



Mr. Roger Watson  
Director of Finance & Development  
Northwest Yearly Meeting of Friends  
200 N. Meridian Street  
Newberg, OR 97132

Dear Mr. Watson and all leadership of the Northwest Yearly Meeting:

This letter is in response to your letter to Chris Lauri dated December 9, 2016. Before getting to the substance of our reply, it is helpful to recount how we got to this point.

You may recall that the body of Anthem Friends Church made a unanimous decision to withdraw from the NWYM in October of 2015. That decision, with supporting documents, was transmitted to the NWYM through a letter dated October 20, 2015, and signed by Terry Riske, our presiding clerk (copy enclosed).

On February 11, 2016, you and Gordon Crisman called Anthem and spoke with Terry Riske and Pastor Jackson Hite to begin negotiations for Anthem to buy-back its Hayden Idaho property from NWYM. You proposed that the purchase price would be negotiated after an appraisal of that property. You also asked Anthem to provide a “binding” written statement declaring that Anthem would continue to allow churches in the NWYM to use the Twin Lakes camp property. During that phone call you identified a Resolution adopted by the Hayden Lake Friends Church directors on May 8, 1975, and minutes of a special meeting of the HLFC Board held on February 22, 1977, as the basis for the Yearly Meeting’s claim to the Anthem real property.

On February 20, 2016, the elders/directors of Anthem Friends Church met to consider and discuss the statements and demands conveyed during the February 11<sup>th</sup> phone call. At that meeting the Anthem elders/directors unanimously agreed to take the following actions:

1. To change the name of Hayden Lake Evangelical Friends Church, Inc. to “Anthem Church, Inc.” and to file Amended Articles with the Idaho Secretary of State;
2. To rescind and revoke the May 8, 1975 Resolution of the board of directors of Hayden Lake Friends Church, Inc.;
3. To rescind and revoke the February 22, 1977 Resolution of the board of directors of Hayden Lake Friends Church, Inc.;
4. To restate and amend the Bylaws of Anthem Church, Inc.; and
5. To record new deeds in the name of Anthem Church, Inc. for all real property previously titled to HLFC, and to purchase title insurance for all such property.

All of these actions have been completed.

In June of 2016, we met with the NWYM leadership in Newberg to discuss our withdrawal and release from the Yearly Meeting. During that meeting it was confirmed that Anthem Church had fully complied with the written exit process provided by Becky Ankeny (copy enclosed) and that Anthem is not under any form of discipline. Nevertheless, Anthem was asked to pay an “exit fee” equal to ten percent (10%) of the value of all Anthem properties. In addition, the Yearly Meeting requested that the Twin Lakes camp property be surrendered

to the NWYM. The rationale for these demands was to set a precedent for any other churches who might be planning to withdraw from the Yearly Meeting, and to provide funding for the NWYM to plant new churches. In response to these demands the Anthem elders/directors proposed an alternative solution whereby Anthem would agree in principle to a 10% exit fee, but that fee would be waived on condition that Anthem would commit to spend an equivalent sum for church planting activities in the inland Northwest over a five (5) year period. A formal written proposal containing these terms and conditions was signed by Pastors Chris Lauri and Jackson Hite and transmitted to the NWYM on July 6, 2016 (copy enclosed).

In October of 2016, Chris Lauri was asked by Retha McCutchen to arrange a meeting in Hayden between the Anthem elders/directors and representatives of the NWYM. The purpose for this meeting was to discuss Anthem's proposal and the conditions for Anthem's withdrawal from the NWYM. The elders/directors of Anthem did not feel it was appropriate to meet and discuss these topics without first receiving a formal, written response to our July 6, 2016 offer. On November 3, 2016, Anthem sent the enclosed letter asking for a substantive written response to our July 6<sup>th</sup> proposal. We understand your December 9, 2016 letter (copy enclosed) to be that formal response.

In your letter you report that the Administrative Council will allow Anthem to retain the Twin Lakes camp property on certain terms and conditions set forth therein. With respect to the Anthem property in Hayden you report that the subcommittee and Administrative Council did not find our proposal to invest 10% of our value over 5 years for church planting activities to be acceptable. Instead, the NWYM now proposes that Anthem "return/pay" to the Yearly Meeting a sum equal to 7% of the total value of Anthem Church property as determined by an independent appraisal. Based on current assessed values, that sum would be approximately \$150,000. In consideration of this payment the NWYM will "relinquish its legal right to retain the entirety of the property and improvements and cooperate on providing any necessary documentation that the Anthem church property is fully yours."

