

VIRGINIA:

IN THE CIRCUIT COURT OF FAIRFAX COUNTY

In re:) **Civil Case Numbers:**
Multi-Circuit Episcopal Church Litigation) CL 2007-248724,
) CL 2007-1625, and
) CL 2007-1236.

**TRURO CHURCH'S MOTION TO STAY EXECUTION
OF THE FINAL ORDER AND TO SET THE SUPERSEDEAS BOND**

COME NOW Truro Church ("Truro") and its related Trustees, by counsel, and pursuant to Virginia Code § 8.01-676.1 move this Court to suspend its Final Order, entered on March 1, 2012, as it relates to Truro, and in support states as follows:

1. On March 1, 2012, this Court entered a Final Order (attached as Exhibit A), which directed Truro to complete certain acts to transfer its rights, title and interest in real property, tangible and intangible personal property.

2. In the main, the Final Order directs Truro to:

(i) quitclaim and release all of its real estate, fixtures, improvements and appurtenances to the Bishop of the Diocese on or before April 30, 2012 (*see* Ex. A, Paragraph C, p. 2);

(ii) to submit petitions (together with the Diocese and TEC), "asking for confirmation of the appointment of such defendant trustees as trustees, asking for leave to grant and convey the respective properties to the Bishop of the Diocese and seeking entry of an order ... confirming the appointment of such defendant trustees and providing for and approving such grants and conveyances" on or before April 2, 2012 (*see* Ex. A, Paragraph C, pp. 3-4);

(iii) to convey "to the Bishop of the Diocese all of its respective rights titles and interests in the tangible and intangible personal property [as identified in the exhibits]" and "to deliver and relinquish possession and control over such tangible and intangible personal property to the Bishop of the Diocese in an orderly fashion" on or before April 30, 2012 (*see* Ex. A, Paragraph D, pp. 5-6);

(iv) to convey "to the Bishop of the Diocese all of its respective rights titles and interests in all liquid personal property [or] pay to the Bishop of the Diocese the value of same [or] at [Truro's] election, pay into the Court registry pending any appeal" on or before April 30, 2012 (*see* Ex. A, Paragraph E, p. 7);

3. Truro noticed its appeal of the Final Order on March 30, 2102. A copy of that notice is attached hereto as Exhibit B.

4. Truro asks that the execution of the provisions in the Final Order, *supra*, be suspended during the appeal, consistent with Virginia Code § 8.01-676.1.

5. Relevant to this motion, Virginia Code § 8.01-676.1 provides at Paragraphs C and J:

C. Security for suspension of execution.--An appellant who wishes execution of the judgment or award from which an appeal is sought to be suspended during the appeal shall, subject to the provisions of subsection J, file an appeal bond or irrevocable letter of credit conditioned upon the performance or satisfaction of the judgment and payment of all damages incurred in consequence of such suspension, and except as provided in subsection D, execution shall be suspended upon the filing of such security and the timely prosecution of such appeal. Such security shall be continuing and additional security shall not be necessary except as to any additional amount which may be added or to any additional requirement which may be imposed by the courts.

.....

J. In any civil litigation under any legal theory, the amount of the appeal bond or irrevocable letter of credit to be furnished during the pendency of all appeals or discretionary reviews of any judgment granting legal, equitable, or any other form of relief in order to stay the execution thereon during the entire course of appellate review by any courts shall be set in accordance with applicable laws or court rules, except that the total appeal bond or irrevocable letter of credit that is required of an appellant and all of its affiliates shall not exceed \$25 million, regardless of the value of the judgment.

See Virginia Code § 8.01-676.1(C) and (J).

6. This Final Order, and the appeal therefrom, present a critical question that the statute on its face does not answer: when there is no money judgment, or an award of a monetary sum in a final order, what is the content of a supersedeas bond?

7. Truro notes that the Final Order provides the equivalent of a stay for liquid assets. Specifically, Paragraph E permits Truro to pay into the Court registry the value of all “liquid

personal property” pending any appeal. *See* Ex. A, Paragraph E, p. 7. But, in this instance, the value of Truro’s liquid personal property is zero. In other words, there is nothing to pay into the Court registry pending Truro’s appeal.

8. The situation is more complicated for the remaining personal and real property. Truro believes that it protected its right to appeal by including language that its compliance with the Final Order would not waive its rights on appeal. The Final Order, however, does not provide any mechanism for a stay of execution. Thus, in an abundance of caution, Truro files this motion to provide additional assurance against any risk of the appeal being deemed moot upon compliance with the Final Order.

