

To: Mediator, Participants and Legal Counsel

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

Date: February 28, 2011

Subject: Mediation Statement and an Explanation of the workings of California, Prince Hall Freemasonry (MW Prince Hall Grand Lodge and its affiliates) MW Prince Hall Arms Inc. its board members, their mission and purpose.

Mediation Participants

Much has been discussed and debated during the process of the legal action taken against MW Prince Hall Arms Inc. by the MW Prince Hall Grand Lodge Free and Accepted Masons State of California Inc. All have been legal opinions and many have not addressed the true spirit of the integrity of this project, its founders, board members supporters, community and advocates. As we hopefully move into the more practical and conciliatory mode of mediation, I find it necessary to address the mission, merits and purpose of this project and how we have arrived at this very difficult and challenging time. The purpose of this letter is to provide a historical and personal perspective. The questions that I hope to address here are: Why did we propose to develop this project? Who are the Masonic members who have served on our board? What were their motives? What did they stand to gain? What have they gained? What have they invested? What have they lost? Who caused it to fail? What did those who caused it to fail stand to gain and why? More importantly what can we do here to bring resolution to this case? In the fifty post-World War II years 1942 - 1992, The Most Worshipful Prince Hall Grand Lodge, Free and Accepted Masons, State of California Inc. experienced and benefited from a tremendous surge of growth in membership and resources. The Baby Boomers were coming (minimum age of a Master Mason eighteen years) During the 1960s, 70s, 80s and 90s. These young African Americans were becoming stable, responsible citizens and were looking to take their place as leaders in their religious, fraternal, community and charitable organizations. We brought with us the education, business skills and recourses to move our community into a positive direction and being fueled by the motivating desire of the Civil Rights Movement of the 1960s. We were inspired to do something great in the African American Community in the name of the community organization we had pledged our allegiance to (MW Prince Hall Grand Lodge F&AM State of California Inc.). Most of the properties owned by Lodges of the MWPHGL INC. were very old, blighted and in disrepair.

They were purchased by hard working and loyal Masons from the turn of the century and through the 20s, 30s, 40s, and 50s, (East Gate #44 was founded in 1927). All of the properties had no debt and were owned outright by the lodges due to the diligence and dedication of our predecessors. In early 1992, I met (The Late) James E. Gaskins a brother who had come into the fraternity with tremendous energy. He loved nothing more than being a Master Mason (Eli Baker #62) and was working in several Masonic houses (auxiliaries). James with the help of another mason named J.D. Olden, had single handedly saved Victoria Consistory # 25 from losing its charter by restructuring its dues management system from paper to electronic and collecting delinquent dues. James had extensive banking experience and had successfully developed a small shopping center on Keller Avenue (Oakland, CA). James was co - partner in a mortgage finance company and was furthering his education in the area of Real Estate Development. The timing for Prince Hall Arms was perfect. During the administration of President Bill Clinton, affordable housing for senior citizens was a priority. He had been very successful with it as Governor of Arkansas and resources were made available through Investment Tax Credits, Department of Housing and Urban Development (HUD) and other City, State and Government programs. The City of Berkeley created a community development plan called the South Berkeley Plan in 1977. That plan encompassed the corridor in front of the East Gate and Grand Lodge Property. James was confident that our project was a perfect fit. The South Berkeley Plan had been stalled and was going nowhere mostly because (as I would find out later from our present consultant, James Peterson) in 25 years, only 2% City of Berkeley Development funding had been awarded to African American developers and in the predominantly African American South Berkeley community. I met James Gaskins and James Abron (a civil engineer and Deputy Director of Public Works for the City of Oakland) members of Eli Baker # 62). After we visited the East Gate property, Gaskins created a development plan that would combine the East Gate property and the Grand Lodge property into one parcel. The plan entailed building 38 affordable senior units with community meeting and retail space. This new structure would replace our Grand Lodge Office and East Gate Lodge space and rental property which had been in the South Berkeley Community since 1927. While serving as a member of the Board of Trustees of East Gate Lodge #44, we presented a proposal to East Gate's Board to partner with the Grand Lodge in this laudable and historic undertaking at our board meeting in 1992. We felt that this could be a pilot project that would establish our Grand Lodge as affordable seniors housing developers. We felt that we could utilize Lodge properties state-wide and enable Prince Hall Masons in California to demonstrate our commitment to make our communities better.

