
From: Jeff Smit [REDACTED]
Sent: Monday, February 11, 2019 5:02 PM
To: Jeff Sharda
Cc: sam.booras@gmail.com; Bill Sperling; Steve Huston; Ron Duitsman; Christopher Nudo; Carl Barkow
Subject: Re: Separation Agreement

Jeff:
Thanks for this. I have sent only to Mike Karpeles, our attorney and am currently on the phone with him.
Jeff

Jeff Smith
Sent from my iPad

On Feb 11, 2019, at 12:51 PM, Jeff Sharda <jjsharda@harvestbiblechapel.org> wrote:

EC

We (Barkow, Sharda, Nudo) have reviewed the draft separation agreement between MacDonald and HBC. We are writing to advise the EC that this agreement would limit HBC from executing on a successful modification of the current outstanding debt with ECCU. ECCU's main underwriting criteria include the financial health of both the balance sheet and incomes statement of HBC, but those items are in no way overshadowed by their concern regarding our governance structure and leadership directives.

ECCU's approval of this agreement will therefore require clarity on these two important non-financial items before they would agree to release the substantial assets in the separation agreement. As a reminder, ECCU holds an all-asset lien, so ECCU would need to approve of a release of any substantial assets and/or business units. Currently, ECCU is not aware of the movement for an immediate resignation of James and is only aware that he is on an indefinite sabbatical. ECCU is aware that we were implementing a ministry succession plan, which would gradually move James from the primary pulpit teacher to something far less. It would be wrong for HBC to not inform ECCU of this change if we go down the path of an immediate separation and potentially reopen the wounded historical relationship we have been working hard to repair in the last few months. We can notify them as soon as a decision is reached to keep them fully in the loop. Further, we know that there are plans and a need for a restructuring of the by-laws, basic governance and policies; All of which ECCU is equally interested in knowing before they give us final approval and pricing.

Finally, the proposed release of the business income from WITW, in addition to the proposed "severance" would meaningfully impair our ability to seek interest rate relief on the two largest loans. ECCU would also require time to prove out this impact on attendance and tithing before approving additional debt or the renewal of the Niles debt and refinance of Crystal Lake debt.

We are available at your convenience to discuss options going forward. Trying to stay in our lane here, so if we stepped out, please forgive us. Just want to raise awareness for the risk to our loans if we commit to any type of significant asset disbursement, even in the future. The safest play from a lending perspective is to make no commitments of significant asset/business unit disbursements, with the exception of the Rabbi Trust.

Thankful to be serving you guys as you lead!

Jeff Sharda
Chief Financial Officer

Good points Carl - thanks. Eddie is going to recap the retreat in a video to be distributed this weekend. We can either a) postpone the Finance Committee video for taping next week, or b) record it this Thursday as planned, stay general about the bank decision, and stay on track for Thursday. What do you guys think?

Tim

From: Carl Barkow <cbarkow@harvestbiblechapel.org>

Sent: Tuesday, August 13, 2019 5:45 PM

To: Tim Stoner <tstoner@harvestbiblechapel.org>; Darrin Weidman <dweidman@harvestbiblechapel.org>; Jeff Lucido <jlucido@harvestbiblechapel.org>; Richard Labib <rlabib@harvestbiblechapel.org>

Cc: Michelle Smalenberger <mshalenberger@harvestbiblechapel.org>; Kelly Altieri <kaltieri@harvestbiblechapel.org>; Diane Birkenstock <DBirkenstock@harvestbiblechapel.org>; Joe Decort <jdecort@harvestbiblechapel.org>; Jeff Sharda <jsharda@harvestbiblechapel.org>

Subject: Re: Finance Committee Statement August 2019

Are we in a hurry to get this video out this week?

I think the bank decision will come to us early next week, which would be awesome for the finance committee to announce. Can I propose the elders use this weekend to announce findings from the "Summit"?

Most people care about this last weekend and these decisions will lead to individual tithing decisions.

If not, I'd propose; 1) that we stop qualifying the earning of trust to just church leaders, actually the whole staff wishes to accomplish this, 2) the intro should reflect the desires of the new elders to set up a finance committee that represents a balance of staff and congregational experience that reports to, advises in, and blesses important church financial matters. Then move to introduce congregation members (the important people).

Blessings,

Carl R. Barkow


From: Tim Stoner <tstoner@harvestbiblechapel.org>

Sent: Tuesday, August 13, 2019 2:05:00 PM

To: Darrin Weidman <dweidman@harvestbiblechapel.org>; Jeff Lucido <jlucido@harvestbiblechapel.org>; Richard Labib <rlabib@harvestbiblechapel.org>

Cc: Michelle Smalenberger <mshalenberger@harvestbiblechapel.org>; Kelly Altieri <kaltieri@harvestbiblechapel.org>; Diane Birkenstock <DBirkenstock@harvestbiblechapel.org>; Carl Barkow <cbarkow@harvestbiblechapel.org>; Joe Decort <jdecort@harvestbiblechapel.org>; Jeff Sharda <jsharda@harvestbiblechapel.org>

Subject: Re: Finance Committee Statement August 2019

Here is my DRAFT of an intro... trying to keep it brief!

Video Intro – Finance Committee Communication

Hello Harvest,

Your elders and church leaders are working hard to earn your trust, especially when it comes to financial issues. To that end, our newly formed finance committee now includes members of our congregation with an extensive variety of experience and expertise. We thought it might be helpful to you to meet these fine folks, and hear a bit more about what the finance committee is all about.

(Cut to the important people...)

Christopher Budo

Mobile

4/29/19 11:32 AM

We will receive a letter from ECCU an formal response to the James agmt. They will decline quickly and warn us sternly against this action again.

4/29/19 11:38 AM

That is the right result but the wrong approach. They should not be declining anything they should be consenting to it but then the consent should be defined in such a way that no action can be taken under the terms of the agreement. Absent that you are losing the benefits of the current agreement, which there are many.

4/29/19 11:45 AM

The problem is that the agmt was so poorly worded and it puts us in default. We have forced their response. Their liability is to the other banks, not James.

----- Forwarded message -----

From: **The Elders of Harvest Bible Chapel** <info@harvestbiblechapel.org>

Date: Fri, May 3, 2019 at 9:35 PM

Subject: Important Update

Dear Harvest Family,

A recent development has occurred that we, the Elder Board and the Church Leadership Team, wish to bring to your attention, our church family. On April 12, a separation agreement between James MacDonald and Harvest Bible Chapel was signed. However, the agreement was contingent on our mortgage lender's approval.

Today, we were encouraged to receive a letter from the mortgage lender stating they do not consent to the release of any assets including cash, physical property, and/or intellectual property. Because of this decision, the agreement is null and void.

We want to assure you that none of your tithes and offerings have gone to James since his termination, and he did not receive severance because his termination was "with cause". To be clear, none of Harvest Bible Chapel's or Walk in the Word's donations or assets have gone to James, and we will not be giving him anything in the future.

For the glory of our Lord,

The Elder Board and The Church Leadership Team