9. Commencing with *Carlucci v. Duck's Real Estate, Inc.*, 220 Va. 164 (1979) and following up with *Citizens Bank and Trust Co. v. Crewe Factory Sales Corp.*, 254 Va. 355 (1997) – both of which indicate that voluntary compliance with a money judgment may deprive that party of the right of an appeal – the courts have not fully defined the limits of voluntary acts (resulting in a loss of an appeal) and involuntary ones (thereby preserving the appeal).

10. As the Court of Appeals recognized in *Moore v. Moore*, 2011 WL 690890 (Va. Ct. App. 2011), no published appellate decision in Virginia defines when a post-judgment act is voluntary or involuntary. 2011 WL 690890 at *4. As a result, the Court of Appeals in that case relied upon an *unpublished* Court of Appeals opinion to support its conclusion that the payment of a monetary award based on a final decree of divorce after noting objections and filing an appeal is not “voluntary” payment. *Id. citing Wells v. Wells*, No. 2601–96–4, 1997 Va.App. LEXIS 703, at *4 (Nov. 18, 1997).¹

¹ It would appear, at least with payment of money award or judgment, that the Courts find a voluntary waiver of an appeal absent a finding of contempt or an attempt to execute on the money judgment. In *Citizens Bank & Trust Co. v. Crewe Factory Sales Corp.*, 254 Va. 355

11. Given the state of current precedent, and in an abundance of caution, Truro wishes to avoid any risk that compliance with the above-cited provisions of the Final Order could be construed as mooted its appeal. At the same time, Truro does not wish to be viewed as defying the Court's order. It further does not wish to be held in contempt for the purpose of protecting its right to appeal.

12. A stay of execution of the Final Order pending the appeal would mitigate this unnecessary risk and spare Truro any potential dilemma of choosing between contempt and potential waiver of its appeal rights.

13. Truro, unlike other litigants before this Court, is in a unique situation. In this instance, the prevailing party is not in a position to use the property for commercial purposes. Other than one Class C office building,² the property earns no rent. As the Court is aware, there was no continuing Episcopal-affiliated congregation for Truro Church and it is not reasonably likely that the Diocese could put together one that is large enough to shoulder the substantial burdens of maintaining, operating, and insuring the large Truro campus and other real property.

14. The purpose of Section 8.01-676.1(c) is to secure payment of the full judgment amount and all damages incurred as a result of the suspension of the Final Order, and to ensure

(1997), the Virginia Supreme Court found a voluntary payment when three days after the entry of the judgment appealed from, the appellant paid the amount of the money judgment before proceedings were instituted by the appellee to execute on the money judgment. In *Stephenson v. Musgrave*, 2010 WL 1956700 (Va. Ct. App. 2010), the Court of Appeals found that the husband had voluntarily paid because *inter alia* the trial court had never threatened him with contempt if he failed to pay the award. 2010 WL 1956700 at *2. In *Klein v. Klein*, 2003 WL 22843551 (Va. Ct. App. 2003), the Court of Appeals concluded the husband's compliance with the money judgment was involuntary when he was faced with *immediate imprisonment*. 2003 WL 22843551, at * 9. While those instances involved an award of money, it is far from certain how the Virginia Supreme Court would view compliance with the Final Order relating to turning over the property.

² Characterizing the ICM Building as a Class C building might be overly charitable. It has never garnered anywhere near market rent and typically has been operated as a loss.

the security of the judgment to which the Diocese and TEC are entitled in the event Truro does not succeed in the appeal. *See Tauber v. Com.*, 263 Va. 520, 545 (2002).

15. Even though there is no money judgment in this case to determine the amount of any supersedeas bond, the purpose of the statute, as announced in *Tauber*, can be nevertheless completely satisfied by requiring the following during the pendency of any appeal:

- A. Ordering that Truro maintain the property at current levels;
- B. Ordering that Truro maintain all tangible personal property and not dissipate any tangible personal property pending appeal;
- C. Ordering that Truro Church maintain all existing insurance on the property with the Diocese as an additionally named insured;
- D. Giving the Diocese full and unfettered access to the property to ensure that the property is being properly maintained pending appeal; and
- E. Ordering that any rents received from the ICM Building in excess of expenses be escrowed with counsel for the Diocese.

16. In this way, the Diocese and TEC are provided the security of judgment to which they are entitled in the Final Order if Truro does not succeed on appeal, and Truro has additional assurance that its appeal will not be dismissed as moot.

17. Although the focus of this Court's decision to stay execution of its Final Order is on protecting the prevailing party, Truro would note that, if successful on appeal, staying the execution of the Final Order would save a significant amount of money if the large congregation were to be required to vacate the property, seek other worship space and then return years later.

