

Report of the Administrative Commission of First Presbyterian Church of Lenoir

“See, I am doing a new thing! Now it springs up; do you not perceive it?” – Isaiah 43:19

First, the good news. First Presbyterian Church of Lenoir *will continue* to survive and thrive in the PC (USA) and in the Presbytery of Western North Carolina! However, should the Presbytery at its July meeting abide by the request of the group seeking dismissal and agree with the recommendation of this Administrative Commission, First Presbyterian will take a new form in a new location.

On the evening of Sunday, June 26, during a hearing conducted in Lenoir by the AC, a vote to seek dismissal was approved by the congregation of First Presbyterian Church of Lenoir. There were 225 registered members of the congregation in attendance with two of those members choosing not to cast or mark ballots, leaving 223 votes cast. 167 members voted for dismissal, exactly the 75 percent total needed for approval (using standard rounding method, stipulated in advance of vote tally by AC).

Previously, on May 22, the congregation approved the **Property Settlement** negotiated by the AC and the Session of FPC. The property settlement is attached as a part of this report. The primary provision is a payment to the Presbytery of \$600,000 requiring an immediate payment of \$100,000 with the remainder to be paid in equal amounts without interest over 10 years. While the AC does not control how this money will be used, it is our recommendation that after paying expenses related to the dismissal process, the bulk of funds be used to support the continuing PC (USA) congregation of FPC of Lenoir. Under the terms of the settlement, the dismissing congregation may not use the name First Presbyterian Church of Lenoir and will surrender control of FPC’s website URL and social media accounts. See the attached agreement for full details on the settlement.

Per the settlement agreement, the Presbytery at its July 26, 2016, meeting will be asked to take two separate votes. First it will vote on the settlement agreement. Per the Dismissal Guidelines and the settlement the Presbytery will:

1. Receive an explanation of the legal agreement, which can be debated but not amended, from both members of the AC and representatives of the Congregation.
2. Hear from representatives of the Congregation in favor of its dismissal.
3. Hear from representatives of those wishing to remain in the PCUSA.
4. Hear from members of the AC, which shall recommend a decision to Presbytery.
5. Be informed of any financial contributions from this Congregation to the Presbytery, Synod or General Assembly, and to this Congregation by the Presbytery, Synod or General Assembly within at least the last ten years.
6. Be informed what provisions will be made for those members who wish to remain in the PCUSA and for any Teaching Elders, Christian Educators or Commissioned Lay Pastors associated with the Congregation.
7. Be informed how the Congregation’s dismissal would affect the mission and ministry of the Church in this Presbytery.

Votes to be taken are to be by written ballot, as per our guidelines. The guidelines also require a two-thirds majority for approval of the agreement and for the subsequent vote on the question “Shall the Presbytery of WNC dismiss the First Presbyterian Church of Lenoir PC(USA) congregation to the Reformed body known as A Covenant Order of Evangelical Presbyterians (ECO) with the terms in the legal agreement?”

Presuming an affirmative two-thirds vote by the Presbytery, PWNC will promptly send a communication with a return postcard to all members of record as of June 26, 2016, on which members

will indicate whether they want to be on the rolls of members being dismissed to ECO, on the rolls of members wishing to continue as PCUSA, or deleted from all rolls. Members indicating their desire to be dismissed to ECO will be recorded on the roll that is certified to ECO as a dismissal letter is sent to the Presbytery of East Central of ECO. Members indicating their desire to continue in the PCUSA will be held on the roll of our Presbytery managed by an Administrative Commission pending organization as a congregation of the PCUSA pursuant to the Book of Order (G-1.02). Members indicating a desire to be deleted from all rolls will be removed. Members who do not indicate a preference by Aug. 31, 2016, will be held on the roll of PWNC until such time as they communicate their preference to the Stated Clerk of PWNC. At that time they will be formally transferred to the roll they have selected.

One additional quote from our Dismissal Policy: “The intent in any dispute within the life of a Congregation is to achieve reconciliation in the Lord. It is therefore the clear intention of this Presbytery to continue to pursue that goal, and to assure any departing members of a Congregation of its continuing prayers for them and its willingness to welcome them back, at any time, to that part of God’s family known as the Presbyterian Church (USA).”

For the benefit, support and guidance of the continuing members of First Presbyterian Church of Lenoir, the current Administrative Commission will, with the approval of the Presbytery, continue its work until the congregation can properly organize. At this time the AC recommends to the full Presbytery the approval of both the Property Settlement and the Request for Dismissal.

Edyth Pruitt
Co-Chair

John Pea
Co-Chair

STATE OF NORTH CAROLINA

PROPERTY SETTLEMENT AGREEMENT

COUNTY OF CALDWELL

THIS PROPERTY SETTLEMENT AGREEMENT, hereinafter sometimes referred to as the "Agreement", made and entered into this the 19th day of May, 2016, by and between the ADMINISTRATIVE COMMISSION FOR FIRST PRESBYTERIAN CHURCH OF LENOIR, NORTH CAROLINA (USA), hereinafter sometimes referred to as the "AC", and FIRST PRESBYTERIAN CHURCH OF LENOIR, also known as FIRST PRESBYTERIAN CHURCH OF LENOIR, NORTH CAROLINA, Inc., a North Carolina non-profit corporation, separately and together hereinafter sometimes referred to as "FPCL".

