

**PLAN OF MERGER AND  
RECONCILIATION AGREEMENT BETWEEN  
FRANCONIA MENNONITE CONFERENCE (“FMC”)  
AND EASTERN DISTRICT CONFERENCE (“EDC”)**

This Plan of Merger and Reconciliation Agreement (the “Plan”) is made on the date noted below between FRANCONIA MENNONITE CONFERENCE (hereafter “FMC”) and EASTERN DISTRICT CONFERENCE (hereafter “EDC”). The purpose of this document is to outline the intended terms and conditions under which FMC and EDC will merge so that EDC will merge into FMC, and FMC will be the surviving entity. It is the intent that the surviving entity shall serve as the Conference for all congregations and charitable organizations currently affiliated with FMC or EDC.

FMC and EDC intend to merge in accordance with the terms outlined below:

1. Merger Plan. On the Closing Date, FMC and EDC will merge according to the following terms:

A. Closing Date and Closing. On the Closing Date, which subject to the contingencies noted herein is intended to be on or before February 1, 2020, and in reliance on the agreements made herein or in certificates or other instruments delivered pursuant hereto and upon confirmed satisfaction or mutual waiver of all contingencies noted below, EDC will merge into FMC, which shall continue as the surviving non-profit corporation under the laws of Pennsylvania, pursuant to this Plan upon the filing of the Articles of Merger in appropriate form (the "Articles" or “Articles of Merger”). The Articles along with any other necessary documentation shall be executed on the Closing Date at a meeting of the parties at the office of Landis, Hunsberger, Gingrich & Weik, LLP, at 114 East Broad Street, Souderton, PA (the “Closing”).

B. Relevant Names. Upon merger, the surviving entity shall register and use additional names including those listed below. However, it is understood that the Conference Board of the surviving entity may change the legal name of the surviving entity name at a later time.

- i. Franconia Mennonite Conference
- ii. Eastern District Conference

C. Governing Articles of Incorporation. Initially, the articles of incorporation of the surviving entity will remain the same, subject to the filing of the Articles of Merger. However, it is understood that the surviving entity will change the articles of incorporation of the surviving entity name at a later time.

D. Governing Bylaws. Upon merger, subject to the selection of the successor entity name and the registered address by the Merger Team, the Bylaws of the surviving entity shall be amended and shall be in the form attached as Exhibit A.

E. Conference Board. Upon merger, the Conference Board shall be the persons set forth below, and they shall serve for the balance of their terms until their respective successors are elected and qualified in conjunction with the then governing bylaws.

Ken Burkholder (Deep Run East) –Moderator  
Angela Moyer (Ripple) – Assistant Moderator  
Yvonne Platts (Nueva Vida Norristown New Life)  
Kiron Mateti (Plains)  
Merlin Hartman (Franconia)  
Cory Longacre (Souderton)  
Gwen Groff (Bethany, VT)  
Kris Wint (Finland)  
James Musselman (Zion)  
Rodger Schmill (Deep Run West)  
Janet Panning (Plains) - Ministerial Committee Chair, if affirmed

F. Committee Members. Upon merger, the Committee Members shall serve for the balance of their terms as set forth in the said exhibit until their respective successors are elected and qualified in conjunction with the then governing bylaws.

F. Administration Team. Upon merger, the Executive Minister of the surviving entity shall be Stephen Kriss, who shall be employed by the Conference Board of the surviving entity.

G. Ongoing Day to Day Operations of the Conference. Upon merger, the business plans and practices of the conferences that are then in effect will remain essentially unchanged, except as otherwise stated in this Plan and as shall be modified in the future by the then governing Conference Board and the executive leadership team.

2. Merger Team. A Merger Team, comprised of representatives of FMC and EDC is hereby given such authority as may be reasonably necessary to implement the merger, including the authority to retain consultants and professional advisers, and shall provide oversight and direction relative to and be responsible for the completion of the merger process, including doing all that is necessary to fulfill the terms noted in paragraph 1 and satisfy the contingencies noted in paragraph 5 at or before the proposed Closing Date. The Merger Team will develop and approve a communications plan to address the disclosure of information relative to the merger. Such shall be reported to the boards of trustees. The Merger Team shall have the authority to disclose information as permitted in the communications plan. The Merger Team shall include the following persons:

Eddie Landis  
Josh Meyer  
Mark Reiff  
Mike Clemmer  
Rina Rampogu  
Scott Roth  
Sherri Brokopp Binder

3. Representations made by FMC. To the best of the knowledge of its Conference Board and administration, the information and documentation presented by FMC to EDC is true, correct, and complete and there have been no purposeful and material omissions of any information and documentation that would present as adverse to FMC.

4. Representations made by EDC. To the best of the knowledge of its Conference Board and administration, the information and documentation presented by EDC to FMC is true, correct, and complete and there have been no purposeful and material omissions of any information and documentation that would present as adverse to EDC.