WHEREFORE, Truro Church and its related Trustees pray that this Honorable Court enter an order staying the execution of the Final Order upon the conditions stated above and

directing plaintiffs not to take any steps to enforce or execute the Final Order until all appeals in this case have been exhausted, and for such further and additional relief as this Court deems just and proper under the circumstances.

Dated: March 30, 2012

Respectfully submitted,

TRURO CHURCH
By Counsel

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 30th day of March, 2012 a copy of the foregoing **TRURO CHURCH'S MOTION TO STAY EXECUTION OF THE FINAL ORDER AND TO SET THE SUPERSEDEAS BOND** was sent by electronic mail to:

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George O. Peterson

VIRGINIA:

IN THE CIRCUIT COURT OF FAIRFAX COUNTY

In re Multi-Circuit Episcopal Church)	Case Nos.: CL 2007-248724,
Litigation:)	CL 2007-1235,
)	CL 2007-1236,
)	CL 2007-1238,
)	CL 2007-1625,
)	CL 2007-5250,
)	CL 2007-5682,
)	CL 2007-5683, and
)	CL 2007-5902
)	

FINAL ORDER

THIS MATTER is before the Court for entry of a Final Order in the cases listed above.

UPON CONSIDERATION WHEREOF, and for the reasons stated in the Court's January 10, 2012, Letter Opinion, which is incorporated herein by reference, the Court ADJUDGES, ORDERS and DECREES as follows:

A. (1) The Episcopal Church ("TEC") and the Diocese of Virginia ("Diocese") have contractual and proprietary interests in the real and personal property at issue in this litigation; (2) the defendants The Church At The Falls – The Falls Church, a Virginia non-stock corporation; St. Stephen's Church, a Virginia non-stock corporation, doing business as "St. Stephen's Anglican Church"; Truro Church, a Virginia non-stock corporation; St. Paul's Church, Haymarket, a Virginia non-stock corporation; St. Margaret's Church, a Virginia non-stock corporation; Church of the Apostles, a Virginia non-stock corporation; Church of the Epiphany, Herndon, a Virginia non-stock corporation (collectively, "CANA Congregations") do not have either contractual or proprietary interests in the real or personal property at issue in this litigation; (3) the Court finds no merit in the CANA Congregations' counterclaims for unjust enrichment, quantum meruit and constructive trusts, and the motions of TEC and the Diocese to



strike those claims are granted; and (4) the vestry empowered to elect the directors of The Falls Church Endowment Fund, Inc. is the vestry recognized by the Diocese as the Episcopal vestry of The Falls Church Episcopal Church. Accordingly,

B. The defendant trustees (excluding Trustee William Latham who resigned prior to entry of this Order)¹ and the defendant CANA Congregations hold, and, until the real and personal property at issue in this litigation is conveyed to the Bishop of the Diocese as required by this Order, will continue to hold, the real and personal property at issue in this litigation subject to the contractual and proprietary rights of TEC and the Diocese. The defendant trustees and the CANA Congregations are enjoined from further use of the real and personal property at issue in this litigation in accordance with the deadlines and terms set forth below, excepting personal property identified on Exhibit L attached hereto.

C. On or before April 30, 2012, (1) the defendant trustees and the CANA Congregations shall quitclaim and release all real estate, fixtures, improvements and appurtenances comprising the properties identified in Exhibit A attached hereto to the Bishop of the Diocese by means of quitclaim deeds. The defendant trustees shall use quitclaim deeds substantially in the form of Exhibit B attached hereto with all blanks therein appropriately completed and all exhibits thereto appropriately attached; and the CANA Congregations shall use quitclaim deeds substantially in the form of Exhibit C attached hereto with all blanks therein appropriately completed and all exhibits thereto appropriately attached, and (2) the defendant trustees and the CANA Congregations shall thereupon (except as may otherwise be agreed by the parties) relinquish possession and control over such properties to the Bishop of the Diocese in an orderly fashion. The CANA Congregations and the defendant trustees shall represent and

¹ All future references to trustees or defendant trustees or however such term may be phrased in this Final Order and in any of the exhibits hereto exclude Trustee William Latham. Consequently, the Court finds that Trustee William Latham is not subject to the Final Order.

warrant to the Bishop of the Diocese that to the best of their knowledge, information and belief, after review of their own files, such properties are free and clear of deeds of trust, mechanics' and other monetary liens, leases and parties in possession, except as set forth in Exhibit A attached hereto. The Diocese shall assume the obligations as of the date of conveyance pursuant to this Order on all such indebtedness shown on Exhibit A subject to the consent of the lender or otherwise indemnify the CANA Congregations for such obligations before the quitclaim deeds described herein are executed and recorded.

