

CHURCH EXTENSION PLAN  
4070 27th Court SE, Suite 210  
P.O. Box 12629  
Salem, Oregon 97309-0629  
(503) 399-0552 or (800) 821-1112  
\$175,000,000

VISION UNSECURED PROMISSORY NOTES

Six-months (6) to five-year (5) maturity  
Interest rate: Determined at time of issuance; currently ranging from 2.50% to 6.75%  
Interest payments: Monthly, quarterly, semi-annually or annually; Investor's option  
Interest may be retained or compounded

Church Extension Plan ("CEP") is hereby offering a total of \$175,000,000 of its investment obligations known as Vision Investments ("Notes"), which are available exclusively to members of, contributors to (including investors), or participants in the Assemblies of God, CEP, or any program, activity or organization which constitutes a part of the Assemblies of God, CEP, or other religious organizations that have a programmatic relationship with the Assemblies of God or CEP.

|          | Price to Investors | Underwriting<br>Discounts &<br>Commissions | Proceeds to CEP |
|----------|--------------------|--|-----------------|
| Per Note | 100%               | None                                       | 100%            |
| Total    | \$175,000,000      | None                                       | \$175,000,000   |

CEP has taken or is taking all steps necessary and required under applicable state securities laws to ensure compliance with the registration or exemption provisions in all states in which it intends to offer or sell its Notes.

These securities are offered only through licensed salespersons who are salaried employees of CEP. No underwriting or selling agreements exist.

**THIS OFFERING IS SUBJECT TO CERTAIN RISKS.**  
(See RISK FACTORS)

THESE SECURITIES MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES OR JURISDICTIONS IN WHICH THEY ARE OFFERED OR SOLD BY CEP. THIS OFFERING CIRCULAR HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES OR JURISDICTIONS THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THIS DOCUMENT AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THESE SECURITIES, OR APPROVED, DISAPPROVED OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF CEP AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURES, MERITS, AND RISKS INVOLVED. INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

THE NOTES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, ANY STATE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE NOTES IS DEPENDENT UPON CEP'S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW CEP'S FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE NOTES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY THE ASSEMBLIES OF GOD, OR BY ANY CHURCH, CONFERENCE, INSTITUTION OR AGENCY AFFILIATED WITH THE ASSEMBLIES OF GOD.

The date of this Offering Circular is April 1, 2010 – March 31, 2011

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS OFFERING CIRCULAR, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED ON AS HAVING BEEN MADE BY CEP.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

#### STATE-SPECIFIC LIMITATIONS OR CONDITIONS

##### MICHIGAN:

Sales made in the State of Michigan are restricted to those made by individuals employed by CEP on a salary.

##### OREGON:

Automatic renewal upon maturity of a Note, as provided in this prospectus (see “Automatic Rollover at Maturity Unless Otherwise Elected” under RISK FACTORS), is available to Oregon residents only under limited circumstances. Notes may be automatically renewed for the same term as the original Note or for a term of six (6) months, whichever is shorter. The interest rate on any Note renewed in this manner will be the rate in effect at the time of renewal, which may be higher or lower than the previous Note’s rate.

##### SOUTH CAROLINA:

Default, Rights of South Carolina Note Holders: Event of Default: An act of default (“Event of Default”) occurs if CEP fails to make payment of either principal or interest on any Note within 30 days after it is due. An Event of Default with respect to any Note shall constitute a default with respect to all Notes issued to residents of South Carolina.

Rights of Note Holders: Rights of South Carolina Note holders upon default, in addition to conventional collection procedures, include the right to a list of names and addresses of all Note holders in the same state, and the right of Note holders of 25% in principal of the Notes so outstanding to declare all of said Notes due and payable.

##### WISCONSIN:

INVESTOR ALERT TO WISCONSIN RESIDENTS: PRIOR TO MAKING AN INVESTMENT DECISION, CAREFULLY WEIGH THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR.

#### INFORMATION IN THIS OFFERING CIRCULAR

This Offering Circular contains essential information about CEP and the securities being offered hereby. Persons are advised to read this Offering Circular carefully prior to making any decisions to purchase these securities.

Except where otherwise indicated, this Offering Circular speaks as of its date. Neither the delivery of this Offering Circular nor any investment in the Vision Unsecured Promissory Notes program as described herein shall create an implication that the affairs of CEP have continued without change since such date.

Prospective purchasers are not to construe the contents of this Offering Circular as legal or tax advice. Each purchaser should consult his or her own counsel, accountant and other advisors as to legal, tax and related matters concerning the investment described herein and its suitability for him or her.

## TABLE OF CONTENTS

|  |    |
|--|----|
| Right of Withdrawal .....                      | 3  |
| Summary of Offering.....                       | 3  |
| Risk Factors.....                              | 4  |
| History & Operations.....                      | 7  |
| Use of Proceeds.....                           | 8  |
| Financing & Operational Activities .....       | 8  |
| Statement of Activities .....                  | 10 |
| Lending Activities.....                        | 10 |
| Investing Activities.....                      | 12 |
| Selected Financial Data .....                  | 13 |
| Analysis of Selected Financial Data .....      | 13 |
| Vision Unsecured Promissory Note Program ..... | 14 |
| Church Loans .....                             | 15 |
| Plan of Distribution.....                      | 15 |
| Tax Aspects .....                              | 16 |
| Litigation & Other Material Transactions ..... | 16 |
| Security.....                                  | 16 |
| Management .....                               | 17 |
| Investments By Officers & Directors .....      | 24 |
| Audited Financial Statements .....             | 24 |
| Auditors .....                                 | 24 |
| Underwriting .....                             | 24 |
| Legal Matters.....                             | 24 |
| Administrative Matters .....                   | 24 |
| Financial Statements.....                      | 25 |

## RIGHT OF WITHDRAWAL

Any person who accepts an offer to purchase a Vision Unsecured Promissory Note shall have the right within three (3) business days after the first time this Offering Circular is received to withdraw from the purchase agreement and receive a full refund of all monies paid, without interest. Such withdrawal shall be without the purchaser incurring any further liability to any person. To accomplish this withdrawal, a purchaser need only send a written request, which must be postmarked on or prior to the third business day, to CEP at the address listed on the first page of this Offering Circular, indicating an intent to withdraw. If a purchaser chooses to withdraw by letter, it is prudent to send it by certified mail, return receipt requested, to insure that the letter is received and to evidence the time of mailing.

## SUMMARY OF OFFERING

This summary is being provided for the convenience of potential investors. It must be read in conjunction with the more complete statements made in this Offering Circular, including the audited financial statements, which are shown at the end of this Offering Circular.

- Church Extension Plan:** CEP is an Oregon non-profit corporation, organized and operated by member districts of the Assemblies of God, for the purpose of assisting Assemblies of God churches and organizations in the United States and Puerto Rico with church expansion activities.
- Limited Class of Investors:** The class of potential investors for the Investments described in this Offering Circular is limited to persons who were, prior to the receipt of this Offering Circular, members of, contributors to (including investors), participants in the Assemblies of God, CEP, or any program, activity or organization which constitutes a part of the Assemblies of God or CEP, or other religious organizations that have a programmatic relationship with the Assemblies of God or CEP.
- Risk Factors:** Potential investors are urged to carefully read the Risk Factors which appear in the next section of this Offering Circular in order to better understand certain important factors relating to CEP, its use of the proceeds of investments, and the nature of the investment obligations themselves. Note that CEP issues two (2) types of securities, Partners Plus Church Certificates (Certificates) and Vision Unsecured Promissory Notes (Notes). This Offering Circular relates only to Vision Unsecured Promissory Notes. (See RISK FACTORS)

4. Financial Status: As of December 31, 2009, the end of the most recent accounting year preceding the date of this Offering Circular, for which audited financial statements are available, CEP's financial status was as follows:

|                                |                       |
|--------------------------------|-----------------------|
| Assets                         |                       |
| Cash                           | \$ 24,882,490         |
| Investments                    | 8,535,773             |
| Total Cash & Investments       | <u>33,418,263</u>     |
| Other Assets                   | 388,947,986           |
| Total Assets                   | <u>\$ 422,366,249</u> |
| Liabilities                    |                       |
| Unsecured Certificates Payable | \$ 91,089,475         |
| Certificate Discount           | <u>(54,662,638)</u>   |
| Net Certificate Liability      | 36,426,837            |
| Other Liabilities              | 375,173,543           |
| Total Liabilities              | 411,600,380           |
| Net Assets, Unrestricted       | <u>10,765,869</u>     |
| Total Liabilities & Net Assets | <u>\$ 422,366,249</u> |

Please refer to current unaudited interim financial statements enclosed with this Offering Circular.

5. Financial Statements: CEP's most recent audited financial statements are available within 120 days of its most recent year-end. Financial statements are available upon request, or at [www.cepnet.com](http://www.cepnet.com).

6. Use of Proceeds: The proceeds received from the sale of the Notes will be added to CEP's general funds which are used for operational purposes and to make loans to Assemblies of God churches and organizations. The church expansion activities which are financed in part through the issuance of the Notes described in this Offering Circular (and CEP's Certificate program which is described in a separate Offering Circular) include primarily capital expansion projects, particularly the construction and renovation of church facilities and the acquisition of sites upon which new worship and education facilities can be constructed. CEP will invest excess funds not held in interest-bearing checking accounts and/or money market accounts only in (1) FDIC insured certificates of deposit, (2) fixed income securities rated "A" or better, as rated by major rating companies, and (3) US Government securities or US Government Agency securities. Not more than 25% of such funds shall be invested in any single institution other than the US Government and its Agencies, and not more than 50% of such invested funds shall be invested in any type of investment other than US Government and Agency securities.

7. Return to Investor: Investments are available in the marketplace that may offer a higher rate of return and may involve less risk than the Notes herein offered.