On January 12, 2017, the elders/directors of Anthem Church, and several other former elders and leaders of HLFC met to discuss and consider the position of the Yearly Meeting as stated in your December 9<sup>th</sup> letter. The current and former leadership of Anthem unanimously agreed to reject your proposal. In addition, we unanimously agreed to withdraw our previous offer as expressed in our July 6, 2016 correspondence, and that offer is hereby withdrawn and terminated.

It is our considered opinion that the NWYM has no Biblical, legal, moral or historic claim to any of the real property now owned by Anthem Church, Inc. Over the past 20 years, HLFC and Anthem Church have contributed in excess of \$1,000,000 to the NWYM and we have neither asked for nor received any financial support. Needless to say, we perceive no financial debt to the Yearly Meeting. The Twin Lakes camp property and the main Anthem Church campus in Hayden were acquired before the 1975 and 1977 resolutions upon which the Yearly Meeting apparently relies in making its claims. Anthem Church, Inc. has clear, unencumbered and insured title to all of these properties.

In addition, we have carefully reviewed your Faith and Practice document and we find nothing therein that supports your claim of a "legal right to retain" any of the Anthem property.

Finally, we have reviewed relevant judicial decisions on this subject and we are confident that any claim by NWYM against our assets will be rejected. In any event, Anthem Church and its insurer will defend against any such claim. In the meantime, Anthem Church will do with its property and assets as we deem best and in accordance with the leading and guidance of the Holy Spirit. No consideration will be given to any other distraction.

We consider our withdrawal from the NWYM to be effective and completed in all respects. We will continue to follow the calling and do the work that the Lord has given us since the merger of HLFC and Anthem in 2012, and we are very excited to see what God has in store for our body. We continue to wish the best for the NWYM and you remain in our prayers as you deal with many difficult Biblical and theological issues.

In the absence of any new or additional information that supports your claims, we will retain ownership and control over all real property assets to honor the memory, sacrifice, faithfulness and desires of the past and current members of HLFC and Anthem Church. If you have any additional information for our consideration, please forward it to:

Scott L. Poorman  
Attorney at Law  
PO Box 2871  
Hayden, ID 83835

In His love,

Anthem Church Elders

CC: all member churches of NWYM



To the Northwest Yearly Meeting Elders and Superintendent,

Greetings from your brothers and sisters in Christ at Anthem Friends Monthly Meeting.

As the body of believers that call Anthem Friends Church our home (Anthem Friends Monthly Meeting), we wish to notify you that we request to be released from our affiliation with the Northwest Yearly Meeting. This discussion was initiated at our May business meeting, with the final decision made at our business meeting October 16th, 2015. This decision was made in full consensus, none needing to step aside. Sign in sheets are attached from those present.

While we hold no ill will toward the NWYM, we have determined that our beliefs and convictions do not align with those of the NWYM's regarding the authority of Scripture and the methods and process used as we move toward regeneration, repentance and holiness in our walk with Jesus.

At this time, we do not have plans to join another yearly meeting, denomination or network. We also understand the current issues that NWYM is struggling with and the weight that those issues carry. Accordingly, we respectfully request a quick and timely release from affiliation with NWYM to allow us to prayerfully pursue the Lord's direction for the future of Anthem Friends Church and to allow for the least disruptive transition for NWYM.

In Christ,

Anthem Friends Monthly Meeting

Terry Riske, Presiding Clerk

This is a statement of a procedure that we intend to use in the event of a local church wishing to withdraw from the Yearly Meeting. It is consistent with relevant sections of Faith and Practice, and with other actions taken by the Yearly Meeting in previous similar situations.

NWYM Faith and Practice states: “As an affiliate of Northwest Yearly Meeting of Friends Church, each local church acknowledges that the Yearly Meeting has complete authority in all matters affecting the Yearly Meeting and its affiliated churches.”

Therefore, there must be YM involvement when a church intends to leave the YM for any reason. This is because such an act has wide reverberations across the YM and because there are legal requirements to be clarified and met.

The process of leaving will be initiated when a congregational business meeting provides the YM with a formal minute that the congregational business meeting approved stating the decision to leave.

The first group to respond will be the Elders. Their authority derives from F&P 7.01.06: “Whenever necessary, investigate problems in a local church or ministry point, endeavoring to help the church maintain its active relationship with the Yearly Meeting and with the community. If the Board judges that this cannot be achieved, it may take action it deems necessary including, but not limited to, discontinuing the church, effecting a union with another Friends Church, or changing its status to a ministry point.”

