribute the assets of the Trust to the Clergy Benefit Plans for the benefit of the Clergy of the Northwest Texas Annual Conference as of December 31, 2022.

## Summary Description of Reserve Trust for Clergy Benefit Plans

*Submitted by: Natalie Hermes*

### EFFECTIVE DECEMBER 31, 2022

#### Purpose

- Hold funds to pay for post-retirement medical and pension benefits of NWTX clergy (\$7.5 million)
- Medical HRA is designed to help offset the cost of Medicare plans for every eligible clergy with years of service in NWTX
- Potential cost-of-living adjustments or grants to Pre-82 recipients
- Pension liability funds will be sent to Wespath as payments are required

#### Tax Exempt

- Trust must be a tax-exempt church organization
- NWTX Conference will serve as the initial supporting organization
- May eventually be a successor conference
- May be the trust itself

#### Trustees

- Class A – Organizations (UMC or GMC conferences) with more than 10% of clergy select one trustee for every 10%; maximum of 10 trustees
- Class B – Organizations (UMC or GMC conferences) with less than 10% of clergy together select 3 trustees
- Class C – Bishop Nunn, Dave Andersen, and Natalie Hermes
  - Non-denominational clergy do not have a sponsoring organization, and therefore, do not participate in trustee selection but are still beneficiaries of the trust
- All trustees are volunteers

#### Trustee Responsibilities

- Trustees will meet at least annually
- Manage, administer, invest, and distribute trust assets
- If the trustees determine that funding in the trust exceeds the amounts required to fund the pension plans or Medical HRA plan, the trustees may authorize distributions to participants



# RESOLUTION FOR THE ESTABLISHMENT AND FUNDING OF THE RESERVE TRUST OF CLERGY BENEFIT PLANS

1 **WHEREAS**, the Conference Board of Pension and Health Benefits of the Northwest Texas Conference  
2 (CBOPHB) is responsible for managing the various pension and medical plans on behalf of the clergy  
3 participants in the Northwest Texas Conference; and  
4

5 **WHEREAS**, the CBOPHB desires to assure funding of pension plans and the medical HRA plan for retirees  
6 into the future; and  
7

8 **WHEREAS**, the CBOPHB has worked with Wespeth Benefits and Investments and local legal counsel to draft  
9 an irrevocable trust to hold funds for the pension plans and the medical HRA plan of the clergy of the NWTX  
10 Conference; and  
11

12 **WHEREAS**, the CBOPHB has exercised its fiduciary responsibility of reviewing the trust document and  
13 recommends its adoption by the members of the Northwest Texas Annual Conference; and  
14

15 **WHEREAS**, the Conference Council on Finance and Administration (CF&A) has received a report from the  
16 CBOPHB to establish this trust, and affirms this recommendation;  
17

18 **THEREFORE BE IT RESOLVED** that effective 11:59 p.m., December 31, 2022, and upon approval of the special  
19 called session of the Northwest Texas Annual Conference on December 3, 2022, that the Funding Reserve  
20 Trust for Clergy Benefit Plans (the Trust) be established and governed in accordance with the Trust document  
21 presented to members of that Annual Conference; and  
22

23 **BE IT FURTHER RESOLVED**, the Trust be funded in the amount of \$7,500,000 (Seven million five hundred  
24 thousand dollars) by the Northwest Texas Conference on December 30, 2022.

# Funding Reserve Trust for Clergy Benefit Plans

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## **Funding Reserve Trust for Clergy Benefit Plans**

This Agreement is made and entered into as of December 3, 2022 (the "**Effective Date**"), by and between The Northwest Texas Annual Conference of The United Methodist Church, (the "**Grantor**") and the **Trustees**, as described in Section 4.01.

WITNESSETH:

WHEREAS, Grantor is an annual conference of The United Methodist Church, as described in Chapter IV of *The Book of Discipline of The United Methodist Church*;

WHEREAS, Grantor is a sponsor of employee benefit plans, for the benefit of **Clergy** as defined in Section 1.05(c) previously employed or employed by churches within the boundaries of Grantor ("**Clergy Benefit Plans**");

WHEREAS, Grantor makes contributions to such Clergy Benefit Plans to provide for the payment of retirement and other welfare benefits;

WHEREAS, Grantor, in certain cases, makes contributions directly to benefit plan trusts, which hold the assets for the exclusive purpose of providing benefits due under the terms of the Clergy Benefit Plans;

WHEREAS, Grantor has determined it is desirable to establish this irrevocable trust for the purpose of receiving and holding contributions by the Grantor for the benefit of Clergy Benefit Plans. The intention is to provide flexibility regarding the following: (i) which benefit plans are considered Clergy Benefit Plans, (ii) when distributions will be contributed to Clergy Benefit Plans, and (iii) how the trust assets will be invested until distributed to the Clergy Benefit Plans. It is also intended the contributions by the Grantor to this irrevocable Trust receive the same protections offered by the benefit plan trust or trusts of the Clergy Benefit Plans, where applicable; and

WHEREAS, under this irrevocable Trust, the Trustees shall determine, within their discretion, the Clergy Benefit Plans to which distributions should be made, the time and manner in which such distributions will be made, and how to invest the Trust Assets until distributed.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained and for the purpose of providing a temporary funding vehicle for the Clergy Benefit Plans, the parties agree as follows, effective:



## Article I - General

**1.01 Name of Trust.** This Agreement (the "**Agreement**" or "**Trust Agreement**") and the trust hereby evidenced will be known as the "Funding Reserve Trust for Clergy Benefit Plans" (the "**Trust**").

