

ADDENDUM



PRESBYTERY MEETING

NINETY-FOURTH STATED MEETING October 26-27, 2012

**Lake Junaluska Conference Center
Lake Junaluska, North Carolina**

ADDENDUM - STATED CLERK

ATTACHMENT 2

Report on Latino Ministry

September 2012

It is an exciting time in the ministry with our Latino community in Catawba County. We are seeing a transition from a ministry to Latinos, to a ministry with Latinos. They are taking ownership of being a part of a multi-cultural church.

One of the key indicators is how many of the Latinos are bringing friends and family with them to worship. It seems that God is calling New Vision to be a bridge between the Anglo and Latino community. In this we are helping the Latinos gain a confidence in speaking English and communicating with the Anglo community. And it is also helping the Anglo community come to an understanding and appreciation of the growing Latino community here in Catawba County.

One of our Latino members will be among the first deacons here at New Vision as we begin that compassion ministry.

We are rebuilding ties to Centro Latino, the community agency for the Latinos in this area. The Emanuel congregation and Centro Latino have the same roots in the VBS at Northminister. Over the years they had grown apart, even if serving different needs of the same population. Now we are working together in cooperation. New Vision hosted an Immigration Workshop this last summer that reached out to people within and outside our worshipping community who had concerns on the Deferred Action.

We are also working on renewing a relationship with a partner church in Guatemala in cooperation with First, Newton. We will be working on not only writing letter, but also translating letters to Iglesia El Redentor.

We appreciate the congregations who covenant with this ministry: First, Hickory; First, Newton; Northminister; Sweetwater ; Trinity, Hendersonville.

STATE OF NORTH CAROLINA

SETTLEMENT AGREEMENT
AND MUTUAL RELEASE

COUNTY OF BUNCOMBE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE [hereinafter at times "Agreement"], is made and entered into this the _____ day of October, 2012, by and between The Presbytery of Western North Carolina, Inc. [hereinafter at times "the Presbytery"], the Montreat Presbyterian Church (Presbyterian Church U.S.A.), an unincorporated religious congregation organized and existing under NCGS Chapter 61, by and through its Trustees, R. James Henderson, Henry W. Neale and Arline J. Taylor, as Trustees of the Montreat Presbyterian Church (PCUSA) [hereinafter at times collectively "PCUSA church" and/or "PCUSA congregation"] and Montreat Presbyterian Church, a North Carolina corporation d/b/a Montreat Presbyterian Church, E.P.C. [hereinafter at times "EPC church" and/or "EPC congregation"] E.A. Andrews, Jr., Jessie G. Barker, and Natalie W. Schermerhorn, individually and as former Trustees of the Montreat Presbyterian Church.

In consideration for the payment, covenants and mutual provisions provided for herein, the receipt and sufficiency of which the parties expressly acknowledge, the parties contract and agree as follows:

1. Definitions. For the purposes of this Agreement, the following terms shall have the stated meanings:

The "lawsuit" shall mean the action pending in the Superior Court in Buncombe County, North Carolina and captioned The Presbytery of Western North Carolina, Inc. and The Montreat Presbyterian Church (Presbyterian Church U.S.A.), an unincorporated religious congregation organized and existing under NCGS Chapter 61, by and through its Trustees, R. James Henderson, Henry W. Neale and Arline J. Taylor, as Trustees of the Montreat Presbyterian Church (PCUSA), Plaintiffs, vs. Montreat Presbyterian Church, a North Carolina corporation d/b/a Montreat Presbyterian Church, E.P.C. and E.A. Andrews, Jr., Jessie G. Barker and Natalie W. Schermerhorn, individually, and as Trustees of the Montreat Presbyterian Church, an unincorporated religious congregation organized and existing under NCGS Chapter 61, Defendants, File Number 08 CVS 4943.

The "property in dispute" shall mean the real and personal property, more particularly described in the Complaint and Amended Answer and Counterclaim filed in the lawsuit including but not limited to the real and personal property as set forth in the deed recorded in Book 4454 at Page 1967-1973, Buncombe County Registry, and all real property and all tangible and intangible personal property now titled in the name and/or in the possession of the EPC church, or titled in the name of Montreat Presbyterian Church and/or its Trustees at the time of its dismissal from the Presbyterian Church (USA) on April 27, 2007.

"Any entity of the Presbyterian Church (USA)" shall mean any particular church, any presbytery, any synod, the General Assembly, Presbyterian Church (USA), their agents, representatives, devisees, assigns, servants, subsidiaries, shareholders, affiliates of every kind and nature, any supporting organization including supporting organizations formed under Internal Revenue

Code Section 501 and 509, officers, directors, independent contractors, predecessors, successors, members, and employees, of any such Presbyterian entity.