#### RISK FACTORS

The purchase of unsecured Notes involves certain risk factors, including but not limited to the following:

1. Notes are Unsecured: Notes are unsecured general obligations of CEP, and repayment of principal and interest will be dependent solely upon the financial condition and operations of CEP.
2. No Sinking Fund or Trust Indenture: No sinking fund or trust indenture has been or will be established to insure or secure the repayment of Notes.
3. Ranking and Priority: The Securities presently offered and sold by CEP are of the same rank and priority as its other debt securities and debt obligations, except for existing and anticipated future senior secured indebtedness which shall not exceed ten percent (10%) of the tangible assets (total assets less intangible assets as defined by accounting principles generally accepted in the United States (GAAP)).
4. No Established Market: There is no established market for the trading of the Notes, and there is no likelihood that such a market may develop in the future. The Notes represent long-term commitments that are non-transferable except by gift or upon the death of the Note holder in accordance with the Note holder's will or trust, or, laws of descent and distribution, without CEP's prior written approval. Investors therefore should assume that the Notes will be held to maturity.

5. Repayments of Principal: Any negative changes or trends in the financial condition of CEP and its operations may adversely affect its ability to make payments of principal and interest on the Notes when due. (See VISION UNSECURED PROMISSORY NOTE PROGRAM)
6. Liquid Assets Subject to Risks: CEP's liquid assets invested in readily marketable securities are subject to various market risks which may result in losses if market values of investments decline. CEP has no formal policy requiring the maintenance of any minimum amount or percentage of liquid funds or reserves. However, in order to meet anticipated cash needs, it is CEP's practice to maintain liquid funds in compliance with the North American Securities Administration Association (NASAA) Statement of Policy Regarding Church Extension Funds Securities adopted April 17, 1994, and amended April 18, 2004. NASAA requires that at the end of its most recent fiscal year as reported in its audited financial statements, the Issuer's cash, cash equivalents, readily marketable securities and available lines of credit shall have a value of at least eight percent (8%) of the principal balance of its total outstanding Notes.
7. Tax Consequences: Interest earned on the Notes is subject to reporting for income tax purposes. No contribution deduction is allowed by reason of the purchase of any security described in this Offering Circular. A professional tax advisor should be consulted regarding all tax matters.
8. Repayment: CEP's loans are made exclusively to Assemblies of God churches and organizations, whose ability to repay the loans depends primarily upon contributions that they receive from their members and friends. There are no assurances that individual church membership, attendance or per capita contributions by members or friends of churches will increase or remain stable. Contributions may decline for a variety of reasons, including but not limited to the general impact of a softening economy (particularly in areas where CEP has a high concentration of loans, such as California), increased job losses or other economic difficulties encountered by church members, and/or a decline in the business prospects of donors. CEP's ability to pay the principal of the Notes, and the interest thereon, depends upon a number of factors, including the financial success of individual churches to which CEP makes loans, as well as CEP's operating income which alone may not be sufficient to meet principal and interest requirements on its outstanding obligations, which include Certificates in addition to the Notes described in this Offering Circular. (See FINANCIAL STATEMENTS)
9. Loan Policies: All loans made by CEP are to Assemblies of God churches and organizations. Because of the relationship between CEP and its borrowers, loan policies, including loan underwriting and enforcement of loan terms in the event of delinquency, are less stringent than those of commercial lenders. (See CHURCH LOANS)
10. Changes in Federal or State Laws: There is no guarantee one or more federal or state laws may not be changed in a way that may affect CEP's ability to continue to sell its securities under this or other programs. If any such unforeseen changes should occur, such could have a substantial adverse effect on CEP's cash flow, which may in turn affect CEP's ability to meet its commitments to pay principal and interest on its obligations, including the securities issued pursuant to this Offering Circular.
11. Second Mortgages: In some cases loans are secured by second, rather than first mortgages. As of December 31, 2009, second mortgages totaled \$2,055,238 representing less than one percent (1%) of all mortgages receivable. As of December 31, 2008 and 2007 second mortgages totaled \$2,093,939 and \$2,641,014, representing less than one percent (1%) of all mortgages receivable. If any of these loans resulted in a loss, CEP's financial condition would be weakened.
12. Unsecured Loans: In some cases loans are unsecured. As of December 31, 2009, unsecured loans totaled \$4,674,099 representing 1.3% of all mortgages receivable. As of December 31, 2008 and 2007 unsecured loans totaled \$5,621,799 and \$6,553,837, representing 1.7% and 2.1% of all mortgages receivable. If any of these loans resulted in a loss, CEP's financial condition would be weakened.
13. Church Property Locations: A high percentage of loans are made to churches in the State of California (approximately 18% of all loans representing approximately 21% of the dollar amount of all loans). Some counties in California, as well as other states, have experienced seismic activity in the past. In addition, CEP has several loans to churches in the State of Florida (approximately 8% of all loans representing approximately 12% of the dollar amount of all loans) and other parts of the southeastern United States, which is subject to hurricane and flooding perils. Most churches do not carry casualty insurance on church buildings covering earthquake, flooding, or hurricane perils because of limited availability, high premium cost, and the large percentage of self-insurance required under those policies that are available. CEP has not experienced any loan losses due to these perils. Any substantial uninsured loss due to these perils or other natural disasters may adversely affect CEP's financial condition.
14. Absence of Insurance and Guarantees: CEP is not a bank or similar institution and thus its operations are not regulated by any governmental agency. The Notes are not insured or guaranteed by any governmental agency, including the FDIC, or any public or private entity as are accounts offered by banks or similar institutions. Accordingly, an investment in the Notes has more risk associated with it because repayment of principal and interest is ultimately dependent upon the financial condition of CEP.
15. Return on Investment: Investments are available in the marketplace that may (1) offer a higher rate of return, and/or (2) be secured, and/or (3) be insured.
16. No Early Repayment: Funds received from the sale of Notes are used to make loans to Assemblies of God churches, or for operational purposes of CEP, and, therefore, are not available for early repayment. Purchasers should assume that the Notes will be held to maturity.

17. Automatic Rollover at Maturity Unless Otherwise Elected: If the investor does not notify CEP in writing on or before the maturity of the election not to extend or rollover the Note, the Note will be rolled over and extended for the same period of time as the preceding term. CEP's most recent Offering Circular and current rate chart will be delivered to the investor 30 days in advance of maturity. Interest rates offered vary according to market conditions and the length of time of the investment. The renewal interest rate may be less than that of the original investment.

18. Limited Use Buildings: The buildings anticipated to be constructed, purchased or renovated from funds raised through the issuance of Notes will be church buildings and as such will have a single or otherwise limited use. The same is true for buildings which secure loans made in prior periods. Therefore, the value of these buildings, which value usually represents replacement cost or value to a church, may be substantially higher for a church than for other users. If CEP has to foreclose on a church loan, the proceeds from the sale of the collateral may be insufficient to cover the debt to CEP. In any such case, CEP's financial condition would be weakened.

19. No Right to Vote: CEP is managed by a Board of Directors, and investors have no right to vote or participate in CEP's management.

20. Uninsured Cash: CEP maintains one or more bank accounts. Each bank account is insured under the appropriate federally-sponsored agency to the maximum amount. From time to time amounts in one or more bank accounts may exceed the maximum amount, and to the extent any such account or accounts exceed that amount, the excess would not be covered by insurance and, therefore, would not be recoverable in the event of a bank failure.

21. Loss Reserves May Be Insufficient: The allowances for loan losses and doubtful accounts as of the end of 2009, as reflected in Notes 3 and 5 to the audited financial statements, is equal to approximately one percent (1%) of the total of loans receivable and Certificates receivable. If such allowances turn out to be insufficient to cover losses actually realized in the future, CEP's financial condition would be adversely affected.

22. Work Out Arrangements: CEP may enter into work out arrangements, which modify the interest and/or principal payment obligations of any borrowing church whose loan is in default or imminent default with respect to payments of principal or interest. Such work out arrangements may increase the likelihood of an Event of Default.

23. Loan Delinquencies: As of December 31, 2009, 5.49% of loans receivable were 90 days or more past due. As of December 31, 2008, and December 31, 2007, the percent of loans receivable 90 days or more past due was 9.8% and 12.18% respectively. As of February 28, 2010, the percent of loans 90 days or more past due was 3.9%.

24. Teen Challenge of Puerto Rico Loan Deficiency: CEP has an outstanding loan of \$10.1 million to Teen Challenge of Puerto Rico. This loan has been significantly past due; however, in 2009, the mortgage holder made all required payments and the loan is no longer delinquent. (See Note 5 of FINANCIAL STATEMENTS)

25. Other Debt of CEP: In addition to the securities described in this Offering Circular, CEP issues Certificates under a program called "Partners Plus." Such Certificates are described in a separate Offering Circular. CEP also borrows on a secured basis from various banks, individuals and organizations. With the exception of these loans, which are secured by certain mortgage receivables, all Certificates and Notes are of the same rank and priority. (See Notes 9 - 12 of FINANCIAL STATEMENTS)

26. IRA Custodial Fee: On February 1, 2008, CEP became its own IRA Custodian. Beginning in 2009, a \$10 annual custodial fee was automatically deducted from the principal balance of each IRA. July was considered the anniversary date of IRA's that were transferred from the previous custodian, Reliance Trust Company. IRA's opened on or after February 1, 2008, are assessed a \$10 annual custodial fee on the anniversary the account was opened.

27. Failure to Meet Capital Adequacy Guidelines: CEP does not currently meet the capital adequacy guidelines recommended by the NASAA Statement of Policy Regarding Church Extension Fund Securities adopted April 17, 1994, and amended April 18, 2004. A continued inability to do so may indicate that CEP's financial condition is not as robust as that of other similarly situated Church Extension Funds. NASAA requires that at the end of its most recent fiscal year, as reported in its audited financial statements, the Issuer's net assets shall be positive and equal to five percent (5%) or more of its total assets. As of December 31, 2009, net assets as a percentage of total assets (capitalization) were 2.55%. (See Note 20 of FINANCIAL STATEMENTS)

28. Environmental Risks: There is potential environmental liability associated with the loans we make. We do not typically conduct an environmental audit before approving a loan. If environmental pollution or other contamination is found on or near property securing a loan, our security for the loan could be impaired. In addition, changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations, and this could impair both the value of the collateral and the borrower's ability to repay us.

