

RULES AND PROCEDURES
OF THE ALPHA BUILDING FUND
(as adopted 30 July 2009)

Section 1
Introduction to the ABF

1.1 The Alpha Building Fund (“ABF”) was established in 1956 by Chi Psi Fraternity (“Fraternity”) to provide each Alpha of Chi Psi with a disciplined and formal way to accumulate the funds needed for the purpose of maintaining or purchasing a Lodge. Originally known as the Insurance Program for Future Capital Funds, the name was changed to the Alpha Building Fund in 1959. In 1963, the board of trustees of the Philip Spencer Memorial Trust (“PSMT”) adopted a resolution to hold, manage, and invest the ABF assets on behalf of Chi Psi Fraternity. In 2007, Chi Psi Fraternity adopted a resolution to transfer to the holding, management, and investment of the ABF assets from the PSMT to the Fraternity.

1.2 With the establishment in 2007 of Spencer Properties, LLC (“Spencer Properties”), the Fraternity’s limited liability company established to assist the Fraternity and the Alphas in the acquisition and maintenance of Lodges, the need for a designated savings fund for the purchase of a Lodge for those Alphas without Lodges diminished. In addition, Chi Psi Fraternity has recognized that its Alphas have different maintenance requirements based upon their ownership structure and relationship with their host institution. In 2009, Chi Psi Fraternity amended the Rules and Procedures of the ABF to reflect these differences so as to provide a national, mandatory savings plan funded by Alphas for Lodge expenses commiserate with each Alpha’s Lodge requirements. In addition, the Fraternity transferred the holding, management, and investment of the ABF to Spencer Properties.

Section 2
Management

2.1 All assets of the ABF shall be held and managed by Spencer Properties, subject to the Executive Council of the Fraternity (“Executive Council”) as set forth herein and in the Operating Agreement of Spencer Properties, on behalf of each Alpha of Chi Psi Fraternity.

2.2 For purposes of managing the ABF, Spencer Properties and the Executive Council shall follow the rules and procedures set forth herein.

2.3 For investment and management purposes, the funds of each Alpha’s ABF account may be invested together or separately provided that Spencer Properties maintains an accurate record of each Alpha’s separate account.

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Section 3
Categorization of Alphas

3.1 For the purpose of determining an Alpha's applicable contribution and withdrawal requirements, the Executive Council by majority affirmative vote shall designate each Alpha into one of five ABF categories set forth in section 3.2. The Alpha designations shall be attached hereto as Appendix A.

3.2 The five ABF categories shall be as follows:

3.2.1 **Full Lodge.** Full Lodge category encompasses Alphas that own or have a long-term lease on a Lodge that provides for living areas and common space, such as social, recreational, and/or dining areas, for which the Alpha or Alpha's Alumni Corporation is responsible for routine and preventative maintenance, renovations, and common area furnishings.

3.2.2 **Small Lodge.** Small Lodge category encompasses Alphas that own or have a long term lease on a Lodge that provides for common area space, such as social, recreational, and/or dining areas, for which the Alpha or Alpha's Alumni Corporation is responsible for routine and preventative maintenance, renovations, and common area furnishings. Unlike those in the Full Lodge category defined in Section 3.2.1, Small Lodges generally have limited or no living areas.

3.2.3 **Rental.** Rental category encompasses Alphas that rent a Lodge that provides for living areas and common space, such social, recreational, and/or dining areas for which the Alpha or Alpha's Alumni Corporation is responsible for common area furnishings. Unlike those Alphas designated as Full Lodge that maintain a long term lease on their Lodge, Rentals generally have short term leases that do not place general maintenance requirements on the Alpha's Alumni Corporation.

3.2.4 **Residence Hall.** Residence Hall category encompasses Alphas that have designated living and common areas in a University-owned dormitory for which the Alpha or Alpha's Alumni Corporation is responsible for common area furnishings.

3.2.5 **No Lodge.** No Lodge category encompasses Alphas that do not have a common, shared space, to be furnished or otherwise maintained by the Alpha for its exclusive use.

