Washington Elks Lodge #776
138 East Maiden Street
P.O. Box 245
Washington, PA 15301

April 6, 2023

Dear Elks Member,

The intent of this letter is to inform you there will be a special meeting on, April 19 at 7:00pm to vote on the motion made on the floor on April 5. The meeting will be held in the upstairs ballroom at our Lodge located at 138 East Maiden Street, Washington, PA. A recap of the motion is detailed below.

The Governing Body, on behalf of our Lodge, made a motion to finialize the purchase of the property located at 212 East Maiden Street, the home to the left of our Lodge. As voted on in March, 2019, we bought the house on terms of an Article of Agreement. In this approved agreement, final payoff of the house is due to the homeowner six months after being given written notice of the home being vacated. This notice was presented to us on November 4, 2022.

We are required by the signed agreement to purchase the home within the agreed 6 month time period. In recalling, the home was purchased knowing it would be demolished and the property converted into a much needed parking lot for our Lodge. Realizing the high cost of the total project, the governing body has made the motion, in the best interest of our Lodge, to borrow the money for the remaining balance of the home and given the very poor unliveable condition of the home, to have it demolished and the lot prepared for a parking lot at a future date. Please know the current condition of the home could present a danger to neighboring homes.

In detail, we have been making payments of $454.51 per month as agreed, thus decreasing the original note balance of $48,800.00. The balance owed on the home is $30,981.61. The Trustees of our Lodge have secured bids and will award the demolition and preparation for the parking lot at a sum of $26,500. Total cost for the project as described above is $57,481.61.

After much research and discussion, we consider the folloiwng scenerio to be in the best of financial interest of our Lodge to secure the financing of the project in the amount of $57,481.61.

We will work with our financial partner, WesBanco, on a low interest Brokerage Investment Loan. This loan will <u>not</u> be secured by any real estate, hence saving a great deal of money on loan closing cost, title insurance and appraisal fees. Those fees will not be pertinent because the loan will be secured by moving only the funds needed from our Fidelilty Investment account to WesBanco Investments. These funds are the security of the loan, instead of real estate.

The necessary funds include the amount of the loan ($57,481.61) plus 25% addional ($14,370.40) to allow for any fluxuation in the investments. Total monies to be moved from our Fidelity Investments to WesBanco Investments is $71,852.

During the course of the loan, our account will continue to earn money, same as it has with Fidelity. We are also not held to WesBanco in any way. As the principle is paid down, we can remove any excess funds, except for the remaining principle plus 25%, back to our Fidelity Investments if the membership agrees to do so.

Additionally, this type of loan can be secured between 4%-8%, lower than a commercial mortgage interest rate. Until the loan process is started, we cannot lock in an interest rate. The total amount we want to borrow is $57,481.61. With a 5.5% interest rate with the loan for seven (7) years, the monthly payment will be $820.13.

Our Head Trustee, Doug White and Trustee, Michael Cross will be authorized to act on behalf of the Lodge for this project.

Your vote is to deteremine if the membership agrees the motion set forth is in the best interest of our Lodge. Our membership will be able to ask questions and all answers will be provided at this time.

The approved vote requires permit approval by the Grand Trustees via a permit application before we are able to move forward.

This decision needs to be voted on and approved by the majority of our membership attending the meeting. In order to vote, you must attend the meeting. We hope to see you on April 19, 2023 at 7pm.

Thank you.

Washington Elks Lodge 776 Governing Body