As to the Church of the Apostles' Braddock Road property and as to St. Margaret's Church Parcel 2 listed on Exhibit A, the Diocese will either assume or pay off the current loan on the property and take title to it, or it will surrender its interest in the property on or before March 30, 2012. Church of the Apostles and St. Margaret's Church shall make loan payments due for the months of February and March 2012 using current funds on hand that would otherwise be payable to the Diocese under this order. If the Diocese surrenders its interest in the Braddock Road property and/or St. Margaret's Church Parcel 2, the property shall be deemed deleted from Exhibit A and will not be subject to any provisions of this Order. On or before April 2, 2012, the defendant trustees who hold record title to the properties which are described on Exhibit A attached hereto as "Church of the Apostles Property," "Church of The Epiphany Property," and "Truro Church Property," and which lie in Fairfax County, together with the respective CANA Congregations whose joinder to the petitions shall be limited by the qualification that it is only to the extent necessary, the Diocese, and TEC, shall submit petitions pursuant to Va. Code Section 57-8 and Va. Code Section 57-15 to the Circuit Court of Fairfax County, or before the judge of such court in vacation, asking for confirmation of the appointment of such defendant trustees as trustees, asking for leave to grant and convey the respective properties to the Bishop of the

Diocese and seeking entry of an order (in the form of Exhibit D attached hereto) confirming the appointment of such defendant trustees and providing for and approving such grants and conveyances.

On or before April 2, 2012, the defendant trustees who hold record title to the properties which are described on Exhibit A attached hereto as “St. Margaret’s Church Property” and “St. Paul’s Church Property,” and which lie in Prince William County, together with the respective CANA Congregations whose joinder to the petitions shall be limited by the qualification that it is only to the extent necessary, the Diocese, and TEC, shall submit petitions pursuant to Va. Code Section 57-8 and Va. Code Section 57-15 to the Circuit Court of Prince William County, or before the judge of such court in vacation, asking for confirmation of the appointment of such defendant trustees as trustees, asking for leave to grant and convey the respective properties to the Bishop of the Diocese and seeking entry of an order (in the form of Exhibit D attached hereto) confirming the appointment of such defendant trustees and providing for and approving such grant and conveyance.

On or before April 2, 2012, the defendant trustees who hold record title to the property which is described on Exhibit A attached hereto as “The Falls Church Property,” and which lies in the City of Falls Church, Fairfax County, or Arlington County, together with the CANA Congregation whose joinder to the petitions shall be limited by the qualification that it is only to the extent necessary, the Diocese, and TEC, shall submit a petition pursuant to Va. Code Section 57-8 and Va. Code Section 57-15 to the Circuit Court of Arlington County, or before the judge of such court in vacation, asking for confirmation of the appointment of such defendant trustees as trustees, asking for leave to grant and convey The Falls Church Property to the Bishop of the Diocese and seeking entry of an order (in the form of Exhibit D attached hereto) confirming the

appointment of such defendant trustees and providing for and approving such grant and conveyance.

On or before April 2, 2012, the defendant trustees who hold record title to the property described on Exhibit A attached hereto as "St. Stephen's Church Property," and which lies in Northumberland County, together with the CANA Congregation whose joinder to the petitions shall be limited by the qualification that it is only to the extent necessary, the Diocese, and TEC, shall submit a petition pursuant to Va. Code Section 57-8 and Va. Code Section 57-15 to the Circuit Court of Northumberland County, or before the judge of such court in vacation, asking for confirmation of the appointment of such defendant trustees as trustees, asking for leave to grant and convey the St. Stephen's Church Property to the Bishop of the Diocese and seeking entry of an order (in the form of Exhibit D attached hereto) confirming the appointment of such defendant trustees and providing for and approving such grant and conveyance.

Such petitions and orders shall be in substantially the same form as Exhibits E and F attached hereto with all blanks therein appropriately completed and all exhibits thereto appropriately attached, with such modifications thereto as may be required by the applicable court.

The relinquishment of real and personal property or any other act in compliance with this Order shall not make moot any claims the CANA Congregations may raise on appeal to ownership and control of any real and personal property so relinquished.

