



Brothers and Sisters,

Over the past few months several questions and concerns have been repeatedly brought to my attention as President of the Odenton Temple Holding Corporation (THC). I've prepared this letter to try to answer some of those questions, and to keep all of you informed about the current status and outlook of the THC. There is also a proposed amendment to the THC bylaws about which you need to be informed – that's at the end of the letter.

I've divided this letter into several sections, to cover specific questions and issues. If after you've read this you have any further questions, comments, concerns, or gripes, please feel free to contact me at the phone number listed below, or attend a THC meeting (first Thursday of each month, at 7:00 PM, at the Odenton Masonic Center).

Question: What is the Odenton Temple Holding Corporation?

The Odenton Temple Holding Corporation is a non-profit corporation, whose purpose is to own and manage the Masonic Center at 1206 Stehlik Drive in Odenton. The THC is responsible for the day-to-day operation of the Masonic Center. In particular, the THC raises funds to pay normal expenses of the Center, and to address a variety of debts.

The THC is not identical with Odenton Lodge #209 or with Eastern Star Chapter #29. Neither of those organizations is a member or owner of the THC. Both of those organizations are tenants (albeit favored ones) which pay rent to the THC for use of the property.

However, every individual member of either Odenton Lodge #209 or Eastern Star Chapter #29 is also a member of the THC, with all the rights and privileges thereof. All the work of the THC is carried out by volunteers from the Lodge and Chapter. At present, the Board of Directors of the THC is roughly balanced between members of the Lodge and Chapter (with a few board members holding membership in both bodies).

Question: Is the THC currently engaged in any disputes over the property or building?

This question has arisen several times; there seems to be a persistent rumor to the effect that we are engaged in a dispute over the property. I can assure you this is *not* the case. At present the THC is negotiating with some of the individuals who



loaned money for the construction of the Masonic Center, but those negotiations are amicable and appear likely to be resolved to our satisfaction.

Question: What is the THC's overall financial status?

The THC is responsible for a number of debts. Almost all our debt liability falls into three categories:

- 1) A commercial mortgage on the building, dating to the construction of the Masonic Center, currently held by Sandy Spring Bank.
- 2) A number of personal notes held by individual members of the Lodge and Chapter, again dating to the construction of the Masonic Center. Some of these were associated with the land and building, while others were simple cash loans.
- 3) A number of bonds sold to raise money in 2005.

The first category (the commercial mortgage) is the only one which represents a constant expense for the THC operating budget. We make regular monthly payments on the mortgage, and in fact this is the largest single expense we have. The second category (the personal notes) has not normally been a constant expense. While some payments have been made against these notes, almost all of the note-holders have been willing to defer repayment until the commercial mortgage has been dealt with.

The third category (the bonds) was specifically designed as a set of non-interest-bearing loans, not to be repaid until all other debts have been retired. They almost never impose an expense against our operating budget. A few of these bonds have been converted to donations or used to pay Lodge assessments.

When the Masonic Center was first planned to be built, a business plan was drawn up to establish how much debt the THC could afford to incur. I have compared this business plan to the THC's actual income over the past several years, and concluded the plan was *extremely* unrealistic. To the best of my knowledge, the THC has never even come close to raising the level of income assumed in the business plan.

As a result, by about 2005 the THC was consistently running an annual deficit which could only be covered by outright donations from the Lodge, Chapter, and individual members.



My predecessor as President of the THC spent much of his time looking for solutions to this persistent deficit. He focused on the commercial mortgage, which constituted the largest single expense. He began by refinancing the mortgage, which reduced the monthly payment and avoided an expected increase in the interest rate. He then looked for ways to reduce the principal of the loan.

The eventual solution was to levy an assessment on both the Lodge and the Chapter, to be paid over a three-year period. The assessment would be applied directly to the principal of the commercial mortgage, reducing it significantly and permitting the THC to reduce its monthly mortgage payments. The Lodge chose to raise its share of the assessment by passing it along to its individual members, whereas the Chapter chose to pay its share directly out of its savings.

The assessment payments for 2009 and 2010 have been collected and applied directly to the commercial mortgage, with very promising results. In late 2010 the bank recomputed the mortgage payments, reducing the monthly expense to the THC by almost half. As a result, the THC is on track to operate at a small *surplus* in 2011. For the first time in several years, we should be able to meet all of our expenses without tapping into our reserves or calling for emergency donations. Once the 2011 assessment payments have also been collected and applied to the mortgage, our cash flow should improve still further.

The THC is not “out of the woods” yet by any means. We still face several financial challenges.

The commercial mortgage will still be in effect after 2011, even though it has been considerably reduced. We will continue making payments on the mortgage, and these will still constitute our largest expense.

The personal notes held by community members are still active. If some or all of the note-holders choose to call in their notes, the THC might have difficulty responding while still dealing with the commercial mortgage. The THC is currently negotiating with some of the note-holders; our goal is to have some or all of these debts forgiven or deferred.

Meanwhile, the Masonic Center is now over a decade old, and some systems (elevator, air conditioning, plumbing, and so on) are starting to show signs of wear. The THC is likely to face higher costs to repair or replace some of this equipment over the next few years, offsetting some of the savings we have realized from reductions in the commercial mortgage.



Still, the short-term outlook for the THC's finances is reasonably sound. With careful management and a little bit of luck, the THC should be able to deal with the challenges it faces over the next few years.

Question: Where can I learn more?

Please direct any further questions to me at the Masonic Center, or feel free to contact me at home at (410) 674-2719.

Proposed Amendment to the THC Bylaws

The following amendment to the THC bylaws has been proposed; you are being informed of it in accordance with the proper procedure for amendment.

Any officer of the corporation or member of the Board of Directors who is absent from three consecutive meetings of the Board shall be considered to have resigned his position, such resignation being effective at the opening of the next meeting of the Board. However, at any time before his resignation is considered effective, he may make a written request for his absence to be excused . If he makes such a request, the Board may grant it by a majority vote, and his resignation will not be considered effective until the Board has considered his request and the vote to excuse his absence has failed.

This amendment will be voted on at the first meeting of the Board of Directors after all members of the THC have received this notice and 30 days have passed. This will most likely occur at the November meeting of the Board. Please contact me if you have any questions or concerns.

Thanks for your attention,

Jon F. Zeigler

Worshipful Master, Odenton Lodge #209, A.F. & A.M. of Maryland
President, Odenton Temple Holding Corporation