2. The Name. The name "Montreat Presbyterian Church" shall be retained by the Montreat Presbyterian Church, PCUSA, without the retention by the defendants, or any of their subsidiaries or successors, of any right of continued use of such name or of a substantially similar name, including, but not limited to, any Internet domain name that is made up of that name or an abbreviation of that name except as provided herein. The Montreat Presbyterian Church, EPC, shall select its new name and register its new Internet domain name on or before December 31, 2012, and it may continue to utilize its present Internet domain name, "montreatpres.org," to post a link to its new Internet domain name for a period of six months from that date in order to accomplish the transition to the new Internet domain name; thereafter, the present Internet domain name will be relinquished. The parties agree that for six months thereafter from July 1, 2013 to December 31, 2013, neither party shall use the Internet domain name "montreatpres.org." Thereafter, the Montreat Presbyterian Church, PCUSA, may, if it desires, utilize the said Internet domain name of "montreatpres.org." The defendants agree to take whatever steps are necessary to accomplish the plaintiff church's retention of the name Montreat Presbyterian Church, including a change of name or incorporating under a new name and releasing the existing name so that the Montreat Presbyterian Church, PCUSA, may, if it chooses, incorporate under that name, and including joining in a consent judgment, if necessary, to accomplish that end. The defendants may choose any other name that they prefer, as long as the name does not include the words "Montreat" and "Presbyterian" consecutively, so that the possibility of confusion between the two churches is minimized. Examples of suitable names, for illustrative purposes, would include "Evangelical Presbyterian Church of Montreat," "Montreat Evangelical Presbyterian Church," or similar variations. All steps necessary to permit retention by the plaintiff church of the name Montreat Presbyterian Church shall be accomplished by December 31, 2012, except that the transfer of the Internet domain name shall be accomplished within the times set forth above in this paragraph.

3. Gifts. Contributions, gifts, bequests, devises, legacies, and other donative transfers to the "Montreat Presbyterian Church" shall be allocated to either the PCUSA congregation or the EPC congregation in accord with the unequivocal expressed intent of the donor other than the use of the words "Montreat Presbyterian Church" alone. In the event the intent of the donor cannot be determined otherwise from the gift instrument, then:

a. All present gifts to a particular congregation by a then current member of such congregation shall belong to such member's congregation if the gift is made to "Montreat Presbyterian Church" without the designation of PCUSA or EPC.

b. All future gifts based on a written instrument (including, but not limited to, a trust, last will and testament, insurance policy, annuity, IRA or retirement plan beneficiary designation, power to appoint, etc.), where the donee (beneficiary, appointee, devisee, legatee, etc.) is the "Montreat Presbyterian Church" and the date such instrument was executed or the date such beneficiary designation was made is prior to the date of settlement between the parties, shall be presumed to be made to the EPC congregation if the donor of such gift was a member or friend of the Montreat Presbyterian Church at the time of signing the instrument or designation creating the gift and was not a member of the Montreat Presbyterian Church, PCUSA, as of the time of his/her death or, if not deceased, at the time of execution of the instrument of gift.

c. All present and future gifts (based on a writing or designation before the date of settlement) to the "Montreat Presbyterian Church" by a non-member of any PCUSA or EPC congregation shall be presumed to be made to the EPC congregation unless clear evidence exists that the donor/maker of the gift intended that it be made to the PCUSA congregation.

d. Except as provided above, all other future gifts based on a written instrument naming the "Montreat Presbyterian Church" as recipient shall belong to the Montreat Presbyterian Church, PCUSA.

4. Church Records. All existing records of the Montreat Presbyterian Church from its formation to the date of dismissal of the EPC congregation on April 27, 2007 from the Presbyterian Church (USA) now and hereafter in the possession of the EPC church shall be deposited by the EPC church with the Presbyterian Heritage Center Society in Montreat, where each congregation shall have free access to such records, without any exclusive right of ownership being vested in either church. If desired, either congregation may retain possession of a copy of such records, such copy to be made at the expense of the congregation that desires it. The EPC church shall undertake a diligent inquiry of its congregation, members and friends to determine the location of all such records, including minutes of session, deacon and congregational meetings, and shall request possession of all such records discovered upon inquiry. Thereafter the EPC Church shall deliver all such existing records in its possession and information concerning the location of any other records, known to it, but not in its possession to said Heritage Center on or before December 31, 2012. All records discovered after such date, of which it obtains possession, shall be immediately delivered to the Heritage Center.