3.3 Although the ABF categories set forth in section 3.2 provide general characteristics of the different types of housing and common area arrangements of the Alphas, certain Alphas may not fit squarely within any such ABF category. The Executive Council shall nonetheless assess the characteristics of each Alpha and designate each Alpha pursuant to section 3.1.

3.4 The Executive Council by majority affirmative vote may change an Alpha's designation, however, any change in an Alpha's designation that results in an increase in an Alpha's contribution requirement shall not take effect until at least the next semester after notice has been provided to such Alpha. The Executive Council shall consider the effect of an Alpha's billing schedule in determining the effective date of the change of an Alpha's designation.

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3.5 An Alpha may petition the Executive Council to request a change to such Alpha's designation. Each written request shall consist of the following:

3.5.1 A signed letter from the #1 of the Alpha stating the reason for the request and a statement that the Alpha membership is in general agreement with the request; and

3.5.2 A signed letter from the Alpha's Alumni Corporation President stating the reason for the request and that the Corporation membership is in general agreement with the request.

3.6 Upon receipt of a petition to request a change to an Alpha's designation, the petition shall be heard by the full Executive Council at the next regularly scheduled meeting of the Executive Council or in a special meeting of the Executive Council held in accordance with the Executive Council's rules for meetings. The petition shall be discussed by the Executive Council and, after such discussion, the Executive Council shall vote on the request. If a majority of the members of the Executive Council eligible to vote vote in the affirmative to change the Alpha's designation, the petition is approved and shall be subject to the notice provisions set forth in Section 3.4.

Section 4
Contributions

4.1 Each Alpha shall make ABF contributions to its ABF account and shall file ABF contribution reports on or before the fifteenth day of November ("Fall Contribution") and the fifteenth day of March ("Spring Contribution") in each calendar year.

4.2 The amount of each Alpha's contribution shall equal the number of active brothers on the Alpha's Fall Roster for the Fall Contribution and Spring Roster for the Spring Contribution multiplied by the applicable ABF rate.

4.3 The applicable ABF rates shall be set by the Executive Council as part of the Fraternity's fiscal year budget process.

4.4 If an Alpha fails to properly or timely file its Fall Roster or Summer Roster or if an Alpha fails to timely make its ABF contribution, such Alpha will automatically be placed on ABF penalty status.

4.5 Additional, voluntary contributions may be made to the ABF on behalf of any particular Alpha. In such an event, the donor shall specify to which Alpha the donation is to be credited.

Section 5
Accounting

5.1 A system of accounts shall be created and maintained that is appropriate for managing the ABF.

5.2 Each Alpha shall have its own separate account.

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5.3 The Central Office shall provide semi-annual reports of each Alpha's separate ABF account to the Alpha's #1 and to the Alpha's Alumni Corporation president. The semi-annual reports shall show the balance of the Alpha's account and provide a summary of account activity.

Section 6
Withdrawals

6.1 Each Alpha's ABF account exists to provide the Alpha with funds for the approved purposes that are listed in section 6.3. Withdrawals are permitted for these uses only.

6.2 Withdrawals from an ABF account may be made by any Alpha for the purchase of a Lodge or for the purchase of real property on which to build a Lodge if, after the funds are withdrawn, the ABF account continues to have a balance of at least \$100.00.

6.3 Any withdrawal other than those pursuant to section 6.2 shall be governed by the following requirements:

6.3.1 **Full Lodge.** Withdrawals from an ABF account of an Alpha designated as a Full Lodge shall be governed as set forth within this section 6.3.1.

6.3.1.1 Withdrawals from an ABF account may be made for major renovations and repairs to the Lodge itself if, after the funds are withdrawn, the ABF account continues to have a balance of at least \$15,000.