**1.02 Purpose.**

- (a) The Trust is organized exclusively for charitable, religious, educational, or scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the "**Code**"), or the corresponding section of any future federal tax code. The Trust is an irrevocable trust its purpose shall be to receive and hold contributions from the Grantor for the Clergy Benefit Plans. Any Clergy Benefit Plan named as beneficiary of this Trust must be (1) an employee benefit plan established and maintained for its employees by a church or by a convention or association of churches which is exempt under code §501, a "church plan" within the meaning of ERISA Section 3(33), (2) sponsored by the Grantor or a Successor Supported Organization, and (3) a retirement or welfare plan which was created to provide benefits for Clergy and/or the family of the Clergy. All contributions made by the Grantor to the Trust and earnings thereon must, at a time and manner determined by the Trustee within its discretion, be distributed to the Clergy Benefit Plans to fund the Clergy Benefit Plans, thus ensuring the connectional relationship of the Trust to the Grantor or a Successor Supported Organization.
- (b) No part of the net earnings of the Trust shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except the Trust shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes of the Trust. No substantial part of the activities of the Trust shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Trust shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision herein, the Trust shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Trust.
- (c) In furtherance of its exempt purposes within the meaning of Section 501(c)(3) of the Code, the Trust is organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purpose of the Grantor or a Successor Supported Organization.

**1.03 Qualification of Trust.** This Trust is intended to qualify under Code Section 501(c)(3) and to be exempt from federal and state income tax as a result thereof.

**1.04 Duration.** The duration of the Trust shall be perpetual.

**1.05 Definitions.**

- (a) **Beneficiary.** Beneficiary means a Clergy Benefit Plan, as defined in Section 2.01. The Clergy Benefit Plans are the sole Beneficiaries of the Trust.
- (b) **Book of Discipline.** The Book of Discipline ("**BOD**") means *The Book of Discipline of The United Methodist Church* (2016) and any succeeding versions until the Date of Dissolution.

- (c) **Clergy.** On or before the Dissolution Date, Clergy means a person who is both:
  - (i) a bishop, a clergyperson who is a member in full connection, a provisional member or an associate member, or a full-time or part-time local pastor (as those terms are described in either Chapter Two or Three of the BOD) of the Grantor; and
  - (ii) a participant in a Clergy Benefit Plan as set out in Section 2.01(a).
- (d) **Dissolution Date.** Dissolution Date means December 31, 2022.
- (e) **Grantor.** Grantor is The Northwest Texas Annual Conference of The United Methodist Church.
- (f) **Successor Supported Organization.** After Dissolution Date, a Successor Supported Organization means an entity, diocese, or conference which sponsors a Clergy Benefit Plan.



## **Article II - Beneficiaries**

**2.01 Clergy Benefit Plans.** The Clergy Benefit Plans are the sole Beneficiaries of this irrevocable Trust.

- (a) The Clergy Benefit Plans as of the Effective Date are:
  - (i) The portion of the Clergy Retirement Security Program which is described in its definition of "Consolidated DB Plan;"
  - (ii) The Medicare Connector health reimbursement arrangement under the HealthFlex Plan;
  - (iii) The United Methodist Personal Investment Plan (UMPIP) or a similar plan; and
  - (iv) A successor plan of any of the above referenced plans including medical annuities.

Each Clergy Benefit Plan must be a church plan within the meaning of Code Section 414(e) and ERISA Section 3(33) and must provide retirement or welfare benefits to a Clergy member and/or the family of a Clergy member.

- (b) Each of the Clergy Benefit Plans will remain a Beneficiary of the Trust so long as benefits remain payable under such plan. Once all benefits have been paid from a Clergy Benefit Plan, it will cease to be a Beneficiary of this Trust.

**2.02 Distribution of Trust Assets.** The Trustees have sole discretion with respect to time, amount and manner of distributions to Beneficiaries to accomplish the purpose and in furtherance of the Trust's purpose under Section 1.02(a) including contributing excess funds to such Beneficiaries.

**2.03 Interest of Clergy Benefit Plans in Trust.** If for any purpose it becomes necessary as of any date to determine the portion of the Trust assets or any investment fund allocable to any particular group of Beneficiaries, such portion of the Trust assets or investment fund will be determined by the Trustees. Any such determination by the Trustees will be conclusive upon the Beneficiaries and all other persons.

Participants and beneficiaries of the Clergy Benefit Plans, who may be entitled to receive a benefit from a Clergy Benefit Plan, are not Beneficiaries of this Trust, and have no right to or interest in the assets of this Trust, until such assets are allocated and contributed to such Clergy Benefit Plan and, if applicable deposited in the trust of such plan.

### **Article III - Trust**

- 3.01 Composition.** All sums of money and all securities and other property acceptable to the Trustees and received by them to be held in trust hereunder, as evidenced by their receipt, from whatever source received, together with all investments made therewith, the proceeds thereof, and all earnings, losses, and accumulations thereon, and the part thereof from time to time remaining, will be held and administered by the Trustees as the Trust, in accordance with the terms and provisions hereof. The Trust will be held, administered, and disbursed by the Trustees without distinction between principal and income.
- 3.02 Contributions.** The Trustees will have no duty to require any contributions to be made to it, to determine that the contributions received by it comply with the provisions of any of the Plans, or to collect any contributions payable to it pursuant to such Plan. The responsibility of the Trustees will be limited to the sums of money, securities, and other property actually received by them.

## Article IV - Trustees

### 4.01 Trustees.

(a) The Class C Trustees are appointed as of the Effective Date. The Class A Trustees and the Class B Trustees are appointed as described below as soon as possible following the Dissolution Date (The Initial Appointment Date). The Class A Trustees and Class B Trustees appointed immediately following the Dissolution Date will serve from the initial date of appointment to June 30, 2024. Thereafter, Class A Trustees and Class B Trustees will serve one year terms beginning on July 1 (the Appointment Date) ending on June 30 each succeeding year.