My mentor in Masonry and in life (The Late) Past Master Ernest Franklin, (a licensed general contractor who had served on several boards in Berkeley and was employed by The City of Oakland Redevelopment Agency) had previously negotiated an agreement with the City of Berkeley to grant East Gate funds to remodel our Lodge facility (3134 Martin Luther King Jr. Way and our rental property next door (3138 ML King Way) and to add retail space downstairs. However when he reviewed our proposal, he agreed to withdraw his proposal stating that "Prince Hall Arms is good for the future of East Gate, the Grand Lodge and our Community". The corporation, MW Prince Hall Arms (MWPHA Inc), was formed to satisfy the requirements of HUD and the California Tax Credit Allocation Committee. The property was transferred to MW Prince Hall Arms Inc. with the express purpose of developing the project. President Fred Young was authorized to apply for pre-development loans and secure final funding, to satisfy all pre-development loans and enter into a construction contract with a HUD approved contractor to complete the project. Loans were secured from California Mortgage and other lenders and the debt on those loans was satisfied by a loan from Buckley Real Estate. The Buckley Loan and all other project debt was to be satisfied by the HUD approved Wells Fargo Loan and other project funding. MW Prince Hall Arms Inc. has also produced a complete accounting of all project financial activity. These practices are common in all development projects such as ours. Every Master Mason who has been involved with the MW Prince Hall Arms Project except James Abron are 33^o Masons of The Thirty Third and Last Degree of the Scottish Rite of Freemasonry Southern Jurisdiction of the United States of America Incorporated. The 33rd Degree is the final and highest degree a mason can achieve. It is awarded to those who have displayed a continuous and exceptional dedication to the principals of Freemasonry. Those principals include service and giving to the greater good of mankind, service to God, our community, our purpose and our fraternal orders. California in particular is very conservative in presenting this rare honor to its members. The people who make these decisions are very, very careful about the character of those who receive this honor. So I ask you with this very structured and complete process, how could any of us be guilty of such accusations by misguided, misinformed and unreasonable individuals? Our Board Members have dedicated a minimum of 32 years each to our fraternity. Some have served over 40 plus years, Donald Westbrooks and Eddie Thompson 33 years, Malcolm Westbrooks 32 years and Fred Young 42 years. The success of a Master Mason is measured by his dedication, philanthropy, service and character. Each MW Prince Hall Arms Board Member has served his local Lodge several terms as Worshipful Master (president of his lodge). We have also served our Grand Lodge in very key roles. Our President, Frederick B. Young Jr. is the founder and or a charter member of Several Masonic affiliates and has an extensive record of service to his country, community, church and fraternities.

