

PRESBYTERY OF NEW COVENANT

Called Meeting
May 19, 2015 Noon

John Knox Presbyterian Church
2525 Gessner, Houston, TX 77080

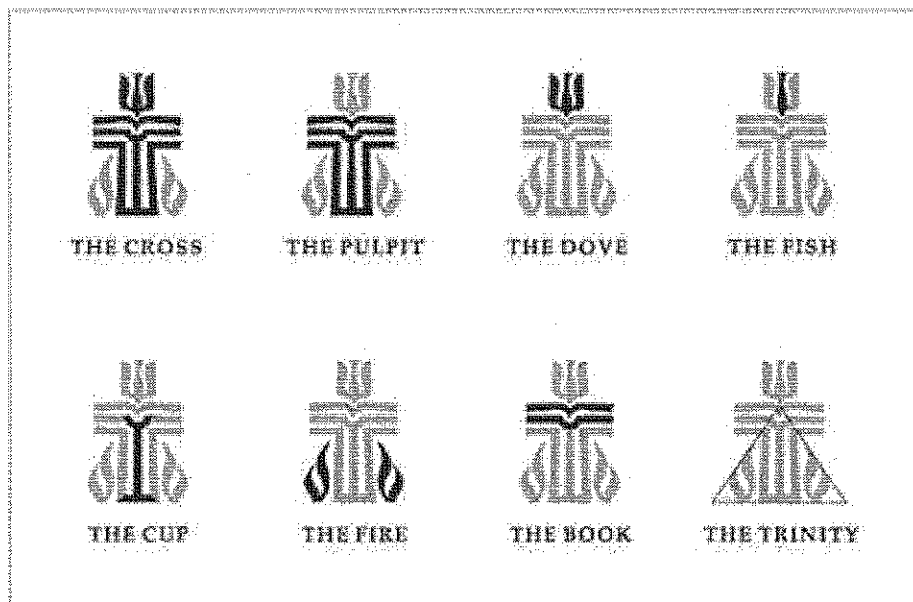
Proposed Docket

Noon Call to Order and Opening Worship

Motion: Shall we dismiss the congregation of Windwood Presbyterian Church to the Covenant Order of Evangelical Presbyterians (ECO), pending completion of the transfer to that body?

Motion to adjourn

Closing Prayer



At the March meeting of the presbytery, we approved an Administrative Commission (AC) to mediate a settlement of the lawsuit with Windwood Presbyterian Church, Houston. The team members were: Laurey Murphy, Shelley Hernandez, Dave Johnson, Jane Larkin, Mike Cole and Lynn Hargrove. The mediation was held on Wednesday, April 8 at the offices of our attorney, Fred Cook. Spike Pattillo, an attorney from Waco, Texas, was chosen to mediate the settlement.

Through our conversations on that day, we came to understand that, due to a change in how the Texas Supreme Court will handle church property disputes, Windwood's likelihood of success in its efforts to obtain a declaratory judgment was much higher than before the August 2013 decision in an Episcopalian case. Additionally, Windwood made clear that, if it was awarded a declaratory judgment, it would seek to recover its attorneys' fees, which it presently estimates at approximately \$375,000. Of course, if litigation continued, that claim would increase.

In order to reach a settlement and avoid future litigation and increased claims for legal fees, the AC agreed to have both sides drop all claims, both monetary and declaratory, and arrange for a vote by the presbytery to dismiss Windwood to the Covenant Order of Evangelical Presbyterians (ECO). The members of the AC felt that we were being responsible to our fiduciary duty as that figure would represent about what would be owed under the current Reconciliation and Dismissal Procedure. With the recent changes in Texas law and the prospect of further increases in the claims for recovery of legal fees, it was determined that this was the most prudent way to resolve the litigation.

At this time, we have not yet received a draft of more formal settlement documents from Windwood's counsel. A copy of the signed document with handwritten terms is provided to you. Basically it says that both parties will dismiss the other, no payments will be made by either party and that both parties will agree to dismiss the lawsuit. The other terms are:

1. Defendants agree to execute a Quit Claim Deed in a form to be agreed upon by counsel for both parties in favor of Windwood conveying all right, title and interests in all real estate presently owned by Windwood to Windwood to be delivered on or before June 5, 2015.
2. Defendants agree to execute a document to be agreed upon by counsel for both parties conveying all right, title and interests Defendants may have in all personal property owned by Windwood to be delivered on or before June 5, 2015.
3. Concurrently with delivery of these documents, Windwood will execute and deliver a signed dismissal with prejudice of all claims which it has asserted in this litigation.

In order to implement this settlement on these terms, there will be a called meeting of the Presbytery of New Covenant on Tuesday, May 19, 2015 to vote on the dismissal of Windwood from the PCUSA to ECO. This needs to happen prior to execution of the legal papers conveying the title to the real and personal property.

On behalf of the Administrative Commission, I appreciate the trust you have put in us to carry out these tasks.

Lynn Hargrove