

MEDIATION AGREEMENT

Central Presbyterian Church in the United States of America of Huntsville, Ala., an Alabama non-profit corporation ("Central Presbyterian"), on the one hand, and North Alabama Presbytery, an Alabama non-profit corporation (the "Presbytery"), on the other hand, hereby enter into the following Mediation Agreement, on this the 24th day of May, 2007.

WHEREAS, Central Presbyterian commenced an action against the Presbytery in the Circuit Court of Madison County, Alabama, styled Central Presbyterian Church in the United States of America of Huntsville, Ala. v. North Alabama Presbytery, Case No. CV2007-166-JPS, (hereinafter the "Lawsuit"); and,

WHEREAS, Central Presbyterian and the Presbytery desire to settle fully and finally this Lawsuit and to resolve any and all disputes or other matters of any nature, whether legal or ecclesiastical, with each other, including, without limitation, all acts or omissions by and between Central Presbyterian and the Presbytery that may have occurred at any time up to and including the date of this Mediation Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed between Central Presbyterian and the Presbytery as follows:

1. This Mediation Agreement is entered into because Central Presbyterian and the Presbytery, and their respective attorneys, have concluded that it is in the best interests of the parties to enter into the Mediation Agreement on the terms set forth herein. Central Presbyterian and the Presbytery wish to avoid the further expense, delay, inconvenience, burden and uncertainty of continued litigation (including appeals from any verdicts), and, therefore, have agreed to settle the Lawsuit.

2. Consideration. As consideration for this Mediation Agreement, the parties agree as follows:

- (a) Central Presbyterian shall pay to the Presbytery the total sum of \$250,000.00, to be paid as follows:
 - i. \$100,000.00 at closing (\$65,000.00 of which may be utilized for legal and other costs and expenses of the Presbytery and \$35,000.00 of which shall be designated for Camp Maranatha);
 - ii. \$75,000.00 on or before December 31, 2008 (\$37,500.00 of which shall be designated for Camp Maranatha and \$37,500.00 of which is undesignated); and

- iii. \$75,000.00 on or before December 31, 2010 (\$37,500.00 of which shall be designated for Camp Maranatha and \$37,500.00 of which is undesignated).

Central Presbyterian will provide security in the form of a standard mortgage on the "Cooper property" during the period that Central Presbyterian has not paid any of the payments specified in section 2(a)(ii and iii).

- (b) The Presbytery shall quit claim all its right, title and interest in and to any real or personal property, and any present or future interest therein, now or hereafter claimed by Central Presbyterian, including, without limitation, the real property that is the subject matter of the Lawsuit or otherwise claimed by Central Presbyterian, the income from that certain New York trust created under the Last Will and Testament of Marguerite Cartwright Hawthorne dated September 28, 1984 referenced in the Lawsuit, and any and all other personal or real property presently in the possession, custody or control of Central Presbyterian.
- (c) The session and pastor of Central Presbyterian Church in the United States of America of Huntsville, Alabama acknowledge that they did not follow the Constitution and polity of the Presbyterian Church (U.S.A.), as set forth in the Book of Order, regarding a congregation's request for dismissal; and that Central Presbyterian Church in the United States of America of Huntsville, Alabama did not request to be dismissed. The Presbytery shall dismiss Central Presbyterian Church in the United States of America of Huntsville, Alabama to a Presbytery of the Evangelical Presbyterian Church, or another Reformed body, with any and all real and personal property, including, without limitation, the real property that is the subject matter of the Lawsuit or otherwise claimed by Central Presbyterian, the income from that certain New York trust created under the Last Will and Testament of Marguerite Cartwright Hawthorne dated September 28, 1984 referenced in the Lawsuit, and any and all other personal or real property presently in the possession, custody or control of Central Presbyterian.

The Presbytery asserts that it has continuing jurisdiction under the Book of Order over Central Presbyterian, Central Presbyterian denies the Presbytery has any such continuing

jurisdiction over it. The Presbytery hereby represents, warrants and agrees that neither it nor the Synod of Living Waters, the General Assembly of the Presbyterian Church (U.S.A.) or any other person or entity associated with the Presbyterian Church (U.S.A), including, without limitation, any Administrative Commission, shall attempt to exercise in any manner the jurisdiction it asserts over Central Presbyterian and its agents, representatives, trustees, members, or other persons or entities acting on its behalf or in its stead, or acting in concert with it from the date of this Mediation Agreement until Central Presbyterian's affiliation with a Presbytery of the Evangelical Presbyterian Church, or another Reformed body. Central Presbyterian shall proceed in good faith and with reasonable diligence to affiliate with a Presbytery of the Evangelical Presbyterian Church, or another Reformed body, chosen in Central Presbyterian's sole discretion.

