

Additions of \$25 or more may be made at any time to a Floating Rate Term Note. Fixed Rate Term Notes do not accept additional investments, except at renewal. Flex Savings, Congregation Savings, and Building Funds accept additional investments of \$10 or more at any time. Additional investments to a Floating Rate Term Note, Flex Savings, Congregation Savings, and Building Funds may be made via Electronic Funds Transfer (EFT), or by any manner acceptable to TexasCEF. TexasCEF, in its discretion, at any time, may refuse to accept further investments in these Notes or may limit the amount thereof.

Interest will be paid or added to principal no less frequently than every three months. Interest will be added to principal unless the Owner(s) request interest to be paid out by Electronic Funds Transfer (EFT). Owners may request interest to be sent to their bank account via EFT by indicating on the investment application or by submitting a written request to begin EFT, including a voided check. This election may be changed at any time upon receipt by TexasCEF of Owner's written notice to change this election.

Statements will be mailed to the Owner(s) at least semiannually, indicating the balance of the Note, including the interest paid and withdrawals made.

Term Note Maturity notices will be sent by TexasCEF at least 30 days prior to maturity. Unless renewed, the Term Note may cease to earn interest after the maturity date. The Term Note will be renewed automatically for additional terms, equal to the original term at a rate of interest and frequency of payment of interest, to be determined in accordance with the current TexasCEF policy pertaining to the payment of interest on Term Notes as specified in the notice of maturity, unless written notice of intention to redeem it is received by TexasCEF within 20 days before or after the maturity.

My Texas CEF is a free secure online service in which investors and borrowers can quickly access Texas CEF investment and loan information, as well as request transactions. Visit www.texascef.org to enroll.

TexasCEF is a non-profit religious organization; therefore, TexasCEF investments are not SIPC or FDIC-insured bank deposit accounts. This is not an offer to sell investments or a solicitation to buy. The offer is made only in the state of Texas and solely by TexasCEF's Offering Circular.

For more information about TexasCEF, please refer to the Offering Circular.

TERMS & CONDITIONS



Texas District Church Extension Fund

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GENERAL INFORMATION

Investment Receipt

Texas District Church Extension Fund (“TexasCEF”) promises, subject to the terms and conditions contained herein, to pay to the person(s) or entity(ies) (hereinafter “Owner(s)”) the balance of the TexasCEF Note described on the same Investment Receipt. The balance shall consist of the sum of the original investment amount and any subsequent investments, plus all subsequent interest added to and not previously paid, and decreased by whole or partial redemptions.

Notes May be Called

TexasCEF may call these Notes at any time by giving at least 60 days written notice, at the end of which time interest shall cease to accrue. These Notes are non-negotiable and may be assigned only with TexasCEF’s written consent.

Issued in the State of Texas

Investments may be opened for Texas residents. Investors must be a member of, contributor to, or participant in The Lutheran Church-Missouri Synod or any district or other program, activity or organization which constitutes a part of the Synod, or any of its districts, or must be an ancestor, descendant, or successor in interest to such a person. The Investment Receipt and the obligation described on it are made and arise, respectively, in the State of Texas. The investment and the obligation to pay the owners shall be interpreted and construed under the laws of the State of Texas.

Notices

Any notice required to be given by TexasCEF shall be deemed validly given if mailed separately or included as a component part of any other document customarily mailed to the Owner(s), including the Offering Circular at the address furnished to TexasCEF by Owner(s) on the

application for the Note or at such other address as Owner(s) may subsequently provide TexasCEF in writing. Any such notice shall be deemed to have been given on the date on which it was mailed.

TYPES OF INVESTMENTS

Fixed Rate Term Notes are available in one, three, and five year terms, with a minimum balance of \$500. These Notes shall bear interest at the fixed rate as specified in the initial Investment Receipt, during the entire initial term of the Note and during any renewal term(s), at a rate specified in accordance with TexasCEF’s then current written procedure for Notes payable with respect to Fixed Rate Term Notes.

Floating Rate Term Notes are available in one, three, and five year terms, with a minimum balance of \$500. These Notes shall bear interest at a variable rate of interest adjusted monthly on the first day of the month as specified in the initial Investment Receipt. Interest rates will be indexed to the US Treasury Constant Maturity (TCM), with a maximum rate of 10% during the entire initial term of the Note and during any renewal term(s), at a rate specified in accordance with TexasCEF’s then current written procedure for Notes payable with respect to Floating Rate Term Notes.

Flex Savings may adjust interest rates at any time. The maximum interest rate to be paid will be 6%. There is a minimum balance requirement of \$10. This is a plan that permits additions to the initial investment (minimum of \$10) and withdrawal privileges with no loss of interest.

Congregation Savings may adjust interest rates at any time. They are for congregations and auxiliary organizations operating under the auspices of congregations. This is a plan that permits additions to the initial investment (minimum \$10) and withdrawal privileges at any time with no loss of interest. The maximum rate to be paid will be 10%.

Building Funds are for congregations for construction of new facilities and other similar capital projects. This plan permits additions to the initial investment (minimum \$10) at any time. Withdrawals for construction of new facilities or other similar capital projects or the retirement of debt may be made at any time without penalty. Other withdrawals are subject to the loss of one-year’s interest. The interest rate on building funds may be adjusted at any time. The maximum rate to be paid will be 10%.

INVESTMENT ACTIVITY

Withdrawal of interest paid and added to a Note may be made at any time and will normally be paid to the Owner(s) on demand. Withdrawal of principal may be made upon the maturity of a Term Note. However, TexasCEF reserves the right to require the Owner(s) to give 30 days written notice of any intended withdrawal before such withdrawal is made. TexasCEF may impose a penalty on withdrawals of principal made prior to the maturity date of a Term Note.

Redemption of a Note may be made when all owners provide TexasCEF at its office in Austin, TX written notice of intent to redeem. If all named owners can not sign, TexasCEF will require reasonable proof of alternate authority to sign or passage of ownership. TexasCEF is not required to redeem a Term Note prior to its maturity date. As a matter of policy and practice, however, TexasCEF has redeemed Term Notes prior to the maturity date at the request of the investor upon showing need. There is no assurance, however, that this policy will continue. TexasCEF may impose a penalty on withdrawals made prior to the maturity date of a Term Note or prior to the maturity of any subsequent term if the Term Note is renewed, except when they represent interest accumulated. Such penalty shall be determined in accordance with TexasCEF’s then current written procedures for Term Notes payable.