WITNESSETH:

WHEREAS, FPCL is a particular church of the Presbyterian Church in the United States of America, herein sometimes referred to as the "PCUSA", and a member church of the presbytery of the PCUSA, namely Presbytery of Western North Carolina, also known as Presbytery of Western North Carolina, Inc., herein sometimes referred to as the "Presbytery", and located within the geographical bounds of the Presbytery; and

WHEREAS, FPCL is a current and active North Carolina non-profit corporation; and

WHEREAS, the congregation will be voting upon the question of whether to request the Presbytery to dismiss FPCL to the ECO: A Covenant Order of Evangelical Presbyterians, a denomination herein sometimes referred to as the "ECO", so that the dismissed congregation will become an ECO church, such later-to-be-created church being herein sometimes hereinafter referred to as "PCL"; and

WHEREAS, the Presbytery has adopted a policy to govern the process by which a request for dismissal may be made by a congregation and considered by the Presbytery entitled "Guidelines for Congregations Considering a Request to Presbytery to be Dismissed", herein sometimes referred to as the "Guidelines"; and

WHEREAS, the PCUSA claims that all property held by or for FPCL and no matter how titled is nevertheless held in trust for the PCUSA per Section G-4.0203 of the PCUSA Book of Order and Section 6-3 of the former Presbyterian Church in the United States' (now PCUSA by merger) Book of Church Order (hereinafter "the trust clause"); and

WHEREAS, Section IV, Paragraph D of said Guidelines provides that there shall be a legal agreement binding on FPCL and the Presbytery, and later binding upon PCL, addressing all forms of property, and contingent upon the final approval of Presbytery prior to consideration and vote on a request for dismissal; and

WHEREAS, the AC has the power and authority to agree to the terms of this Agreement, and upon the approval of this Agreement and its execution by duly authorized officers of the AC and FPCL, it will fulfill the requirement set forth in

the Guidelines for a binding legal agreement negotiated by the AC and representatives of the Congregation, that nevertheless, must be contingent in successive order on each of the following, set forth in greater detail Section IV, Subsections C, D, and E of the Guidelines and Section 3 hereof: (i) the Congregation must approve the Agreement, (ii) 75% of the Congregation must vote to request dismissal, (iii) the Presbytery must approve the Agreement, (iv) the Presbytery must vote to dismiss, and (v) the requirements of Section 4 hereof must be fulfilled; and

WHEREAS, FPCL and the AC, have agreed to the terms of such Agreement concerning all of the property identified by FPCL in which FPCL has an interest, ownership or otherwise, including without limitation, real property, tangible and intangible personal property, the name, gifts, and church records, and such terms of agreement identify the property and property interests that will be transferred by the Presbytery to PCL, and the terms upon which such transfers are to be made, with the delegated consent of the PCUSA, and thereby free of the trust clause, once so transferred.

NOW, THEREFORE, in consideration of the payment, covenants and mutual provisions stated herein, the receipt and adequacy of which the parties expressly acknowledge, the parties contract and agree as follows:

1. Agreement as to All Property in Which FPCL Has an Interest. Section IV, Paragraph D of the Guidelines provides that this Agreement address and resolve all forms of property. To that end, the parties agree that all property, both real and personal, held by or for FPCL, or in which FPCL has any interest, shall, upon the dismissal of the dismissed congregation, belong to the dismissed congregation, subject to the further terms of this Agreement, except as otherwise expressly retained by or conveyed to the Presbytery by the terms of this Agreement.

2. Certification as to Church Records Known to be Missing. FPCL hereby certifies that after having made diligent inspection, it is not aware of any church records, as defined by the Book of Order, that are missing. FPCL and ECO-PCL shall undertake a diligent inquiry of its congregation, members and friends to determine whether any such records are missing and if so, the location of all such records, including, without limitation, minutes of session, deacon, congregational, and corporate meetings, and shall request possession of all such records discovered upon inquiry. All known records not delivered prior to dismissal and all records discovered after dismissal, of which FPCL or ECO-PCL shall obtain possession, shall be delivered promptly to the Presbytery.

3. Process for Agreement to Become Binding and Subsequent Contingencies. The following process sets forth the order in which necessary steps must be accomplished (i) for this Agreement to become a binding legal agreement as required by Section IV, Subsection C, Paragraph 3 of the Guidelines, and (ii) for successive contingencies, set forth in the Guidelines and this Agreement, to be fulfilled. The Agreement must be approved at each step to continue to the next step, but at each step the approved Agreement is contingent upon approval in later steps, and finally contingent upon a Presbytery vote to dismiss.

A. Making and Signing the Binding Legal Agreement.

1. Session's Negotiating Team and AC to Make and Sign Agreement. The Agreement must be made and signed by the FPCL Session's negotiating team and the AC; provided, however, if the Session has reserved the such final authority unto itself, then the FPCL Session shall make and sign the Agreement for FPCL, satisfying this Paragraph 1 and the following Paragraph 2.

2. Session Consideration and Recommendation of Agreement. If the Session's negotiating team is authorized to make and sign the Agreement, the signed Agreement may be considered by the Session in order for Session to make a recommendation to the Congregation for its approval.

B. Subsequent Contingencies to be Satisfied.

1. Congregation Approval. Pursuant to Section IV, Subsection C, Paragraph 4 of the Guidelines, the Agreement must be presented to the Congregation for its consideration and vote, and the Agreement must be approved by the Congregation.

2. Second Hearing of the Congregation and Vote to Request Presbytery to Dismiss.

Pursuant to Section IV, Subsection D of the Guidelines, Session shall request the Presbytery to call a second hearing of the Congregation, and Presbytery shall call such meeting for the Congregation to vote on the question of whether to request the Presbytery to dismiss the Congregation. Seventy-five percent (75%) of the active members present and voting must vote to request dismissal.