6.3.1.2 Withdrawals from an ABF account may be made for emergency purposes if, after the funds are withdrawn, the ABF account continues to have a balance of less than \$15,000 but more than \$250. Examples of emergency purposes are governmentally mandated repairs, college or university mandated repairs, insurance company mandated repairs, plumbing repair, electrical repair, or heating and air conditioning repairs. The determination whether a particular instances is an emergency for purpose of this section 6.3.1.2 shall be made by the Withdrawal Committee in its sole discretion.

6.3.1.3 Withdrawals from an ABF account may be made by an Alpha for the purchase of personal property items to be used in the Lodge if, after the funds are withdrawn, the ABF account continues to have a balance of at least \$30,000. However, an Alpha may not withdraw more than \$5,000 in any 12 month period pursuant to this subsection unless, in the Withdrawal Committee's sole discretion, the Alpha and Alpha Alumni Corporation have demonstrated a substantial need for such a withdrawal.

6.3.2 **Small Lodge.** Withdrawals from an ABF account of an Alpha designated as a Small Lodge shall be governed as set forth within this section 6.3.2.

6.3.2.1 Withdrawals from an ABF account may be made for major renovations and repairs to the Lodge itself if, after the funds are withdrawn, the ABF account continues to have a balance of at least \$10,000.

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6.3.2.2 Withdrawals from an ABF account may be made for emergency purposes if, after the funds are withdrawn, the ABF account continues to have a balance of less than \$10,000 but more than \$250. Examples of emergency purposes are governmentally mandated repairs, college or university mandated repairs, insurance company mandated repairs, plumbing repair, electrical repair, or heating and air conditioning repairs. The determination whether a particular instances is an emergency for purpose of this section 6.3.1.2 shall be made by the Withdrawal Committee in its sole discretion.

6.3.2.3 Withdrawals from an ABF account may be made by an Alpha for the purchase of personal property items to be used in the Lodge if, after the funds are withdrawn, the ABF account continues to have a balance of at least \$20,000. However, an Alpha may not withdraw more than \$5,000 in any 12 month period pursuant to this subsection unless, in the Withdrawal Committee's sole discretion, the Alpha and Alpha Alumni Corporation have demonstrated a substantial need for such a withdrawal.

6.3.3 ***Rental, Residence Hall, or No Lodge.*** Withdrawals from an ABF account of an Alpha designated as a Rental, Residence Hall, or No Lodge may be shall be governed as set forth within this section 6.3.3.

6.3.3.1 Withdrawals from an ABF account may be made by an Alpha for the purpose of the purchase of personal property items to be used in the Lodge if, after the funds are withdrawn, the ABF account continues to have a balance of at least \$250. However, an Alpha may not withdraw more than \$5,000 in any 12 month period pursuant to this subsection unless, in the Withdrawal Committee's sole discretion, the Alpha and Alpha Alumni Corporation have demonstrated a substantial need for such a withdrawal.

6.4 To withdraw funds from an ABF account, an Alpha must send a written request to the Executive Director of Chi Psi Fraternity at the Central Office.

6.5 Each written request shall consist of the following:

6.5.1 A signed letter from the #1 of the Alpha stating the reason for the request, how the money will be used, and a statement that the Alpha membership is in general agreement with the request; and

6.5.2 A signed letter from the Alpha's Alumni Corporation President stating the reason for the request, how the money will be used, and that the Corporation membership is in general agreement with the request; and

6.5.3 If the money withdrawn from the ABF account is to be used for repairs or improvements, each written request must be supplemented by a copy of a written contract or bid from the contractor who will perform the repairs; or

6.5.4 If the money withdrawn from the ABF account is to be used to purchase personal

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property items for the Lodge, the written request must be supplemented by a copy of a sales receipt or other documentation of the cost of the items to be purchased.

6.6 The Executive Council shall appoint an ABF Withdrawal Committee (“Withdrawal Committee”) to rule on ABF withdrawal requests. The Withdrawal Committee shall be composed of three members of the Executive Council or Spencer Properties, excluding the Executive Director of Chi Psi Fraternity, as the Executive Council shall from time to time provide.

6.7 Upon receipt of a written withdrawal request, the Executive Director of Chi Psi Fraternity shall provide each member of the Withdrawal Committee a copy of the complete withdrawal request as soon as practical.

