



VALLABH PRITI SEVA SAMAJ OF HOUSTON, INC.

11715 Belfort Village Drive, Houston, TX 77031-2629

A WIN – WIN PLAN TO REDUCE INTEREST EXPENSE FOR VPSS!!!

HISTORICAL FACTS:

In order to construct Texas Nathdwara Project, VPSS Board of Trustees had decided to fund the project in three ways: (1) Donations (2) Bank Loan and (3) Loans from the Members and well-wishers. Most of the funds needed were raised via direct donations. Following is the history of various loans made to VPSS.

BANK LOAN:

Lender:	Chase Bank
Bank Approved Loan Amount:	\$2,900,000
Actually Borrowed:	\$ 994,000 (One third of approved amount!)
Date of Loan:	October 2006
Interest Rate:	6.50% Fixed
Balance as of September 2009:	\$ 250,000 (Paid off almost \$750,000!!)

LOANS FROM MEMBERS & WELL WISHERS:

Total Amount of Loans:	\$1,739,000
Loans Converted into Donations:	\$ 260,000
Loans Paid Off:	\$ 24,000
Balance Due (Without Interest):	\$ 345,000
Balance Due (With Interest):	\$1,110,000

HERE IS THE PROPOSAL:

If 275 families loan \$5,000 each, we can pay off the Bank loan as well as all loans larger than \$5,000 previously made by our members.

HOW WILL IT HELP VPSS?

It will help us reduce the interest expense by APPROXIMATELY \$25,000 a year

HOW WILL IT BENEFIT WELL WISHERS WHO LOAN \$5,000?

Well wishers will earn more than what they can earn at the bank because VPSS will pay Wells Fargo CD Rate + 1%

WHAT ARE THE OTHER LOAN CONDITIONS?

Interest will be paid annually by January 15th of each year for the previous year.
Loan will be paid back any time on demand. No questions asked.
Loan will be personally guaranteed by any two of the following Trustees
Sureshbhai Patel, Niranjanbhai Patel, Dr. Vipulbhai Patel
Rameshbhai Parikh, Dr. Pankajbhai Shah and Rajanibhai Shah

WHO CAN MAKE THE LOAN? Any one. One need not be a member of VPSS.