(b) The Trustees shall be appointed as follows:

(i) Class A Trustees. There shall be up to ten (10) Class A Trustees. Any Successor Supported Organization shall be eligible to appoint a trustee(s) if the number of Clergy, the spouses of the Clergy, and the surviving spouses of the Clergy participating in the Clergy Benefit Plans sponsored by the Successor Supported Organization equal or exceed ten percent (10%) of the total number of Clergy of the Grantor determined as of the "Determination Date".

"Determination Date" means for the Initial Appointment Date, December 31, 2022 and thereafter, June 30 of each succeeding year. For example, the Determination Date for the Trustees appointed on July 1, 2024 will be June 30, 2023.

Such a Successor Supported Organization can appoint Class A Trustees equal to a number determined by dividing (A) by (B), multiplying the quotient by 10, and rounding the product off to the nearest whole number, where:

(A) equals the number of Clergy as defined in Section 1.05(c), the spouses of the Clergy, and the surviving spouses of the Clergy participating in a Clergy Benefit Plan sponsored by a Successor Supported Organization as of the Initial Appointment Date or thereafter the Appointment Date; and

(B) equals the total number of Clergy of Grantor, the spouses of the Clergy, and the surviving spouses of the Clergy as of the Determination Date.

A Class A Trustee so appointed shall serve until the next Appointment Date. A Class A Trustee shall not have the power to appoint such Trustee's successor. A Class A Trustee may be reappointed for additional terms.

(ii) Class B Trustees. There shall be three (3) Class B Trustees. Any Successor Supported Organization may participate with all such Successor Supported Organizations to collectively elect or appoint three (3) trustees if the number of Clergy, the spouses of the Clergy, and the surviving spouses of the Clergy participating in a Clergy Benefit Plan sponsored by the Successor Supported Organization are less than ten percent (10%) of the total number of Clergy of the Grantor, spouses of the Clergy and the surviving spouses of the Clergy determined as of the Determination Date. Each such Successor Supported Organization will have three (3) votes and the appointed trustees will be the three (3) individuals with the highest number of votes.



A Class B Trustee shall serve until the next Appointment Date. A Class B Trustee shall not have the power to appoint such Trustee's successor. A Class B Trustee may be reappointed.

- (iii) Class C Trustees. There shall be three (3) Class C Trustees. The initial Class C Trustees shall be Bishop James Nunn, David W. Andersen and Natalie Hermes.

A Class C Trustee shall serve until death, resignation, or inability to serve. Class C Trustees have the power to appoint successor Class C Trustees.

**4.02 General Responsibility.** The general responsibilities of the Trustees are as follows:

- (a) Except as delegated or expressly otherwise provided herein, the Trustees have exclusive authority and discretion to manage, administer, invest, reinvest, control, and distribute the assets of the Trust in accordance with the powers and subject to the restrictions stated therein.
- (b) The Trustees will conduct due diligence with respect to (i) the addition of any Beneficiaries; and (ii) the distribution of monies and other properties from the Trust from time to time to the Beneficiaries. Such distributions will be made at the time or times and to the Beneficiaries.

**4.03 Powers of the Trustee.** The Trustees solely have the right, power, and authority to take any action and to enter into and carry out every agreement with respect to the Trust that may be necessary or advisable to discharge their responsibilities hereunder, and, without limiting the generality of the foregoing and in addition to all other powers and authorities herein elsewhere specifically granted to the Trustee, the Trustees have the following powers and authorities to be exercised in its absolute discretion, except as otherwise expressly provided herein:

- (a) To hold securities and other properties in bearer form or in the name of a nominee or nominees without disclosing any fiduciary relationship; provided, however, that on the books and records of the Trustees such securities and properties will be accurately accounted for, and no such registration or holding by the Trustees will relieve them from liability for the safe custody and proper disposition of such securities and properties in accordance with the terms and provisions hereof. In connection with its obligation to maintain books and records, the Trustees may use the services of other agents.
- (b) To sell, grant options to buy, transfer, assign, convey, exchange, mortgage, pledge, lease or otherwise dispose of any of the properties comprising the Trust at such prices and on such terms and in such manner as they may deem proper, and for terms within or extending beyond the duration of the Trust.
- (c) To manage, administer, operate, lease for any number of years, regardless of any restrictions on leases made by fiduciaries, develop, improve, repair, alter, demolish, mortgage, pledge, grant options with respect to, or otherwise deal with any real property or interest therein at any time held by them; and to cause to be formed a corporation or trust to hold title to any such real property with the aforesaid powers, all upon such terms and conditions as may be deemed advisable.
- (d) To renew or extend or participate in the renewal or extension of any note, bond, or other evidence of indebtedness, or any other contract or lease, or to exchange the same, or to agree to a change in the rate of interest or rent thereon or to any other modification or change in the terms thereof, or of the security therefor, or any guaranty thereof, in any manner and to any extent that they may deem advisable in their absolute discretion; to waive any or all terms, covenants, or conditions of any such note, bond, or other evidence of indebtedness, or any other contract or lease, or of the security

therefor, as they may in their absolute discretion deem advisable; to waive any default, whether in the performance of any covenant or condition of any such note, bond, or other evidence of indebtedness, or any other contract or lease, or of the security therefor, and to carry the same past due or to enforce any such default, as they may in their absolute discretion deem advisable; to exercise and enforce any and all rights to foreclose, to bid on property in foreclosure; to exercise and enforce in any action, suit, or proceeding at law or in equity any rights or remedies in respect to any such note, bond, or other evidence of indebtedness, or any other contract or lease, or the security therefor; to pay, compromise, or discharge any and all liens, charges, or encumbrances upon the Trust or its assets, in their absolute discretion, and to make, execute, and deliver any and all instruments, contracts, or agreements necessary or proper for the accomplishment of any of the foregoing powers.