3. Presbytery Approval of the Agreement and Vote to Dismiss.

The dismissal process, pursuant to Section IV, Subsection E, shall be accomplished in the following two successive votes at the same Presbytery meeting, consideration of the second vote being dependent upon approval of the Agreement by the first vote:

(a) **Presbytery Approval of the Agreement.** The signed and binding legal Agreement, having been approved by the Congregation, must be presented and recommended by the AC to the Presbytery. The Agreement can be debated, but cannot be amended; and the vote shall be to approve or not approve the Agreement. The Presbytery must approve the Agreement in order to vote on dismissal.

(b) **Vote to Dismiss.** With both the Congregation and the Presbytery having approved the Agreement, the Presbytery will consider the FPCL request for dismissal to the ECO, and the Presbytery will vote on dismissal with one of the following alternative outcomes:

(1) if the Presbytery votes to dismiss, the Agreement is binding on property matters, according to its terms, including the requirements of the following Section 4, or

(2) if the Presbytery votes not to dismiss, the Agreement is unenforceable and of no consequence.

4. Process for Dismissal to be Final. By the terms of this Agreement, the Presbytery vote to dismiss shall not be considered final until (i) all obligations agreed to herein are fulfilled to the extent that current and contemporaneous performance is required, including those requirements hereafter specified to occur within thirty (30) days, (ii) all required records are delivered, and (iii) all required documents are duly executed and recorded, if applicable, to provide for any future performance by the terms hereof. To that end, the following must occur no later than thirty (30) days subsequent to the vote to dismiss, but contemporaneously, much as if the performances required of the parties were a real estate closing, as follows:

A. Dismissed Congregation to Amend Name of Corporation. In order for required documents to be executed in the name of the new church entity for the dismissed congregation, ECO-PCL shall amend the name of First Presbyterian Church of Lenoir, North Carolina, Inc. to a name consistent with the provisions of Section 5, below. This Corporation sometimes will be referred to herein as the "ECO-PCL".

B. Initial Payment to the Presbytery. ECO-PCL shall deliver to the Presbytery or its authorized Agent, a cashier's check for \$100,000.00 payable to the Presbytery for which Wells Fargo Bank, the Presbytery's depository, shall commit in advance to give immediate credit.

C. Deed Transferring and Releasing Real Property to ECO-PCL. The Presbytery will execute a Deed to be drafted by the Presbytery in a form and text substantially similar to Exhibit A attached hereto and hereby incorporated by reference as if set forth herein verbatim and deliver the Deed to ECO-PCL or its Agent. The Deed will transfer or release all of the real property held by or for FPCL and/or its Trustees (hereafter the "Real Property") free from the trust clause, but the Real Property will remain subject to the further provisions of Section 8, entitled "Property Restrictions".

D. Promissory Note for Annual Payments. ECO-PCL will execute a Promissory Note for \$500,000.00, payable to the Presbytery in annual payments of \$50,000.00, to be drafted by the Presbytery in a form and text substantially similar to Exhibit B, attached hereto and hereby incorporated by reference as if set forth herein verbatim, said Promissory Note being sometimes hereinafter referred to as the "Note".

E. Deed of Trust to Secure Note. ECO-PCL will execute a Deed of Trust as security for the Note, creating a first lien on the Real Property, to be drafted by the Presbytery in a form and text substantially similar to Exhibit C, attached hereto and hereby incorporated by reference as if set forth herein verbatim.

F. Records. All existing church records, including, without limitation, minutes of session, deacon, congregational, and corporate meetings, required to be delivered to Presbytery by the following Section 7, shall be delivered at least one week prior to the Presbytery meeting at which a vote on dismissal is scheduled to occur. All such records discovered after dismissal, of which FPCL or ECO-PCL shall obtain possession, shall be delivered promptly to the Presbytery. FPCL and ECO-PCL shall disclose (i) all records determined to be missing as a result of the diligent inquiry made by FPCL and/or ECO-PCL of its congregation, members and friends for which a request for possession has been made by FPCL and/or ECO-PCL, but for which possession of missing records has not been delivered, (ii) the person(s) known to be in possession of such records, (iii) the location thereof, and (iv) any other relevant information related thereto.

5. Name. Neither ECO-PCL nor any successor shall use (i) the name of First Presbyterian Church of Lenoir, (ii) an abbreviation of that name, nor (iii) any name with all of the primary words "First", "Presbyterian", "Church", and "Lenoir" together in that order, to refer to the dismissed congregation, in order to reduce the possible confusion between the church continuing to be affiliated with the Presbytery and PCUSA and the dismissed congregation. This restriction shall include, without limitation, a prohibition of any later amendment of the corporate name to any of the foregoing names or variations. The current URL (fpclenoir.org) shall belong to the Presbytery .

6. Gifts Yet to be Vested. Contributions, gifts, bequests, devises, legacies, and other donated transfers to the "First Presbyterian Church of Lenoir" or "First Presbyterian Church of Lenoir, North Carolina" or "First Presbyterian Church of Lenoir, North Carolina, Inc.", the rights to which are yet to be vested, shall be allocated when it is time for the gift to be delivered or received, to either the continuing FPCL congregation or ECO-PCL in accord with the unequivocal expressed written intent of the donor in the gift instrument or other documents directly related thereto, other than the use of the words "First Presbyterian Church of Lenoir" or "First Presbyterian Church of Lenoir, North Carolina" or "First Presbyterian Church of Lenoir, North Carolina, Inc." alone. In the event the intent of the donor cannot be so determined unequivocally from the gift instrument or other documents directly related thereto, then:

A. All such gifts to "First Presbyterian Church of Lenoir" or "First Presbyterian Church of Lenoir, North Carolina" or "First Presbyterian Church of Lenoir, North Carolina, Inc." by a written instrument when the gift has been made by a current member of FPCL who becomes a member of ECO-PCL, shall belong to ECO-PCL.