5. Correction of Public Record. The parties acknowledge and agree that property trust provisions found in Chapter 6 of the Book of Church Order of the Presbyterian Church in the United States (a part of the Constitution of that denomination) as amended in 1982, and as set forth in the Book of Order of the Presbyterian Church (U.S.A.) (in Chapter VIII of the Book of Order from 1983 to 2011), are and were, by their express terms, applicable to the particular churches of the Southern denomination and thereafter to all particular churches of the Northern and Southern denominations upon reunion on June 10, 1983. The parties further acknowledge that, following the amendment in 1982 of the Book of Church Order of the Presbyterian Church in the United States, previous editions of the Book of Church Order became obsolete in that respect and were not in effect. However, the "Motion to Claim Exemption for Church Property" recorded in Deed Book 1611, at Pages 156-157, Buncombe County Registry, had attached to it for illustrative purposes an obsolete version of Chapter 6 of the Book of Church Order of the Presbyterian Church in the United States, and not the chapter of the constitution of that denomination that was in effect immediately prior to reunion. The parties agree that the EPC church shall make and record a correction in the form of the document attached hereto as Exhibit A, relating back to the filing of the original motion, to correct the public record in such respect.

6. Property Restrictions. The EPC church shall hold title to the property in dispute, free of any claim of trust or other claim on the part of the plaintiffs or any other entity of the Presbyterian Church (USA). Further, the plaintiffs shall indemnify and hold harmless the defendants from any and all claims, actions, causes of action, demands, rights, damages, costs, and compensation whatsoever, by any entity of the Presbyterian Church (USA) as to the aforescribed property. The EPC church shall be entitled to make such use of the property as it sees fit for purposes including, but not limited to, worship, education, administration, periodic multi-church conferences, religious assemblies, community activities, parking, playground, activities and uses similar to the manner in which the property has been utilized previously, and other activities involving members of the congregation,

provided that (1) the property shall not be used as a denominational headquarters or denominational conference center by any denomination other than PCUSA; and (2) if the property is sold, there shall be a right of first refusal in favor of the Montreat Presbyterian Church, PCUSA, provided that the right shall be exercised within 30 days after receipt by the Montreat Presbyterian Church, PCUSA, of notice from the EPC church of a bona fide offer to purchase, and closing shall occur as provided in such offer, but in no event less than 45 days from the exercise by the Montreat Presbyterian Church, PCUSA, of its right of first refusal; and provided further that the right of first refusal shall expire after ten years from the date of the parties' settlement agreement. The EPC church shall execute and record in the Buncombe County public registry a document in the form attached hereto as Exhibit B to implement the provisions of this paragraph.

7. Monetary Settlement. In consideration of the foregoing, the defendant church shall pay to the Presbytery of Western North Carolina the sum of Three Hundred Thousand Dollars (\$300,000.00) in full satisfaction of all claims, such sum to be paid as follows:

- a. \$100,000.00 shall be paid on or before December 31, 2012;
- b. \$50,000.00 shall be paid on or before December 31, 2013;
- c. \$50,000.00 shall be paid on or before December 31, 2014;
- d. \$50,000.00 shall be paid on or before December 31, 2015; and
- e. \$50,000.00 shall be paid on or before December 31, 2016.
- f. The EPC church shall execute and record in the Buncombe County public registry a document in the form attached hereto as Exhibit B to implement the provisions of this paragraph, providing that its real property cannot be sold unless and until the aforesaid obligation to the Presbytery of Western North Carolina is discharged in full.
- g. If there should be any default in the payment of any sum when due, the entire balance shall immediately become due and payable, and the Presbytery of Western North Carolina shall be entitled to recover, in addition to the sums due and any other relief provided by law, attorney fees consisting of 15% of the amount due and payable.
- h. The obligation shall not bear interest; provided, however, that the waiver of interest shall not cause taxable imputed interest under the Internal Revenue Code.
- i. There shall be no penalty for prepayment of the obligation by the EPC church.

8. Voluntary Dismissal. The Plaintiffs and the Defendants in the lawsuit shall dismiss with prejudice their respective claims and counterclaims.

9. Release by The Presbytery and the PCUSA church. The Presbytery and the PCUSA church, for themselves and their respective agents, representatives, devisees, assigns, servants, subsidiaries, shareholders, affiliates of every kind and nature, any supporting organization including supporting organizations formed under Internal Revenue Code Section 501 and 509, officers, directors, independent contractors, predecessors, successors, members, and employees, do hereby release, acquit and forever discharge Montreat Presbyterian Church, a North Carolina corporation d/b/a Montreat Presbyterian Church, E.P.C. and E.A. Andrews, Jr., Jessie G. Barker and Natalie W. Schermerhorn,

individually, and as Trustees of the Montreat Presbyterian Church, an unincorporated religious congregation organized and existing under NCGS Chapter 61, and Montreat Presbyterian Church Foundation, their respective, heirs, executors, administrators, dependents, attorneys, agents, representatives, devisees, assigns, servants, subsidiaries, shareholders, affiliates of every kind and nature, any supporting organization including supporting organizations formed under Internal Revenue Code Section 501 and 509, officers, directors, independent contractors, predecessors, successors, members, and employees, of and from any and all claims, actions, causes of actions, demands, rights, damages, costs and compensation whatsoever which the Presbytery and/or the PCUSA church now has or which may hereafter accrue on account of or in any way growing out of any and all known or unknown, foreseen or unforeseen consequences resulting or to result from those matters which are the subject of or arise from the allegations made, or which could have been made, in the lawsuit or any other matter or thing whatsoever through the date of this Agreement, except to enforce the provisions of this Settlement Agreement and Mutual Release.

