

COVENANT AND AFFILIATION AGREEMENT

This Covenant and Affiliation Agreement is entered into as of the ____ day of _____, 2018, by and between The Massachusetts Conference, United Church of Christ, The Rhode Island Conference of the United Church of Christ and the Missionary Society of Connecticut, (each a “Conference”, and collectively “the Conferences” or “the Parties”).

RECITALS

WHEREAS, The Massachusetts Conference, United Church of Christ, is a 501(c)(3) Massachusetts nonprofit religious corporation; and

WHEREAS, The Rhode Island Conference of the United Church of Christ is a 501(c)(3) Rhode Island nonprofit religious corporation; and

WHEREAS, The Missionary Society of Connecticut is a 501(c)(3) Connecticut nonprofit religious corporation; and

WHEREAS, these Conferences have covenanted as follows:

To join together United Church of Christ Conferences in New England and vicinity in order to acquire a stronger voice with which to carry out the mission of making God’s love and justice real. By collaborating more closely and intentionally, the Conferences will have a greater impact upon local congregations and other religious organizations, their communities, and the world. The Conferences seek to love our neighbors, children, and all of creation through our collective work. Following God’s call to bring new life as agents of transformation, we embrace and encourage adaptive and transformative leadership wherever the Body of Christ is gathered. Inspired and guided by the Holy Spirit, the Conferences encourage local congregations and varied ministry settings to form covenant partnerships with all who work for the common good in their local communities and throughout the world. Our combined organization will provide a contemporary, nimble platform that is better positioned to support new forms of ministry with and to the next generation; and

WHEREAS, the Parties have agreed to further their Covenant and formal affiliation through (i) creation of a new 501(c)(3) nonprofit religious corporation, to be known as TA1 Corporation, in which the Conferences each have a corporate membership interest; and (ii) execution of an Administrative Services Agreement pursuant to which TA1 Corporation will provide central administration and services for the benefit of the Conferences; and

WHEREAS, although affiliated, the Parties intend each constituent Conference will remain in existence in order to honor their ownership and management of their respective endowment funds for as long as may be necessary.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein, the Parties agree as to the following terms and conditions:

TERMS AND CONDITIONS

1. Due Diligence Review and Option to Withdraw. The affiliation contemplated herein is conditioned upon each Conference's satisfaction with its own due diligence investigation of the others; the scope and results of which may be determined by each Conference in its sole discretion. Each of the Conferences has given certain representations and warranties attached hereto as Exhibit A. In addition, each Conference hereby grants to the others access to their respective financial books and records, contracts, corporate records, facilities and programs for purposes of conducting a due-diligence review. Each Conference shall make its officers and other senior personnel reasonably available to the others for this purpose and shall, as may be reasonably requested, provide introductions to lenders, funding sources, suppliers, auditors, accountants and tax preparers, and other third parties with which it does business. Each Conference will commence its respective due diligence review promptly upon execution of this Affiliation Agreement and conduct its review during business hours, with reasonable dispatch, and in such a manner so as not to cause unreasonable disruption in the operations of the others. At the conclusion of due diligence, each Conference may execute and deliver written notice of its Option to Withdraw in the form attached hereto as Exhibit B.

2. Term. The Parties' rights and obligations hereunder shall commence on the date first set forth above. The due diligence review described in Section 1 shall be completed on or before September 30, 2018. In the event a Conference chooses not to go forward with the affiliation contemplated herein, it will exercise its Option to Withdraw by delivery of its Option to each other Conference on or before October 30, 2018. In the event a Conference exercises its Option to Withdraw on or before October 30, 2018, this Agreement shall be null and void without recourse to any party. The Parties intend that the effective date of the affiliation contemplated herein shall be on or before January 1, 2019, and that TA1 operations and fundraising will commence as of calendar year 2020 (the "Commencement Date"), contingent upon receipt of any required legal, court or regulatory approvals and recognition by the United Church of Christ General Synod of TA1 as a regional Conference of the United Church of Christ. The deadlines contained in this Paragraph 2 may be extended by mutual written agreement of the Parties.

3. Amendment of Conference Bylaws. On or before January 1, 2019, and as a prerequisite to incorporation of TA1 Corporation, each Conference, in accordance with the requirements of its own Constitution and Bylaws, will affect any bylaw or other corporate changes for conformity of the requirements of this Affiliation Agreement, TA1 Articles of Organization and Bylaws, and best practices for 501(c)(3) organizations.

4. Creation of TA1 Corporation. The Parties will certify amendment of Conference Bylaws as required pursuant to Paragraph 3, above, and will mutually instruct Attorney Elizabeth Reinhardt, acting as sole incorporator, to file Articles of Organization for TA1 Corporation in the form attached hereto as Exhibit C. An organizational meeting of the TA1 Corporation Board of

Directors will be called promptly thereafter for purposes of ratifying the Incorporator's actions and future planning, although the Parties do not intend the TA1 to commence operations or fundraising until the Commencement Date in calendar year 2020.

5. Administrative Services Agreement. The Parties intend and agree that upon commencement of operations, TA1 Corporation will provide centralized administration and services for their mutual benefit pursuant to an Administrative Services Agreement in substantially the form attached hereto as Exhibit D. The Parties will cooperate with the TA1 Board of Directors to finalize the Administrative Services Agreement on mutually beneficial terms prior to commencement of TA1 operations. The Parties understand and agree that upon commencement of TA1 operations: (a) all employees of the Conferences will become employees of TA1 under compensation and other terms substantially comparable to those to which they are currently entitled; (b) all annual income received by each State Conference will be assigned to TA1 as good and valuable consideration for administrative services to be received from TA1 and other intangible benefits accruing as a result of the affiliation contemplated herein; (c) the affairs of TA1 Corporation will be managed by the TA1 Board of Directors which will exercise all of the powers of the Corporation, subject to rights reserved to the TA1 members, and will have primary responsibility for determination of programs, services and other corporate activities and within the region created by the Parties' affiliation; and (d) the Conferences and TA1 will share responsibility for generating funds to support TA1 operations.

