



WatersEdge Ministry Services - Terms & Conditions

Terms and conditions governing Demand Notes and Term Notes

General Conditions

WatersEdge Ministry Services ("WatersEdge"), a tradename of The Baptist Foundation of Oklahoma, an Oklahoma not for profit corporation ("Foundation"), located at 300 Johnny Bench Drive, Suite 200, Oklahoma City, OK 73104, through its Church Extension Fund ("CEF") promises, subject to these terms and conditions, to pay to the person(s) or entity(ies) named on an investment confirmation that purchased a Demand Note or Term Note, as described the Offering Circular, the balance of the Note described on the investment confirmation, at maturity or upon demand as applicable to such Note. These terms and conditions will be construed under and governed by Oklahoma law. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the WatersEdge Offering Circular.

This 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.

Book-Entry System; Periodic Statements

The CEF has implemented a book entry system for its Notes. Under this system, an Investor generally will not receive a paper Note. Rather, upon investment, the Notes are registered in the Investor's name on the CEF's books only, and the Investor will receive a receipt and confirmation of the investment. Thereafter, any additions or redemptions with respect to the same account also would be entered on the CEF's books only. Statements showing the activity of the prior period will be sent to Investors at the end of each calendar quarter, either in writing or, with Investor consent, electronically.

Funds Availability

WatersEdge may delay the availability of funds for withdrawal for up to 60 days from the date of investment if those funds were received by WatersEdge in the form of ACH transfer from Investors first establishing an investment relationship with WatersEdge. WatersEdge may delay the availability of all other funds for withdrawal for up to 6 business days from the date of investment. WatersEdge, in its sole discretion and on a case-by- case basis, may determine that a shorter delayed availability period is permissible.

Additional Investments

Additional investments may be made to any Demand Note on any business day and to any Term Note upon purchase or automatic extension of the Note and 15 days thereafter.

Interest

Interest is accrued daily and computed on a 365/actual day schedule. Interest will be added to the principal amount unless the Investor requests the interest to be paid on the last day of the month, in the case of a Demand Note, or on the last day of each calendar quarter, in the case of a Term Note, either at the time of application or in any subsequent written notice received by the CEF. This election maybe changed at any time upon the CEF's receipt of written notice of the change.

Interest rates are set effective as of the first day of each month and are established by the CEF through a review of current interest rates paid by other institutions, cash flow needs, loan demand, and an evaluation of the necessary spread to cover operating costs of the CEF. The CEF may establish separate interest rates, from time to time, for investments of new funds that are different from the interest rates applicable for existing investments

with the CEF. The interest rate on a Term Note does not adjust over the initial term of the Note, or during any renewal term of the Note, though it may adjust upon each renewal. The interest rate on Demand Notes may be adjusted monthly. Current interest rates are available at any time upon request. All interest rates quoted are annualized rates.

Investment tiers may be established whereby Note investments in a higher tier, based on balance, may receive a higher interest rate. In addition, Southern Baptist entities and other organizations that possess like beliefs and commitments as the Convention may be paid a higher interest rate on all Note investments. WatersEdge may negotiate higher rates than published for Investors with a total investment of over \$1,000,000 in Notes.

The CEF reserves the right to change the method by which interest is determined or the frequency that interest is added to the principal amount of the Notes or paid out to Investors. If either the method or the frequency is changed, Investors will receive written notice of the change and will be offered the opportunity to redeem the Notes without penalty within 30 days of receipt of the notice.

WatersEdge's Call Right

WatersEdge has the right to call Notes for redemption upon 60 days written notice to the Investor. Principal and interest to the date of redemption will be paid to the Investor.

Redemptions

Penalty-free redemptions may be made from Demand Notes. However, the CEF will not allow a redemption or withdrawal that causes the balance of any Note to fall below \$1,000.

For Term Notes with terms twelve months or shorter, the early termination penalty is 90 days of interest. For Term Notes with terms longer than twelve months, the early termination penalty is 180 days of interest. In both cases, the penalty shall be limited to interest, whether paid or accrued, and shall not invade the initial principal investment amount of the Term Note. A partial withdrawal shall be considered an early redemption of the Term Note, which will incur a penalty.

Investors will be apprised of impending maturities of Term Notes in writing at least 30 days prior to the original due date and each extended due date. If written demand for payment is not made by the Investor at maturity, the Term Notes may be automatically renewed, at the then current rate of interest for the same term unless otherwise specified. However, the CEF provides each Investor a 15-day grace period after purchase or automatic extension of a Term Note, whereby the Investor can withdraw or reallocate fund without penalty.

In order to redeem the investment, either in whole or in part, the owner(s) must provide the CEF written notice, in a form acceptable to the CEF, of intent to redeem.

Limited Transferability

The Notes offered and issued by the CEF are not negotiable and may not be assigned or transferred except upon the prior written consent of the CEF.

The Offering Circular

These terms and conditions govern Demand Notes and Term Notes offered and issued by the WatersEdge CEF. The Investor should consult the WatersEdge Offering Circular whose offering period includes the date the particular investment detailed in the investment confirmation was issued concerning any other information specific to the Note.