29. Construction Loan Risks: Our borrowers typically will be subject to risks associated with construction. Our borrowers may use our loan to construct new facilities or to improve standing facilities. If any of the following risks related to construction and improvement occur, it could have a material adverse effect on a borrower's ability to repay its loan by increasing construction costs or delaying or preventing completion of a project:

- a. The borrower and its contractor may not sign a fixed-price construction contract.
- b. Completion may be delayed due to, among other things, shortages of materials, strikes, acts of nature, delays in obtaining necessary building permits or architectural certificates, environmental regulations, or fuel or energy shortages.
- c. The contractor may not post a completion bond.

30. Risks Related to an Inability to Maintain Historical Rates of Renewal: CEP cannot assure investors that historical rates of renewal will continue. A significant reduction in the rate of renewals could negatively affect CEP's ability to repay Notes. Rates of renewal for the past three (3) years were: 91% in 2009, 93% in 2008, and 91% in 2007.

## HISTORY & OPERATIONS

CEP is located at 4070 27th Court SE, Suite 210, Salem, Oregon 97302-1163, telephone (503) 399-0552 or toll free at (800) 821-1112. The Certificate-based church loan program that eventually became CEP began as a ministry of the Assemblies of God, Oregon District in 1950. It was incorporated as a non-profit corporation in the State of Oregon on February 11, 1952.

The Program was created in response to difficulties encountered by Assemblies of God churches in securing conventional financing. Since Assemblies of God churches are self-governed, they cannot draw upon the financial strength and resources of a state or national organization. Therefore, CEP was founded for the purpose of making low-cost funds available to Assemblies of God churches in order to assist them in spreading the Gospel by making it possible for them to expand their physical facilities.

The 2010 requirement of Certificates as a percentage of the loan is generally at least 10-15% (15% in 2009 and 20% in 2008). The average Certificate base for loans was 13% in 2009, 16% in 2008, and 13% in 2007. In most cases, the Certificate proceeds are substantially less than the related church loan; CEP borrows the difference (the "overloan"), by the issuance of CEP's Notes, the securities that are described in this Offering Circular.

CEP is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended ("Code"), is not a "private foundation" under Section 509 of the Code, and is organized and operated exclusively for religious and charitable purposes. No part of CEP's net earnings inures to the benefit of any person, private shareholder or individual.

CEP's members consist of 55 of the 61 District Councils of the Assemblies of God. Each member District is a separate non-profit organization which oversees the various individual Assemblies of God ministers in its District. The Assemblies of God fellowship consists of individual, independent churches voluntarily associating together as members of District Councils. In most cases, District boundaries correspond to state boundaries. The various District Councils are members of The General Council of the Assemblies of God located in Springfield, Missouri. The Assemblies of God had 2,899,702 adherents in the United States in 2008, compared to 2,863,265 in 2007. Membership, which is not emphasized, totaled 1,662,632 in 2008, compared to 1,641,341 in 2007.

Other information regarding CEP is as follows:

1. Property and Equipment: CEP's headquarters is located at 4070 27th Court SE, Suite 210, Salem, Oregon 97302-1163. It is located in a building owned by CEP, consisting of two stories, with approximately 20,000 square feet on each level, with adjacent parking. The land, building, and improvements are carried on the books at cost, \$4,874,845, less accumulated depreciation of \$584,859, as of December 31, 2009. CEP occupies the upper level of the building. The lower level is leased to a third party. Leasehold improvements completed on the first floor of the building are carried on the books at cost, \$464,470, less accumulated depreciation of \$64,092. Other property and equipment includes office equipment, furniture and software. CEP also has other real estate owned representing church properties acquired by CEP as satisfaction, or partial satisfaction, of delinquent loans. See the following notes to the audited financial statements for more details on property and equipment and other real estate owned: Note 1 "Property and Equipment and Depreciation" and "Other Real Estate Owned", and Note 6 "Property and Equipment."

2. Employees: CEP has 44 employees, which consist of the following: President, Chief Financial Officer, two (2) Senior Vice Presidents, a Vice President, eight (8) Ministry Consultants, a Controller, 26 office staff and four (4) part-time persons.

3. Board Meetings: CEP is managed by its Board of Directors which consists of representatives of qualifying districts of the Assemblies of God. The full Board meets twice a year, usually in August and December. The Executive Committee of the Board meets quarterly. Investors do not obtain any right to vote, or participate in any way, in CEP's management, attend any meetings or obtain any reports.

4. Investor Reports: CEP's most recent audited financial statements are available to investors within 120 days of its most recent year-end. Financial statements are available upon request, or at www.cepnet.com.

5. Earnings: CEP generates earnings primarily through interest income from church loans, and the sale of Certificates. See paragraph entitled "Certificate Revenue Recognition" in Note 1 to the audited financial statements.

#### USE OF PROCEEDS

Proceeds received from the issuance of Notes will be added to CEP's general funds. General funds are used for operating expenses and to carry out CEP's primary purpose, which is to provide financing to Assemblies of God churches for capital projects, including (i) the purchase, construction or expansion of church facilities, (ii) the purchase of buildings and property sites for eventual church use, and (iii) the refinance of existing church loans. The term "church" includes religious organizations affiliated with the Assemblies of God.

Pending such uses, the proceeds may be invested in short-term instruments and marketable securities that CEP believes will provide a financial return consistent with the goal of preserving the assets of CEP for eventual use in providing financing for Assemblies of God churches. If loan payments from borrowers are lower than expected or redemptions of the Notes, Certificates and other debt obligations are greater than expected, a portion of the proceeds may be used to meet such principal and interest requirements on the Notes, Certificates or other outstanding debt obligations.

The total anticipated expenses in connection with this Offering are estimated to be approximately \$208,000. Expenses related to development of this Offering include legal fees of \$5,000, audit and accounting fees of \$95,000, printing fees of \$3,000 and state securities registration fees of \$10,000. In addition, the estimated costs of distribution of the Offering include \$65,000 for advertising and \$30,000 for postage. Estimated annual expenses amount to less than one percent (1%) of estimated annual gross proceeds of this Offering.

#### FINANCING & OPERATIONAL ACTIVITIES

CEP currently issues two (2) types of securities, both unsecured: Vision Notes and Certificates. This Offering Circular relates only to Vision Notes.

1. Outstanding Securities and Other Debt: A description and summary of CEP's outstanding securities and other debt obligations as of the end of its most recent fiscal year, is as follows:

##### Secured

|  |      |
|--|------|
| Line of Credit Secured by Mortgages and Certificate of Deposit | \$ - |
|--|------|

##### Unsecured

|   |             |
|---|-------------|
| Vision Notes: Six-month to five-year maturities | 372,560,171 |
|---|-------------|

|                              |         |
|------------------------------|---------|
| Gift Annuities and Unitrusts | 599,916 |
|------------------------------|---------|

Certificates: Mature in 20 years at 150% of original cost. Certificates are sold only in connection with a specific church loan, and are pledged to CEP as collateral security for the related church loan. Certificate liability represents CEP's estimate of the current value of CEP's obligation in the future for maturing Certificates. The difference between the total value at maturity and the current value of the liability as shown on the balance sheet is called Certificate Discount, which is amortized to expense over the life of the Certificate. As reflected in Note 11 to the audited financial statements, certificate liability is shown net of a Certificate discount of \$54,662,638.

|  |            |
|--|------------|
|  | 36,426,837 |
|--|------------|

|  |         |
|--|---------|
| <u>Deferred Compensation</u> : An unfunded obligation payable to employees upon termination, retirement or death | 630,487 |
|--|---------|

|   |           |
|---|-----------|
| <u>Other</u> : Accounts, interest and other | 1,382,969 |
|---|-----------|

|                 |                    |
|-----------------|--------------------|
| Total Unsecured | <u>411,600,380</u> |
|-----------------|--------------------|

|   |                       |
|---|-----------------------|
| Total Outstanding Securities & Other Debt | <u>\$ 411,600,380</u> |
|---|-----------------------|

2. Cash Receipts from Sale of Securities and Amount of Redemptions: A description of the receipts from the sale of securities, and the amount of redemptions on securities, in CEP's prior fiscal year on a cash flow basis, is as follows:

Cash received from issuance of Vision Notes:

Vision Notes

|   |                      |
|---|----------------------|
| Cash received from issuance of Vision Notes       | \$ 76,495,230        |
| Cash disbursements for redemptions                | (54,347,366)         |
| Receipts over (under) disbursements, Vision Notes | <u>\$ 22,147,864</u> |

Certificates

|   |                   |
|---|-------------------|
| Cash received from Certificates                   | \$ 4,525,456      |
| Cash disbursements for redemptions                | (3,842,186)       |
| Receipts over (under) disbursements, Certificates | <u>\$ 683,270</u> |

3. Loans Receivable Information: A description and summary of the nature and amount of CEP's outstanding loans receivable, less allowance for losses, at the end of its most recent year, is as follows:

Certificates Receivable: Certificates are typically paid for over 50 months. No interest is charged on the unpaid balance for Certificates. The unpaid balance is net of a discount of \$875,014 and an allowance of \$329,417.