10. Release by the EPC church, E.A Andrews, Jr., Jessie G. Barker, and Natalie W. Schermerhorn, individually and as former Trustees of the Montreat Presbyterian Church. The EPC church, E.A. Andrews, Jr., Jessie G. Barker and Natalie W. Schermerhorn, for themselves and their respective agents, representatives, devisees, assigns, servants, subsidiaries, shareholders, affiliates of every kind and nature, any supporting organization including supporting organizations formed under Internal Revenue Code Section 501 and 509, officers, directors, independent contractors, predecessors, successors, members, and employees, do hereby release, acquit and forever discharge The Presbytery of Western North Carolina, Inc. and the Montreat Presbyterian Church (Presbyterian Church U.S.A.), an unincorporated religious congregation organized and existing under NCGS Chapter 61, by and through its Trustees, R. James Henderson, Henry W. Neale and Arline J. Taylor, as Trustees of the Montreat Presbyterian Church (PCUSA), their respective, heirs, executors, administrators, dependents, attorneys, agents, representatives, devisees, assigns, servants, subsidiaries, shareholders, affiliates of every kind and nature, any supporting organization including supporting organizations formed under Internal Revenue Code Section 501 and 509, officers, directors, independent contractors, predecessors, successors, members, and employees, of and from any and all claims, actions, causes of actions, demands, rights, damages, costs and compensation whatsoever which the EPC church now has or which may hereafter accrue on account of or in any way growing out of any and all known or unknown, foreseen or unforeseen consequences resulting or to result from those matters which are the subject of or arise from the allegations made, or which could have been made, in the lawsuit or any other matter or thing whatsoever through the date of this Agreement, except to enforce the provisions of this Settlement Agreement and Mutual Release.

11. Attorney fees and costs. Each party shall be responsible for the payment of their own respective attorney fees and costs.

12. Compromise. This Agreement is a compromise and settlement of doubtful and disputed claims. This settlement, this Agreement, and the payments and consideration provided herein do not constitute and shall not be construed as an admission of liability on the part of any party to or releasee under this Agreement. The parties to and releasees under this Agreement expressly deny any liability and simply wish to avoid further litigation and to buy their peace.

13. Bar. Any party to or releasee under this Agreement may plead the Agreement as a complete bar to any legal or other action related to the matters described in the mutual releases set forth herein.

14. Entire agreement. This Agreement constitutes the entire agreement between the parties respecting its subject matter. There are no promises, representations, conditions or obligations other than those contained or incorporated in this Agreement. This Agreement supersedes all prior communications, representations, agreements or understandings, whether verbal or written, between the parties.

15. Additional documents. Each of the parties shall, from time to time, at the request of the other, execute, acknowledge and deliver to the other any and all further instruments which may be reasonably required to give full force and effect to the provisions of this Agreement.

16. Authority. All parties specifically represent that they have full authority to enter into this Agreement.

17. Voluntary. The undersigned represent that they have had the opportunity to seek the benefit of legal counsel to explain the contents, terms, provisions and effects of this Agreement, fully understand the provisions of this Agreement and its effects, and execute the Agreement voluntarily and wholly in reliance upon their own respective judgment.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same instrument.

19. Notice. Any notice required or permitted under this Agreement shall be in writing and shall be sent by prepaid registered or certified mail addressed to the parties hereafter as follows:

a. To the Presbytery: Stated Clerk, Presbytery of Western North Carolina, 114 Silver Creek Road, Morganton, NC 28655

b. To the PCUSA congregation: Clerk of Session, Montreat Presbyterian Church, P.O. Box 577, Montreat, NC 28757

c. To the EPC congregation: Ronald W. Horgan, Executive Pastor, P.O. Box 279 Montreat, NC 28757.

A copy of any notice sent to the Presbytery or to the PCUSA congregation shall also be sent to Roberts & Stevens, P.O. Box 7647, Asheville, NC 28802 and Goldsmith, Goldsmith & Dews, P.A., P.O. Box 1107, Marion, NC 28752.

A copy of any notice sent to the EPC congregation shall also be sent to Long, Parker, Warren, Anderson & Payne, P.A., P.O. Box 7216, Asheville, NC 28802.

All notices provided herein shall be effective when actually received by a party or when attempted to be delivered as authorized above.

20. Drafting. No provision of this Agreement shall be interpreted for or against any party because that party or the legal representative of that party drafted this Agreement or drafted a particular provision of this Agreement.

21. Severability. If any provision of this agreement is held to be invalid or unenforceable, all other provisions shall nevertheless continue in full force and effect.

