

MEMORANDUM

To: Tom Avey and Fellowship Council
From: Larry N. Chamberlain, President
Grace Brethren Investment Foundation, Inc.
Re: Report to Fellowship Council
Date: December 20, 2005

Greetings, colleagues . . .

I am pleased to provide you with this courtesy update of our organization as a cooperating national ministry affiliated with the Fellowship of Grace Brethren Churches.

Our board of directors is composed of fourteen individuals who reside in the several regions as prescribed in the FGBC by-laws. New members of the board, effective with the current election ballot, are Jim Poyner from Port Richey, Florida, Dennis Patrick from Lititz, PA, and Ralph Hampton from Long Beach, CA. Jerry Michael of Martinsburg, WV is the Chairman of the Board. Ken Seyfert is Vice-President, Treasurer, and Executive Director of Operations. Brenda Byers is Secretary and Director of Finance.

Grace Brethren Investment Foundation, Inc. exists as a "church extension fund," as defined by the North American Association of Securities Administrators. We are regulated by the securities laws (aka "blue sky laws") of the 40+ states in which we have investors. The principal purpose of the Foundation is limited in scope by these regulatory authorities: "To enable individuals who support the objectives of the Fellowship of Grace Brethren Churches to invest funds at a reasonable rate of interest and to provide thereby a source of funding, in the form of capital loans, for acquiring, developing, and remodeling, land and buildings for Grace Brethren churches, schools, and other associated organizations." We are precluded, of course, from making loans to individuals, and can only loan funds to FGBC 501(c)(3) churches and organizations.

The rate of interest paid to our investors will increase from 3.25% to 3.50%, effective January 1, 2006. As of November 30, 2005, our investor accounts total \$78,912,416. There are approximately 60 churches that have mortgage loans outstanding, all of which are paying as agreed and none of which are delinquent in their payment obligations.

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It has been our practice to make contributions to Grace Brethren North American Missions, for the continued growth of the Fellowship, as well as to other FGBC national ministries, including the office of the Fellowship Coordinator. In addition, we serve as the parenting agency for the FGBC Chaplaincy ministry and the office of the Endorsing Agent. Further, we provide voluntary leadership and staff support for the FGBC pension plan.

It is through contributions and voluntary acts of service, as well as the financing of numerous church building projects, that we are pleased to support the GO-GROW-LEAD emphasis of the FGBC.

Thank you for the privilege and opportunity to serve as your colleagues in the awesome and powerful work of the Great Commission.

God bless you . . .

Respectfully,