

Rules and Procedures of the Alpha Building Fund

(as adopted - 2 August 2007)

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 For those Alphas that have Lodges, the ABF works to ensure that these Alphas have a mandatory savings plan so that money will be available for the repair and maintenance of their Lodges.

1.3 For those Alphas that do not have a Lodge, the ABF works to ensure that these Alphas have a mandatory savings plan so that money may be accumulated to use for the purchase of a Lodge when such purpose becomes possible on such campus.

Section 2 Management

2.1 All assets of the ABF shall be held and managed by the Executive Council of the Fraternity (“Executive Council”) on behalf of each Alpha of Chi Psi Fraternity.

2.2 For purposes of managing the ABF, 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 the Executive Council maintains an accurate record of each Alpha’s separate account.

Section 3 Contributions; Reports

3.1 Each Alpha shall make ABF contributions to its ABF account and shall file ABF contribution reports on or before the first day of October and the first day of March in each calendar year.

3.2 The amount of each Alpha's contribution shall equal the sum of:

- (a) the number of active brothers currently on the rolls of the Alpha multiplied by the ABF rate, plus
- (b) for those Alphas where assignment of persons to live in the Lodge is not controlled by their host institution, the total number of those persons (other than matrons or similar persons) who live in the Lodge and who are neither members nor pledges of Chi Psi Fraternity multiplied by 150% of the ABF rate.

3.3 The ABF rate shall be set by the Executive Council by majority affirmative vote and may be modified from time to time.

3.4 The Executive Council shall ensure that sufficient notice of any change in the ABF rate is sent to each Alpha in time for it to budget for the change in its ABF contribution.

3.5 The following rules shall apply to the determination of the number of active brothers.

(a) Only those active brothers currently on the rolls of an Alpha are counted to determine the ABF contribution. Pledges are not counted.

(b) Any initiated brother who has not graduated and continues to attend classes, or who is living in the Lodge, or who lives on campus and regularly attends formal meetings, informal meetings, or social events shall count in the determination of the amount of the ABF contribution.

(c) Any brother who is enrolled in a graduate studies program and who regularly attends formal meetings, informal meetings, or social events shall count in the determination of the amount of the ABF contribution.

(d) For the purposes of calculating the ABF contribution, no regard shall be given to whether a brother is married or single if such brother continues regularly to attend formal meetings, informal meetings, or social events at the Alpha.

(e) For the purposes of calculating the ABF contribution, no regard shall be given to whether a brother has gone beyond the traditional four years of academic study if such brother continues regularly to attend formal meetings, informal meetings, or social events at the Alpha.

3.6 Each Alpha shall file an ABF contribution report with the Central Office. Such report shall set forth:

(a) the names of all active brothers counted in the determination of the Alpha's ABF contribution;

(b) the names of all active brothers who were not counted in the determination of the ABF contribution and an explanation of why such active brothers were not counted; and

(c) the names of all those persons who live in the Lodge and who are not members nor pledges of Chi Psi Fraternity.

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

3.8 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 4 Accounting

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

4.2 Each Alpha shall have its own separate account.

4.3 The Central Office shall provide quarterly reports of each Alpha's separate ABF account to the Alpha's #1 and to the Alpha's Alumni Corporation president.

4.4 The quarterly reports shall show the balance of the Alpha's account and provide a summary of account activity.

4.5 The first such quarterly report shall be distributed by the fifteenth day of January each year and the second such report shall be distributed at the Fraternity's annual Convention.

4.6 The Central Office shall take all necessary steps to ensure that access to ABF financial statements and accountings is available through the Chi Psi Fraternity website, if it is possible to ensure password protection.

Section 5 Withdrawals

5.1 Each Alpha's ABF account exists to provide the Alpha with funds for the approved purposes that are listed in sections 5.2 through 5.5. Withdrawals are permitted for these uses only.

5.2 Withdrawals from an ABF account may be made by an 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.

5.3 Withdrawals from an ABF account may be made by an Alpha 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 \$10,000.00. Examples of major renovations or repairs are kitchen remodeling, roof repair, window replacement, carpeting, paneling, plumbing, electrical, floor repair or refinishing, etc.

5.4 Withdrawals from an ABF account may be made by an Alpha for emergency purposes if, after the funds are withdrawn, the ABF account continues to have a balance of less than \$10,000.00. 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 instance is an emergency for purposes of this section 5.4 shall be made by the board of trustees of the PSMT in their sole discretion.