22. Situs. This Agreement shall be governed and interpreted by the laws of the State of North Carolina.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed under seal and in duplicate originals the day and year first above written.

THE PRESBYTERY OF WESTERN NORTH CAROLINA, INC.

BY Barbara R. White (SEAL)
Barbara Ruth White, Executive Presbyter

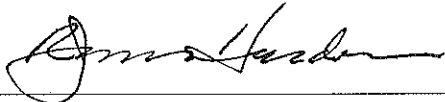
The undersigned Stated Clerk of The Presbytery of Western North Carolina, Inc. confirms that Barbara Ruth White, Executive Presbyter, has the authority to execute this Agreement on behalf of The Presbytery of Western North Carolina, Inc.

Bert Sigmon
Bert Sigmon, Stated Clerk
The Presbytery of Western North Carolina, Inc.

MONTREAT PRESBYTERIAN CHURCH (Presbyterian Church U.S.A.), an unincorporated religious congregation organized and existing under NCGS Chapter 61

BY R. James Henderson
R. James Henderson
Henry W. Neale
Henry W. Neale
Arline J. Taylor
Arline J. Taylor

The undersigned Clerk of the Session of Montreat Presbyterian Church (Presbyterian Church USA) confirms that the above-named Trustees have the authority to execute this Agreement on behalf of Montreat Presbyterian Church (Presbyterian Church USA)



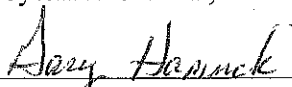
R. James Henderson
Clerk of the Session
Montreat Presbyterian Church (Presbyterian Church USA)

MONTREAT PRESBYTERIAN CHURCH, a North Carolina corporation d/b/a Montreat Presbyterian Church, E.P.C.

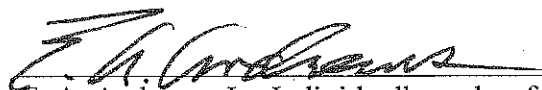
BY 

Ronald W. Horgan, Executive Pastor

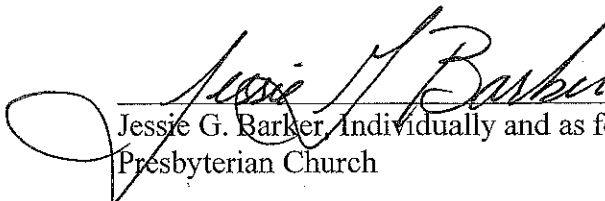
The undersigned Clerk of the Session of Montreat Presbyterian Church, a North Carolina corporation d/b/a Montreat Presbyterian Church, E.P.C., confirms that Ronald W. Horgan, Executive Pastor, has the authority to execute this Agreement on behalf of Montreat Presbyterian Church, a North Carolina corporation d/b/a Montreat Presbyterian Church, E.P.C.



Gary Hamrick
Clerk of the Session
Montreat Presbyterian Church (Presbyterian Church USA)



E. A. Andrews, Jr., Individually and as former Trustee of the Montreat Presbyterian Church



Jessie G. Barker, Individually and as former Trustee of the Montreat Presbyterian Church



Natalie W. Schermerhorn, Individually and as former Trustee of the Montreat Presbyterian Church

APPROVED AS TO FORM:

Counsel for Plaintiffs:

John W. Mason

Jacqueline D. Grant

C. Frank Goldsmith, Jr.

Counsel for Defendants:

Robert B. Long, Jr.

William A. Parker

Prepared by and return to: Rebecca J. Reinhardt, of Roberts & Stevens, P.A., P.O. Box 7647,
Asheville, NC 28802 (Box #39)

STATE OF NORTH CAROLINA

COUNTY OF BUNCOMBE

**RESTRICTIVE COVENANT, RIGHT OF FIRST REFUSAL,
AND NEGATIVE PLEDGE AGREEMENT**

**THIS RESTRICTIVE COVENANT, RIGHT OF FIRST REFUSAL, AND
NEGATIVE PLEDGE AGREEMENT** (hereinafter the "Agreement") is made and entered into
this ____ day of _____, 2012, by and between **MONTREAT
PRESBYTERIAN CHURCH**, a North Carolina corporation d/b/a Montreat Presbyterian
Church, E.P.C., (hereinafter "Grantor"), **THE PRESBYTERY OF WESTERN NORTH
CAROLINA, INC.** (hereinafter "PWNC"), and **THE MONTREAT PRESBYTERIAN
CHURCH (PRESBYTERIAN CHURCH U.S.A.)**, an unincorporated religious congregation
organized and existing under NCGS Chapter 61, (hereinafter "MPC"). Grantor, PWNC, and
MPC may hereinafter be collectively referred to as the "Parties".