B. All such gifts to "First Presbyterian Church of Lenoir" or "First Presbyterian Church of Lenoir, North Carolina" or "First Presbyterian Church of Lenoir, North Carolina, Inc." by a written instrument when the gift has been made by a current member of FPCL who remains a member of the continuing FPCL congregation after dismissal, shall belong to the continuing FPCL congregation after dismissal.

C. All other gifts shall belong to ECO-PCL after dismissal.

7. Church Records. All existing church records of FPCL, as defined by the Book of Order, and including, without limitation, minutes of session, deacon, congregational, and corporate meetings, from its initial formation and affiliation with the PCUS and later PCUSA to the date of dismissal shall be delivered to the Presbytery. ECO-PCL is encouraged to make for itself complete copies of the church records before delivery. Subsequent to delivery, ECO-PCL shall be entitled to reasonable access to such records and shall be entitled to have copies of any such records for a reasonable charge.

8. Property Restrictions. After dismissal, the Property transferred or released to ECO-PCL, by or pursuant to this Agreement, shall be held by ECO-PCL, free of any claim of trust or other claim on the part of the Presbytery or PCUSA, and ECO-PCL shall be entitled to make such use of the property as it sees fit for purposes including, without limitation, worship, education, administration, community activities, parking, other uses similar to the manner in which the property has been utilized previously, and other activities involving members of the congregation; provided, however, if prior to the tenth (10th) anniversary of the dismissal,

A. if ECO-PCL or its successor has ceased to be a member congregation of the Reformed denomination to which it has been dismissed or another Reformed body, or

B. if ECO-PCL or its successor ceases to exist,

title to all Property transferred or released by or on behalf of the Presbytery, together with any proceeds derived from the sale thereof, shall revert to and/or be conveyed to the Presbytery.

9. **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.

10. **Successors and Assigns.** The designations of "FPCL", "PCL", "ECO-PCL", "AC", "Presbytery", "PCUSA" and "ECO" as used throughout this Agreement shall be deemed to include said parties, their successors and assigns. Therefore, the terms and conditions of this Agreement, including without limitation, all duties, responsibilities, obligations, covenants, restrictions and reversions, shall inure to the benefit of such parties, successors and assigns, and such parties, successors and assigns shall be subject to and bound by the burdens thereof.

11. **Additional Documents.** Once this Agreement has been approved by the Congregation of FPCL and thereafter by the Presbytery pursuant to Section IV, Subsection C, Paragraph 3 of the Guidelines, each of the parties shall, from time to time, at the request of the other, execute, acknowledge and deliver to the other party any and all further instruments which may be reasonably required to give full force and effect to the provisions of this Agreement.

12. **Independent Judgment and Voluntary Agreement.** The undersigned parties 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.

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

A. to the Presbytery: Stated Clerk, Presbytery of Western North Carolina, 114 Silver Creek Rd., Morganton, NC 28655 and

B. to FPCL or ECO-PCL congregation: Clerk of Session, First Presbyterian Church of Lenoir, 1002 Kirkwood Street, NW, Lenoir, NC 28645.

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

14. **Reference to Continuing FPCL Congregation Deemed to be Reference to Presbytery.** Since a group of current members of FPCL who wish to continue in the PCUSA denomination cannot yet be identified, any reference herein to a continuing FPCL congregation shall be deemed to be a legal reference to the Presbytery.

15. **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.

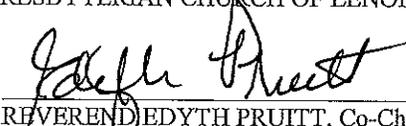
16. **Headings or Titles.** Headings or titles shall not define, limit, extend, or interpret the scope of this Agreement or any particular provision.

17. **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.

18. **Governing Law.** This Agreement shall be governed and interpreted under the laws of the State of North Carolina.

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

THE ADMINISTRATIVE COMMISSION FOR FIRST
PRESBYTERIAN CHURCH OF LENOIR (U.S.A.)

By: 
REVEREND EDYTH PRUITT, Co-Chair

FIRST PRESBYTERIAN CHURCH OF LENOIR,
NORTH CAROLINA

By: 
Reverend Rob Hinman, Moderator of Session

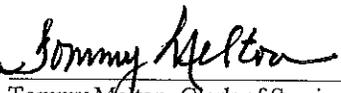
Attested By: 
Tommy Melton, Clerk of Session

EXHIBIT A

NORTH CAROLINA NON-WARRANTY DEED

Excise Tax:

Parcel Identifier No. _____

Mail/Box to: Begley Box

Instrument prepared by: Wm. Michael Begley, Begley Law Firm, 103 Richardson Blvd., Black Mountain, NC 28711