5.5 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 \$50,000.00. Examples of personal property items are furniture, televisions, stereo components, pool tables and accessories, lamps, meeting room improvements, banners, paintings, door seals, etc.

5.6 To withdraw funds from an ABF account, an Alpha must send a written request to the Executive Director at the Central Office.

5.7 Each written request shall consist of the following:

(a) 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

(b) 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

(c) 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

(d) if the money withdrawn from the ABF account is to be used to purchase personal 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.

5.8 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, excluding the Executive Director, as the Executive Council shall from time to time provide.

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

5.10 Each ABR 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.

5.11 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.

5.12 Whenever a withdrawal request is approved, the Executive Director shall distribute the amount of the approved withdrawal request to the Alpha's Alumni Corporation President without any needless delay.

5.13 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.

Section 6 Penalty Status

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

6.2 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.

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

6.4 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.

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

Section 7
Non Chi Psi Lodge Residents

7.1 Some Chi Psi Lodges have residents who are not members of Chi Psi Fraternity. In such situations, such non Chi Psi residents shall be counted for the determination of the ABF contribution.

7.2 In accordance with section 3.2, such Alphas shall pay 150% of the ABF rate for each non Chi Psi Lodge resident.

7.3 Failure of the Alpha to properly report and pay for non Chi Psi residents shall cause the Alpha to be put on penalty status.

Section 8
Alphas without Lodges

8.1 If an Alpha does not have a Lodge and if such Alpha has a balance of at least \$50,000.00 in its ABF account, then such Alpha may petition the Executive Council to have its ABF rate reduced to an amount equal to fifty percent (50%) of the then current ABF rate.

8.2 For all requests to make an ABF contribution based on the reduced ABF rate payment, an Alpha's #1 must submit a request to the Executive Director. Such request must:

- (a) be in writing;
- (b) state that two-thirds (2/3) of the active members Alpha agree to the request;
- (c) acknowledge that the active members understand that the reduced contribution will adversely affect the Alpha's ability to acquire a Lodge in the future, if an opportunity arises;
- (d) acknowledge that the Executive Council's approval of the request would only cover the coming academic year and that a new request must be made for each academic year;
- (e) be accompanied by a signed letter from the Alpha's Alumni Corporation president which states that a majority the Alumni Corporation's board of trustees agree to the request, and that they understand that the reduced contribution will adversely affect the Alpha's ability to acquire a Lodge in the future, if an opportunity arises;
- (f) be postmarked at least twenty-eight (28) days and received by the Executive Director at least fourteen (14) days prior to the Convention meeting of the Executive Council.

8.3 If the reduced ABF contribution is not received by the due date, the ABF contribution reverts to the full ABF rate.

8.4 If an Alpha is making the ABF contribution at the reduced rate and the balance in its ABF account falls below \$50,000.00, then such Alpha's ABF contribution reverts to the full ABF rate.

8.5 The privilege of making the ABF contribution at the reduced rate is valid for one year and must be renewed annually.

8.6 It is incumbent upon the Alpha to follow the guidelines set forth herein for utilizing the reduced ABF contribution rate. Neither the Executive Director, the staff of the Central Office, nor the board of directors of Spencer Properties, LLC are in any way responsible for reminding any Alpha that it must timely renew the privilege of making the reduced ABF contribution.

Section 9 Hardship Cases

9.1 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.

9.2 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 10 Miscellaneous; Amendment

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

10.2 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 or be taken at a special meeting of the Withdrawal Committee or Executive Council.

10.3 These rules may be amended by a majority affirmative vote of the Executive Council at any regular scheduled meeting at which prior notice of the proposed amendment has been provided to the #1's of all Alphas and presidents of Alpha Alumni Corporations at least thirty (30) days prior to such meeting. The Executive Council may waive the thirty (30) day notice by a three-fourths affirmative vote of the board of directors.

APPENDIX A:

Current and future rate schedule for the ABF contribution rate.

ABF Contribution Period	ABF Rate
Fall 2001	\$27.50
Spring 2002	\$30.00
Fall 2002	\$32.50
Spring 2003	\$35.00
Fall 2003	\$37.50
Spring 2004	\$40.00
Fall 2004	\$42.50
Spring 2005	\$45.00
Fall 2005	\$47.50
Spring 2006	\$50.00