He was elected to the Grand Lodge Board of Directors in 1992 and has served as its Vice President and President. Eddie Thompson was also elected to the Grand Board of Directors and served as Vice President. Our Vice President, Malcolm Westbrooks and board member Donald R. Westbrooks also have extensive records of service (See attached resumes) the same can be said for Donald R. Westbrooks and Eddie L. Thompson as well as our Berkeley Community Representative Iris Nelson. Master Masons viewed the Prince Hall Arms Project no different than any other community work. We all knew that it would involve a lot of our donated time, resources and money. If we were really lucky, a plaque as a token award would be received saying "well done" with the satisfaction of knowing we did something good for mankind, our Grand Lodge and our Community would be our reward. As Master Masons, we take an Oath of Obligation before being initiated. This Oath includes a pledge concerning cheating, wronging or defrauding a Mason or a Lodge of Master Masons. Another pledge has to do with obeying the constitution and by-laws of your Lodge and Grand Lodge. Any such action by a Master Mason would constitute Un-Masonic conduct. Neither Fred Young nor Malcolm Westbrooks have ever been accused, tried, or convicted under Masonic Law of any of these offenses. Even though both have been suspended and expelled for activities directly associated with their offices and duties as officers of the MW Prince Hall Arms Inc. Board of Directors. In our opinion these actions taken against us were arguably in direct violation of the Masonic Constitution and Oath of Obligation. However let me be perfectly clear that we are not here to debate Masonic Law we are here to resolve this case. Over the course of the last 19 years Fred Young and the Board of MW Prince Hall Arms Inc. have invested countless man hours, resources, money, creativity, emotional investments and time in an effort to provide quality affordable seniors housing for their community and to transform the blighted Prince Hall Grand Lodge and East Gate Lodge properties into useful housing, lodge and community space. I want to emphasize to you that all Masons understand that to gain recognition in our organization and to be considered a success, your performance is measured by your service and giving. The vision of the founders and members of MW Prince Hall Arms Inc. was to further the cause and mission of The Most Worshipful Prince Hall Grand F&AM. Because of that vision our families, our community, our local lodges and ourselves have unexpectedly been greatly damaged. We are community activists, volunteers and our efforts had nothing to do with financial gain. We also did not expect for our families, local lodges or our Grand Lodge to suffer as a result of our vision. In November 2009, we again attempted to save the project. Newly elected Grand Master Tommie Phillips signed a stipulation agreeing to pay Sean Buckley (Buckley Real Estate) \$72,000.00 in arrears owed to him on a bridge loan that was to be paid off with the Wells Fargo construction loan and make payments of \$6,500.00 per month until we could get the project funding restored.

The Grand Lodge made the initial payment and then defaulted on the monthly payments. This action has put our project in an almost insurmountable negative situation. A lien sale of the Berkeley Property is forth coming. I don't know why this agreement was not honored. We thought we had an agreement that would allow us to restore our funding and complete the project, but it again derailed our efforts. Were there other mistakes made during the course of this project? Yes. Were we forced to fight battles both internal and external to move the project forward? Yes. Were we victimized by forces both public and private by individuals who looked to use our labors for their own personnel gains? Yes. However since we obtained the services of our very competent, resourceful and well respected development consultant (James Peterson) our project has progressed. In all instances we have defended the character, integrity and honor of our Grand Lodge with the commitment and dedication that made us Master Masons, in all instances we have been successful in those defenses and our project has moved forward through the development process. We are seeking only what will make us whole again given the circumstances and if possible work together to repair the damage that has been done. We are prepared to sit down in mediation to see if we can come to some kind of settlement agreement and avoid more costly litigation. Personally all of the cash payments from me came from my retirement tax deferred account (457), which not only was stable and earning interest, but is required to pay the twenty percent tax penalty on each withdrawal. These are the funds that I donated to MW Prince Hall Arms Inc. for the legal defense against the Grand Lodge complaint. My family's future has been deeply impacted by my dedication to the project. Frederick B. Young Jr. has also suffered enormous debt, because of these unjust acts. Our Grand Lodge has also suffered because of this litigation and it was never our intent for that to happen. However despite the harm and injustice we have suffered we are again willing to work to bring resolution to this case that brings closure and if possible restore that which has been lost to all parties involved.

In closing for your information (The Late) James E, Gaskins and myself named our project Prince Hall Arms in honor the founder of African American Freemasonry in America. James designed our logo and I recommended that our motto be "OUR OPPORTUNITY TO BUILD OUR COMMUNITY" Our window of opportunity may still be open. How long? Not long. But for however long that window is open it is in the best interest of all involved, especially those of us who have vowed to serve our community to put our differences aside and work together to repair that which has been damaged.

Thank You for Your Kind Consideration.