\$ 6,505,930

Loans Receivable

|   |                       |
|---|-----------------------|
| <u>Church Loans, Secured</u> : Loans secured by mortgages   | \$ 363,275,834        |
| <u>Church Loans, Unsecured</u> : Unsecured loans include eight (8) District loans totaling \$1,160,905 and 33 churches totalling \$3,513,194. | 4,674,099             |
| Allowance for loan losses   | (3,067,000)           |
| Net Loans Receivable  | <u>\$ 364,882,933</u> |

4. Invested Funds: A description and summary of the nature and amount of any invested funds which CEP maintains, pending utilization for its loan activities or maintaining a reasonable liquidity, and a description of the policies of CEP with respect to the maintenance of such invested funds, at the end of its most recent year, is as follows:

|                          |   |             |
|--------------------------|---|-------------|
| <u>Debt Securities</u> : | Corporate bonds of "A" grade or better                      | \$2,763,713 |
|                          | US Government securities or US Government Agency securities | \$3,782,702 |

5. Non-Related Revenues: CEP's direct and indirect non-related revenues and expenses are not a significant percentage of CEP's operating revenues or expenses.

6. Other Financial Information: A description of other related material financial information of CEP's financial activities and operations that relate to its ability to repay the principal and interest on its outstanding securities, including Notes, Certificates and other debt obligations when due, is as follows: CEP's ability to repay its obligations is largely dependent upon its ability to collect on the loans made to churches, which alone may not be sufficient to meet principal and interest requirements on its outstanding obligations. CEP does not maintain a sinking fund account for maturing securities or other debt obligations.

STATEMENT OF ACTIVITIES

|  | <u>2009</u>   | <u>2008</u>   | <u>2007</u>   |
|--|---------------|---------------|---------------|
| Increase (Decrease) in Unrestricted Net Assets | \$ 401,235    | \$ 432,987    | \$ (98,199)   |
| Interest Income                                | \$ 25,057,476 | \$ 22,491,197 | \$ 20,688,715 |
| Increase (Decrease) in Interest Income         | 11.41%        | 8.71%         | 12.68%        |
| Weighted Average of Loan Interest              | 7.00%         | 7.09%         | 7.10%         |
| Interest Expense                               | \$ 18,867,060 | \$ 18,265,582 | \$ 16,000,262 |
| Increase (Decrease) in Interest Expense        | 3.29%         | 14.16%        | 11.29%        |
| Weighted Average of Note Interest              | 5.12%         | 5.76%         | 5.85%         |
| Interest Spread Rate                           | 1.88%         | 1.33%         | 1.25%         |
| Operating Expenses                             | \$ 6,115,325  | \$ 5,520,187  | \$ 5,437,050  |
| Percentage of Interest Income                  | 24.41%        | 24.55%        | 26.28%        |

LENDING ACTIVITIES

Lending activities of CEP are described as follows:

1. The Nature and Types of Loans Receivable: Loans are made only to Assemblies of God churches and organizations. Loans are repayable generally over a 20- to 30-year period, and are usually secured by a first trust deed on the church's property. (See CHURCH LOANS)
2. Loan Policies: Because of the relationship between CEP and its borrowing churches, the loan policies are less stringent than those of commercial lenders. (See CHURCH LOANS)
3. Material Loans Made to a Single Borrower: Of the 708 church loans outstanding as of the end of the most recent year, 48 exceeded \$1,500,000 in amount. In addition there were 69 loans with a balance between \$750,000 and \$1,499,000 with a mean balance of \$1,051,256. The details of the material loans over \$1,500,000 are as follows:

| Loan Number |     |     | Mailing Name                              | Unpaid Balance |                    |
|-------------|-----|-----|---|----------------|--------------------|
| 006         | 182 | 001 | Templo Calvario                           | \$             | 13,022,892         |
| 053         | 008 | 001 | Teen Challenge of Puerto Rico             |                | 10,083,859         |
| 001         | 420 | 001 | Horizon Community Church                  |                | 9,757,271          |
| 005         | 405 | 001 | Christian Worship Center                  |                | 7,795,607          |
| 019         | 053 | 001 | Iglesia Cristiana Misericordia            |                | 6,871,237          |
| 046         | 008 | 001 | Christian Life Center, Layton, UT         |                | 6,715,791          |
| 036         | 038 | 001 | Brightmoor Christian Church               |                | 6,373,768          |
| 008         | 059 | 001 | First Assembly of God, Grand Junction, CO |                | 6,010,793          |
| 005         | 373 | 001 | Cornestone Christian Center               |                | 5,119,140          |
| 032         | 023 | 001 | Hope Alive                                |                | 3,935,847          |
| 006         | 192 | 001 | Southern Pacific District                 |                | 3,633,546          |
| 018         | 045 | 001 | Rock Church Assembly of God               |                | 3,550,417          |
| 035         | 019 | 001 | Victory Assembly of God                   |                | 3,501,265          |
| 006         | 181 | 001 | Desert Reign Assembly of God              |                | 3,495,585          |
| 053         | 009 | 001 | Iglesia Asamblea de Dios Monte Bello      |                | 3,412,996          |
| 038         | 044 | 001 | Centro Evangelistico Palabra Viva         |                | 3,356,407          |
| 015         | 014 | 001 | The Hope Center Tabernacle                |                | 3,207,759          |
| 018         | 061 | 001 | Bradshaw Mountain Assembly                |                | 3,143,289          |
| 035         | 020 | 001 | North Shore Assembly of God               |                | 3,128,612          |
| 888         | 063 | 002 | Spanish Eastern District Council          |                | 3,127,241          |
| 028         | 077 | 001 | El Shaddai Christian Church               |                | 3,014,577          |
| 006         | 180 | 001 | Riverdale Assembly of God                 |                | 2,994,883          |
| 020         | 033 | 001 | Church on the Rock                        |                | 2,939,252          |
| 028         | 028 | 001 | Trinity Assembly of God                   |                | 2,766,241          |
| 028         | 051 | 001 | Tabernaculo Internacional, Inc            |                | 2,658,293          |
| 028         | 062 | 001 | Gulf Coast Assembly of God                |                | 2,645,844          |
| 018         | 046 | 001 | Arizona District Council                  |                | 2,645,394          |
| 022         | 018 | 001 | Christian Life Center, West Chester, OH   |                | 2,640,855          |
| 053         | 003 | 001 | Puerto Rico District Council              |                | 2,365,745          |
| 028         | 073 | 001 | New Life Assembly of God                  |                | 2,357,199          |
| 888         | 094 | 001 | New Hope International Church             |                | 2,203,006          |
| 011         | 046 | 001 | Harvest Life Assembly of God              |                | 2,156,512          |
| 888         | 134 | 001 | Illinois District Council                 |                | 2,087,513          |
| 001         | 384 | 001 | Neighborhood Church                       |                | 2,050,476          |
| 028         | 038 | 001 | Bethel Christian Church                   |                | 1,970,573          |
| 006         | 199 | 001 | Living Hope Community Church              |                | 1,904,783          |
| 001         | 421 | 001 | The Peoples Church                        |                | 1,868,264          |
| 028         | 010 | 001 | Southeastern Spanish District             |                | 1,859,976          |
| 046         | 021 | 001 | New Life Christian Center                 |                | 1,840,254          |
| 053         | 007 | 001 | Iglesia Betania Asamblea de Dios          |                | 1,687,433          |
| 038         | 045 | 001 | Aguilas Centro Familiar                   |                | 1,651,106          |
| 006         | 162 | 001 | Brimhall Road Assembly of God             |                | 1,612,001          |
| 028         | 060 | 001 | Acts II Worship Center                    |                | 1,610,922          |
| 016         | 031 | 001 | Lighthouse Outreach Center                |                | 1,585,304          |
| 028         | 040 | 001 | Ignite Life Center, Inc.                  |                | 1,574,668          |
| 018         | 055 | 001 | Ahwatukee Assembly of God                 |                | 1,551,954          |
| 028         | 015 | 001 | Palabra Viva Asambleas de Dios            |                | 1,527,649          |
| 011         | 024 | 001 | Bethesda Assembly of God                  |                | 1,516,533          |
|             |     |     |   | \$             | <u>168,530,532</u> |

Subsequent to December 31, 2009, until February 28, 2010, the aggregate unpaid balance of loans over \$1,500,000 increased from \$168,530,532 to \$173,806,776, and the aggregate amount of loans between \$750,000 and \$1,500,000 decreased from \$72,536,671 to \$71,568,461.

4. Loan Delinquencies: The nature and extent of any material loans three (3) months or more delinquent as of the end of each of the last three (3) fiscal years, including those on non-accrual status, were as follows:

|                                      | <u>2009</u>   | <u>2008</u>   | <u>2007</u>   |
|--------------------------------------|---------------|---------------|---------------|
| Number of Loans                      | 31            | 36            | 37            |
| Loans three months delinquent        | 8             | 17            | 7             |
| Four months delinquent               | 4             | 8             | 8             |
| Five months delinquent               | 1             | 2             | 5             |
| Six months delinquent                | 4             | 0             | 1             |
| Seven + months delinquent            | 13            | 9             | 16            |
| Total monthly payments delinquent:   |               |               |               |
| Dollar amount                        | \$ 608,162    | \$ 572,950    | \$ 918,737    |
| Percentage of total loans receivable | 0.17%         | 0.17%         | 0.30%         |
| Total of said loans:                 | \$ 20,204,399 | \$ 32,857,624 | \$ 37,154,328 |

Subsequent to December 31, 2009, until February 28, 2010, there have been 17 loans added to the list of those three (3) months or more delinquent and 15 loans removed from the delinquent list. The total of those 17 loans added is \$7,219,705 and the total of those 15 loans removed is \$12,191,125.

5. Loan Losses: The nature and extent of any material LOAN LOSSES incurred within each of the last three (3) fiscal years, were as follows: none in 2009 and 2008; two (2) loan losses in 2007 totaling \$619,016. Following is a summary of CEP's allowance for doubtful accounts and charges to the allowance for doubtful accounts during each of the last three (3) fiscal years.

|   | <u>2009</u>         | <u>2008</u>         | <u>2007</u>         |
|---|---------------------|---------------------|---------------------|
| Allowances for loan losses and doubtful accounts: |                     |                     |                     |
| Beginning of year                                 | \$ 2,693,962        | \$ 2,362,701        | \$ 2,422,240        |
| Add uncollectible receivables expense             | 481,425             | 432,001             | 559,477             |
| Less loan losses/write-offs/adjustments           | (108,387)           | (100,740)           | (619,016)           |
| End of year                                       | <u>\$ 3,067,000</u> | <u>\$ 2,693,962</u> | <u>\$ 2,362,701</u> |
| Allowance as a percentage of receivables          | 0.83%               | 0.80%               | 0.77%               |

#### INVESTING ACTIVITIES

CEP participates in limited investing of funds received prior to use for loan activities. These funds are represented on the financial statements as investments and consist of Corporate Bonds and Government Securities.