- (e) To borrow such sums of money for the benefit of the Trust from any lender upon such terms, for such period of time, at such rates of interest, and upon giving such collateral as they may determine; to secure any loan so made by pledge or mortgage of the Trust property; and to renew existing loans.
- (f) To use the assets of the Trust, whether principal or income, for the purpose of improving, maintaining, or protecting property acquired by the Trust, and to pay, compromise, or discharge with the assets of the Trust all liens, charges, or encumbrances at any time upon the same.
- (g) To hold uninvested cash funds as may appear reasonably necessary to meet the anticipated cash requirements of the Trust from time to time and to deposit the same in its name as Trustees in such depositories as they may select.
- (h) To receive, collect, and give receipts for every item of income or principal of the Trust.
- (i) To institute, prosecute, maintain, or defend any proceeding at law or in equity concerning the Trust or the assets thereof, at the sole cost and expense of the Trust, and to compromise, settle, or adjust any claims or liabilities asserted against or in favor of the Trust or of the Trustees; but the Trustees will be under no duty or obligation to institute, maintain, or defend any action, suit, or other legal proceeding unless they have been indemnified to their satisfaction against any and all loss, cost, expense, and liability they may sustain or anticipate by reason thereof.
- (j) To vote all stocks and to exercise all rights incident to the ownership of stocks, bonds, or other securities or properties held in the Trust, in accordance with the Social Principles of The United Methodist Church and ¶1508.4 of the BOD, to issue proxies to vote such stocks, and to give general or special proxies or powers of attorney, with or without substitution; to enter into voting trusts for such period and upon such terms as they may determine; to sell or exercise any or all subscription rights and conversion privileges; to sell or retain any or all stock dividends; to oppose, consent to, or join in any plan of reorganization, readjustment, merger, or consolidation in respect to any corporation or partnership whose stocks, bonds, or other securities are a part of the Trust, including becoming a member of any stockholders', partners', or bondholders' committee; to accept and hold any new securities issued pursuant to any plan of reorganization, readjustment, merger, consolidation, or liquidation; to pay any assessments on stocks or securities or to relinquish the same; and to otherwise exercise any and all rights and powers to deal in and with the securities and properties held in the Trust in the same manner and to the same extent as any individual owner or holder thereof might do.
- (k) To employ such agents, experts, counsel, employees and other persons (any of whom may also be employed by or represent the Grantor or a Successor Supported



Organization) deemed by the Trustees to be necessary or proper for the administration of the Trust; to rely and act on information and advice furnished by such agents, experts, counsel, and other persons; to delegate to agents, experts, counsel, or other persons any or all of the discretionary powers granted to the Trustees under the terms of the Trust; and to pay their reasonable expenses and compensation for services to the Trust from the Trust. The Trustees will not be liable for any act or omission of any such agent, expert, counsel, or other person including an agent, expert, counsel, or other person having delegated authority to exercise discretionary powers, provided that the Trustees have exercised due care in the selection of such agent, expert, counsel, or other person.

- (l) To pay from any asset all real and personal property taxes, income taxes, and other taxes of any and all kinds levied or assessed under existing or future law against such investment fund or asset, including any fines or penalties, without any approval or direction of the Grantor or a Successor Supported Organization.
- (m) To pay any estate, inheritance, income, or other tax, charge, or assessment attributable to any payment from the Trust that, in the Trustees' opinion, it will be or may be required to pay out of such payment; and to require, before making any payment, such release or other document from any taxing authority and such indemnity from the intended payee as the Trustees may deem necessary for its protection.
- (n) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery thereof until final adjudication is made by a court of competent jurisdiction.
- (o) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted to the Trustees.
- (p) To enter into any contract or agreement that may be necessary or appropriate to purchase, hold, protect, or sell any asset of the Trust or to carry out the powers herein granted to the Trustees.
- (q) To bring action before any court of competent jurisdiction for instructions with respect to any matter pertaining to the interpretation of this Agreement or the administration of the Trust.
- (r) To lend stocks or other securities in exchange for reasonable collateral, provided that any fees or compensation received for such lending are retained by the Trust as part of its assets.
- (s) To invest in any asset described in Article V or elsewhere in this Trust Agreement.
- (t) To exercise all other rights and powers granted elsewhere in this Trust Agreement or at law.
- (u) Except as expressly provided to the contrary, the powers granted under this Trust Agreement expand or are additions to the powers granted to a trustee under the Texas Trust Code and related common law; provided, however, in the event of any conflict between the Texas Trust Code, including the Texas Uniform Prudent Investor Act, the Texas Uniform Principal and Income Act, and the terms of their Trust Agreement, the terms of this Trust Agreement shall control provided such terms do not constitute a violation of any applicable law.



The powers of the Trust will be exercised so that its operations will be exclusively within the contemplation of Code Section 501(c)(3).