Brief description for the Index: _____

THIS DEED made this ____ day of _____, 2016, by and between

GRANTOR	GRANTEE
THE PRESBYTERY OF WESTERN NORTH CAROLINA, INC., a North Carolina Non-Profit corporation, and the ADMINISTRATIVE COMMISSION FOR FIRST PRESBYTERIAN CHURCH OF LENOIR, NORTH CAROLINA (USA)	(ECO-PCL) Address: 1002 Kirkwood Street, NW Lenoir, NC 28645.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all those certain lots or parcels of land situated in the _____ Township, Caldwell County, North Carolina (collectively sometimes referred to herein as the "Real Property") and more particularly described as follows:

Being all of the real property held by or for FIRST PRESBYTERIAN CHURCH OF LENOIR, or FIRST PRESBYTERIAN CHURCH OF LENOIR, NORTH CAROLINA, INC. and/or its Trustees.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

The Grantor makes no warranty, express or implied, as to title to the Real Property. The Real Property is being conveyed free and clear of any and all claims of the Grantors and the Presbyterian Church, USA, including, but not limited to, any and all claims arising from or under 1) the trust clause (G-4.0203) of the Presbyterian Church USA Book of Order and the trust clause (Section 6-3) of its predecessor by merger, the Presbyterian Church in the United States, 2) that instrument captioned "Notice of PCUSA Property Governance" recorded in Deed Book 1889, Page 286, Caldwell County Registry, and 3) that instrument captioned "Notice of Actions Contrary to PCUSA Property Governance and Property Reversion" recorded in Deed Book 1889, Page 1032, Caldwell County Registry. The Grantors, for themselves and on behalf of the PCUSA, convey their interests in the Real Property to [ECO-PCL], as Grantee.

The Grantee shall hold the Real Property, free of any claim of trust or other claim on the part of the Presbytery or PCUSA, and shall be entitled to make such use of the Real Property as it sees fit for purposes including, without limitation, worship, education, administration, community activities, parking, other uses similar to the manner in which the Real Property has been utilized previously, and other activities involving members of the congregation; provided, however, if prior to the ___th day of July, 2026,

A. [ECO-PCL] or its successor has ceased to be a member congregation of the Reformed denomination to which it has been dismissed or another Reformed body, or

B. if [ECO-PCL] or its successor ceases to exist,

title to the Real Property transferred or released by the Presbytery, together with any proceeds derived from the sale thereof, shall revert to and/or be conveyed to the Presbytery.

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

THE PRESBYTERY OF WESTERN NORTH CAROLINA, INC.,
a North Carolina non-profit corporation

Attest: _____
D. CAMERON MURCHISON, Stated Clerk

By: _____
BARBARA MCLEAN, Moderator

The Stated Clerk of The Presbytery of Western North Carolina, Inc. hereby (i) confirms that Barbara McLean, Moderator, has the authority to execute this Deed on behalf of The Presbytery of Western North Carolina, Inc., and (ii) attests to the signature of Barbara McLean on behalf of The Presbytery of Western North Carolina, Inc.

THE ADMINISTRATIVE COMMISSION FOR FIRST
PRESBYTERIAN CHURCH OF LENOIR (U,S,A,)

By: _____
EDYTH PRUITT, Co-Chair

STATE OF NORTH CAROLINA - COUNTY OF BUNCOMBE

I, W. Michael Begley, the undersigned Notary Public of the County and State aforesaid, certify that Barbara McLean, who is known to me or proved to me on the basis of satisfactory evidence to be the person described, personally came before me this day and acknowledged that she is the Moderator of THE PRESBYTERY OF WESTERN NORTH CAROLINA, INC., a North Carolina non-profit corporation, and acknowledged that she duly executed the foregoing instrument on behalf of said entity for the purposes therein expressed. Witness my hand and Notarial stamp or seal this the ___ day of _____, 2016.

(NOTARY SEAL)

W. Michael Begley, Notary Public
My Commission Expires: December 2, 2020

STATE OF NORTH CAROLINA - COUNTY OF BUNCOMBE

I, W. Michael Begley, the undersigned Notary Public of the County and State aforesaid, certify that D. Cameron Murchison, who is known to me or proved to me on the basis of satisfactory evidence to be the person described, personally came before me this day and acknowledged that he is the Stated Clerk of THE PRESBYTERY OF WESTERN NORTH CAROLINA, INC., a North Carolina non-profit corporation, and that by authority duly given and as the act of the corporation, the Moderator, Barbara McLean, signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal this the ___ day of _____, 2016.

(NOTARY SEAL)

W. Michael Begley, Notary Public
My Commission Expires: December 2, 2020

STATE OF NORTH CAROLINA, COUNTY OF BUNCOMBE

I, W. Michael Begley, the undersigned Notary Public of the County and State aforesaid, do hereby certify that EDYTH PRUITT, who is personally known to me or proved to me on the basis of satisfactory evidence to be the person described, personally came before me this day and acknowledged that she is the Co-Chair of the Administrative Commission for First Presbyterian Church of Lenoir (USA) and that by authority duly given and as the act of such entity, she voluntarily signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this the ___ day of _____, 2016.

(NOTARY SEAL)

W. Michael Begley, Notary Public
My Commission Expires: December 2, 2020

SATISFACTION: The debt evidenced by this Note has been satisfied in full this _____ day of _____

EXHIBIT B

PROMISSORY NOTE

Signed: _____

_____ Morganton, N.C.

\$ *****500,000.00

FOR VALUE RECEIVED the undersigned, jointly and severally, promise to pay to The Presbytery of Western North Carolina, Inc.

_____ or order, the principal sum of Five Hundred Thousand and 00/100

DOLLARS (\$ *****500,000.00), with interest from _____, at the rate of Zero per cent (0.00 %) per annum on the unpaid balance until paid or until default, both principal and interest payable in lawful money of the United States of America, at the office of The Presbytery of Western North Carolina, Inc.