6.8 Each ABF withdrawal request shall be reviewed and discussed by the Withdrawal Committee as soon as practical. After such review and discussion, the Withdrawal Committee shall vote on the withdrawal request. If a majority of the members of the Withdrawal Committee shall vote in the affirmative to approve the withdrawal request, such withdrawal request is approved. The Withdrawal Committee may approve the withdrawal request in full or in an amount lesser than the amount requested in the withdrawal request.

6.9 If a majority of the Withdrawal Committee does not vote to approve the withdrawal request or if the Withdrawal Committee approves the withdrawal request but in an amount lesser than the amount requested, the Alpha making such withdrawal request may appeal the decision of the Withdrawal Committee to the full Executive Council. If the Alpha makes such an appeal, the withdrawal request will be heard by the full Executive Council at the next regularly scheduled meeting of the Executive Council or in a special meeting of the Executive Council held in accordance with the Executive Council’s rules for meetings. The original withdrawal request shall be discussed by the Executive Council and, after such discussion, the Executive Council shall vote on the withdrawal request. If a majority of the members of the Executive Council eligible to vote vote in the affirmative to approve the withdrawal request the withdrawal request is approved. The Executive Council may approve the withdrawal request in full or in an amount less than the amount requested in the withdrawal request.

6.10 Whenever a withdrawal request is approved, the Executive Director of Chi Psi Fraternity shall distribute the amount of the approved withdrawal request to the Alpha’s Alumni Corporation President without any needless delay.

6.11 It is appropriate for an Alpha to send photographs or written descriptions of the repairs, improvements made, or items purchased with the approved ABF withdrawal, to the Executive Director of Chi Psi Fraternity.

Section 7
Penalty Status

7.1 The Withdrawal Committee may place an Alpha on penalty status by a simple majority affirmative vote of the members of the Withdrawal Committee.

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7.2 An Alpha may be placed on penalty status for the reasons set forth herein or for any flagrant abuse of its ABF as determined in the sole discretion of the Withdrawal Committee.

7.3 Such penalty status shall last for a period of time as determined by the Withdrawal Committee.

7.4 An Alpha that is placed on penalty status may appeal the decision to place it on penalty status by submitting a written request to be heard at the next meeting of the Withdrawal Committee.

7.5 An Alpha on penalty status shall make ABF contributions at a rate equal to 200% of the applicable ABF contribution rate for the duration of the time period of the penalty status.

**Section 8
Hardship Cases**

8.1 Notwithstanding anything else to the contrary in these rules, the Executive Council may, upon a case by case basis, and for any cause whatsoever, reduce or eliminate the ABF contribution for a particular Alpha for any one or more semi-annual contribution period or periods.

8.2 Any action to reduce or eliminate the ABF contribution under this section requires the affirmative vote of three-fourths of all elected members of the Executive Council.

**Section 9
Miscellaneous; Amendment**

9.1 Unless specifically stated otherwise, any item required to be reduced to written form by these rules may be submitted via electronic mail.

9.2 These Policies and Procedures may be amended by majority affirmative vote of the Executive Council.

9.2 Any action required to be taken at a meeting of the Withdrawal Committee or the Executive Council, including any action required to be taken at the next regularly scheduled meeting of the Withdrawal Committee or Executive Council meeting, may be taken at a special meeting of the Withdrawal Committee or Executive Council.

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Appendix A

Categorization of Alphas Pursuant to Section 3.1

Type	Alpha
Lodge	Alpha Delta Beta Beta Delta Delta Delta Epsilon Epsilon Delta Eta Delta Iota Iota Delta Nu Omicron Delta Psi Rho Sigma Theta Delta Xi Zeta Delta
Small Lodge	Tau Delta
Rental	Chi
Residence Hall	Mu Delta Pi Sigma Delta Upsilon Delta
No Lodge	Chi Delta Omega Delta Phi Pi Delta Rho Delta Xi Delta