- 4.04 Appointment of Ancillary Trustees and Custodians.** If any property which is or may become a part of the Trust is situated in a foreign country or a state or states in which the Trustees acting hereunder are prohibited from holding real estate or other property as trustees, or if the Trustees otherwise finds it convenient, the Trustees are hereby empowered to name an individual or corporate trustee or agent, qualified to act in any such state or foreign country in connection with the property situated therein, or to act with respect to any property entrusted to its care, as an ancillary trustee or a custodian of such property and require such security as may be designated by the Trustees. Any ancillary trustee or custodian so appointed will have such rights, powers, discretion, responsibilities, and duties as are delegated to it by the Trustees, but will exercise and discharge the same subject to such limitations or directions of the Trustees as may be specified in the instrument evidencing the appointment. Any such ancillary trustee or custodian will be answerable to the Trustees for all monies, assets, or other property entrusted to it or received by it in connection with the administration of the Trust. The Trustees may remove any such ancillary trustee or custodian and may appoint a successor at any time or from time to time as to any or all of the assets entrusted to its care. Any instrument designating an ancillary trustee or custodian may contain such provisions with respect to payment of income and principal to the Trust, payment of expenses with respect to ancillary trust property, payment of compensation to the ancillary trustee or custodian, termination of the ancillary trust or custodial agreement, and administrative powers of the ancillary trustee or custodian as the Trustees hereunder, in the exercise of their discretion, may deem appropriate and consistent with the provisions of this Trust Agreement.
- 4.05 Appointment of Subtrustees.** At any time or from time to time the Trustees are hereby empowered to name an individual or corporate trustee as a subtrustee for any kind or kinds of property, for property located in a particular place, for property accounted for in a certain way, for property invested in a certain way, or for any other subset of the property in the Trust and to require such security as may be designated by the Trustees. Any subtrustee so appointed will have such rights, powers, discretion, responsibilities, and duties as are delegated to it by the Trustees, but will exercise and discharge the same subject to such limitations or directions of the Trustees as may be specified in the instrument evidencing the appointment. Any such subtrustee will be answerable to the Trustees for all monies, assets, or other property (and all rights related thereto) entrusted to it or received by it in connection with the administration of the Trust. The Trustees may remove any such subtrustee and may appoint a successor at any time or from time to time as to any or all of the assets. Any instrument designating a subtrustee may contain such provisions with respect to payment of income and principal to the Trust, payment of expenses with respect to subtrust property, payment of compensation to the subtrustee, termination of the subtrust, administrative powers of the subtrustee, and such other terms as the Trustees hereunder, in the exercise of their discretion, may deem appropriate and consistent with the provisions of this Agreement.
- 4.06 Resignation.** A trustee (or any co-trustee) may resign at any time by giving 30 days' advance written notice to the other Trustees, unless notice is waived in writing by the Trustees.
- 4.07 Removal.** Removal of a Trustee may only be done by unanimous vote of the other Trustees.
- 4.08 Successor.** If the Trustee resigns or is removed, the Grantor or Successor Supported Organization(s) which appointed such Trustee will promptly appoint a successor in the manner provided in Section 4.01.
- 4.09 Duties upon Succession.**
- (a) No predecessor Trustee will have any right, title, or interest in the Trust except as hereinafter provided in the case of the replacement of all Trustees. If a Trustee being

replaced is then the sole Trustee hereunder, such Trustee will, upon the appointment and acceptance of a successor Trustee, transfer and deliver the assets of the Trust to the successor, after reserving such reasonable amount as such Trustee may deem necessary to provide for fees and expenses and any sums chargeable against the Trust for which such Trustee may be liable. The predecessor Trustee will do all acts necessary to vest title of record in the successor Trustee. The predecessor Trustee must give the successor Trustee an accounting of any assets transferred and any assets reserved and of the disposition of any assets reserved. Any reserved assets not needed by the predecessor Trustee to provide for fees, expenses, or amounts chargeable against the Trust will be transferred to the successor Trustee as soon as practicable.

- (b) Every successor Trustee accepting a trusteeship under this Agreement will have all the rights, titles, powers, duties, exemptions, and limitations of the predecessor Trustee hereunder. No person becoming a Trustee hereunder will be in any way liable or responsible for anything done or omitted to be done by any Trustee before such person's acceptance of the trusteeship, nor will such person have any duty to examine the administration of the Trust before such acceptance.



## **Article V - Investments**

**5.01 General.** Except as otherwise expressly provided herein, the Trustees have exclusive authority and discretion to invest and reinvest the principal and income of the Trust in real or personal property of any kind. The Trustees will not be limited by the laws of any state proscribing or limiting the investment of trust funds by corporate or individual trustees in or to certain kinds, types, or classes of investments or limiting the value or proportion of the Trust assets that may be invested in any one property or kind, type, or class of investment. The Trustees will invest in accordance with any limitations or directions included in the BOD and in accordance with any law, regulation, or other legal limitation affecting church plans (qualifying under Code Section 414(e)). Without limiting the generality of the foregoing, investments and reinvestments of principal and income of the Trust may specifically include the following, whether domestic or international:

- (a) common, preferred, and other stocks of any corporation; voting trust and equipment trust certificates; interests in investment trusts; bonds, notes, and debentures, whether secured or unsecured; mortgages on real or personal property; low income or affordable housing developments; collateralized mortgage obligations; conditional sales contracts; real estate; and leases;
- (b) treasury bills; other federal, state, or local government obligations; inflation protected securities; commercial paper; deposit accounts; collateralized debt obligations; credit-default swaps; and any other fixed income investments, including repurchase agreements and swaps;
- (c) annuity contracts (including any agreement or agreements supplemental thereto) issued by an insurance company; deposit accounts or funds maintained by a life insurance company; or guaranteed investment contracts;
- (d) the writing, sale, purchase, and exercise of put and call option contracts, index options, exchange traded portfolios, derivatives, leveraged investments, commodities, forward and future contracts, and financial futures; and
- (e) mutual fund shares; hedge funds; partnership interests; private equity and venture capital investments; and real estate investment trust interests.

### **5.02 Investment Funds.**

- (a) The Trustees may from time to time establish (or discontinue) one or more investment funds, representing a portion of the assets of the Trust to be invested in a certain manner or in accordance with specified guidelines. The Trustees have the authority to invest the assets of the Trust in any investment funds that may from time to time be established.
- (b) All income, gains, losses, appreciation, and depreciation attributable to the assets of an investment fund will be credited to that fund. Investments in each investment fund will be made in accordance with any investment guidelines established from time to time by the Trustees, a copy of which investment guidelines will be given to any investment manager responsible for all or a part of such investment fund. The Trustees will have the responsibility to invest the assets of any investment fund except to the extent that an agreement between the Trustees and an investment manager otherwise provides.

