

WoodmenLife Statement on the donation of the Woodmen Community Center

WoodmenLife and the Woodmen Foundation would like to thank the people of Kinston and Lenoir County for giving us the opportunity to work with you through the Woodmen Community Center and Lions Water Adventure Park for the past six years. As we get ready to donate the facility to the community, we wanted to take a minute to share our thoughts on this project and its evolution.

WoodmenLife and the Woodmen Foundation are separate entities, and both have a long history of supporting families and communities. As part of this mission, in 2011 the Woodmen Foundation entered into a Cooperation and Development agreement with the city of Kinston and Lenoir County to build a community center. This was a pilot project for the Woodmen Foundation, and we worked closely with the local municipality. Our plan was to build the center and test the concept for a five year period to see if this model could be duplicated in other parts of the country.

At the end of the evaluation period, we determined that the Community Center was not something we could duplicate in other markets. During that five-year time period, WoodmenLife underwent a re-structuring of our Fraternal benefits and programs, and the concept of a Community Center no longer fits in with our offerings.

In order to initially build the Woodmen Community Center, the Woodmen Foundation secured a loan for \$9.7 million. In addition, the county, city and private parties donated \$5.1 million for the project. Over the years, the Community Center has been profitable and has brought in a net income of more than \$2,465,000 since its inception. While the net income was enough to pay the mortgage payments, the center would clearly be better situated for the future if there were no mortgage responsibilities.

To that end, WoodmenLife plans to acquire the property from the Woodmen Foundation, absorb the \$9.35 million debt still remaining on the mortgage, and transfer ownership of the facility to the community free and clear of that debt. This will remove the responsibility of those payments from the city, and allow the Community Center to remain profitable going forward.

WoodmenLife believes that the Community Center belongs with the people of Kinston and Lenoir County. We want to protect the city and county's investment in the facility by keeping the money that was raised there in the community. By donating the center back to the people that funded it, we are protecting their investment.

The Woodmen Foundation has enjoyed being part of the Woodmen Community Center and working with the city of Kinston and Lenoir County. We are happy to be able to transfer ownership of the facility to local hands, where it belongs. We know that it will continue to serve the community as a profitable venture and a great place for citizens to spend time.