- (d) Within three (3) business days of the closing date of this settlement, the Lawsuit shall be dismissed, with prejudice, with each party bear its own costs, including attorney fees.

The closing date shall be thirty (30) days from the execution of this Mediation Agreement.

3. General Release and Waiver. The parties shall execute a full and complete General Releases on or before closing.

4. Specific Release and Waiver. The Claims RELEASED and WAIVED by Central Presbyterian and the Presbytery for which accord and satisfaction are hereby acknowledged below, include, but are not limited to:

- (a) All Claims which were raised or could have been raised in the Lawsuit, through claim, counterclaim (compulsory or permissive) or otherwise;
- (b) All Claims arising under federal and/or state laws, and regulations;
- (c) All equitable claims or actions of any kind whatsoever;
- (d) All Claims at common law, including, without limitation, breach of contract, slander of title, fraud and fraud in the inducement; and
- (e) All Claims arising under or related to any denominational constitution or governing laws and regulations, including, without limitation, any provision of the Book of Order; and

- (f) Any Claim or assertion of right, however characterized, which one may have against the other.

5. Covenant Not to Sue. Central Presbyterian and the Presbytery further agree, promise and covenant that neither they, nor any person, organization or any other entity acting on their behalf will file, charge, claim, sue or cause or permit to be filed, charged or claimed, any action for damages or other relief (including injunctive, declaratory, monetary relief or other) against the other party, involving any matter occurring in the past up to the date of this Mediation Agreement or involving any continuing effects of actions or practices which arose prior to the date of this Mediation Agreement, or involving and based upon any claims which are the subject of this Mediation Agreement, other than the mortgage contemplated herein, or enforcement of this Mediation Agreement.

6. Accord and Satisfaction. The receipt of the consideration provided for herein shall constitute full and complete accord and satisfaction for all claims, rights, duties, actions, damages, grievances, investigations, commissions, causes of action of any type (whether legal or ecclesiastical), by and between Central Presbyterian and the Presbytery.

7. Non-Admission. Central Presbyterian and the Presbytery expressly acknowledge and agree that nothing contained in this Mediation Agreement is, or shall be, construed as an admission of liability.

8. Acknowledgement. Central Presbyterian and the Presbytery represent and acknowledge that:

- (a) They have carefully read this Mediation Agreement;
- (b) They have been given a reasonable period of time in which to consider this Mediation Agreement and have had the opportunity to consult with their legal counsel regarding the provisions of this Mediation Agreement;
- (c) They understand and acknowledge that this Mediation Agreement releases and waives known and unknown claims and rights and has other important legal consequences; and
- (d) They acknowledge and agree that this Mediation Agreement is voluntarily entered into by each of them as the result of arms'-length negotiations.

9. Merger. Central Presbyterian and the Presbytery represent and acknowledge that no promise, inducement or agreement other than is expressed herein has been made. This Mediation Agreement contains the entire understanding and

agreement of Central Presbyterian and the Presbytery. This Mediation Agreement supersedes all prior representations and understandings, whether written or verbal, not contained specifically in this Mediation Agreement.

10. Governing Law. Central Presbyterian and the Presbytery agree that this Mediation Agreement shall be governed by and interpreted pursuant to the laws of the State of Alabama.

11. Counterparts. The parties specifically agree that this Mediation Agreement may be executed in counterparts each of which shall be considered part of one written document.

12. Authority. Central Presbyterian acknowledges that it has the full and complete authority of its trustees, members, and any other persons or entities required to enter into this Mediation Agreement. The Presbytery acknowledges that it has the full and complete authority of the Presbyterian Church (U.S.A.), the Administrative Commission, the Presbytery's members, and any other persons or entities, including all governing or decision-making bodies within the Presbyterian Church (U.S.A.), required to enter into this Mediation Agreement.

IN WITNESS WHEREOF, the undersigned hereby execute this Mediation Agreement on this the ____ day of May, 2007.

Central Presbyterian Church in the United States of America of Huntsville, Ala.

By: [Signature]
Its: Trustee

[Signature]

Counsel for Central Presbyterian Church in the United States of America of Huntsville, Ala.

North Alabama Presbytery

By: [Signature]
Its: Chairman, Administrative Commission

[Signature]

Counsel for North Alabama Presbytery

[Signature]