

AGREEMENT AND PLAN OF REUNIFICATION

THIS AGREEMENT AND PLAN OF REUNIFICATION (this “Agreement”), is made on January 27, 2019, by and between the Unitarian Society of Cleveland, also known as the Unitarian Universalist Society of Cleveland (the “Society”), an Ohio nonprofit corporation, and the First Unitarian Church of Cleveland (“First Unitarian”), an Ohio nonprofit corporation, acting through an affirmative vote of their respective congregations. The parties are referred to singularly as a “Congregation” and jointly as the “Congregations.”

RECITALS

WHEREAS, First Unitarian is a church founded in 1867, which has operated continuously as a church in Ohio; and

WHEREAS, the Society is a church founded in 1951, which has continuously operated as a church in Ohio: and

WHEREAS, in 2017, the leadership of First Unitarian and the Society began conversation regarding whether a reunification of the two Congregations would be beneficial to both Congregations; and

WHEREAS, as a result of these conversations, the Congregations entered into a nonbinding Memorandum of Understanding (the "MOU"), approved and signed by the Congregations on October 28, 2018, with the intention of negotiating a formal reunification of the Congregations with a defined set of desired shared outcomes; and

WHEREAS, on January 27, 2019, the members of First Unitarian approved the reunification of the two Congregations by at least a 2/3 affirmative vote of its members, in attendance at a meeting in person or by absentee ballot where a quorum was present, on the terms and subject to the provisions set forth herein, and

WHEREAS, on January 27, 2019, the members of the Society approved the reunification of the two Congregations by at least a 2/3 affirmative vote of its members, in attendance at a meeting in

person or by absentee ballot where a quorum was present, on the terms and subject to the provisions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Congregations agree as follows:

TERMS AND CONDITIONS

SECTION 1. Effect of Reunification

1.1 The Congregations desire to effect a reunification on the terms set forth in this Agreement.

1.2 The Congregations intend the Society to be merged with First Unitarian, solely for purposes of legal form and function, with the resulting entity surviving as the Unitarian Universalist Congregation of Cleveland (the "Reunified Congregation").

1.3 The effective date of the transaction shall be at 12:01 AM on February 1, 2019 (the "Effective Date"). The Congregations shall cause a Certificate of Merger to be filed with the Ohio Secretary of State with the Effective Date as defined herein.

1.4 Upon and after the Effective Date, the Reunified Congregation shall possess all the rights, privileges and powers, and shall be subject to all the restrictions and duties of the Society and First Unitarian; all rights, privileges and powers of the Society and First Unitarian shall be vested in and be the property of the Reunified Congregation; and all debts, liabilities and duties of the Society and First Unitarian shall thenceforth attach to the Reunified Congregation and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

1.5 The assets and liabilities of whatever type or nature of both Congregations will be combined into the Reunified Congregation. Those assets will include all checking, savings, money market, certificate of deposit or other financial assets currently held by either of the two

Congregations along with all real and personal property. Upon the Effective Date, the Reunified Congregation will possess all the rights, privileges, and immunities of each of the Congregations all property belonging to the Society and First Unitarian will be transferred to and vested in the Reunified Congregation without further act or deed, and the Reunified Congregation will be responsible for all liabilities of each of the Congregations.

1.6 As part of the approval of the reunification, the members of both Congregations, by at least a 2/3 affirmative vote of the members present, in attendance in person or by absentee ballot at a meeting called for this purpose where a quorum was present, approved the change of name of the Reunified Congregation to Unitarian Universalist Congregation of Cleveland, which new name shall be specified in the Certificate of Merger filed with the Ohio Secretary of State.

1.7 As part of the approval of this reunification, the members of both Congregations, by at least a 2/3 affirmative vote of the members present, in attendance in person or by absentee ballot at a meeting called for this purpose where a quorum was present, approved the Amended and Restated Code of Regulations of the Reunified Congregation, attached hereto as Exhibit A.

1.8 The Congregations agree to form an Initial Leadership Development Committee immediately after the Effective Date, which Committee shall consist of members of the Nominating Committees of each Congregation prior to the Effective Date.

1.9 The Congregations agree that the initial board of trustees of the Reunified Congregation shall, within 90 days of the Effective Date, develop a process to create a strategic plan for the Reunified Congregation. The Congregations intend that the resulting plan be presented to the Reunified Congregation board within twelve (12) months, and be approved by a vote of that number of trustees equal to one more than two-thirds of the members of the Reunified Congregation board.

1.10 The Congregations agree that the initial board of trustees of the Reunified Congregation shall, within 90 days of the Effective Date, convene a Facilities Assessment Task Force, with roles and responsibilities to be determined by the initial board. The Congregations intend that the task force present recommendations to the Reunified Congregation board within twelve (12) months of its formation. Within three (3) months after presentation of the initial

recommendations by the task force, the Reunified Congregation board shall develop final recommendations, to be approved by a vote of that number of trustees equal to one more than two-thirds of the members of the Reunified Congregation board.

1.11 From time to time after the Effective Date, the officers or other authorized individuals of the Society will execute and deliver such deeds and other instruments, and will cause to be taken such further actions as will reasonably be necessary in order to vest or perfect in the Reunified Congregation title to and possession of all the property, interests, assets, rights, and privileges of the Society.