W I T N E S S E T H:

WHEREAS, Grantor is the owner of that property described in a deed dated August 26,
2007 and recorded in Book 4454, Page 1967 in the Office of the Register of Deeds for
Buncombe County, North Carolina (hereinafter the "Property"); and

WHEREAS, a dispute arose over the Property as evidenced by that lawsuit filed by
PWNC and MPC, by and through its Trustees R. James Henderson, Henry W. Neale and Arline
J. Taylor, as Trustees of the Montreat Presbyterian Church (PCUSA) (hereinafter collectively the
"Plaintiffs") against Grantor and E.A. Andrews, Jr., Jessie G. Baker and Natalie W.
Schermerhorn, individually and as Trustees of the Montreat Presbyterian Church, an
unincorporated religious congregation organized and existing under NCGS Chapter 61 (hereafter

collectively the "Defendants"), which is on file in 08-CVS-4943 in the Superior Court Division for Buncombe County, North Carolina (hereinafter the "Civil Action"); and

WHEREAS, the Plaintiffs and Defendants resolved the Civil Action pursuant to that Memorandum of Settlement Agreement dated October 8, 2012 (hereinafter the "Settlement"), which Settlement included certain restrictions and encumbrances on the Property as set forth below.

NOW, THEREFORE, for mutual good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby covenant and agree as follows:

1. **RESTRICTIVE COVENANT**: The Property is hereby restricted as follows: Under no circumstances shall the Property, or any portion thereof, be used for the purposes of a denominational headquarters or denominational conference center by any denomination other than the Presbyterian Church (USA). This restriction shall be enforceable by MPC and/or PWNC and shall not be limited to the duration of the right of first refusal set forth in Section 2 below.

2. **RIGHT OF FIRST REFUSAL**: If Grantor shall receive a bona fide offer from any person, entity or organization to purchase the Property and Grantor accepts such offer, creating a binding contract subject to the terms of this right of first refusal (the "Contract"), Grantor shall promptly send by certified mail, return receipt requested or shall personally deliver to MPC a copy of the Contract. MPC shall have the right within thirty (30) days of receipt of the Contract, to purchase the Property as described therein for the purchase price and on the same terms as set forth in the Contract by giving written notice to Grantor. Closing shall occur as provided in the Contract, but in no event shall closing be less than 45 days from the date the right of first refusal is exercised by MPC.

If MPC shall not so elect to exercise its right of first refusal within said period of thirty (30) days, Grantor may then sell such Property as is described in the Contract to said offeror, provided the sale to the offeror is on the same terms and conditions and for the same purchase price set forth in the Contract sent to MPC. If MPC elects not to purchase such Property as is described in the Contract, at the request of Grantor, MPC agrees to execute a document in recordable form, prepared by and recorded at the expense of Grantor, to reflect such election not to exercise the right of first refusal granted herein with respect to the Contract with said offeror. In the event the Property described in the Contract is not sold to the offeror, then any further contract to sell or purchase said Property or any part thereof by the same or a different offeror must be submitted to MPC in accordance with this right of first refusal. This right of first refusal shall be in full force and effect until midnight on **October 8, 2022** and shall be binding on Grantor, its successors and assigns.

All notices required herein shall be in writing, delivered by certified mail, return receipt requested, or personally delivered, to the parties as follows:

If to MPC:

Clerk of Session
Montreat Presbyterian Church
P. O. Box 577
Montreat, NC 28757

with a copy to:

Roberts & Stevens, P.A.
P. O. Box 7647
Asheville, NC 28802

and

Goldsmith, Goldsmith & Dews, P.A.
P. O. Box 1107
Marion, NC 28752

If to Grantor:

Rev. Ronald W. Horgan, Executive Pastor
P. O. Box 279
Montreat, NC 28752

with a copy to:

Long, Parker, Warren, Anderson & Payne, P.A.
P. O. BOX 7216
Asheville, NC 28802

3. **NEGATIVE PLEDGE:** Grantor, as part of the Settlement, has agreed to pay to PWNC the sum of \$300,000.00 under the terms as set forth therein (hereinafter the "Monetary Debt"). Grantor hereby covenants and agrees that it shall not sell or otherwise transfer the Property until the Monetary Debt payable to PWNC is paid in full except that the Property may however be used as security for a deed of trust in amount up to the then-current balance owing on the Monetary Debt provided the proceeds of the loan secured by said deed of trust are used solely as payment towards the Monetary Debt. Upon satisfaction of the Monetary Debt, PWNC agrees to execute a document in recordable form, prepared by and recorded at the expense of Grantor, to release the Property from this Negative Pledge provision as contained herein. Such release shall not in any way release the Property from the Right of First Refusal set forth in paragraph 2 above. Notwithstanding the foregoing, a transfer or conveyance of the Property to an entity resulting from a name change of the EPC corporation shall not be deemed a transfer under this provision.