D. On or before April 30, 2012, the defendant trustees and the CANA Congregations shall (1) convey to the Bishop of the Diocese all of their respective rights, titles and interests in the tangible and intangible personal property identified in Exhibit G attached hereto (other than liquid personal property that is the subject matter of paragraph E of this Order) and excepting

after acquired property identified in Exhibit L attached hereto, pursuant to bills of sale and assignments substantially in the form of Exhibit H attached hereto with all blanks therein appropriately completed and all exhibits thereto appropriately attached, and (2) deliver and relinquish possession and control over such tangible and intangible personal property to the Bishop of the Diocese in an orderly fashion. The CANA Congregations shall represent and warrant to the Bishop of the Diocese that to the best of their knowledge, information and belief, after review of their own files, such tangible and intangible personal properties are free and clear of liens and encumbrances, except as set forth in Exhibit G attached hereto (which exceptions will also be set forth in properly completed Exhibits A to the bills of sale and assignments to be delivered to the Bishop of the Diocese by the respective defendant trustees and CANA Congregations). Delivery of possession of the premises wherein such tangible personal property is situated shall be deemed delivery of possession of all tangible personal property located on such premises at the time of delivery. The CANA Congregations shall represent and warrant to the Bishop of the Diocese that to the best of their knowledge, information and belief, after review of their own files, they are not aware of any omitted tangible and intangible personal property held by the CANA Congregations or their trustees as of the applicable "Ownership Determination Date" (January 31, 2007, in the cases of The Church at the Falls – The Falls Church, Truro Church, Church of the Apostles, Church of The Epiphany, and St. Stephen's Church; and February 1, 2007, in the cases of St. Margaret's Church and St. Paul's Church) or acquired by them after such date with property that was liquid personal property described in paragraph E of this Order held by them on such date. The CANA Congregations shall also represent and warrant to the Bishop of Diocese that to the best of their knowledge, information and belief, after review of their own files, they and the defendant trustees have conveyed such

tangible and intangible personal property to the Bishop of the Diocese free and clear of liens and encumbrances created by the acts of the defendant trustees and the CANA Congregations, except as set forth in Exhibit G hereto. The foregoing representation by the CANA Congregations as to the defendant trustees shall not be deemed to create any cause of action on behalf of the Diocese arising out of any act of any trustee which is outside the best knowledge, information and belief of the corresponding CANA Congregation after review of its own files. Each defendant trustee, solely with respect to such trustee and not the other trustees, shall also represent and warrant to the Bishop of the Diocese that to the best of such trustee's knowledge, information and belief after review of such trustee's own files, such trustee has conveyed such tangible and intangible personal property to the Bishop of the Diocese free and clear of liens and encumbrances created by the acts of such trustee, except as set forth in Exhibit G attached hereto.

E. On or before April 30, 2012, the defendant trustees and the CANA Congregations shall either (1) convey to the Bishop of the Diocese all of their respective rights, titles and interests in all liquid personal property (e.g., cash, cash equivalents, securities and entitlements, instruments, investments, bank and other deposit accounts, certificates of deposit, endowment funds, and contributions and donations of money received as of the applicable Ownership Determination Date, and including restricted funds, as defined below, except to the extent that payments were made from such funds prior to the date of conveyance pursuant to this Order); or (2) pay to the Bishop of the Diocese the value of same, as of the applicable Ownership Determination Date, via cashier's check or equivalent form; or (3), at the CANA Congregations' election, pay the value of the same into the Court registry pending any appeal together with sufficient sums to pay interest at the rate of 6 percent per annum on the principal amounts for nine months from May 4, 2012. Additional interest at the rate of 6 percent per annum on the

judgment amounts paid into the Court registry shall be made every three months thereafter until the conclusion of such appeals. At the conclusion of such appeals the interest payments shall be reconciled so as to account for any overpayment or underpayment of interest, crediting the CANA Congregations with all interest earned on the amounts deposited. The values of such liquid personal property as of the applicable Ownership Determination Date are to be determined by the parties net of reconciliations including uncleared checks and uncleared deposits and including such legal liabilities incurred as of the applicable Ownership Determination Date but paid thereafter including, but not limited to, payroll, payroll deductions, taxes, withholding, pension contributions, accrued vacation, pre-paid tuition and fees, and funds belonging to third parties, and net of the pro-rated prepaid expenses that provide benefits after the applicable Ownership Determination Date (including but not limited to any prior payments of legal fees but not including any prior payments of insurance premiums). Further deductions are allowed for payments made after the applicable Ownership Determination Date and in accordance with the terms and conditions of restricted funds which are defined as follows: restricted funds are funds held by the CANA Congregations as of the applicable Ownership Determination Date which were subject to restrictions which limited the use of such funds to particular purposes which were not for the benefit of the Congregation, the Diocese, or TEC, leaving no discretion to or for the Congregation or its Vestry, clergy, or other persons associated therewith to use or disburse such funds for the benefit of the Congregations, the Diocese, or TEC. Such restricted funds that remain in the possession of the CANA Congregations as of the date of this Order shall be transferred to the Diocese subject to the same restrictions, and in accordance with all applicable laws. Investment accounts owned by the CANA Congregations and held by the Diocese shall remain with Diocese. The St. Stephen's accounts subject to the interpleader action involving St.