5. Contingencies for FMC and EDC. The obligation of FMC and EDC to merge under this Plan will be subject to all of the following contingencies which must be either satisfied or waived by the applicable party. Either party may terminate this Plan and shall thereafter have no obligation to complete the merger if the contingencies are not satisfied to the satisfaction of the party or waived. As contingencies are satisfied, the parties shall amend this Plan to memorialize such satisfaction.

A. Continued Due Diligence. Each party shall continue to provide any and all documentation requested by the other party for its review. Each party shall be satisfied with their review of documentation produced by the other party, which shall be memorialized by the approval of its Conference Board.

B. Compliance with the Plan. FMC and EDC shall both have complied in all material ways with the terms and conditions of this Plan.

C. Determination of the Successor Entity. The parties shall determine and agree which entity shall be the surviving entity.

D. Transparency. Following the execution of this Plan, FMC and EDC shall continue to report to each other's Executive Minister and to the Merger Team all operational activities that are outside of the scope of ordinary operations and provide copies of all pertinent documentation, including but not limited to minutes of their respective Conference Board meetings, and notes of committee and task force activities.

E. Representations. All representations made herein by each party shall be true and correct as of the date of the execution of this Plan and up to and including the Closing Date.

F. Third Party Approvals and Notifications. Receipt of appropriate consents or approvals necessary from any third parties shall be obtained, any necessary notices to third parties shall be given to the appropriate party and all regulatory and court approvals necessary shall be granted. Such shall include, but not be limited to the following:

i. The approval of Franconia Mennonite Conference Assembly is necessary for the approval of any change to the bylaws of FMC and a change to the composition of

the Conference Board. Approval must be given by a two-thirds vote at a regular conference assembly to change the bylaws.

ii. The approval of Eastern District Conference Assembly is necessary for the approval of any change to the bylaws of EDC and a change to the composition of the Conference Board. Approval must be given by a two-thirds vote at a regular conference assembly to change the bylaws.

iii. If necessary, notice shall be given to or approval shall be obtained from federal, state, and local governmental agencies as may be required, including but not limited to Internal Revenue Service, and the U.S. Immigration and Naturalization Service pertaining to the Conference's ability to grant the documentation necessary so a foreign pastor can obtain a work visa.

iv. If necessary, notice shall be given to or approval shall be obtained from the Pennsylvania Office of Attorney General.

v. Notice shall be given to Mennonite Church USA of the Reconciliation.

vi. If required under Pennsylvania statute 15 Pa.C.S.A. §5547(b), approval of the Montgomery County Orphan's Court will be obtained for the continuation of any charitable fund maintained by the entity that merges into the other entity and does not survive. This is also true for trusts established for the benefit of the organizations. Relevant charitable funds and trusts include at least the following:

- a. Missional Leadership Development Fund – FMC
- b. Education Fund – EDC
- c. Church Plant Fund – EDC
- d. "Revolving" Loan Fund – EDC
- k. General endowment and miscellaneous funds – EDC & FMC.

6. Ordinary Course. After the execution of this Plan, FMC and EDC will operate their organizations in the ordinary course of business, except as deemed necessary by the applicable Conference Board. If any action is taken by FMC or EDC that is outside of the ordinary course, it shall give written notice of such to the other entity.

7. Confidentiality and Publicity. Except (i) as discerned necessary by the Merger Team, (ii) as required by law, or (iii) as necessary to obtain any consents, without the prior written consent of the other party, neither FMC nor EDC will, and each will direct their representatives not to, make, directly or indirectly, any comment, statement, or communication with respect to, or otherwise to disclose to any third party or to any employee or contractor of them (other than employees directly involved in the merger process) of the merger.

8. Non-Disclosure. Except as and to the extent required by law, FMC and EDC will not disclose or use, and will direct its representatives not to disclose or use to the detriment of the other party, any Confidential Information (as defined below) acquired or furnished, by either party,

respectively, or their respective representatives at any time or in any manner in connection with its evaluation of the merger. This promise shall continue to bind the parties in the event that the merger does not occur. For the purposes of this Section, "Confidential Information" means any information about FMC and EDC unless (a) such information becomes publicly available through no fault of FMC and EDC or their representatives, (b) such information was already known to the other party or was received by such party from a third party that had no obligation of confidentiality, or (c) the furnishing or use of such information is required by or necessary or appropriate in connection with legal proceedings.

9. Expenses. The parties to this agreement shall each bear its own costs, fees and expenses with relation to this transaction, including but not limited to the fees and expenses of their respective agents and advisors, whether or not the merger contemplated by this Plan is ever consummated.

10. Governing Law. This Plan and the Merger contemplated shall be governed by and construed under the laws of the Commonwealth of Pennsylvania.

Our signatures below confirm on behalf of the respective corporations that we represent that this document accurately sets forth our respective intentions regarding the Merger outlined above.

Accepted and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

FRANCONIA MENNONITE CONFERENCE

EASTERN DISTRICT CONFERENCE

By: \_\_\_\_\_

By: \_\_\_\_\_

John M. Goshaw, Moderator

James Musselman, Moderator