114 Silver Creek Road, Morganton, NC 28655 or at such place as the legal holder hereof may designate in writing. It is understood and agreed that additional amounts may be advanced by the holder hereof as provided in the instruments, if any, securing this Note and such advances will be added to the principal of this Note and will accrue interest at the above specified rate of interest from the date of advance until paid. The principal and interest shall be due and payable as follows:

In equal and consecutive annual installments of \$50,000.00, the first said installment being due and payable on the _____ day of _____, 2017, and subsequent instalments being due and payable on the _____ day of _____ of each year thereafter until paid in full, the final installment being due and payable, if not sooner paid, on the _____ day of _____, 2026.

If not sooner paid, the entire remaining indebtedness shall be due and payable on _____ If payable in installments, each such installment shall, unless otherwise provided, be applied first to payment of interest then accrued and due on the unpaid principal balance, with the remainder applied to the unpaid principal.

Unless otherwise provided, this Note may be prepaid in full or in part at any time without penalty or premium. Partial prepayments shall be applied to installments due in reverse order of their maturity.

In the event of (a) default in payment of any installment of principal or interest hereof as the same becomes due and such default is not cured within ten (10) days from the due date, or (b) default under the terms of any instrument securing this Note, and such default is not cured within fifteen (15) days after written notice to maker, then in either such event the holder may without further notice, declare the remainder of the principal sum, together with all interest accrued thereon and, the prepayment premium, if any, at once due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any other time. The unpaid principal of this Note and any part thereof, accrued interest and all other sums due under this Note and the Deed of Trust, if any, shall bear interest at the rate of Twelve per cent (12.000 %) per annum after default until paid.

All parties to this Note, including maker and any sureties, endorsers, or guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest and all other sums due under this Note and the Deed of Trust notwithstanding any change or changes by way of release, surrender, exchange, modification or substitution of any security for this Note or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

Upon default the holder of this Note may employ an attorney to enforce the holder's rights and remedies and the maker, principal, surety, guarantor and endorsers of this Note hereby agree to pay to the holder reasonable attorneys fees not exceeding a sum equal to fifteen percent (15%) of the outstanding balance owing on said Note, plus all other reasonable expenses incurred by the holder in exercising any of the holder's rights and remedies upon default. The rights and remedies of the holder as provided in this Note and any instrument securing this Note shall be cumulative and may be pursued singly, successively, or together against the property described in the Deed of Trust or any other funds, property or security held by the holder for payment or security, in the sole discretion of the holder. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies or the right to exercise any of them at another time.

This Note is to be governed and construed in accordance with the laws of the State of North Carolina. This Note is given _____, and is secured by a

Deed of Trust of even date herewith

_____ which is a first lien upon the property therein described.

IN TESTIMONY WHEREOF, each corporate maker has caused this instrument to be executed in its corporate name by its _____ President, attested by its

IN TESTIMONY WHEREOF, each individual maker has hereunto set his hand and adopted as his seal the word "SEAL" appearing beside his name, the day and year first above written.

_____ Secretary, and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, the day and year first above written.

[ECO-PCL] _____ (Corporate Name)

By: _____ President

ATTEST: _____

_____ Secretary (Corporate Seal)

_____ (Corporate Name)

By: _____ President

ATTEST: _____

_____ Secretary (Corporate Seal)

USE BLACK INK ONLY

_____ (SEAL)

EXHIBIT C

NORTH CAROLINA DEED OF TRUST

SATISFACTION: The debt secured by the within Deed of Trust together with the note(s) secured thereby has been satisfied in full. This the _____ day of _____, 20____ Signed: _____

Parcel Identifier No. _____ Verified by _____ County on the _____ day of _____, 20____ By: _____

Mail/Box to: Begley Law Firm, PA, 103 Richardson Boulevard, Black Mountain, NC 28711

This instrument was prepared by: Begley Law Firm, PA, 103 Richardson Boulevard, Black Mountain, NC 28711

Brief description for the Index: _____

THIS DEED of TRUST made this _____ day of _____, 20____, by and between:

Table with 3 columns: GRANTOR, TRUSTEE, BENEFCIARY. GRANTOR: [ECO-PCL]; TRUSTEE: Wm. Michael Begley; BENEFCIARY: The Presbytery of Western North Carolina, Inc., 114 Silver Creek Road, Morganton, NC 28655

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor, Trustee, and Beneficiary as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, That whereas the Grantor is indebted to the Beneficiary in the principal sum of Five Hundred Thousand and 00/100 Dollars (\$*****500,000.00), as evidenced by a Promissory Note of even date herewith, the terms of which are incorporated herein by reference. The final due date for payments of said Promissory Note, if not sooner paid, is _____, 20____.

NOW, THEREFORE, as security for said indebtedness, advancements and other sums expended by Beneficiary pursuant to this Deed of Trust and costs of collection (including attorneys fees as provided in the Promissory Note) and other valuable consideration, the receipt of which is hereby acknowledged, the Grantor has bargained, sold, given and conveyed and does by these presents bargain, sell, give, grant and convey to said Trustee, his heirs, or successors, and assigns, the parcel(s) of land situated in the City of Lenoir, Township, Caldwell County, North Carolina, (the "Premises") and more particularly described as follows:

Being all of the real property held by or for First Presbyterian Church of Lenoir, or First Presbyterian Church of Lenoir, North Carolina, Inc., and/or its Trustees, and being also the real property conveyed to the Grantor herein by Deed executed by The Presbytery of Western North Carolina, Inc., et al., and recorded contemporaneously herewith.