Stephen's and the Diocese shall convey to the Diocese as currently valued, net of interest earned thereon.

To the extent that any accounts are conveyed in any fashion other than by cashier's check or equivalent form, the defendant trustees and the CANA Congregations shall execute appropriate documents to effect such conveyances, including bills of sale and assignments substantially in the form of Exhibit J attached hereto with all blanks therein appropriately completed and all exhibits thereto appropriately attached. The CANA Congregations shall represent and warrant to the Bishop of the Diocese that to the best of their knowledge, information and belief, after review of their own files, such liquid personal property constitutes all liquid personal property acquired and held by the defendant trustees or the CANA Congregations as of the applicable Ownership Determination Date. The CANA Congregations shall also represent and warrant to the Bishop of Diocese that to the best of their knowledge, information and belief, after review of their own files, they and the defendant trustees have conveyed such liquid personal property and interest to the Bishop of the Diocese free and clear of liens and encumbrances created by the acts of the CANA Congregations and the defendant trustees, except as disclosed to the Diocese (which exceptions will also be set forth in properly completed Exhibits A to the bills of sale and assignments to be delivered to the Bishop of the Diocese by the respective defendant trustees and the CANA Congregations). The foregoing representation by the CANA Congregations as to the defendant trustees shall not be deemed to create any cause of action on behalf of the Diocese arising out of any act of any trustee which is outside the best knowledge, information and belief of the corresponding CANA Congregation after review of its own files. Each defendant trustee, solely with respect to such trustee and not the other trustees, shall also represent and warrant to the Bishop of the Diocese that to the best of

such trustee's knowledge, information and belief, after review of such trustee's own files such trustee has conveyed such liquid personal property to the Bishop of the Diocese in which such trustee may have an interest free and clear of liens and encumbrances created by the acts of such trustee, except as disclosed to the Diocese.

By March 15, 2012, the CANA Congregations shall provide the Diocese with their comprehensive position regarding the amounts of liquid property owed to the Diocese pursuant to this Order along with the source documentation. By March 7, 2012 the Diocese shall notify the CANA Congregations of the categories of source documentation that the Diocese requires to conduct its own calculation and evaluation. If, by March 30, 2012, the parties are unable to agree as to an amount to be conveyed by each CANA Congregation, the Diocese shall so advise the Court and may seek to enforce this Final Order as to any such CANA Congregation.

Money judgments are hereby entered as of May 4, 2012 in any amounts due to the Diocese in accordance with this Paragraph E which remain unpaid as of May 1, 2012. Such money judgments, if any, are in favor of the Diocese and against each CANA Congregation which has not paid the full amount owed. The money judgments shall include interest at the judgment rate beginning on May 4, 2012 until paid.

F. The parties shall cooperate with each other as may reasonably be required from time to time for the following purposes: (1) to effectuate the provisions of paragraphs B through E of this Order, (2) to seek and obtain appropriate or necessary consents and approvals from third parties with respect to the transfers, conveyances and assignments described in paragraphs C, D and E of this Order, (3) to cause such third parties to acknowledge and recognize such transfers, conveyances and assignments and the Bishop of the Diocese as the owner and

titleholder of the subject properties for all purposes and (4) to transfer certificates of title to all properties that are subject to certificates of title to the Bishop of the Diocese.

G. Upon or prior to delivering the quitclaim deeds, bills of sale and assignments and other documents required pursuant to this Order, the CANA Congregations shall (a) take or cause to be taken all board, corporate and other actions necessary to authorize and approve all actions required of them pursuant to this Order and (b) deliver to the Bishop of the Diocese certificates of their respective secretaries substantially in the form of Exhibit K attached hereto with blanks therein appropriately completed and exhibits thereto appropriately attached.

H. On or before April 30, 2012, the CANA Congregations shall take or cause to be taken all necessary board, corporate and other actions so as to effect a change to the names by which they hold themselves out to the public such that they do not use and shall not use the terms “Episcopal” or “Episcopalian” in their names. The Court further finds that the parties have agreed that if the CANA Congregations incorporate some derivative of the word “Anglican” in their signage, stationery, and websites, the use of such names does not infringe on the Diocese’s property rights. The CANA Congregations’ amended counterclaims are dismissed with prejudice in their entirety.