4. This Agreement shall be binding upon and inure to the benefit of the Parties, and their successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

**MONTREAT PRESBYTERIAN CHURCH,
A NORTH CAROLINA CORPORATION
D/B/A MONTREAT PRESBYTERIAN CHURCH, E.P.C.**

By: 

Print Name: Ronald W. Morgan

Title: Executive Pastor

THE PRESBYTERY OF WESTERN NORTH CAROLINA, INC.

By: 

Print Name: William A. Simon

Title: Stated Clerk

**THE MONTREAT PRESBYTERIAN CHURCH
(PRESBYTERIAN CHURCH U.S.A.),**
an unincorporated religious congregation organized
and existing under NCGS Chapter 61,

By: 

Print Name: R. James Henderson

Title: Clerk of Session

STATE OF North Carolina
COUNTY OF Buncombe

I, a Notary Public of the aforesaid State and County, certify that Ronald W. Horan
appeared before me and being personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed
to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the
person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

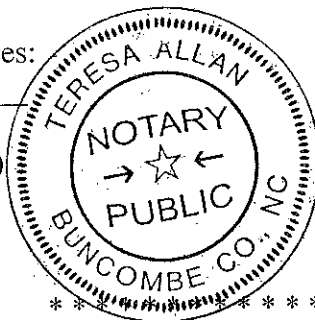
WITNESS my hand and official stamp or seal, this 15 day of October, 2012.

Teresa Allan
NOTARY PUBLIC

My Commission Expires:

10/14/14

(NOTARIAL SEAL)



STATE OF North Carolina
COUNTY OF Buncombe

I, a Notary Public of the aforesaid State and County, certify that William A. Sigmon
appeared before me and being personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed
to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the
person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official stamp or seal, this 15 day of Oct, 2012.

William A. Sigmon
NOTARY PUBLIC

My Commission Expires:

8/17/17

(NOTARIAL SEAL)

STATE OF North Carolina

COUNTY OF Swain

I, a Notary Public of the aforesaid State and County, certify that R. James Henderson appeared before me and being personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official stamp or seal, this 15 day of Oct., 2012.

Patricia A. Johnson
NOTARY PUBLIC

My Commission Expires:

8/17/17

(NOTARIAL SEAL)

PREPARED BY AND RETURN TO:

WILLIAM A. PARKER
P. O. BOX 7216
ASHEVILLE, NC. 28802

STATE OF NORTH CAROLINA

COUNTY OF BUNCOMBE

**CORRECTION OF ATTACHMENT TO
MOTION TO CLAIM EXEMPTION
FOR CHURCH PROPERTY**

Following is the text of a resolution adopted by the congregation of the Montreat Presbyterian Church, a North Carolina non-profit corporation d/b/a Montreat Presbyterian Church, E.P.C. to be recorded in the Office of the Register of Deeds of Buncombe County, North Carolina:

WHEREAS, Montreat Presbyterian Church, an unincorporated religious congregation under NCGS Chapter 61 resolved and recorded the "Motion to Claim Exemption for Church Property" recorded in Book 1611 at Pages 156-157 in the Office of the Register of Deeds of Buncombe County to which "Exhibit A" was attached for illustrative purposes and which attachment referenced Chapter 6, § 6-1 of the Book of Church Order of the Presbyterian Church in the United States (1961 Revised Edition, page 26); and

WHEREAS, the copy of Chapter 6, § 6-1 from the Book of Church Order of the Presbyterian Church in the United States (1961 Revised Edition, page 26) which was attached for illustrative purposes was an obsolete version of that section from an edition of the Book of Church Order not then in effect; and

WHEREAS, the aforescribed 1961 Revised Edition of the Book of Church Order had been replaced by the Book of Church Order of the Presbyterian Church in the United States (1982/1983 Edition), a copy of the cover of which and Chapter 6, § 6-1 of the said Book of Church Order of the Presbyterian Church in the United States (1982/1983 Edition) is attached hereto as Exhibit A; and

WHEREAS, pursuant to the terms of the Omnibus Resolution of the Membership of Montreat Presbyterian Church attached to the Deed recorded in Book 4454 at Pages 1967-1973 in the Office of the Register of Deeds of Buncombe County, Montreat Presbyterian Church, a North Carolina non-profit corporation d/b/a Montreat Presbyterian Church, E.P.C., is the appropriate entity to make a correction to the illustrative "Exhibit A" attached to the aforescribed "Motion to Claim Exemption for Church Property" recorded in Book 1611 at Pages 156-157 in the Office of the Register of Deeds of Buncombe County; and

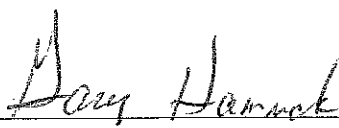
WHEREAS, the Presbytery of Western North Carolina requested that Montreat Presbyterian Church, a North Carolina non-profit corporation d/b/a Montreat Presbyterian Church, E.P.C. correct the illustrative "Exhibit A" to the "Motion to Claim Exemption for Church Property" recorded in Book 1611 at Pages 156-157 in the Office of the Register of Deeds of Buncombe County, and Montreat Presbyterian Church, a North Carolina non-profit corporation d/b/a Montreat Presbyterian Church, E.P.C., agreed that such a correction be made and said correction should relate back to the 17th day of May, 1990, the date the "Motion to Claim Exemption for Church Property" was certified, signed, and notarized.