TO HAVE AND TO HOLD said Premises with all privileges and appurtenances thereunto belonging, to said Trustee, his heirs, successors, and assigns forever, upon the trusts, terms and conditions, and for the uses hereinafter set forth.

If the Grantor shall pay the Note secured hereby in accordance with its terms, together with interest thereon, and any renewals or extensions thereof in whole or in part, all other sums secured hereby and shall comply with all of the covenants, terms and conditions of this Deed of Trust, then this conveyance shall be null and void and may be canceled of record at the request and the expense of the Grantor.

If, however, there shall be any default (a) in the payment of any sums due under the Note, this Deed of Trust or any other instrument securing the Note and such default is not cured within ten (10) days from the due date, or (b) if there shall be default in any of the other covenants, terms or conditions of the Note secured hereby, or any failure or neglect to comply with the covenants, terms or conditions contained in this Deed of Trust or any other instrument securing the Note and such default is not cured within fifteen (15) days after written notice, then and in any of such events, without further notice, it shall be lawful for and the duty of the Trustee, upon request of the Beneficiary, to sell the land herein conveyed at public auction for cash, after having first giving such notice of hearing as to commencement of foreclosure proceedings and obtained such findings or leave of court as may then be required by law and giving such notice and advertising the time and place of such sale in such manner as may then be provided by law, and upon such and any resales and upon compliance with the law then relating to foreclosure proceedings under power of sale to convey title to the purchaser in as full and ample manner as the Trustee is empowered. The Trustee shall be authorized to retain an attorney to represent him in such proceedings.

The proceeds of the Sale shall after the Trustee retains his commission, together with reasonable attorneys fees incurred by the Trustee in such proceedings, be applied to the costs of sale, including, but not limited to, costs of collection, taxes, assessments, costs of recording, service fees and incidental expenditures, the amount due on the Note hereby secured and advancements and other sums expended by the Beneficiary according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures. The Trustee's commission shall be five percent (5%) of the gross proceeds of the sale or the minimum sum of \$ 1,000.00 whichever is greater, for a completed foreclosure. In the event foreclosure is commenced, but not completed, the Grantor shall pay all expenses incurred by Trustee, including reasonable attorneys fees, and a partial commission computed on five per cent (5%) of the outstanding indebtedness or the above stated minimum sum, whichever is greater, in accordance with the following schedule, to-wit: one-fourth (1/4) thereof before the Trustee issues a notice of hearing on the right to foreclosure; one-half (1/2) thereof after issuance of said notice, three-fourths (3/4) thereof after such hearing; and the greater of the full commission or minimum sum after the initial sale.

And the said Grantor does hereby covenant and agree with the Trustee as follows:

1. **INSURANCE.** Grantor shall keep all improvements on said land, now or hereafter erected, constantly insured for the benefit of the Beneficiary against loss by fire, windstorm and such other casualties and contingencies, in such manner and in such companies and for such amounts, not less than that amount necessary to pay the sum secured by this Deed of Trust, and as may be satisfactory to the Beneficiary. Grantor shall purchase such insurance, pay all premiums therefor, and shall deliver to Beneficiary such policies along with evidence of premium payments as long as the Note secured hereby remains unpaid. If Grantor fails to purchase such insurance, pay premiums therefor or deliver said policies along with evidence of payment of premiums thereon, then Beneficiary, at his option, may purchase such insurance. Such amounts paid by Beneficiary shall be added to the principal of the Note secured by this Deed of Trust, and shall be due and payable upon demand of Beneficiary. All proceeds from any insurance so maintained shall at the option of Beneficiary be applied to the debt secured hereby and if payable in installments, applied in the inverse order of maturity of such installments or to the repair or reconstruction of any improvements located upon the Property.

2. **TAXES, ASSESSMENTS, CHARGES.** Grantor shall pay all taxes, assessments and charges as may be lawfully levied against said Premises within thirty (30) days after the same shall become due. In the event that Grantor fails to so pay all taxes, assessments and charges as herein required, then Beneficiary, at his option, may pay the same and the amounts so paid shall be added to the principal of the Note secured by this Deed of Trust, and shall be due and payable upon demand of Beneficiary.

3. **ASSIGNMENTS OF RENTS AND PROFITS.** Grantor assigns to Beneficiary, in the event of default, all rents and profits from the land and any improvements thereon, and authorizes Beneficiary to enter upon and take possession of such land and improvements,

to rent same, at any reasonable rate of rent determined by Beneficiary, and after deducting from any such rents the cost of reletting and collection, to apply the remainder to the debt secured hereby.

4. **PARTIAL RELEASE.** Grantor shall not be entitled to the partial release of any of the above described property unless a specific provision providing therefor is included in this Deed of Trust. In the event a partial release provision is included in this Deed of Trust, Grantor must strictly comply with the terms thereof. Notwithstanding anything herein contained, Grantor shall not be entitled to any release of property unless Grantor is not in default and is in full compliance with all of the terms and provisions of the Note, this Deed of Trust, and any other instrument that may be securing said Note.

5. **WASTE.** The Grantor covenants that he will keep the Premises herein conveyed in as good order, repair and condition as they are now, reasonable wear and tear excepted, and will comply with all governmental requirements respecting the Premises or their use, and that he will not commit or permit any waste.

