

**Delray Beach Elks #1770**

**265 NE 4<sup>th</sup> Avenue**

**Delray Beach, FL 33482**

**May 15, 2018**

Dear Member,

The officers, Board of Directors and I are very pleased to announce the completion of the current Lodge Renovation project. The entire space looks fantastic! We hope you are as delighted as we are with how our new Lounge turned out. There are some minor punch list items still outstanding, but we are back open for business as usual. Please stop by to see your new Lodge and enjoy the camaraderie and hospitality which Delray is known for. Have a meal and some libations and celebrate the new Lodge with us.

The Renovation project involved a large team of volunteers and contract personnel. We thank them for all they did to get the major project finished. Now that the proverbial dust has settled we know there is more that we can do to address many other opportunities which will make our Lodge environment even better. All the items listed below were identified by your Planning Committee throughout the past 9 months or so. It was decided to defer them for affordability and the manageability of additional scope of effort. We now have a terrific opportunity to address these outstanding items while at the same time reducing our financial obligations to a new mortgage lender – Center State Bank.

Our total current debt is just under \$350,000.00. This includes the roof loan as well as a new mortgage of \$250,000.00 we secured for the renovation. The current lender, Paradise Bank, combined these two notes into one. The current mortgage is a daily variable rate note with a nominal starting interest rate of 5.5%. While the terms were attractive at the time they are no longer appropriate. Our monthly payment for this loan has already increased by several hundred dollars and the payment is expected to continue to increase as the Federal Reserve Bank continues to increase rates to try and abate inflation. Your Board wants to secure a fixed and predictable monthly rate and payment in the uncertain inflationary economy we now face in the US.

Center State Bank, with offices in Delray Beach and elsewhere in Palm Beach County, has given us a preliminary indication of a fixed interest rate around 5% over 20 years. If we only refinance the existing mortgage we can significantly reduce our monthly payment. However, if we refinance the existing mortgage and take out additional equity of \$100,000.00 we can still reduce our monthly payment by almost \$700.00 and complete the projects identified below. Your Board of Directors and the Lodge officers recommend and support taking the additional equity to fund the projects identified herein.

Phase 3 projects include:

- Relocation and replacement of the existing (2) walk-in refrigeration units that are used for beer and food storage. These systems are old and antiquated. They will be replaced with new units costing approximately \$9700.
- Preparation of the house managers office and mail room to house the new refrigerators. Install dedicated electric circuits. Cost is estimated at \$1000.
- Demolition and reconstruction of the existing patio structure which currently houses the walk-in refrigerators. Removal of the entire structure and replacement of the partly failed roof which currently covers this part of the patio. The roof will be replaced by a blue awning like the one currently installed over the other part of the patio at an estimated cost of \$10,000.00. The demolition and repair of the wall/roof painting and construction of a cabinet to house the electric panels is estimated at \$10,000.00.
- Paint the entire rear patio floor at a cost of \$1500.00.
- Stucco the front façade of the Lodge building and paint it. The cost of the stucco work is \$6700.00 and the cost of painting the front of the building is \$1500.00.
- Refurbishment of the foyer and secretary/treasurer office. This includes replacement of flooring, finished surfaces on the foyer walls, installing a chair rail, bulletin board and fresh paint. Cost is estimated at \$6615.00.
- Refurbishment of the Lounge restrooms. This includes new flooring tile, wall tile where appropriate (men's room only), new counters and vanities, sinks and toilets. Also includes fixing/covering/removing the rotted/broken windows. Cost is estimated at \$15,000.00.
- Purchase new banquet hall chairs to replace the old broken chairs. This includes purchase of 250 chairs for a total cost of \$12,500.00.
- Paint the banquet hall. Cost is estimated at \$5000.00.
- Purchase 20 new lounge rotating bar stools at a cost of \$4700.00.
- Purchase 7 high top tables and chairs for the lounge at a cost of \$3000.00.

A special Lodge meeting will be held at 7:30 PM on June 5, 2018 to review and vote on the refinance proposal and Phase 3 projects.

**Sincerely,**

**Richard Snyder, Exalted Ruler**