CEP's investment policy requires investments to be a quality rating of bonds and notes of "A" or better, as rated by major rating companies. The portfolio may consist of only traditional principal and interest obligations.

Additionally, diversification requirements for CEP investments are as follows:

1. No more than 25% of investment funds may be in any single institution other than the US Government and its Agencies.
2. No more than 50% of investment funds may be in any type of investment other than US Government and Agency securities.

The Board of Directors is responsible for determining investment policy. The Board has delegated decision-making authority with respect to investments to the President, who may subsequently assign responsibility for investments to the Finance Strategy Team, consisting of the President, Chief Financial Officer, Senior Vice President, and Controller.

The outstanding investments for the last three (3) years were as follows:

| Investment Type       | 2009                |             | 2008                |             | 2007              |             |
|-----------------------|---------------------|-------------|---------------------|-------------|-------------------|-------------|
| Government Securities | \$ 3,805,780        | 58%         | \$ 754,810          | 34%         | \$ -              | 0%          |
| Corporate Bonds       | 2,763,713           | 42%         | 1,458,141           | 66%         | 149,764           | 100%        |
| Total                 | <u>\$ 6,569,493</u> | <u>100%</u> | <u>\$ 2,212,951</u> | <u>100%</u> | <u>\$ 149,764</u> | <u>100%</u> |
| Investment Gains      | \$ 54,141           |             | \$ 5,521            |             | \$ 544            |             |

#### SELECTED FINANCIAL DATA

Following is certain financial data of CEP's last five (5) fiscal years:

|  | 2009          | 2008          | 2007          | 2006          | 2005          |
|--|---------------|---------------|---------------|---------------|---------------|
| Cash and liquid reserves                       | \$ 33,418,263 | \$ 28,819,210 | \$ 5,125,041  | \$ 16,677,143 | \$ 33,387,912 |
| Outstanding Receivables:                       |               |               |               |               |               |
| Unsecured Loans – Percentage                   | 1.24%         | 1.63%         | 2.06%         | 1.27%         | 1.60%         |
| Unsecured Loans – Principal outstanding        | 4,674,099     | 5,621,799     | 6,553,837     | 3,535,275     | 4,032,865     |
| Mortgages                                      | 363,275,834   | 329,747,437   | 300,884,401   | 265,063,732   | 236,531,583   |
| Certificates and Other                         | 9,886,503     | 9,478,387     | 9,965,763     | 10,109,420    | 11,389,702    |
| Outstanding debt:                              |               |               |               |               |               |
| Certificates                                   | 36,426,837    | 37,235,079    | 39,380,965    | 37,695,520    | 36,297,573    |
| Unsecured debt                                 | 373,943,140   | 337,265,524   | 274,589,112   | 258,440,935   | 249,378,404   |
| Secured debt                                   | 0             | 0             | 9,500,000     | 5,150,000     | 5,000,000     |
| Net Assets, unrestricted                       | 10,765,869    | 10,364,634    | 9,931,647     | 10,029,846    | 10,524,506    |
| Increase (Decrease) in unrestricted net assets | \$401,235     | \$432,987     | (98,199)      | (476,150)     | \$185,085     |
| Distribution to Member Districts               | \$0           | \$0           | \$0           | \$18,510      | \$6,829       |
| Capitalization:                                |               |               |               |               |               |
| Net Assets @ December 31                       | \$10,765,869  | \$10,364,634  | \$9,931,647   | \$10,029,846  | \$10,524,526  |
| Total Assets @ December 31                     | \$422,366,249 | \$386,005,247 | \$334,507,360 | \$312,649,941 | \$302,369,747 |
| Debt as a percentage of total assets           | 97.16%        | 97.02%        | 96.70%        | 96.79%        | 96.52%        |
| Net assets as a percentage of total assets     | 2.55%         | 2.69%         | 2.97%         | 3.21%         | 3.48%         |

#### ANALYSIS OF SELECTED FINANCIAL DATA

1. Liquid Assets: CEP maintains liquid reserves in order to meet future anticipated cash requirements including the funding of new loans and the repayment of Notes and Certificates. As of December 31, 2009, cash reserves as a percentage of its total outstanding Notes (liquidity ratio calculated in accordance with NASAA guidelines) was 10.16% (9.71% and 1.74% at December 31, 2008 and 2007, respectively).

2. Mortgage Growth: CEP's net mortgage loan balance as of December 31, 2009, was \$364,882,933 which is a 9.7% increase from December 31, 2008. At December 31, 2008, the mortgage balance was \$332,675,274 which is an increase of nine percent (9%) from the December 31, 2007, balance of \$305,075,537. CEP's mortgage portfolio has increased by \$138,874,592 over the last five (5) years.

3. Sources of Funds: CEP's primary sources of funds are the Church Certificates and Vision Notes. CEP's outstanding debt has increased by 9.6% and 15.8% in 2009 and 2008 respectively. CEP's outstanding debt has increased by \$147,524,666 over the last five (5) years.

4. Net Assets: As of December 31, 2009, net assets as a percentage of total assets (capitalization) were 2.55%. This represents a slight decrease from December 31, 2008, and 2007 capitalization rates of 2.69% and 2.97% respectively. CEP's plan is to increase its capitalization to five percent (5%).

Church Extension Plan's capital equity has grown at a rate that is less than our rapid total asset growth, creating a decline in net assets as a percentage of total assets. Church Extension Plan is working to correct this trend through a deliberate and multifaceted strategy that would enable the organization to meet the five percent (5%) capital requirement on or before December 31, 2014. The strategic components of this strategy include, but are not limited to, the following:

- a. Continued effective management and reduction of overhead expense ratios.
- b. Increased profitability through the loan portfolio (re-pricing of ARM loans estimated at \$50,342,354 in 2010).
- c. Continued aggressive marketing for sale of Other Real Estate Owned.
- d. Fundraising commitments and gifts to New Growth Partners, a donor-based activity aimed at providing facilities to new ministries.
- e. Consideration for the sale of the corporate office facility in order to recognize the sizable gain on this investment.
- f. Expected growth of additional revenue sources, including capital campaigns and other consulting services.
- g. Anticipation of continued performance on the loan to Teen Challenge in Puerto Rico as a result of increased government funding provided to that ministry through additional student headcount in addition to expected new revenue streams and cost saving measures brought about by the Teen Challenge management and administration. (See Note 20 of FINANCIAL STATEMENTS)

#### VISION UNSECURED PROMISSORY NOTE PROGRAM

CEP's primary purpose is to provide loans to Assemblies of God churches. Certificates are purchased in support of a specific loan to a local church, and each Certificate is pledged as additional security for the loan. Since most church loans exceed the amount of the proceeds from the sale of Certificates, CEP raises additional funds through the issuance of Notes, through CEP's Vision Unsecured Promissory Note program as described in this Offering Circular. This Offering Circular relates only to Notes.

1. Vision Unsecured Promissory Notes: Only US currency is acceptable consideration for the purchase of Notes.
2. Transferability/No Established Market: Notes have no established market for trading and no such market is anticipated to develop in the future. They are non-transferable, except by gift or upon the death of the registered holder, without CEP's prior written approval.
3. Senior Secured Indebtedness: Offerings of CEP are of the same rank and priority as its other debt securities and obligations. Senior secured indebtedness shall not exceed ten percent (10%) of the tangible assets (total assets less intangible assets as defined by accounting principles generally accepted in the United States (GAAP)).
4. Limit on Securitization: CEP may securitize up to ten percent (10%) of its loan portfolio, if all the following are met:
  - a. The loans are securitized and sold on a non-recourse basis predominantly to entities not affiliated with CEP.
  - b. The proceeds from the sale of the securitized loans will be used to make additional loans to churches and ministries within the Assemblies of God.
  - c. The securitization will not hinder the ability of CEP to repay the principal and interest on the Notes when due.

CEP meets all of the above criteria, and, as of December 31, 2009, had no securitized loans.

5. Terms of Notes: Notes are issued for six (6) month to five (5) year maturities. Notes may be renewed at maturity. Each investor will be provided written notification of the maturity and proposed renewal at least 30 days prior to maturity. If the investor does not notify CEP in writing, on or before the maturity, of the election not to renew the Note, the Note will be extended for the same period of time as the preceding term. CEP's most recent Offering Circular and current rate chart will be delivered to the investor at such time. Interest rates offered vary according to market conditions, the amount invested, the length of time of the investment, whether the rate is variable or fixed, and the amount of penalty for early withdrawal. Certain Notes allow for the ability to access funds, penalty free, with a 30-day advance written notice. These Notes typically carry a lower interest rate than Notes subject to an early withdrawal penalty. The purchaser may

specify frequency of interest payments, or interest may be added monthly to the principal of the Note. The minimum investment is \$250. At CEP's discretion, additions may be made to certain Notes.

Interest rates as of March 15, 2010, range from 2.50% to 6.10%. For information on the latest rates available, please call CEP at the telephone number shown on page one of this Offering Circular. Notes have a minimum rate of not less than 1.50%. CEP reserves the right to change the rate of interest offered, and/or the terms and conditions of Notes, from time to time.

6. Notice of Maturity: CEP shall notify each investor 30 days in advance of the maturity date of each Note.

7. General Fund: The proceeds from the Notes are deposited to the general fund from which CEP pays for operating expenses and carries out its purpose of making loans to Assemblies of God churches.

