

CONFIDENTIAL

First Supplemental Assurances of Skillman and Hills Churches

(this version replaces the prior document dated 4/26/22)

The Hills Church of Christ ("The Hills") exists to make and grow followers of Jesus. That is the Mission of The Hills. God has also given The Hills a Vision to focus these followers. The Hills Church is excited and honored to invite Skillman Church of Christ ("Skillman") into a church family committed to this Mission and Vision. This excitement is firmly rooted in the belief of both churches, in the sovereignty of God and His plan for his people and the world. The Hills and Skillman both rely on the Bible as the Word of God and look to God as the authority in all things whether earthly or spiritual. It is that belief, Mission, and Vision that serve as the basis for these assurances and will govern the manner in which these assurances are interpreted and implemented.

In consideration of the agreement of Skillman to join The Hills, we each provide the following assurances:

- 1. Continuation of Acapella Service.** The Hills agrees to:
 - a. Continue the acapella service in the Chapel on Sunday mornings;
 - b. Develop strategies to improve this experience;
 - c. Promote and fill the song leader position with highly capable volunteers;
 - d. Continue this service in the Chapel as long as it remains viable (i.e., at least 25 people are attending) and does not outgrow that room; and
 - e. This service will not cease due to building renovations or other foreseen needs; provided, a brief interruption of two or three weeks may be needed to ensure a clear and orderly transition from Skillman to a fresh start, with The Hills regular Sunday a cappella service always available onlone.
- 2. Child Development Center.** The Hills agrees to:
 - a. Fully support CDC with no foreseen changes in mission, budget or operation as a five-day-per-week (minimum) state-licensed childcare facility;
 - b. Retain Ruth Ann Prude as director through 6/1/23 (end of next school year) or such later date as she and The Hills may agree (subject to normal employment policies), including 12 months of severance upon any termination of employment;
 - c. Retain all other CDC staff, as determined by the Direcfor (subject to normal employment policies);
 - d. No change in the CDC name;
 - e. CDC license transition as required by law. Such licensing and protection of CDC may be accomplished through a new legal entity; and
 - f. Promote and grow CDC service to the community.
- 3. Other Skillman Campus Staffing.** The Hills agrees to:
 - a. Hire a minimum of three full-time ministers, plus full-time administrative office staff;
 - b. Ensure continued delivery of care for the elderly, food for funerals, hospital visits, etc.
 - c. Provide onsite janitorial, maintenance, and security personnel as needed per the ministry.
 - d. Offer to conduct interviews with all current ministry, office, janitorial and maintenance personnel for the same or different positions. Ministry and office personnel will be provided either 9 months of severance or a position on the new Hills Lakewood staff. If Ministry or

office personnel do not wish to accept a job offer, they will be provided 9 months of severance.

