

Redemption of a Note may be made when all owners provide Texas CEF at its office in Austin, TX written notice of intent to redeem. Texas CEF is not required to redeem a Term Note prior to its maturity date. As a matter of policy and practice, however, Texas CEF 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. Texas CEF 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 Texas CEF then current written procedures for Term Notes payable

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 deposits except at renewal. Flex Savings, Rainy Day Funds, 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, Rainy Day Funds, Congregation Savings, and Building Funds may be made via Electronic Funds Transfer (ACH/EFT) or by any manner acceptable to Texas CEF. Texas CEF, 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 including a voided check. This election may be changed at any time upon receipt by Texas CEF of Owner(s) written notice to change this election.

Statements will be sent 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 Texas CEF 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 then current Texas CEF policy pertaining to the payment of interest on Term Notes as specified in the notice of maturity, unless the Term Note is presented for payment or written notice of intention to redeem it is received by Texas CEF 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 set up transactions. Visit texascef.org to start the registration process.

Texas CEF is a non-profit religious organization; therefore, Texas CEF 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 Texas CEF's Offering Circular.

TERMS & CONDITIONS



Texas District Church Extension Fund
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Austin, TX 78724
1-888-951-1233
512-646-1233
www.TexasCEF.org

GENERAL INFORMATION

Investment Confirmation

Texas District Church Extension Fund (“Texas CEF”) 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 Texas CEF Note described on the same Investment Confirmation. 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

Texas CEF 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 Texas CEF’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 Confirmation and the obligation to pay represented by it, are issued and arise, respectively, in the State of Texas. The Investment Certification shall be interpreted and construed under the laws of the State of Texas.

Notices

Any notice required to be given by Texas CEF shall be deemed valid given if mailed/emailed separately or included as a component part of any other document customarily mailed to the Owner(s) at the address furnished to Texas CEF by Owner(s) on the application for the Note or at such other address as Owner(s) may subsequently provide Texas CEF in writing. Any such notice shall be deemed to have been given on the date on which it was mailed/emailed.

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 Confirmation during the entire initial term of the Note and during any renewal term(s) at a rate specified in accordance with Texas CEF’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 Confirmation. Interest rates will be indexed to the US Treasury Constant Maturity (TCM), with a maximum rate of 10% and a minimum rate of 1% during the entire initial term of the Note and during any renewal term(s) at a rate specified in accordance with Texas CEF’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 6.00%. There is a minimum balance requirement of \$10. This is a plan that permits additions to the initial investment (minimum of \$10.00) and withdrawal privileges with no loss of interest.

Rainy Day Fund may adjust interest rates at any time. The maximum interest rate to be paid will be 6.25% up to the first tier level of \$10,000. The maximum interest rate to be paid on the second tier level, over \$10,000 will be 6.00%. This plan permits additions to the initial investment (minimum of \$25). This plan requires a monthly EFT (Electronic Funds Transfer) investment of at least \$25 until the balance in the investment reaches \$10,000. Withdrawal payments are limited to 5 per year. The interest rate will be at least ¼ of a percent above the Flex Savings rate for the first \$10,000 and will pay the Flex Savings rate on any amount above \$10,000. A recurring EFT investment of at least \$25 per month is required to receive the premium rate unless the balance is above \$10,000. If this condition is not met, the investment will convert to a Flex Savings investment. Initial funds must be new and not a transfer from an existing CEF investment. Limit one per household.

IRA’s: All individual Texas CEF investments may be included in a person’s IRA portfolio. Texas CEF offers Traditional and Roth IRA’s, ESA (Coverdell Educational IRA’s), SIMPLE and STEP Plans. Texas CEF has made arrangements with GoldStar Trust Company to act as custodian of self-directed IRA’s and upon direction of individual investors, to invest funds with Texas CEF. A processing fee may be assessed by GoldStar Trust for certain transactions. Investors are encouraged to consult with their tax advisors before deciding to invest IRA assets in a Texas CEF investment.

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 addition 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 10.00%.

Building Fund accounts are for congregations for construction of new facilities and other similar capital projects. This account 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 fund accounts 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, however, Texas CEF reserves the right to require the Owner(s) to give 30 days written notice of any intended withdrawal before such withdrawal is made. Withdrawals of principle may be made upon the maturity of the Term Notes, or at any time from the save-by-mail. Texas CEF may impose a penalty on withdrawals made prior to the maturity date of a Term Note.