8. Potential Forfeiture: If one or more substantial church loans or a number of smaller church loans became delinquent and it became necessary to foreclose on the related properties, or if such loan(s) were not secured, the proceeds, if any, may be insufficient to pay all of the debt owed by CEP. Secured creditors, including those that have mortgages or other pledges of security, would have priority over the unsecured general obligations of CEP, which include the Notes described in this Offering Circular.

9. Early Repayment: The Notes are not designed for early repayment. Early repayment, if allowed, may incur a penalty of up to six (6) months interest. Investors should count on holding the Notes until maturity.

10. Callability by CEP: CEP may call and prepay any Note at any time. In such event, CEP shall pay the entire balance owing, including accrued interest to the date of payment.

11. CEP's Ability to Repay: CEP's ability to repay the Notes is dependent upon the financial success of the individual churches to which CEP makes loans, which alone may not be sufficient to meet principal and interest requirements on its outstanding obligations, including the securities described in this Offering Circular, and Certificates described in a separate Offering Circular.

#### CHURCH LOANS

1. Payments, Interest Rates and Security: Church Loans are repayable to CEP in monthly installments of principal and interest, generally over a 20- to 30-year period. Loans are offered at fixed and variable rates, with the majority being fixed. Variable rates call for adjustments in three (3) and five (5) years. Interest rates on church loans are subject to CEP's cost of money. The higher the percentage of the loan supported by Certificates, the lower the interest rate. Most church loans are secured by a mortgage on the church property, and a pledge of the related Certificates.

2. Loan Procedures: Loan applications are reviewed by CEP's Loan Committee, taking into consideration the following three general guidelines: (i) the amount of the loan generally is not more than 60% of the estimated value of the church property being pledged as security, (ii) the purchase of Certificates equal to a minimum percentage of the requested church loan, and (iii) as a general rule, loans are amortized over 20 to 30 years. Generally, the loan payment does not exceed 30% of the churches annualized general fund income. In those instances where the church loan is secured by a second, rather than a first mortgage, the maximum loan that a church generally may qualify for is determined by the following guideline: The total amount of the first and second mortgages combined may not exceed 50% of the estimated value of the related church property.

3. Loan Committee: The Loan Committee consists of ten (10) persons: three (3) program coordinators, four (4) consultants, two (2) Senior Vice Presidents and President. After evaluation of all underwriting criteria, final determination is made by the Senior Vice Presidents and President.

4. Allowance for Loan Losses: CEP maintains an allowance for loan losses which management considers to be adequate to cover potential losses. (See FINANCIAL STATEMENTS)

5. Summary of Church Loans: Since the inception of the Certificate program in 1950, CEP has financed approximately 2,230 churches. As of December 31, 2009, CEP had 708 outstanding church loans.

6. Unsecured Loans: CEP's unsecured loans will not exceed more than ten percent (10%) as suggested by the NASAA guidelines.

#### PLAN OF DISTRIBUTION

1. Advertising: CEP advertises in selected Assemblies of God publications and in direct mailings.

2. Marketing and Sales: CEP's marketing and sales is directed exclusively to a limited class of investors, namely persons who are somehow connected with or have shown interest in the Assemblies of God, CEP, or in a program, activity or organization which constitutes a part of the Assemblies of God, CEP, or any other church organizations that have a programmatic relationship with the Assemblies of God or CEP.

3. No Agreement/Commissions: No underwriting or selling agreements exist, and no direct or indirect commission or other remuneration will be paid to any individual or organization in connection with the offer and sale of the Notes. All salespersons are salaried employees of CEP.

4. General Fund: Proceeds from Notes are deposited to the general fund from which CEP pays for operating expenses and carries out its purpose of making loans to Assemblies of God churches.

5. General Unsecured Obligations: Notes are general, unsecured obligations of CEP.

#### TAX ASPECTS

Although CEP is a non-profit corporation exempt from income taxation, interest earned from investment in these Notes is taxable income which must be declared in each year. The purchase of the Notes cannot be taken as a contribution deduction for income tax purposes. A professional tax advisor should be consulted regarding all tax matters.

#### LITIGATION & OTHER MATERIAL TRANSACTIONS

As of the date of this Offering Circular, there are in existence no suits, actions or other legal proceedings or claims involving CEP's Notes, nor are any such actions pending against CEP. No material legal proceedings or claims have been brought against CEP involving its securities or otherwise since the formation of CEP. There is no litigation pending against any director or executive officer of CEP in connection with their duties.

#### SECURITY

1. Security for Unsecured Note Holders: Notes are general unsecured obligations of CEP.

2. Security for CEP for Loans Made: Most church loans are secured by (a) a mortgage on the church's property (usually a first, but sometimes a second mortgage), and (b) the assignment of the related Certificates. In the event of default, there is no guarantee that the value of CEP's security, if any, would be sufficient to pay the full amount owed to CEP. Other considerations regarding CEP's security for loans made to churches are as follows:

a. Foreclosure: Although foreclosure of a trust deed may be accomplished by judicial action in most jurisdictions, foreclosure is generally accomplished by a non-judicial trustee's sale under provisions in the trust deed that authorizes the trustee to sell the property to a third party upon any default by the borrower.

In the case of a non-judicial foreclosure with a power of sale, the sale by the trustee is a public sale. However, it is uncommon for a third party to purchase the property at the foreclosure sale. Rather, the more common practice is for the lender to purchase the property at the sale by bidding the amount owed to the lender. Upon purchase by the lender it assumes the burden of ownership, including maintaining hazard insurance and making such repairs, at its own expense, as are necessary to render the property suitable for sale. The lender commonly will obtain the services of a real estate broker and pay a commission in connection with the sale of the property. Depending upon market conditions, the ultimate net proceeds from the sale of the property may not be sufficient to cover the lender's investment in the property.

In most jurisdictions, including California and Oregon, the borrower has the right to reinstate the loan at any time following default until shortly before a non-judicial foreclosure. In general, the borrower or any other person having a junior encumbrance on the real estate may, during a reinstatement period, cure the default by paying the entire amount in arrears plus certain statutorily permitted costs and expenses incurred in enforcing the obligations.

b. Rights of Redemption: In California, where a large percentage of CEP's loans have been made, as well as in Oregon and other jurisdictions, the borrower and certain foreclosed junior lien holders are given a statutory right of redemption following a judicial foreclosure sale, but not following a non-judicial sale by a trustee. Statutory redemption may occur upon a payment of the foreclosure purchase price, accrued interest, taxes and certain other statutorily permitted amounts. This right of redemption diminishes the ability of the lender to sell the foreclosed property. The exercise of a right of redemption would defeat the title of any purchaser at a judicial foreclosure sale, or of any purchaser from the lender subsequent to judicial foreclosure. Consequently, the practical effect of the redemption right is to force the lender to maintain the property and pay the expenses of ownership until the redemption period has expired.

c. Anti-Deficiency Legislation and Other Limitations on Lenders: California, where a large percentage of CEP's loans have been made, as well as some other jurisdictions, has imposed statutory restrictions which limit the remedies of a beneficiary under a trust deed. Such restrictions include (a) that a beneficiary is not entitled to obtain a deficiency judgment against the borrower following a non-judicial foreclosure sale, and (b) limiting the amount of the deficiency judgment a lender may obtain following a judicial foreclosure sale to the excess of the outstanding debt over the greater of (i) the sale price or (ii) the fair market value of the property at the time of such sale. The purpose of these statutes is to prevent a lender from obtaining a large deficiency judgment against the former borrower as a result of low bids or no bids at the foreclosure sale. A deficiency judgment is a judgment against the former borrower equal to the difference between the amount due to the lender and the net amount realized at the foreclosure sale.

## MANAGEMENT

CEP is managed by its Board of Directors ("Board"). CEP's membership consists of 55 of the 61 member Districts of the Assemblies of God. Each District is entitled to have representation on the Board when its interest in CEP reaches a certain percentage, as determined by CEP's bylaws. In each such case the Superintendent of such District is, by virtue of his office, a member of CEP's Board. The term of office runs concurrent with the Superintendent's role. Therefore, they serve as a Board member so long as they are the Superintendent of their District. When a member District is entitled to more than one (1) representative on the Board, each additional representative is nominated by the District Presbytery of the member District and elected by the Board.

Decisions relating to day-to-day operations are made by administrative officers. Such responsibilities include the processing and approving of church loans, loan disbursements, and collections on church loans.

1. Direct/Indirect Remuneration to Executive Officers and Directors: Executive officers consist of the President, four (4) Administrative Vice Presidents, two (2) Assistant Secretaries and one (1) Assistant Treasurer. Remuneration for 2009, which includes salaries and applicable fringe benefits such as housing allowances, health and other insurance benefits, retirement plan contributions, bonuses and use of a corporate vehicle, was as follows:

|                                      |           |
|--------------------------------------|-----------|
| President:                           | \$281,800 |
| Administrative Vice Presidents:      | \$640,000 |
| Assistant Secretaries and Treasurer: | \$230,500 |

Board members, except for the President, are not employees of CEP and, therefore, receive no remuneration other than a \$200 per diem allowance plus expenses incurred for attending Board meetings.

|                                  |          |
|----------------------------------|----------|
| Board Expenses for 2009 totaled: | \$92,062 |
|----------------------------------|----------|

2. Material Employment Information: There are no material employment contracts, prerequisites of employment, or conflicts of interest of CEP's officers, directors, or persons having authority.

3. Pending Criminal Proceedings: No director or officer, during the past ten (10) years, has been convicted of any criminal proceeding (other than perhaps traffic violations or other minor misdemeanors), is the subject of any pending criminal proceedings, or was the subject of any order, judgment or decree of any court enjoining such individual from any activities associated with the offer or sale of securities.