I. The CANA Congregations’ Motion for Partial Reconsideration is denied.

J. The Clerks of the Circuit Courts of Fairfax County, Arlington County, Prince William County, Loudoun County and Northumberland County shall enter this Order in the Civil Order books of such counties in regard to each of the following dockets or cases:

- *The Protestant Episcopal Church in the Diocese of Virginia v. The Church at the Falls – The Falls Church* (Circuit Court of Arlington County, case no. 07-125) (Circuit Court of Fairfax County, case no. CL 2007-5250);
- *The Protestant Episcopal Church in the Diocese of Virginia v. Truro Church* (Circuit Court of Fairfax County, case no. CL 2007-1236);

- *The Protestant Episcopal Church in the Diocese of Virginia v. Church of the Epiphany, Herndon* (Circuit Court of Fairfax County, case no. CL 2007-1235);
- *The Protestant Episcopal Church in the Diocese of Virginia v. Church of the Apostles* (Circuit Court of Fairfax County, case no. CL 2007-1238);
- *The Protestant Episcopal Church in the Diocese of Virginia v. St. Margaret's Church* (Circuit Court of Prince William County, case no. CL 73465) (Circuit Court of Fairfax County, case no. CL 2007-5682);
- *The Protestant Episcopal Church in the Diocese of Virginia v. St. Paul's Church, Haymarket* (Circuit Court of Prince William County, case no. CL 73466) (Circuit Court of Fairfax County, case no. CL 2007-5683);
- *The Protestant Episcopal Church in the Diocese of Virginia v. St. Stephen's Church* (Circuit Court of Northumberland County, case no. CL 07-16) (Circuit Court of Fairfax County, case no. CL 2007-5902); and
- *The Episcopal Church v. Truro Church, et al.* (Circuit Court of Fairfax County, case no. CL 2007-1625)

THIS IS A FINAL ORDER.

THE Clerk will send copies of this Order to all counsel of record.


Entered this 1st day of March, 2012.



Circuit Court Judge Randy I. Bellows


SEEN AND OBJECTED TO, all exceptions noted, based upon the evidence and for the reasons previously stated in motions and briefing and at oral argument and trial:

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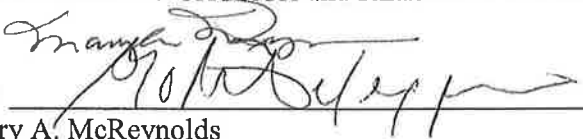
THE CHURCH AT THE FALLS – THE FALLS CHURCH

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SEEN AND OBJECTED TO, all exceptions noted, based upon the evidence and for the reasons previously stated in motions and briefing and at oral argument and trial:

ST. STEPHEN'S CHURCH and RELATED TRUSTEES

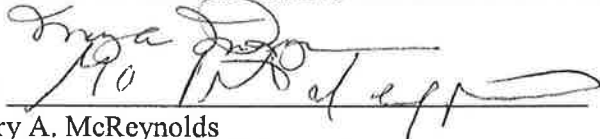
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SEEN:

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SEEN AND AGREED:

WILLIAM LATHAM, nominal defendant

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WILLIAM S. KIRBY
DAWN B. MAHAFFEY
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VIRGINIA:

IN THE CIRCUIT COURT OF FAIRFAX COUNTY

In re:) **Civil Case Numbers:**
Multi-Circuit Episcopal Church Litigation) CL 2007-248724,
) CL 2007-1625, and
) CL 2007-1236.

NOTICE OF APPEAL

Pursuant to Rule 5:9 of the Rules of the Supreme Court of Virginia, Truro Church and its related Trustees hereby give notice of appeal to the Supreme Court of Virginia of the Final Order entered in these consolidated cases on March 1, 2012 (including the Consent Order Correcting Final Order entered on March 16, 2012) and such additional previous Orders entered by the Court prior to entry of the Final Order, including but not limited to the Court's Order entered January 3, 2011 denying Truro Church and its related Trustees' request for a jury trial.

