

The meeting **I had sought for so long** finally happened – with no tension, no arguments, just facts and overdue reasonableness. After reviewing every questioned expense, HBC's CFO and COO agreed that each had a proper ministry purpose, be it HBC or WITW (they were less concerned about WITW spending, given the arbitration outcome that it was not their ministry) and/or had been reimbursed at the time it was made. Together we affirmed that:

"It was agreed that the needed financial explanations had been offered to HBC in spreadsheet form by email dated May 16, 2019, and in multiple attempts by MacDonald to gain a hearing with HBC Elders and leaders throughout 2019. Jeff Sharda was instructed by an unnamed Harvest superior, not to review the offered spreadsheet. Upon review it was agreed that the majority of the items had a clear ministry purpose. A small percentage (approximately 10%) were clerical errors unknown to MacDonald; however, unreimbursed amounts to the MacDonald's during that same period exceeded the total of the ~10%, and he agreed to forgo reimbursements potentially due him in order to bring the entire matter to closure. Both McCoy and Sharda expressed regret that MacDonald was publicly maligned for a large number of financial transactions with a clear ministry purpose, be they fundraising or a small number of approved gifts to publicly honor faithful servants of Christ. Dr. MacDonald's financial leadership at HBC was conducted with integrity and at great advantage to all HBC ministries during his tenure."

October 14, 2020 Elder Update

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Dear Harvest Family,

As you may be aware, last year former Harvest senior pastor Dr. James MacDonald and Harvest Bible Chapel (HBC) submitted their disagreements to Christian arbitration through the Institute Christian Conciliation. The elders wish to communicate about the progress and outcome in the arbitration process.

There was an agreed-upon period of time beginning August 14, 2020, in which both parties would refrain from making any comment outside the bounds of the confidentiality of the ICC. The parties agreed that they would then make their best effort to reach a joint statement and start the process of relational reconciliation. However, during this period of silence, information about the agreement was made public. In light of that development, and with both parties realizing we could not agree on a joint statement, we wanted to let you know the outcome.

The parties presented 17 issues for resolution to the ICC. As a result of the arbitration process with the ICC, all of these issues have been resolved.

Here is the summary of the agreement:

1. Walk in the Word (WITW) will no longer be a ministry under the umbrella of HBC. As part of the merging of WITW to HBC, there was an agreement that MacDonald could remove WITW and its assets to an external organization. Accordingly, the transferred assets include:
 - Physical assets of WITW; books, marketing materials, equipment
 - Digital assets of WITW; sermons, podcasts, websites
 - Cash and real estate. Our insurance company paid MacDonald \$1.2 mm. HBC also agreed to transfer a vacant parcel of property adjacent to our Crystal Lake Campus which we had listed for sale on the market since mid-2019. These funds and this land are for the assets that Walk in the Word brought to HBC when it came under the church in 2010.
2. The Parties shall cooperate to accomplish HBC's transfer of the deferred compensation funds that had been established for MacDonald's benefit. This plan was in place prior to his departure from HBC and relates to a retirement plan of which MacDonald is the beneficiary.
3. In addition, HBC will pay MacDonald \$250,000 cash for reimbursement promised to him prior to 2019 in connection with selling his prior home.
4. In the early stages of the arbitration, we indicated we would review certain financial expenditures with MacDonald. The review process has been recently completed and the largest expenditures were under Walk in the Word which is now James MacDonald Ministries (JMM). The remaining amount has already been accounted for in previous tax filings.

The above resolves all claims and issues between HBC and James MacDonald and releases Harvest's officers, employees, and members from future litigation over arbitration matters.

Also, per the terms of our policy, the insurance company has reimbursed most of our legal fees (over 95%).

The Scriptures are clear in their instruction to us to "live at peace with all men, as far as it depends on you" (Romans 12:18). We certainly have not done so perfectly. Sometimes we have spoken hastily, and at times our tone was unloving. We apologize to you, our church family, to the broader church, and to James MacDonald for not always acting in a loving manner in our communications about him.

Now that these differences with MacDonald have come to resolution, our focus and full attention are on the future of Harvest Bible Chapel. We encourage you, if you have further questions, to reach out to your campus elders.

We are grateful to our staff, particularly those who worked selflessly and tirelessly in the midst of this arbitration process. And we are most grateful to those of you who faithfully prayed for us during this time. Thank you.

In Christ,
The Elders of Harvest Bible Chapel