

Summary Letter – Agreement and Disclosure Document Long-Term Investment Portfolio

[Date]

[Name of Church or Association – Participant]

[Address]

[Address]

This is a summary of the Agreement and Disclosure Document (Agreement) for your organization's use in considering whether to participate in the Baptist Foundation of Colorado's Long-Term Investment Portfolio. The Agreement is enclosed for your review and discussion with your legal, investment, accounting and other advisors as you determine appropriate. **We strongly recommend that you review the entire Agreement** because it contains some extremely valuable information regarding the Baptist Foundation of Colorado (Foundation) and its Long-Term Investment Portfolio.

Unfortunately, the Agreement is complex because of the legal requirements associated with the Long-Term Investment Portfolio (Portfolio) and your possible investment. We want to ensure that you have all available information before you consider making your investment. Because of the complexity of the Agreement, we summarized the more significant terms for you in bullet points. Notwithstanding the summary, we strongly recommend that you review and consider the entire Agreement with your investment committee and/or your professional advisors before becoming a participant.

- You may only participate in the Portfolio if you are a member of Colorado Baptist General Convention (CBGC) or another 501(c)(3) organization whose mission and goals are spiritually and practically compatible with those of the CBGC and the Foundation.
- You may only participate with funds over which you have immediate, unencumbered, unrestricted, and exclusive use, benefit and enjoyment. In order to participate, you may not use any funds that are restricted in any way or that are part of a retirement plan. When returned to you, you may only use the invested funds for tax exempt purposes.
- Once you participate in the Portfolio, you may not transfer your participation to any other person, or grant any other person any interest in our participation. This prohibits borrowing against your participation interest as well as outright transfers.
- The Portfolio will use its best efforts to invest all available resources in accordance with its investment guidelines described in the Agreement, but cannot make any promises that the Portfolio's investment strategy will result in any return on its investment activities or that the Portfolio will avoid a loss on its investing activities.

- Other Portfolio investments will be in church loans, the repayment of which will be dependent on the value of the underlying real estate and the ability of the church to repay the loan from its collections. These are clearly subject to uncertainty and fluctuations of the real estate market, the economy, and other risks.
- Although the Portfolio will pay no fees to the Foundation for managing the Portfolio, the Portfolio will pay directly or reimburse the Foundation for directly allocable expenses that the Foundation incurs in managing the Portfolio.
- While the Portfolio will permit participants to withdraw funds prematurely, there will be penalties for premature withdrawal, as described in the Agreement.
- The Portfolio will provide reports to each participant on a regular basis.

Neither the Portfolio, nor the Foundation, nor the CBGC can or will guarantee that there will be any positive return on any amount that may be invested in the Portfolio. It is possible that the Portfolio may incur losses. All participants in the Portfolio will share any expenses, gains, or losses that the Portfolio may incur.

Please understand that the foregoing is only a summary of some of the statements made in the Agreement that is attached to this transmittal letter. You, your investment committee, and your professional advisors should **review the entire Agreement** as you consider whether to participate in the Portfolio. Should you or your advisors have any questions, please do not hesitate to call Douglas Lohrey, Chief Executive Officer of the Baptist Foundation of Colorado.

We look forward to hearing from you.

DOUGLAS B. LOHREY
Chief Executive Officer