Because when a church decides to leave the YM, the entire YM will experience the loss, which may indeed meet the criterion of “shattering,” the NWYM elders are authorized to intervene in accordance the F & P guidelines about “Under the Care of Elders”: “While the decision to come under the care of the Elders is usually initiated by the local church, there are times when the BoE may choose to propose such an arrangement first. Exceptional cases where the church is in severe decline, is experiencing unresolved conflict, or is out of compliance with Faith and Practice in a way that is shattering to the local church or Yearly Meeting community, may prompt the BoE to intervene and place the local church under their care....In situations in which a ministry point or local church continues to deteriorate, remains ineffective or out of unity with NWYM Faith and Practice, the BoE, acting for the Yearly Meeting, may discontinue the church or the association of the church with Northwest Yearly Meeting, or it may effect a union with another Friends church.”

The NWYM elders will follow the process outlined in F & P for such an intervention. They will initiate an interview process with congregants about the desire and decision to leave. They will meet with the congregation to review findings and correct misinformation.

The information will come to the NWYM elders for their discernment. If Elders discern differently from the local congregation, they may encourage the church to reconsider, to temporarily come under the care of NWYM Elders for counsel and support.

If the Elders discern that the local congregation has followed appropriate process in arriving at their decision, and that their leaving will not shatter the YM, a committee made up of representatives of the AC, Trustees, and Elders will meet with the congregation's leadership

This group will work with the local congregational leaders to make

- A plan for the church property

- A plan for leaving the NWYM 501(c)3 and finding another 501(c)3

- Removing membership (and recording) or transferring to another denomination

The NWYM must be involved as well in any decision to form a new yearly meeting from churches presently a part of NWYM. As F & P states:

Areas whose members wish to be set off and established as a new yearly meeting should inform the Yearly Meeting of that desire and of the concurrence of the constituent churches in the proposal. The Yearly Meeting then considers the proposal and makes a decision. If action is favorable and a new yearly meeting is to be established, the Yearly Meeting appoints a committee, not to exceed ten in number, to attend the opening of the new yearly meeting and to present the authorizing minute and inaugurate sessions in accordance with Friends form of government.




In October of 2015, the body at Anthem Friends Church made the difficult, yet unanimous decision to withdraw from the Northwest Yearly Meeting of Friends. Despite our withdrawal from the Yearly Meeting, we at Anthem remain grateful for the past and continued investment of the Yearly Meeting into the Kingdom of God in North Idaho.

We also acknowledge that our withdrawal has resulted in the loss of resources to the Yearly Meeting that hinders its mission and future church-planting activities in North Idaho and adjoining regions such as Eastern Washington. Like the Yearly Meeting, we at Anthem sincerely desire to continue to support the work of the Holy Spirit by planting new churches in Kootenai County, North Idaho and adjoining regions.

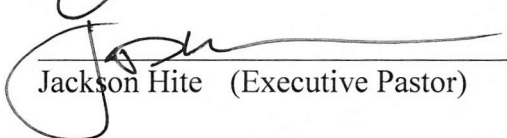
In response to our withdrawal the Yearly Meeting has requested an exit fee equal to ten percent (10%) of the value of all Anthem Church properties. Based on current assessed values, the exit fee would be \$296,000. In addition, the Yearly Meeting has requested that the Twin Lakes camp property be surrendered to the Yearly Meeting. It is our position that the NWYM has no legal or equitable claim to any of the assets of Anthem Church. Nevertheless, in the interest of our shared goal to see the gospel of Jesus Christ proclaimed in North Idaho and beyond, Anthem Church has agreed to voluntarily pay an exit fee to the NWYM equal to ten percent (10%) of the assessed value of all Anthem Church properties (\$296,000). In return, the Yearly Meeting has agreed to waive and forgive the exit fee in full if Anthem Church uses the exit fee amount for church planting activities in North Idaho and beyond over the next five (5) years. Church planting activities include, without limitation: purchasing and/or leasing real property, supporting new pastors in full or part-time ministry, supporting Christian education through schools, camps and other programs, supporting local missionaries in Kootenai County, North Idaho and beyond.

The Yearly Meeting also acknowledges and agrees that Anthem is fully released from the NWYM with all of its assets free and clear of any claim or demand by the Yearly Meeting, and with the Yearly Meeting's blessing to continue the work that God has called Anthem to perform in Kootenai County and wherever the Holy Spirit leads.

We, the pastors and elders of Anthem Church, solemnly commit to pray for God's blessing on our brothers and sisters in Christ at the Yearly Meeting.

