

Mr. John A. Rush, Los Angeles, Calif.
Jan. 4, 1940

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needed to maintain a satisfactory condition, but keeping in mind that in ten or fifteen years the present house will have served its purpose and a new one will be needed. Consequently, no major additions to the house have been made; the money for this instead has been and will be applied toward the mortgage.

We have a sinking fund which is in the nature of a savings account and amounts at this time to approximately \$1,500. This fund is made up of house note payments and is never used for general expenses. We hope to build this up sufficiently to have a sizable fund toward the down payment on a new house.

You may be certain that we will apply all available income which is not required for other expenditures toward the reduction of the mortgage. In those years in which the repairs and replacements can be held to a minimum, and if the chapter can meet the full rent requirement, it should be possible to pay \$1,500 on the mortgage per year. The problem we face, as you can understand, is keeping the income of the chapter up sufficiently to pay the rent in full each year, and at the same time making repairs and replacements only as they are needed to maintain the house and furniture in a satisfactory condition. When we began working with the chapter they were several thousand dollars in debt for furniture and were only paying \$500 a month in rent. We have gradually been able to increase the operating efficiency of the chapter up to a point where it is now possible to pay cash for the new furniture and repairs without eliminating any parts of the chapter program itself.

Your interest in this matter is certainly appreciated and I hope that you will continue to offer suggestions and comments from time to time.

Yours very truly,

FRATERNITY MANAGEMENT, INC.

By *Char. L. Salloway*

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