**5.03 Collective Investment Trusts.** The Trustees may invest any part or all of the Trust assets in any common, group, commingled, or collective trust fund or pooled investment fund that qualifies under Revenue Ruling 81-100, as modified by Revenue Rulings 2004-67, 2011-1, and 2014-24, or any similar or successor interpretation by the Internal Revenue Service or that is available to Code Section 403(b) plans or church plans, that qualifies under Code Section 584 (relating to common trust funds), or that qualifies under any other applicable law, provided that any such investment complies with the investment requirements of that common, group, commingled, or collective investment fund. To the extent that any Trust assets are invested in any such fund, the provisions of the documents under which such common, group, commingled, or collective fund are maintained will govern any investment therein, and such provisions are hereby incorporated herein and made a part of this Agreement.

## Article VI - Governance, Investment Managers, and Custodians

- 6.01 Co-Trustees.** Except as otherwise clearly indicated by the context, the word “Trustees” when used in this Agreement includes and refers to all co-trustees in office at the time who are appointed according to this Agreement or an amendment hereto, when more than one trustee is so appointed.
- 6.02 Title.** Except as otherwise provided in Sections 4.04 or 4.05 hereof or in an agreement entered into pursuant to Section 6.03 hereof, title to all assets of the Trust will vest jointly in all of the Trustees.
- 6.03 Responsibility with Respect to Co-Trustees.** Except as otherwise expressly provided in this Agreement, Trustees will jointly manage and control the assets of the Trust; provided, however, that by unanimous agreement the Trustees may allocate specific responsibilities, obligations, or duties among themselves. Such allocation may be made with respect to responsibility for investing the assets of the Trust, custody of the assets of the Trust, disbursement of the assets of the Trust, record maintenance, the preparation of accountings, and the exercise of any of the powers set forth in Section 4.03 hereof. The Trustees will give the Grantor or Successor Supported Organization prompt written notification of any such allocation and of the revocation thereof.
- 6.04 Governance/Administration.** A majority of the Trustees at any time acting will constitute a quorum. Except with respect to specific responsibilities, obligations, or duties allocated pursuant to agreement under Section 6.03 hereof, all actions of the Trustees will be taken or authorized at a meeting by vote of a majority of the Trustees, or by written authorization of a majority of the Trustees. Written minutes of meetings will be kept.
- (a) The Trustees at the first meeting and thereafter from time to time shall elect one Trustee to serve as the Administrative Trustee. If at any time, the Administrative Trustee shall be unable or unwilling to act, a replacement may be named. The following shall be the duties of the Administrative Trustee:
    - (i) To preside over all meetings of the Trustees.
    - (ii) To sign documents approved by Trustees.
    - (iii) To call the Trustees together for business of the Trust. Any three (3) Trustees may also call a meeting. Written notice of the place, date, time and purpose of each meeting of the Trustees shall be given to each Trustee not less than five (5) business days nor more than thirty (30) calendar days prior to the date thereof.
    - (iv) To set the agenda for each meeting.
    - (v) To take all other actions which the Administrative Trustee deems necessary and proper for the Trust subject to the advice and direction of the Trustees.
  - (b) At least one annual meeting of the Trustees shall be held each year.
  - (c) Any action required or permitted to be taken at a meeting of Trustees may be taken without a meeting if the consent, in writing, setting forth the action so taken is signed by all the Trustees. Electronic approval via email or other electronic means by a Trustee shall be accepted as a written, signed consent. Trustees may participate and hold a meeting by means of telephone conference or similar communications equipment or technology if all Trustees participating in the meeting can hear each other, and participation in such meeting shall constitute presence in person at such meeting.
  - (d) No business shall be transacted at a meeting of the Trustees except as stated in the notice of such meeting provided.



- (e) At all Trustee meetings, all Trustees shall be entitled to vote on any issue provided a quorum is present. A majority of all Trustees will constitute a quorum. The decision of a majority of the Trustees control. If there are an even number of Trustees at the annual meeting, the Trustees shall appoint one Class C Trustee as the tiebreaking authority. No Trustee may decide or determine any matter of the Trust concerning the Trustee nor with respect to any conflict of interest.
- (f) Except with respect to specific responsibilities, obligations, or duties allocated pursuant to agreement under Section 6.03 hereof, all actions of Trustees will be taken or authorized at a meeting by vote of a majority of the Trustees or by written authorization of a majority of Trustees.
- (g) Trustees may authorize any Trustee or Trustees to execute or delivery any receipt or instrument on behalf of the Trustees or to perform any ministerial function of the Trustees hereunder.
- (h) If any Trustee acting hereunder is, in the opinion of the other Trustees then acting, mentally or physically incapacitated from performing the duties of the trusteeship, such other Trustees will have full power and authority to exercise all powers, duties, authorities, and discretion granted such Trustee herein while such incapacity continues.

**6.05 Trustee Expenses.** Each Trustee shall be entitled to reimbursement from the Trust for all reasonable and necessary expenses incurred in connection with the performance of services as a Trustee including premiums for indemnity insurance to cover liability for breach of fiduciary duty. Such reimbursement will be paid from the Trust if not paid directly by Grantor or a Successor Supported Organization as the Trustees may determine.

**6.06 Investment Managers.** The Trustees may appoint (or remove) one or more investment advisors as an investment manager or managers to direct the investment of any assets forming a part of the Trust, and any such investment manager will have the same authority to invest in various assets as do the Trustees under Section 5.01, subject to any investment guidelines issued by the Trustees and the terms of the investment management agreement entered into between the Trustees and such investment manager.

**6.07 Custodians.** The Trustees may from time to time appoint (or remove) any custodian of all or a specified portion of the assets from time to time forming a part of the Trust. Such custodian will have custody of the assets entrusted to it for safekeeping and/or the convenience of the Trustees.