  
Chris Lauri (Lead Pastor)

7-6-16  
Date

  
Jackson Hite (Executive Pastor)

7/6/16  
Date

\_\_\_\_\_  
NWYM Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
NWYM Representative

\_\_\_\_\_  
Date



November 3, 2016

Dear Leadership of the Northwest Yearly Meeting,

The Elders of Anthem Church met yesterday to discuss your request for a face-to-face meeting in Hayden. While we appreciate your desire to engage in direct communication, we believe that such a meeting would be premature at this time.

You will recall that we traveled to Newberg in June of this year and met with several representatives from the Yearly Meeting. Following that gathering, Anthem presented a detailed written proposal for your consideration. To date we have not received a substantive response to our proposal. Our proposal was offered in good faith as a comprehensive resolution of all issues related to Anthem Church assets and our withdrawal from NWYM. We would appreciate the courtesy of a detailed written response to that proposal, and we will consider your response to be made by persons with the authority to legally bind the NWYM if the terms are accepted.

Upon receipt of your substantive written response, we will give careful consideration to your proposed terms and we will reply in a timely manner. We sincerely hope you receive this request in the spirit of mutual respect and love with which it is made. Thank you for your consideration. We look forward to your reply.

Best regards,

Anthem Church Elders





December 9, 2016

Anthem Church  
Chris Lauri, Pastor  
251 W. Miles Avenue  
Hayden Lake, ID 83835-9622

Dear Chris,

I am happy to be able to get back to you and Anthem Church on the matters we have been discussing, as to the future of Twin Lakes Camp and the Anthem church property itself.

The Administrative Council of Northwest Yearly Meeting appointed a subcommittee to consider the Anthem proposal submitted in June of this year. This group was made up of members of the Trustees, Administrative Council and yearly meeting Elders, all of which had been present at the June meeting. This group made recommendations to the Administrative Council which then issued a decision.

In regard to Twin Lakes Camp, the Administrative Council proposes that the camp be retained by Anthem Church. This recognizes the significant financial investment which Hayden Lake Friends and now Anthem has made in the camp. This proposal is made on the following conditions:

- The parties will sign and record a memorandum of agreement that Anthem Church owns Twin Lakes Camp. If the camp is sold within a 10-year period, Anthem Church will return 25% of the proceeds to Northwest Yearly Meeting (which will be used for benefit of the Inland Area Friends churches).
- Anthem will allow use of the camp by Inland Area Friends churches at a reduced rate. It is suggested that the 20% discount offered by Twin Rocks Friends Camp be used as a model.
- That Inland Area Friends churches will continue to have a presence on the camp board of directors to work in partnership with Anthem Church.
- That a way be found by Anthem Church to permanently honor those churches and individuals which gave of time, expertise and financial support to establish the camp.

In regard to the Anthem church property itself, the subcommittee and Administrative Council were not satisfied with the proposal made by Anthem. While we applaud your desire to plant churches, it was felt strongly that this did not honor the desire of the Hayden Lake Friends Church and its members to remain a Friends Church, and the proposal was not adequate or acceptable. With that in mind, Northwest Yearly Meeting proposes that Anthem Church return/pay the Yearly Meeting for the Anthem church property an amount equal to 7% of the value of the church property and improvements based on an independent appraisal by a qualified third party that is mutually acceptable to the parties. The cost of would be divided equally between the Church and Northwest Yearly Meeting.

We believe this to be a generous offer by Northwest Yearly Meeting based on its Faith and Practice and would allow Anthem to continue with its vision. In consideration for the 7% payment, Northwest

Yearly Meeting will relinquish its legal right to retain the entirety of the property and improvements and cooperate on providing any necessary documentation that the Anthem church property is fully yours.

While we grieve the loss of the Anthem Church from Northwest Yearly Meeting it is our desire that your separation might be a peaceable one. In that spirit, we hope that you will agree to meet with Retha McCutchen, General Superintendent, Debbie Harrison, Assistant Clerk and Roger Watson, Director of Finance and Development to discuss any disagreements in a face to face meeting.

Please let us know when you can as to whether the above offer is acceptable. If so, please sign and return a copy of this letter. This offer is made on behalf of the Northwest Yearly Meeting and, if accepted, we will prepare and send you the legal documentation necessary to accomplish the transactions.

Sincerely yours,

A handwritten signature in cursive script that reads "Roger Watson".

Roger Watson,  
Director of Finance & Development,  
For and on behalf of Northwest Yearly Meeting of  
Friends Church, by its authority

The foregoing offer is accepted and approved.

ANTHEM CHURCH, INC.

By \_\_\_\_\_  
Name (printed):