SECTION 2. Representations and Warranties

Except for the express representations and warranties in this Agreement, the Society and First Unitarian expressly exclude all other warranties with respect to the transaction. The Society and First Unitarian each represent and warrant as follows:

2.1 The Society and First Unitarian each represent that it is a non-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Ohio.

2.2 The Society and First Unitarian each represent that this Agreement is binding upon and enforceable against it in accordance with its terms, except as such enforceability may be limited by any bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect relating to creditors' rights and except as may be limited by principles of equity.

2.3 The Society and First Unitarian each represent that there is no litigation or other judicial, or administrative proceedings pending or which, to its knowledge, would have a material adverse effect on its ability to consummate this Agreement.

2.4 The Society and First Unitarian each represent that it has obtained such consents and other approvals necessary to authorize it to enter into this Agreement and complete the transactions contemplated by this Agreement.

2.5 The Society and First Unitarian each represent that the execution, delivery, or performance of this Agreement will not: (a) violate any law, judgment, or order to which it is subject, or (b) breach any agreement to which it is bound, including, but not limited to, any agreements regarding the restriction of any funds or assets that would limit the use of such funds or assets by the Reunified Congregation.

2.6 The Society and First Unitarian each represent that all real property owned by it is free and clear of any and all liens, mortgages, claims, encroachments, and encumbrances except as disclosed by items attached as Exhibit B.

2.7 The Society and First Unitarian have made available and delivered all material information, statements, and records, including without limitation financial statements, membership records, and corporate documents, requested by the Due Diligence Checklist used by the Congregations in preparation for the execution of this Agreement, as such Checklist is found attached hereto as Exhibit C, and that the information, statements, and records are not misleading, were prepared in good faith, and fairly present its current operational and financial condition.

2.8 No representation, warranty, or statement made by the Society or First Unitarian in this Agreement contains or will contain any untrue statement or omits or will omit any fact necessary to make the statements contained herein misleading, or materially change the expected results of the combination of the Congregations as set forth in the MOU.

SECTION 3. Conditions

The obligation of either Congregation to effect the transaction resulting in the reunification is subject to the satisfaction or waiver of each of the following conditions:

3.1 The representations, warranties, and covenants made by either Congregation in Section 2 of this Agreement are true and correct as of the date of this Agreement;

3.2 There is no material adverse change in the business or financial condition of either Congregation from the date of this Agreement through the Effective Date;

3.3 This Agreement is approved by the board of directors and members of First Unitarian entitled to vote on the matter in accordance with Ohio law and First Unitarian's governing documents; and

3.4 This Agreement is approved by the board of directors and members of the Society entitled to vote on the matter in accordance with Ohio law and the Society's governing documents.

SECTION 4. Joint Statement

The Congregations may draft a joint statement regarding the transaction contemplated in this Agreement for distribution to members and the general public, which will be signed on the date this Agreement is executed or any other time agreed to by the Congregations. Any news release pertaining to the transaction contemplated in this Agreement will be reviewed and approved by the boards of both Congregations, or their delegates, prior to its release.

SECTION 5. Termination

5.1 Failure to Obtain Member Approval. This Agreement will automatically terminate in the event that it is brought to a vote and not adopted by either:

(a) the board of directors or members of the Society entitled to vote on the matter, or (b) the board of directors or members of First Unitarian entitled to vote on the matter.

5.2 Other Termination. This Agreement may be terminated and the merger abandoned at any time before the Effective Date (a) by either Congregation if any condition provided in this Agreement has not been satisfied or waived on or before the Effective Date; or (C) by either Congregation if there has been a material breach of this Agreement by the other Congregation.

5.3 Effect of Termination. Upon termination, this Agreement will become wholly void and of no effect, without liability or obligations on the part of either Congregation.

SECTION 6. Miscellaneous Provisions

6.1 Waivers. No waiver of any representation, warranty, condition or obligation under this Agreement will be binding unless it is in writing and signed by the Congregation making the waiver. A Congregation's waiver will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.

6.2 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Ohio.

6.3 Binding Effect. Except as provided otherwise herein, this Agreement shall be binding upon and shall inure to the benefit of the Congregations and their respective legal representatives, successors and assigns.

6.4 Severability. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

6.5 Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning of this Agreement.

6.6 Expenses. All fees and expenses incurred by each Congregation in connection with this Agreement and the transaction contemplated in this Agreement shall be borne by that Congregation.

6.7 Survival. All provisions of this Agreement that would reasonably be expected to survive the termination of this Agreement will do so.

6.8 Entire Agreement. This Agreement constitutes the entire agreement among the Congregation and supersedes any prior agreement or understanding among the Congregations concerning its subject matter.

6.9 Assignment. This Agreement may not be transferred, assigned, pledged or hypothecated by either Congregation without the prior written consent of the other.

6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one agreement. Furthermore, this Agreement may be executed by a Congregation's signature transmitted by facsimile or by electronic mail, and copies of this Agreement executed and delivered by means of faxed or electronic mail shall have the same force and effect as copies hereof executed and delivered with original signatures. Each Congregation may rely upon faxed or electronic mail as if such signatures were originals.

[Signature blocks begin on the following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this 27th day of January, 2019.

FIRST UNITARIAN CHURCH OF CLEVELAND

[signature image]

Cat White

President

UNITARIAN SOCIETY OF CLEVELAND

[signature image]

Susan Patterson

President