## Article VII - Miscellaneous

- 7.01 Benefits May Not Be Assigned or Alienated.** Except as required by law, the interests of Beneficiaries under this Agreement may not in any manner whatsoever be assigned or alienated, whether voluntarily or involuntarily, directly or indirectly, and no lien may attach to any such interest (except a lien in favor of the Trustees, Grantor, or a Successor Supported Organization, to pay the expenses of the Trustees, the Grantor or a Successor Supported Organization related to the Trust).
- 7.02 Evidence.** Evidence required of anyone under this Agreement may be by certificate, affidavit, document, or other instrument that the person acting in reliance thereon considers to be pertinent and reliable, and to be signed, made, or presented by the proper party.
- 7.03 Dealings of Others with Trustee.** No person (corporate or individual) dealing with the Trustees will be required to see to the application of any money paid or property delivered to the Trustees or to determine whether the Trustees are acting pursuant to any authority granted to them under this Agreement.
- 7.04 Fiduciary Standards.** The Trustees and each subtrustee or ancillary trustee will discharge their duties with respect to the Trust in accordance with applicable law.
- 7.05 Expenses of the Grantor or a Successor Supported Organization.** The Grantor or a Successor Supported Organization will be reimbursed from the Trust for all of its reasonable costs and expenses related to the administration of the Trust. Such reimbursements will be paid from the Trust in such increments and at such time or times as the Grantor or a Successor Supported Organization may determine, subject to the consent of the Trustees, and will constitute a lien upon the Trust until paid.
- 7.06 Records, Accountings, and Audits.** The Trustees will keep accurate and detailed records and account of all investments, receipts, disbursements, and other transactions hereunder. The Trustees may determine to provide an annual accounting to the Grantor or Successor Supported Organization in any form as determined by the Trustees. The Grantor, a Successor Supported Organization, or a Beneficiary may periodically (i) review the Trust books and records upon request, and (ii) duplicate the Trust books and records upon request (at the expense of the Grantor, Successor Supported Organization, or Beneficiary).
- The Grantor, a Successor Supported Organization, or a Beneficiary has the right to cause the books, records, and accounts of the Trustees which relate to the Trust to be examined and audited by independent auditors designated by the Grantor, a Successor Supported Organization, or a Beneficiary at such reasonable times as the Trustees may determine. The expense of such audit will be paid by the Grantor, Successor Supported Organization, or from other sources as the Trustees may determine, and will constitute a lien upon the Trust until paid.
- 7.07 Record Retention.** The Trustees will retain the records relating to the Trust as long as necessary for the proper administration thereof and at least for any period required by any applicable law.
- 7.08 Waiver of Notice.** Any notice required under this Agreement may be waived by the person entitled thereto, but the waiver of one notice will not serve to waive any other notices.
- 7.09 Headings.** Headings at the beginning of articles and sections are for convenience of reference, will not be considered a part of this Agreement, and will not influence the construction of this Agreement.

- 7.10 Use of Compounds of Word "Here".** Use of the words "hereof," "herein," "hereunder," or similar compounds of the word "here" mean and refer to the entire Agreement unless the context clearly indicates otherwise.
- 7.11 Construed as a Whole.** The provisions of this Agreement will be construed as a whole in such manner as to carry out the provisions thereof and will not be construed separately without relation to the context.
- 7.12 Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original. Such counterparts will constitute but one and the same instrument, which may be sufficiently evidenced by any one counterpart.
- 7.13 Indemnification of Trustee.** No Trustee shall be required to furnish any bond or surety. No Trustee shall be responsible or liable for the acts or omissions of any other Trustee or any predecessor Trustee. Each Trustee in carrying out duties as Trustee may act in his or her discretion and shall be personally liable only for a breach of fiduciary duty committed in bad faith, intentionally, or with reckless indifference. Except as otherwise provided in Section 117.011 of the Texas Property Code, no Trustee shall be personally or corporately liable for any act or omission of any custodian, agent, depository, attorney, employee, or third party service provider of such Trustee unless such Trustee has acted in bad faith in the selection or retention of such custodian, agent, depository, attorney, employee, or third party service provider. The Grantor and a Successor Supported Organization will indemnify the Trustees for, and hold the Trustees harmless against, any and all liabilities, losses, costs, or expenses (including reasonable attorney fees and expenses) of whatsoever kind or nature which may be imposed on, incurred by, or asserted against the Trustees at any time by reason of any of the Trustees' service under this Agreement if such Trustee did not act in bad faith, intentionally or with reckless indifference dishonestly or in willful or negligent violation of the law(s) (including, but not limited to, the common law) or regulation(s) under which such liability, loss, cost, or expense arises.
- 7.14 Internal Revenue Code of 1986.** All references in this Agreement to sections of the Code include any provisions thereof adopted by future amendments thereto and any cognate provisions in future internal revenue codes to the extent such provisions are applicable to this Agreement. Any such section of the Code will be informed by any relevant Treasury Regulations adopted thereunder.
- 7.15 Qualification of Trust.** The Trust is intended to qualify for tax exemption under Section 501(c)(3) of the Code (or under any comparable provisions of any future legislation that amend or supersede such provisions of the Code). Unless and until advised to the contrary, the Trustees, any investment managers, any custodians, and all other persons dealing with the Trust will be entitled to assume that the Trust is tax exempt. Nevertheless, if it is determined that the Trust has ceased to be tax exempt under the Code for any reason, all investments will be withdrawn from the Trust and either transferred by the Trustees to another trust of the Grantor or a Successor Supported Organization that is exempt from tax or transferred by the Trustees to the trust or trusts of the Clergy Benefit Plans as soon as practicable thereafter.
- 7.16 Alternative Dispute Resolution.** If a dispute arises regarding this Trust, the Grantor or each Successor Supported Organization and the Trustees will be the only necessary parties (or if only one of such parties is involved in such dispute, then only that party). Beneficiaries, the Clergy Benefit Plans, individuals entitled to receive Clergy Benefit Plan benefits, and any other persons claiming to have an interest in this Trust (all of whom are hereinafter referred to as "**Interested Parties**") will not be necessary parties to the dispute. In the event of such a dispute, the Grantor or each Successor Supported Organization, the Trustees, and the parties raising the dispute agree first to try in good faith to settle the dispute by mediation through the American Arbitration Association, or another mediation/arbitration service mutually agreed upon by the parties, before resorting to arbitration.