6. **CONDEMNATION.** In the event that any or all of the Premises shall be condemned and taken under the power of eminent domain, Grantor shall give immediate written notice to Beneficiary and Beneficiary shall have the right to receive and collect all damages awarded by reason of such taking, and the right to such damages hereby is assigned to Beneficiary who shall have the discretion to apply the amount so received, or any part thereof, to the indebtedness due hereunder and if payable in installments, applied in the inverse order of maturity of such installments, or to any alteration, repair or restoration of the Premises by Grantor.

7. **WARRANTIES.** Grantor covenants with Trustee and Beneficiary that he is seized of the Premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that he will warrant and defend the title against the lawful claims of all persons whomsoever, except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:

Easements, restrictions, rights of way of record.

8. **SUBSTITUTION OF TRUSTEE.** Grantor and Trustee covenant and agree to and with Beneficiary that in case the said Trustee, or any successor trustee, shall die, become incapable of acting, renounce his trust, or for any reason the holder of the Note desires to replace said Trustee, then the holder may appoint, in writing, a trustee to take the place of the Trustee; and upon the probate and registration of the same, the trustee thus appointed shall succeed to all rights, powers and duties of the Trustee.

X **THE FOLLOWING PARAGRAPH, 9. SALE OF PREMISES, SHALL NOT APPLY UNLESS THE BLOCK TO THE LEFT MARGIN OF THIS SENTENCE IS MARKED AND/OR INITIALED.**

9. **SALE OF PREMISES.** Grantor agrees that if the Premises or any part thereof or interest therein is sold, assigned, transferred, conveyed or otherwise alienated by Grantor, whether voluntarily or involuntarily or by operation of law [other than: (i) the creation of a lien or other encumbrance subordinate to this Deed of Trust which does not relate to a transfer of rights of occupancy in the Premises; (ii) the creation of a purchase money security interest for household appliances; (iii) a transfer by devise, descent, or operation of law on the death of a joint tenant or tenant by the entirety; (iv) the grant of a leasehold interest of three (3) years or less not containing an option to purchase; (v) a transfer to a relative resulting from the death of a Grantor; (vi) a transfer where the spouse or children of the Grantor become the owner of the Premises; (vii) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the Grantor becomes an owner of the Premises; (viii) a transfer into an inter vivos trust in which the Grantor is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the Premises], without the prior written consent of Beneficiary, Beneficiary, at its own option, may declare the Note secured hereby and all other obligations hereunder to be forthwith due and payable. Any change in the legal or equitable title of the Premises or in the beneficial ownership of the Premises, including the sale, conveyance or disposition of a majority interest in the Grantor if a corporation or partnership, whether or not of record and whether or not for consideration, shall be deemed to be the transfer of an interest in the Premises.

10. **ADVANCEMENTS.** If Grantor shall fail to perform any of the covenants or obligations contained herein or in any other instrument given as additional security for the Note secured hereby, the Beneficiary may, but without obligation, make advances to perform such covenants or obligations, and all such sums so advanced shall be added to the principal sum, shall bear interest at the rate provided in the Note secured hereby for sums due after default and shall be due from Grantor on demand of the Beneficiary. No advancement or anything contained in this paragraph shall constitute a waiver by Beneficiary or prevent such failure to perform from constituting an event of default.

11. **INDEMNITY.** If any suit or proceeding be brought against the Trustee or Beneficiary or if any suit or proceeding be brought which may affect the value or title of the Premises, Grantor shall defend, indemnify and hold harmless and on demand reimburse Trustee or Beneficiary from any loss, cost, damage or expense and any sums expended by Trustee or Beneficiary shall bear interest as provided in the Note secured hereby for sums due after default and shall be due and payable on demand.

12. **WAIVERS.** Grantor waives all rights to require marshaling of assets by the Trustee or Beneficiary. No delay or omission of the Trustee or Beneficiary in the exercise of any right, power or remedy arising under the Note or this Deed of Trust shall be deemed a waiver of any default or acquiescence therein or shall impair or waive the exercise of such right, power or remedy by Trustee or Beneficiary at any other time.

13. **CIVIL ACTION.** In the event that the Trustee is named as a party to any civil action as Trustee in this Deed of Trust, the Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action and

the reasonable attorney's fee of the Trustee in such action shall be paid by the Beneficiary and added to the principal of the Note secured by this Deed of Trust and bear interest at the rate provided in the Note for sums due after default.

14. **PRIOR LIENS.** Default under the terms of any instrument secured by a lien to which this Deed of Trust is subordinate shall constitute default hereunder.

15. **OTHER TERMS.**

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

[ECO-PCL] (Entity Name) (SEAL)

By: _____ (SEAL)
Title: _____

By: _____ (SEAL)
Title: _____

By: _____ (SEAL)
Title: _____

State of North Carolina - County of _____

I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal this _____ day of _____, 20__.

My Commission Expires: _____
Notary Public

State of North Carolina - County of Caldwell

I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he is the _____ of [ECO-PCL], a North Carolina or _____ corporation/limited liability company/general partnership/limited partnership (strike through the inapplicable), and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this _____ day of _____, 20__.

My Commission Expires: _____
Notary Public

State of North Carolina - County of _____

I, the undersigned Notary Public of the County and State aforesaid, certify that _____

Witness my hand and Notarial stamp or seal, this _____ day of _____, 20__.

My Commission Expires: _____
Notary Public

The foregoing Certificate(s) of _____ is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

_____ Register of Deeds for _____ County

By: _____ Deputy/Assistant - Register of Deeds