The following transcripts were filed prior to the entry of the Final Order:

1. Hearing Transcript from Monday, August 11, 2008 (filed October 2, 2008);
2. Pretrial Motions Transcript from Wednesday, October 8, 2008 (filed October 10, 2008)
3. Trial Transcript from Tuesday, October 14, 2008 (filed October 16, 2008);
4. Trial Transcript from Wednesday, October 15, 2008 (filed October 21, 2008 and replacement original filed October 24, 2008);
5. Trial Transcript from Monday, October 20, 2008 (filed October 24, 2008).
6. Hearing Transcript from May 21, 2007 (filed on January 15, 2009);
7. Hearing Transcript from June 8, 2007 (filed on January 15, 2009);
8. Hearing Transcript from June 29, 2007 (filed on January 15, 2009);
9. Hearing Transcript from August 10, 2007 (filed on January 15, 2009);
10. Hearing Transcript from September 14, 2007 (filed on January 15, 2009);



11. Hearing Transcript from October 5, 2007 (filed on January 15, 2009);
12. Hearing Transcript from October 12, 2007 (filed on January 15, 2009);
13. Teleconference Hearing Transcript from October 15, 2007 (filed on January 15, 2009);
14. Teleconference Hearing Transcript from October 18, 2007 (filed on January 15, 2009);
15. Hearing Transcript from November 2, 2007 (filed on January 15, 2009);
16. Hearing Transcript from November 9, 2007 (filed on January 15, 2009);
17. Trial Transcript from November 13, 2007 (filed on January 15, 2009);
18. Trial Transcript from November 14, 2007 (filed on January 15, 2009);
19. Trial Transcript from November 15, 2007 (filed on January 15, 2009);
20. Trial Transcript from November 19, 2007 (filed on January 15, 2009);
21. Trial Transcript from November 20, 2007 (filed on January 15, 2009);
22. Hearing Transcript from January 4, 2008 (filed on January 15, 2009);
23. Hearing Transcript from January 25, 2008 (filed on January 15, 2009);
24. Hearing Transcript from April 25, 2008 (filed on January 15, 2009);
25. Hearing Transcript from May 16, 2008 (filed on January 15, 2009);
26. Hearing Transcript from May 30, 2008 (filed on January 15, 2009);
27. Hearing Transcript from August 22, 2008 (filed on January 15, 2009);
29. Hearing Transcript from September 19, 2008 (filed on January 15, 2009);
30. Hearing Transcript from September 26, 2008 (filed on January 15, 2009).
31. Trial Transcript from April 25, 2011 (filed on May 13, 2011);
32. Trial Transcript from April 26, 2011 (filed on May 13, 2011);

33. Trial Transcript from April 27, 2011 (filed on May 13, 2011);
34. Trial Transcript from April 28, 2011 (filed on May 13, 2011);
35. Trial Transcript from May 2, 2011 (filed on May 13, 2011);
36. Trial Transcript from May 3, 2011(filed on May 13, 2011);
37. Trial Transcript from May 4, 2011 (filed on May 13, 2011);
38. Trial Transcript from May 5, 2011(filed on May 13, 2011);
39. Trial Transcript from May 12, 2011 (filed on May 13, 2011);
40. Trial Transcript from May 16, 2011 (filed on June 15, 2011);
41. Trial Transcript from May 17, 2011 (filed on June 15, 2011);
42. Trial Transcript from May 18, 2011 (filed on June 15, 2011);
43. Trial Transcript from May 19, 2011 (filed on June 15, 2011);
44. Trial Transcript from May 23, 2011 (filed on June 15, 2011);
45. Trial Transcript from May 24, 2011 (filed on June 15, 2011);
46. Trial Transcript from May 25, 2011 (filed on June 15, 2011);
47. Trial Transcript from May 26, 2011(filed on June 15, 2011);
48. Trial Transcript from May 31, 2011 (filed on June 20, 2011);
49. Trial Transcript from June 1, 2011 (filed on June 20, 2011);
50. Trial Transcript from June 2, 2011 (filed on June 20, 2011);
51. Trial Transcript from June 6, 2011 (filed on June 20, 2011);
52. Trial Transcript from June 7, 2011 (filed on June 20, 2011);
53. Notice of Errata in Trial Transcript (filed on October 14, 2011);

The following transcripts were filed after entry of the Final Order:

57. Hearing Transcript from December 17, 2010 (filed on March 28, 2012);

54. Hearing Transcript from February 16, 2012 (filed on March 28, 2012);
55. Hearing Transcript from February 29, 2012 (filed on March 28, 2012); and
56. Hearing Transcript from March 1, 2012 (filed on March 28, 2012).

No additional transcripts will be filed.

Dated: March 30, 2012

Respectfully submitted,

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By Counsel

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Counsel for Truro Church and its Related Trustees

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 30th day of March, 2012, a copy of the foregoing Notice of Appeal was sent by electronic mail to all counsel named below and by first class mail to the lead counsel at each firm indicated with an asterisk below:

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And by hand delivery to:

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Law Clerk to the Honorable Randy I. Bellows
Circuit Court for Fairfax County
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Fifth Floor Judges' Chambers
Fairfax, VA 22030


George O. Peterson