4. Executive Officers and Directors:

## EXECUTIVE OFFICERS

Patrick L. Clements, President  
4070 27th Ct. SE, Ste 210, Salem, OR 97302-1163

- Employed by CEP since 1982 and elected President 1983. The term of office is four (4) years or until the successor to the President is elected and qualifies. Current term expires December 2011.
- Bachelor of Science in Business Administration & Economics, St. Mary's College, Moraga, CA 1968
- Masters in Business Administration, Golden Gate University, San Francisco, CA 1971
- Masters in Religion, Vanguard University, Costa Mesa, CA 2003
- Eight (8) years in pastoral ministry in the Northern California-Nevada District
- Five (5) years experience in the banking industry as a trust officer and two (2) years as management and tax consultant

James R. Braddy, Director, Vice President/Chairman of Board of Directors

6051 S. Watt Ave., Sacramento, CA 95829-1304

- Director since 2004 when he assumed the role of Superintendent of the Northern CA-NV District Council
- Elected Vice President/Chairman of Board of Directors of CEP 2009. Elected for a period of one (1) year or until such officer's successor is elected and qualifies.
- Treasurer/Executive Officer of CEP 2007. Elected for a period of one (1) year or until such officer's successor is elected and qualifies.
- Bachelor of Science in Ministry, Central Bible College 1967
- Assistant Superintendent, Northern CA-NV District Council 1997 – 2004
- Ordained 1970
- Campus Life Director for Youth for Christ, three (3) years
- Pastoral Ministry in Alaska, California and the Northwest
- Director of World Missions, seven (7) years
- Director of Church Development & Education, five (5) years
- Serves on the Alumni Board of Central Bible College

Dennis J. Rivera, Director, Secretary

7510 Sherman St, Denver, CO 80221

- Director/Superintendent of the Central Latin American District Council since 2001
- Secretary/Executive Officer 2008. Elected for a period of one (1) year or until such officer's successor is elected and qualifies.
- Diploma in Biblical Studies, Latin American Bible Institute, El Paso, TX 1977
- Bachelor of Arts in Pastoral Ministries, Southwestern Assemblies of God University, Waxahachie, TX 1996
- License to Preach 1977
- Ordained Minister 1985
- Pastoral Ministry 1977 – 2001

Larry H. Griswold, Director, Treasurer

17280 Lakeside Dr, Carlinville, IL 62626

- Director/Superintendent of the Illinois District Council since 2002
- Treasurer/Executive Officer of CEP 2009. Elected for a period of one (1) year or until such officer's successor is elected and qualifies.
- Bachelor of Science in Bible & Pastoral Ministries, North Central University, Minneapolis, MN
- Graduate work at Northwestern University and Wheaton Graduate School
- Executive Officer of the Illinois District Council 1997
- 27 years of Pastoral Leadership

#### ADMINISTRATIVE OFFICERS

Steven R. Emerson, Senior Vice President

4070 27<sup>th</sup> Ct SE, Ste 210, Salem, OR 97302-1163

- Senior Vice President since 1997
- Master of Science in Counseling/Psychology, Western Oregon State University, Monmouth, OR 1981
- Bachelor of Science in Biblical Literature/Communications, Northwest University, Kirkland, WA 1979
- Dean of Students, Northwest University, Kirkland, WA 1989 – 1997
- Senior Associate Pastor, People's Church, Salem, OR 1981 – 1989

Peter F. Clements, Senior Vice President/Chief Financial Officer

4070 27<sup>th</sup> Ct SE, Ste 210, Salem, OR 97302-1163

- Named Chief Financial Officer in 2006
- Vice President of Technology since 1999
- Master of Business Administration in Technology Management, University of Phoenix 1999
- Employed by CEP since 1995
- Database Management Specialist, Nike, Inc., Beaverton, OR
- Corporate Computing Coordinator, CH2M Hill, Corvallis, OR
- Bachelor of Science in Business Administration, Oregon State University 1994

Mark Whitney, Senior Vice President  
4070 27<sup>th</sup> Ct SE, Ste 210, Salem, OR 97302-1163

- Named Senior Vice President in 2009
- Vice President of Customer Service since 2002
- Master of Business Administration, University of Phoenix 2004
- Employed by CEP since 1998
- President of Restoration Family Counseling, Jefferson, OR
- Pastoral Councilor at New Life Center, Albany, OR
- Bachelor of Science Behavioral Science, Northwest College 1990

#### BOARD OF DIRECTORS

Lee Baca, Director  
6051 S Watt Ave, Sacramento, CA 95829

- Director/Superintendent of the Northern Pacific Latin American District Council since 2006
- Secretary/Treasurer, Northern Pacific Latin American District 1998 – 2006
- District General Presbyter, 1996 – 1998
- Executive Presbyter (Salinas) 1992 – 1994
- Executive Presbyter (Santa Ana) 1986 – 1990
- Sectional Presbyter (Santa Ana) 1984 – 1986
- Adjunct Professor, Latin American Bible Institute, La Puente, CA 1984 – 1990
- Academic Dean, Latin American Bible Institute, La Puente, CA 1982 – 1984
- Pastoral Ministry 1971 – 1998
- Bethany Seminary, honorary doctorate degree 1995
- Post-Graduate Studies, Fuller Seminary 1976 – 1978
- Bachelor of Theology Degree, Latin American Theological Seminary 1975
- Ministerial Diploma, Latin American Bible Institute 1971

H. Franklin Cargill, Director  
8701 N Kelley, Oklahoma City, OK 73113

- Director/Superintendent of the Oklahoma District Council since 2000
- Bachelor of Arts in Music Education, Oklahoma State University
- Masters in Education, University of Central Oklahoma
- Pastoral Ministry, 18 years in Oklahoma District Council
- Credentialed minister in Oklahoma District Council, 35 years: Exhorter's Permit 1969, Licensed minister 1971, Ordained 1972
- Oklahoma District Youth Director, seven (7) years
- Oklahoma District Assistant Superintendent, 17 years
- Presbyter, General Council of the Assemblies of God, 21 years
- Serves on Board of Regents, Southwestern Assembly of God University, Waxahachie, TX
- Serves on Board of Regents, American Indian College, Phoenix, AZ
- Serves on Board of the Hillcrest Children's Home, Hot Springs, AR

Douglas E. Fulenwider, Director  
2717 N MacArthur Dr, Alexandria, LA 71306

- Director since 2004
- Superintendent of the Louisiana District Council since 1994
- Bachelor of Science in Christian Ministry, Southwestern A/G University 1971
- LOGOS, Master of Practical Theology
- LOGOS, Honorary Doctorate of Theology
- Secretary/Treasurer, Louisiana District Council
- Christian Education Director, Louisiana District Council
- Youth & Chi Alpha Director, Louisiana District Council
- Pastor/Evangelist

Doyle A. Fulkes, Director  
711 Lone Star Rd, Nampa, ID 83651

- Director since 2004
- Superintendent of the Southern Idaho District Council since 2001
- Bachelor of Science in Christian Ministry, Southwestern University, Waxahachie, TX 1973
- Master in Organizational Leadership pending, George Fox University 2005
- Pastoral Ministry in Idaho District, 21 years
- District Youth Director, Idaho District Council, one (1) year
- District Secretary, Idaho District Council, 11 years

Donald G. Gifford, Director  
8750 Purdue Rd, Indianapolis, IN 46268

- Director/Superintendent of the Indiana District Council since 2004
- Bachelor of Arts in Pastoral Studies from North Central University, Minneapolis, MN
- Masters in Biblical Literature from Assemblies of God Theological Seminary
- Ordained in the Indiana District Council 1978
- Pastoral Ministry in Indiana and Wisconsin 1974 – 2003
- Assistant Superintendent of the Indiana District Council 1992 – 2003

Stephen L. Harris, Director  
2601 E Thomas Rd, Suite 210, Phoenix, AZ 85016

- Director since 2004
- Superintendent of the Arizona District Council since 1999
- Bachelor of Arts in Bible, Central Bible College 1972
- Licensed to preach by Oklahoma District 1974
- Ordained in Rocky Mountain District 1976
- Pastoral Ministry 1976 – 1985
- Presbyterian of the Northeast Section 1981 – 1985
- Executive Presbyterian Board, North Area Executive Presbyterian 1985
- Assistant Superintendent, Arizona District Council 1995 – 1999
- Board Member, American Indian College; Southwestern Assemblies of God College; Teen Challenge Arizona, Inc.; Vanguard University and Corban College.

Tom M. Jacobs, Director  
10525 Buena Vista Ct, Urbandale, IA 50322-3783

- Director/Superintendent of the Iowa Ministry Network since 2007
- Pastoral ministry since 1980
- Graduate from Oral Roberts University 1980
- Director/Founder of Iowa Ministry Groups to the senior pastors of Iowa
- Executive Presbyterian from 2000 – 2007
- Sectional Presbyterian from 1994 – 2000
- Chairman and/or member of several district committees

Gary Jones, Director

10843 Braun Rd, San Antonio, TX 78254

- Director/Superintendent of the Gulf Latin American District since 2006
- Vice President Gulf Latin American District
- Pastoral Ministry in San Antonio, TX for 13 years
- Missionary to Nicaragua and Costa Rica for ten (10) years
- Pastoral Ministry in Waxahachie, TX
- District Missions Director
- Bachelors of Christian Missions, Southwestern Assemblies of God University, Waxahachie, TX
- Board Member, Church Planting National Executive Board in Nicaragua and Costa Rica; Regions for Southwestern Assembly of God University; School Board for Latin American Bible Institute.