NOW, THEREFORE, IT IS RESOLVED that the attachment to the "Motion to Claim Exemption for Church Property" recorded in Book 1611 at Page 157 in the Office of the Register of Deeds of Buncombe County be and it is hereby corrected by deleting Chapter 6, § 6-1 of the Book of Church Order of the Presbyterian Church in the United States (1961 Revised Edition, Page 26) which was attached thereto for illustrative purposes and inserting in lieu and in place thereof for illustrative purposes Chapter 6, § 6-1 of the Book of Church Order of the Presbyterian Church in the United States (1982/1983 Edition) attached hereto as the corrected "Exhibit A."

FURTHER RESOLVED that this correction of the attachment "Exhibit A" to the "Motion to Claim Exemption for Church Property" be recorded in the Office of the Register of Deeds of Buncombe County, and related back to the 17th day of May, 1990.

CERTIFIED to be a true copy of a resolution passed by a majority of those members present of Montreat Presbyterian Church, a North Carolina non-profit corporation d/b/a Montreat Presbyterian Church, E.P.C., pursuant to prior notice timely given at a meeting where a quorum of the membership was present.

WITNESS my hand and seal, this the 14th day of October, 2012.



Clerk of the Session

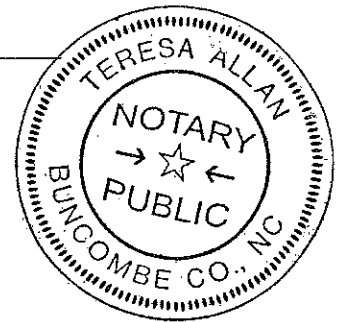
STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

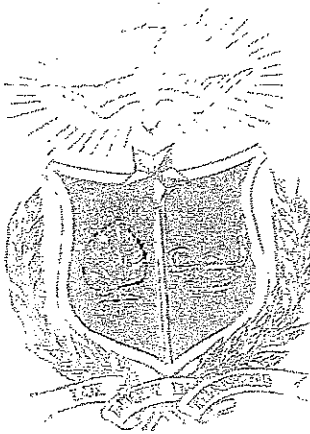
I, Teresa Allan, a Notary Public for said State and County, do certify that Gary Hamrick, Clerk of the Session of Montreat Presbyterian Church, a North Carolina non-profit corporation d/b/a Montreat Presbyterian Church, E.P.C., personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 15 day of October, 2012.

Teresa Allan
Teresa Allan, Notary Public
(printed or typed name)

My commission expires: 10/14/14





THE BOOK OF CHURCH ORDER

Presbyterian Church
in the United States

1982/1983



CHAPTER 6

Church Property

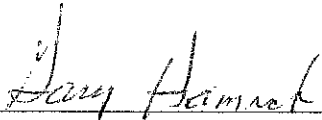
- § 6-1. If a particular church is not incorporated, it may, at a regularly constituted congregational meeting, elect certain of its confirmed members as trustees, to hold title to property in trust for the benefit of the particular church and of the Presbyterian Church in the United States. The trustees have power and authority to buy, sell or mortgage property for the church, to accept and execute deeds and to manage any permanent special funds entrusted to them for church purposes. In buying, selling or mortgaging real property, the trustees shall act under the instructions of the congregation adopted in a regularly constituted meeting. Their powers and duties cannot infringe upon the powers or duties of the Session or the Board of Deacons. The trustees do not hold title to personal property or have responsibility for it except to the extent expressly given to them.

RESOLUTION OF
THE SESSION OF MONTREAT PRESBYTERIAN CHURCH

In a meeting at which a quorum of this governing body was present, the Session of Montreat Presbyterian Church adopted the following:

RESOLVED, Ronald W. Horgan, Executive Pastor, Montreat Presbyterian Church, E.P.C., be and he is hereby authorized to execute on behalf of Montreat Presbyterian Church, a North Carolina non-profit corporation d/b/a Montreat Presbyterian Church, E.P.C., all necessary settlement documents in regard to The Presbytery of Western North Carolina, Inc., et al, vs. Montreat Presbyterian Church, a North Carolina corporation d/b/a Montreat Presbyterian Church, E.P.C., et al, Buncombe County File Number 09 CVS 4943, including but not limited to the specific authorization to sign the settlement agreement and all documents necessary to give full force and effect to the settlement agreement.

CERTIFIED to be a true copy of the resolution adopted by the Session of Montreat Presbyterian Church on the 11th day of October, 2012.



Gary Hamrick, Clerk of Session

Date: October 11, 2012