- (a) The site of the mediation and/or arbitration shall be in a city mutually agreed to by the parties.
- (b) The laws of the State of Texas shall apply in situations where federal law is not applicable. The applicable rules of the selected service shall apply. If the service allows the parties to choose the number of arbitrators, unless another number is mutually agreed to, any arbitration hereunder shall be before at least three arbitrators, and the award of the arbitrators, or a majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.
- (c) The fees and costs for mediation shall be borne equally by the parties. The fees and costs of arbitration shall be allocated to the parties by the arbitrators.

**7.17 Gender and Number.** Words denoting the masculine gender include the feminine and neuter genders; the singular includes the plural; and the plural includes the singular, wherever required by the context.

**7.18 Applicable Law.** The Trust will be construed and governed in accordance with the provisions of Texas law and specifically the Texas Trust Code and the Code.

## **Article VIII - Amendment and Termination**

**8.01 No Diversion.** The Trust is, as described further in Section 1.02(a), for the exclusive purpose of holding and investing contributions from the Grantor that will eventually be used to fund the Clergy Benefit Plan benefits, which are payable from the Clergy Benefit Plans, and defray to reasonable expenses of administering the Trust. Such expenses may include the expenses in Section 6.05 or Section 7.05 and premiums for the bonding of officials of the Trust as required by any applicable law. No part of the corpus or income of the Trust may be used for, or be diverted to, purposes other than these exclusive purposes. Notwithstanding the foregoing:

- (a) If any contribution or portion thereof is made by the Grantor by a mistake of fact, the Trustee will, upon written request of the Grantor, return such contribution to the Grantor.
- (b) Upon termination of the Trust, all assets of the Trust remaining after all liabilities and obligations of the Trust have been paid, satisfied and discharged, will be transferred, conveyed, and distributed to the Grantor or a Successor Supported Organization. If pursuant to the preceding paragraph, the Trust's assets are to be distributed to the Grantor or a Successor Supported Organization, but on the date of the proposed distribution, the Grantor or a Successor Supported Organization is no longer in existence or does not qualify for exempt status under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, the assets of the Trust shall be transferred, conveyed, and distributed to such other organization related to the Grantor or Successor Supported Organizations for any purpose as may be specified in, or provided for, under a plan of distribution adopted by the Trustees; provided, however, that in any event, each such distributee organization shall be exempt under the provisions of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

**8.02 Amendments.** The Trust may be amended in writing at any time and from time to time by the Trustees. Any such amendment which affects the responsibilities or duties of the Trustees must be agreed to in writing by the Trustees or by the successor trustees. Notwithstanding the foregoing, amendments are subject to the following restrictions:

- (a) The purpose of the Trust, as set forth in Section 1.02, may not be amended as the Trust is intended to be an irrevocable trust.
- (b) The Trustees may not amend the Trust to remove any existing Beneficiaries.
- (c) The restrictions on amendment set out in this Section 8.02 may not be amended.

**8.03 Clergy Benefit Plan Termination.** If any of the Clergy Benefit Plans are terminated, this Trust and all of the rights, titles, powers, duties, discretions, and immunities imposed on or reserved to the Trustees, the Grantor, a Successor Supported Organization, any subtrustees, or any ancillary trustees will continue in effect with respect to such terminated Clergy Benefit Plan until all Clergy Benefit Plan benefits payable from such Plan have been paid and no further obligations under such Plan remain.

**8.04 Trust Termination.** The Trust is intended to be an irrevocable trust, and may be terminated by discretionary action of the Trustees upon the following events:

- (a) Clergy Benefit Plan benefits due under the Clergy Benefit Plans are fully paid. The Trust will terminate automatically at such time.
- (b) The assets of the Trust are less than \$500,000.
- (c) There are less than fifty (50) surviving Clergy and spouses.



IN WITNESS WHEREOF, the Grantor and the Trustees have caused this Agreement to be executed as of the day and year first above written.

**Grantor**

By: /s/ \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Trustees**

By: /s/ \_\_\_\_\_

Name: \_\_\_\_\_

By: /s/ \_\_\_\_\_

Name: \_\_\_\_\_

# RESOLUTION FOR THE DISTRIBUTION TO ACTIVE AND RETIRED CLERGY

1 **WHEREAS**, the Conference Council on Finance and Administration (CF&A) of the Northwest Texas Conference  
2 has prepared a Financial Framework for the fair distribution of Conference assets which was approved at  
3 the Annual Conference of the Northwest Texas Conference (NWTX) on June 16, 2022; and  
4

5 **WHEREAS**, pursuant to that Financial Framework, the Conference Board of Pension and Health Benefits  
6 (CBPHB) and CF&A recommend distribution of \$2.5 million of excess Conference assets to clergy who  
7 are active and serving within the boundaries of the NWTX Conference, or retired members of the NWTX  
8 Conference; and  
9

10 **WHEREAS**, CBOPHB and CF&A further recommend that the distribution be based on each individual clergy  
11 person's years of service for pension eligibility, as determined by Wespath, in the NWTX Conference; and  
12

13 **WHEREAS**, CBOPHB and CF&A further recommends that the distribution be made by Wespath, when  
14 possible, by deposits to UMPIP accounts, and when not possible, as a direct cash payment to eligible clergy;  
15

16 **THEREFORE BE IT RESOLVED** that this distribution of Conference assets to eligible clergy will become a  
17 binding obligation on the NWTX Conference on December 31, 2022, and payable during the first quarter of  
18 2023.



