

To: East Gate Lodge No. 44 F &AM State of California Inc.

From: P. M. Malcolm Westbrooks, Vice President, MW Prince Hall Arms Inc.

Date: December 4, 2008

Subject: Prince Hall Arms Progress Report

The project received a funding commitment from Wells Fargo Multifamily Capital in a letter dated January 15, 2008. It was signed by William Richbourg, Wells Fargo Bank, NA Vice President. His office is in McClean, VA. He has met with our Board Members and has attended two hearings where the Berkeley City Council reviewed the recommendations from the Zoning Adjustment Board. The City Council unanimously approved the design changes which allow construction of 42 units vice 37 units. A commitment letter from HUD indicates a guarantee for a construction loan of nine million dollars.

Two years ago HUD decided to rescind all Section Eight Vouchers held or obligated by the Berkeley Housing Authority. That action was based on their inspection of the operations and financial management of the Housing Authority. The City Council intervened and those vouchers committed to the MW Prince Hall Arms, Inc., projects were allowed to remain in place. Because of the irregularities found the majority of the Housing Authority personnel were fired. The Housing Director, Steve Barton, resigned. Mr. Barton was thought to be an advocate for the project; however, we were informed that he actually was an adversary.

Another adversary, the City Attorney, retired. She caused the project to be held up for over 18 months by alleging that our organization (Masons) discriminated against gays, lesbians and the general public. Those allegations had been addressed several years ago, however, the City Council yielded initially to her request to not act on approving the project until she had completed an investigation. Because of the delays encountered over the last two years we have opted to apply to the California Tax Credit Allocation Committee for funding of the project. The application period opens in March 2009 and awards will be made in April 2009. MWPHA, Inc. Board Members Malcolm Westbrooks, Donald Westbrooks, Iris Nelson and Frederick Young, along with our Development Consultant James Peterson, met with the new Housing Authority Director and her staff in April 2008. They pledged their full support and backed it up by stating that 1.4 million dollars in construction funds would be reserved in the Housing Trust Fund for our project.

During the July 2008 Grand Session, MWGM Tyner promised not to interfere with the project as long as he received timely reports. In September 2008 I attended The Grand Worthy Matrons Honorarium that was held in Concord, CA. While there I attended the MWPGHL Grand Board of Directors meeting which was being held during the same weekend. While there I was informed by MWGM Tyner that William Calhoun, newly elected to the Board of Grand Directors, would be appointed to represent the MWPHGL on the Board of Directors for MWPHA, Inc. During that meeting myself, director, Calhoun, Norfleet and several other promised to work together to complete the project. During that meeting MWGM Tyner stated that we had until December 2008 to get funding for the project or he would stop it. We all agreed that we would work diligently to get to the funding stage. Due to this new and unexpected deadline and we felt confident that we could. I requested that MWGM Tyner instruct the Grand Secretary to draft a letter of appointment for Director Calhoun to be sent to the MWPHA Inc., board for their action on the appointment. MWGM Tyner agreed to have the letter prepared and sent to us.

I attended the United Supreme Council Convention in Tulsa, OK, in October 2008. At that convention he asked the RW Grand Secretary Billy G. Harrington if the appointment letter for Brother Calhoun had been prepared. Brother Harrington stated that the MWGM was working on it. I then asked MWGM Tyner about the letter and he replied that he would get to it soon. Several phone calls were made to Brother Calhoun and were unanswered. However I did receive an email from him asking if I had received my letter. I responded no and asked him to call me. I have not yet received that phone call. On October 16, 2008, President Young received a letter from MWGM Tyner's attorney requesting that he return the title to the property now owned by MWPHA, Inc., to the MWPHGL immediately.

A letter postmarked November 8, 2008, and received by President Young on November 11, 2008, was an advisement that William Calhoun was appointed as the Grand Lodge representative to the Prince Hall Arms, Inc. board. There has been no action taken on that letter because our calls have not been returned. On November 15, 2008, President Young received a notice of Lis Pendens (Unlawful Detainer) that was filed in the Alameda County Superior Court. The legal counsel for MWPHA, Inc. has been directed to file a motion for MWGM Tyner to show cause for his action. The Board of Directors of MWPHA, Inc., has agreed to continue on with the work of moving forward to complete the project and protect the interest of our Lodge as well as the Grand Lodge. We will allow our attorney to contend with the legal claims alleged by MWGM Tyner. We are negotiating with an agency to partner with us by providing predevelopment funds to take us through the tax credit process and to continue working with HUD for their financial guarantees.

Fraternally,

Malcolm Westbrooks