- 4. Moeller and Johnson Funds.** The current account balance in the Moeller fund for care of the elderly and missions is approximately \$2.2 million, and the current balance in the Johnson fund for youth is approximately \$110,000. The Hills conducts multiple missions fundraising initiatives every year, with consistent strong support (including over \$3.65 million raised through April in the current calendar year, as well as other frequent donations for care of the elderly, missions and youth). Skillman is being invited into this opportunity. Within this context, The Hills agrees to:
- a. Make a top priority the review of Skillman's current missions strategy and consider broadening this outreach and increasing current funding levels in alignment with The Hills' Mission and Vision.
 - b. Place all Moeller and Johnson funds into designated accounts for missions, elder care, and youth, fully honoring the purpose for which each of those funds were gifted to Skillman.
 - c. Add Skillman members to The Hills Missions Committee, including at least one Skillman member to The Hills Missions Council.
 - d. Subject to The Hills normal missions support policies, continue or increase funding for all missions in the current Skillman budget, including:
 - i. Domestic Missions
 1. Boles Home
 2. Grace Place
 3. Our Father's Children
 4. Lifeline Chaplaincy
 5. CitySquare
 6. Main Street Church of Christ
 - ii. International Missions
 1. Barry Phiri in Africa
 2. Donivert Khata in Africa
 3. Sergei Budagovskii in Ukraine (minimum five years)
 4. Ephriam Phiri in Africa
 - e. All missions efforts are regularly evaluated and assessed. If, in the future, this evaluation shows that funding of any of these efforts does not align with The Hills' Mission and Vision, an appropriate exit strategy will be developed. Such a strategy will honor the existing work and help ensure its continued success beyond its relationship with The Hills.
 - f. Continue Skillman's current elder care support services that are effective and needed, and advance those services as the church grows.
 - g. Consider additional funding for care of the elderly, domestic and foreign missions, youth, community outreach and other needs of this campus recommended by its shepherding elders.
- 5. All other Skillman monetary and investment assets and personal property.** The Hills commits to faithfully steward these unrestricted funds and property to advance God's kingdom.
- 6. Skillman Real Estate.** The Hills agrees to not sell any Skillman real estate for a minimum of 5 years.
- 7. Assumption of Liabilities, Indemnification and Insurance.** Skillman will disclose to the Hills all of its known and threatened claims and liabilities as part of the due diligence process this document contemplates. The Hills reserves the right to assess each of these on a per-claim basis and seek additional information as necessary. The Hills contemplates an agreement that preserves assets and protects all its stakeholders at Skillman and The Hills from any known and unknown liabilities.

8. Campus Name. The Hills Lakewood Campus.

9. Celebration of Joining The Hills and Honoring Skillman Heritage. The Hills agrees to:

- a. Provide people, resources, and funding for a celebration and commemoration of Skillman's heritage within 90 days of Skillman joining The Hills;
- b. This event will be developed in collaboration with and in recognition of current and former Skillman members;
- c. Add a new cornerstone (similar to the two existing cornerstones that are on the front of Skillman building) to commemorate heritage of Skillman Church of Christ at this location; and
- d. Make best efforts to see, love and honor any Skillman members who grieve over and/or were opposed to this change.

10. Shepherding. The Hills Church believes it is mission critical to provide care and spiritual guidance for all her members. Therefore The Hills representatives and Skillman representatives will work to implement a mutually agreeable shepherding plan (that will include at least 2 current Skillman members) until such time as Shepherds can be Scripturally selected and ordained. Those individuals serving within the shepherding plan will be invited to all global shepherding elder meetings. They will also conduct monthly meetings at the Lakewood campus consistent with all other Hills campuses. And finally, they will have direct access to both the Board Chair (including Meeting Minutes from every Board Meeting) and Shepherding Chair providing appropriate advocacy for the Lakewood campus. This is consistent and similar to all other Hills' campuses. This collaboration will begin when the transaction is closed and will be implemented as quickly as possible.

11. Skillman Leadership. Current Skillman leadership commit to unity and promotion of strong spiritual health by:

- a. Orderly transition,
- b. Ownership and endorsement of The Hills Mission & Vision, and
- c. Supporting the advancement of God's Kingdom as the primary focus and goal of Skillman joining The Hills, being future focused and mission-minded.

12. Mutual Exclusivity Period. Pending the vote of Skillman members to join The Hills, both parties agree to stand down on discussions regarding any similar Dallas transaction.

13. Due Diligence Complete. The Hills and Skillman agree that all contingencies to this transaction will be removed prior to the Skillman vote to approve joining the Hills.

Agreed to be effective as of May 3, 2022. This document is not only an expression of the parties' intent but shall be binding to the parties to this agreement.

SKILLMAN CHURCH OF CHRIST



By: Shane Calvin

Date 3 May 2022



By: Craig Gray

Date 5/23/2022

Al Dabbes

Date 5/3/2022

By: A David Williams

THE HILLS CHURCH OF CHRIST

DAVID MEYER

Date 5.3.2022

By: David Meyer

John Hillbanks

Date 5.3.2022

By: John Hillbanks