6. Charitable Assets. All funds and other assets held by each Conference, including real property, as of the Commencement Date (the "Historic Charitable Assets"), will remain assets of each respective Conference. In the future, transfer of Historic Charitable Assets to TA1 Corporation, or disposition otherwise, may be in the best interests of a Conference, or of TA1 Corporation. All legal notice and approval requirements will be observed if and when any Conference's Historic Charitable Assets are proposed for transfer or other disposition. The terms of this Paragraph 6 will survive beyond the effective date of this affiliation and will remain binding on the Parties. Notwithstanding the foregoing, nothing herein will be construed to prevent contribution of future income by each Conference to support TA1 operations.

7. Required Votes and Approvals. (a) Each Conference will obtain votes and approvals necessary to effect the affiliation contemplated herein and will evidence said actions by delivery of Clerk's Certificate in the Form attached hereto as Exhibit E; (b) TA1, with cooperation from the Conferences as needed, will have primary responsibility for obtaining recognition of TA1 as a regional Conference of the United Church of Christ from the United Church of Christ General Synod.

8. Resignation. Until the end of 2021, any Conference may resign by giving written notice of such resignation to the President, Clerk or TA1 Board of Directors. Such resignation must be given no later than May 1, 2021 and shall be effective as of December 31, 2021 only after the affirmative vote of the delegates and authorized ministers of the resigning Conference, voting separately at the Annual Meeting in 2021, or at a Special Meeting prior to the Annual Meeting called for that purpose. The terms of this Paragraph 8 will survive beyond the effective date of this affiliation and will remain binding on the Parties.

9. Dispute Resolution. The Conferences acknowledge that that there may be times when conflict arises among them. In this event, each party agrees to cooperate in good faith and to attempt to resolve any conflicts which might arise informally. In the event a conflict arises which cannot be resolved internally by the TA1 Board of Directors, any party may, upon fifteen (15) days prior notice, request a joint meeting of the Conference Boards of Directors. The joint meeting of the Conference Boards may take place in person or by conference call. In the event the Conference Boards are unable to reach a resolution within thirty (30) days of a joint meeting, any party may request mediation. All parties agree to participate in mediation with an outside mediator, in an effort to facilitate mutual understanding of, and resolution of the conflict. A mediator will be selected by mutual agreement and may be selected from the national offices of the UCC, or from another UCC conference. The costs of mediation will be borne by TA1 Corporation. The terms of this Paragraph 9 will survive beyond the effective date of this affiliation and will remain binding on the parties.

10. Miscellaneous.

(a). Assignment. No party may assign or otherwise transfer its rights, duties or obligations under this Agreement to any person or entity without the written consent of the other Parties.

(b) Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

(c) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.

(d) Captions. The captions in this Agreement are for reference only and in no way, define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

(f) Waiver. A waiver of a breach or default under this Agreement shall not be a waiver of any other breach or default. Failure or delay by either party to enforce compliance with any term or condition of this Agreement shall not constitute a waiver of such term of condition.

(g) Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the Parties and supersedes all previous communications, representations, understandings or agreements with respect to the subject matter hereof. This Agreement may be modified only by written agreement signed by all Parties.

(h) Notices. All notices required or permitted to be given under or related to this Agreement shall be in writing and delivered by hand, by certified mail, postage pre-paid, return receipt requested, by express mail, with written confirmation by express courier service or by facsimile transmission, or by confirmed electronic mail. Except as otherwise provided herein,

notice shall be deemed given when so delivered by hand, or if mailed by certified mail, two days after it is deposited with the U.S. Postal Service, or if sent by express mail or express courier service, one day after it is deposited with the U.S. Postal Service or such other service, or if sent by facsimile transmission, on the date received by the addressee. The Parties' respective addresses for purposes of notice shall be as set forth below unless and until a different address is specified by either party in accordance with this subsection.

If to the MA Conference, to:

Tel. _____
Email: _____

With a copy to:

If to the RI Conference, to:

Tel. _____
Email: _____

With a copy to:

If to the Missionary Society of CT, to:

Tel. _____
Email: _____

With a copy to:

Elizabeth S. Reinhardt, Esq.
676 Elm Street, Ste 300
Concord, MA 01742
Tel. (978) 464-9003
Email: ereinhardt@lizreinhardtllaw.com

(i) Counterparts. This agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, each of the undersigned have caused this Covenant of Affiliation Agreement to be executed by its authorized representative as a sealed instrument as of the date first above written.

**The Massachusetts Conference,
United Church of Christ**

**The Rhode Island Conference of the
United Church of Christ**

By its duly authorized signatory:

By its duly authorized signatory:

Name:
Title

Name:
Title

The Missionary Society of Connecticut

By its duly authorized signatory:

Name:
Title

COVENANT OF AFFILIATION AGREEMENT

List of Exhibits and Schedules

Exhibit A	Representation and Warrantees of the Parties
Schedule 1	Consents, Approvals and Notices
Schedule 2	Conflicts
Schedule 3	Encumbrances
Schedule 4	Contracts
Schedule 5	Licenses
Schedule 6	Leases/Lease Arrangements
Schedule 7	Employee Matters
Schedule 8	Bank Accounts
Schedule 9	Restricted Funds
Schedule 10	Insurance
Exhibit B	Notice of Exercise of Option to Withdraw
Exhibit C	TA1 Corporation Articles of Organization and By-Laws
Exhibit D	Draft Administrative Services Agreement
Exhibit E	Form of Clerk's Certificate