William F. Leach, Director

31500 W 13 Mile Rd, Ste 140, Farmington Hills, MI 48334

- Director since 2004
- Superintendent of the Michigan District Council since 1988
- Bachelor of Arts in Bible, Central Bible College, Springfield, MO 1971
- Masters in Church Leadership, Vanguard University, Costa Mesa, CA 2003
- Pastoral Ministry 1971
- Member, Assemblies of God Theological Seminary Advisory Council
- Member, Board of Regents of North Central University Minneapolis, MN and Central Bible College, Springfield, MO
- General Presbyter, General Council of the Assemblies of God

Clemente Maldonado, Jr., Director

5233 W Diversey Ave, Chicago, IL 60639

- Director/Superintendent of the Midwest Latin American District Council since 2006
- Secretary/Treasurer of the Midwest Latin American District since 1996
- Currently working towards a Bachelor of Arts in Theology, Latin American Theological Seminary, La Puente, CA
- Board of Regents for North Central University
- Pastored churches in Oklahoma, Michigan and Illinois
- Pastoral Ministry, 18 years
- Associates of Arts in Theology, Latin American Bible Institute, El Paso, TX 1978

Dennis W. Marquardt, Director

501 Riverside St, Portland, ME 04104

- Director/Superintendent of the Northern New England District Council since 2002
- Assistant Superintendent of the Northern New England District Council 1997 – 2002
- Assemblies of God Theological Seminary, Springfield, MO, currently pursuing MACM degree
- Bachelor of Arts in Bible, Central Bible College, Springfield MO 1974
- Pastoral Ministry, 24 years
- Member, College Board of Trustees, Valley Forge Christian College 1999 – current
- Member, College Board of Trustees, Zion Bible College 2002 – current
- Member, National A/G USA Missions Board, 2006 – 2008 term

George K. Nagato, Director

87-125 Maipalaoa Rd, Waianae, HI 96792

- Director since 2005
- Superintendent of the Hawaii District Council 2002
- Bachelor of Science in Bible, Bethany University 1970
- Masters in Counseling/Psychology, University of Santa Clara 1973
- Masters in Theology, Fuller Theological Seminary 1999
- Doctor of Ministry, Fuller Theological Seminary 1999
- Senior Pastor of Paradise Chapel in Waianae, HI, in service there since 1980

Sergio Navarrete, Director  
614 S Fifth Ave, LaPuente, CA 91746

- Director/Superintendent of the Southern Pacific District Council since 2002
- Bachelor of Arts in Biblical Studies, Latin American Bible College 1983
- Masters in Divinity in Multicultural Studies, Fuller Theological Seminary 1991
- Doctor of Ministry in Spiritual Foundation, Azusa Pacific University 2000
- Pastoral Ministry in Spring Valley, California 1985 – 1988
- Director of Hispanic Department, Christian Crusade, Long Beach, California 1988 – 1998
- District Presbyter, San Bernardino Section of the Southern Pacific Latin American District 1998 – 2002
- Academic Dean, Latin American Bible Institute 1994 – 2002

Terrell R. Raburn, Director  
1437 E. Memorial Blvd, Lakeland, FL 33802

- Director since 1999
- Superintendent of the Peninsular Florida District Council since 1996
- Bachelor of Science in Political & Social Sciences, University of Alabama, Birmingham, AL
- Ordained Minister 1972
- District Youth Director 1981 – 1985
- National Youth Director 1985 – 1990
- National Church Director 1990 – 1996
- Director of Home Missions

T. Ray Rachels, Director  
17951 Cowan, Irvine, CA 92714

- Director/Superintendent of Southern California District Council since 1988
- Elected Chairman of the Board 2002. Elected for a period of one (1) year or until such officer's successor is elected and qualifies.
- Undergraduate studies at Southeastern College of the Assemblies of God, Lakeland, FL
- Bachelor of Arts in History, Troy State University, Troy, AL
- Graduate work in Biblical studies at United Theological Seminary, Dayton, OH; Wright State University, Dayton, OH; and Santa Clara University, Santa Clara, CA
- Masters in Religion, Vanguard University, Costa Mesa, CA
- Assistant Superintendent of the Southern California District Council
- Ministerial experience includes Pastor and Associate Pastor in both Ohio and California
- Director of Youth & Christian Education, Ohio District Council
- Director of Youth Ministries, Northern California-Nevada District Council
- Chairman of the Board, Vanguard University, Costa Mesa, CA 1988-2009
- Chairman of the Board, American Indian College, Phoenix, AZ

Rafael Reyes, Director  
213 Old Tappan Rd, Old Tappan, NJ 07675

- Director since 1999
- Superintendent of the Spanish Eastern District Council since 1998
- Diploma, Latin American Spanish Bible Institute, 1962
- Graduate studies at New Rochelle College and Alliance Theological Seminary
- Teacher, Arca Evangelica Bible Institute
- Teacher/Principal, Spanish Eastern District Bible Institute
- Senior Pastoral Leadership
- Chaplin, Queensboro Correctional Facility
- Vice President, Evangelical Ministers Association
- Secretary/Treasurer, Education Department, Spanish Eastern District Council
- Director of Education, Spanish Eastern District Council
- President, Spanish Eastern District School of Theology
- Member of Ground Zero Task Force, New York City

Clarence W. St. John, Director  
1315 Portland Ave S, Minneapolis, MN 55404

- Director/Superintendent of the Minnesota District Council since 1989
- Bachelor of Science in Bible and Theology, North Central University, Minneapolis, MN
- Pastoral Ministry for 24 years

Donald H. Steiger, Director  
6295 Lehman Dr, Suite 202, Colorado Springs, CO 80918

- Director/Superintendent of the Rocky Mountain District Council since 2008
- Assistant Superintendent of the Rocky Mountain District Council 1999 – 2001
- Pastoral Ministry 1971 – 2008
- Ordained Minister 1976
- Associates Degree in Bible, Berean College 1975
- Bachelor of Science in Electrical Engineering, University of Colorado 1970
- Sectional Presbyter, Rocky Mountain District Council of the Assemblies of God
- Executive Presbyter, Rocky Mountain District Council of the Assemblies of God
- General Presbyter, General Council of the Assemblies of God
- Current and past boards served on: Colorado Teen Challenge, Bethesda Ministries, Gospel of Glory, Assemblies of God World Missions, Bethany College

Juan H. Suarez, Director  
Calle 3 Blq Z Santa Monica, Bayamon, PR 00960

- Director/Superintendent of the Puerto Rico District Council since 2000
- Bachelor of Arts in Psychology, University of Puerto Rico 1973
- Secretary/Treasurer of the Puerto Rico District Council 1996 – 2000
- Pastoral Ministry 1985 – 1997
- Aqueduct & Sewers Service as Supervisor, 18 years

Alan E. Warneke, Director  
2147 Overland Ave, Ste 100, Billings, MT 59102

- Director/Superintendent of the Montana District Council since 2007
- Pastoral Ministry 1967 – 2007
- Ordained 1971
- Degree in Pastoral Ministry, Trinity Bible College, Ellendale, ND 1968
- Northwest University Executive Board; Montana Home & World Missions Board

Roy W. Welch III, Director  
1048 W Int'l Airport Rd, Suite 101, Anchorage, AK 99518

- Director/Superintendent of the Alaska District Council since 2008
- Assistant Superintendent of the Alaska District Council since 2000
- Pastoral ministry 1986 – 2008
- Bachelor of Arts in Bible, Central Bible College 1986
- General Presbyter, General Council of the Assemblies of God
- Northwest University Board of Directors
- Southeast Alaska Section Presbyter
- Western Alaska Section Presbyter
- World Missions Director

William E. Wilson, Director  
9255 Portland Rd NE, Salem, OR 97305

- Director/Superintendent of the Oregon Ministry Network since 2007
- Pastoral ministry 1972 – 2007
- Ordained 1975
- Bachelor of Science, Bethany Bible College 1973
- Network Presbyter
- General Presbyter, General Council of the Assemblies of God
- Current and past boards served on: Northwest University, Vanguard University, Oregon World Missions, Oregon NAE, AG COCHE, We Care Oregon, AGWM

Robert Wise, Director  
307 Sturbridge Rd, Charlton, MA 01507

- Director/Superintendent of the Southern New England District Council since 2007
- Assistant Superintendent of the Southern New England District Council 1992 – 1995
- Pastoral ministry 1965 – 2007
- Bachelor of Theology, Northeastern Bible College (now known as Valley Forge Christian College) 1965
- Director of Church Ministries, Southern New England District 1977 – 1988
- Southeastern Massachusetts Sectional Home Missions Committee
- Presbyter of the Southeastern Massachusetts Section
- General Presbyter, General Council of the Assemblies of God

#### INVESTMENTS BY OFFICERS & DIRECTORS

Officers and Directors of CEP, and the various member District Councils the Directors represent, had investments with CEP totaling \$24,119,692 as of December 31, 2009.

#### AUDITED FINANCIAL STATEMENTS

CEP's most recent audited financial statements are available to investors within 120 days of its most recent fiscal year-end. Financial statements are available upon request, or at [www.cepnet.com](http://www.cepnet.com).

#### AUDITORS

The financial statements included in this Offering Circular have been audited by AKT LLP whose report is found beginning on page 25.

#### UNDERWRITING

There is no underwriter involved in the issuance of CEP's securities. CEP's securities are offered solely to a limited class of investors: Members of, contributors to (including investors), participants in and affiliates of the Assemblies of God including any program, activity or organization which constitutes a part of the Assemblies of God, its District Councils, or its member churches, or other persons who are ancestors, descendants, or successors in interest to such persons.

#### LEGAL MATTERS

Certain legal matters in connection with the securities offered hereby will be passed upon for CEP by B. Rupert Koblegarde, Attorney at Law. Mr. Koblegarde has issued a legal opinion which states, among other things, that the securities issued pursuant to the terms of this Offering Circular, when properly endorsed by officials of CEP, will constitute legal and valid obligations of CEP, all according to the terms and conditions of these securities.

#### ADMINISTRATIVE MATTERS

1. Additional Information: This Offering Circular does not contain all the information set forth in the registration statement filed by CEP with the various State Securities Divisions. That additional information may be inspected without charge by any person during normal working hours at the Offices of the various State Securities Commissions.

2. Exempt from Federal Registration: The offer and sale of these securities have not been registered with the Securities and Exchange Commission in reliance on the exemption from registration contained in Section 3(a)(4) of the Securities Act of 1933, as amended.