

We Need Email Addresses

News of Alpha Delta campaign activities and prospects for the sale of the house is being issued almost weekly via email. If you haven't been getting emails, it means we do not have your email address. Please send your address to rpm163@psu.edu.

This is the most efficient and cost effective means of keeping in touch with our alumni. Please do not put off sending your e-mail address or an address of another brother. Our future communication with each other is at stake.

CONTACT US

If you have questions or comments regarding the campaign, the future of the house, or Alpha Delta in general, please contact:

Campaign Chairman
Bob Martin '87
814-571-2755; rpm163@psu.edu

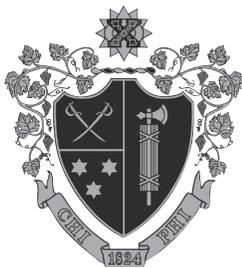
Ready to make your pledge?

Detach page 3 of this newsletter, complete the form, and mail it to: Alpha Delta Chapter of Chi Phi Fraternity, The Pennsylvania State University, Capital Campaign Processing Center, P.O. Box 7007, Albert Lea, MN 56007-8007

ON THE WEB

Stay connected to the latest Alpha Delta news online at www.chiphi-psu.org.

If you don't yet have a password, use your Member ID to follow the First Time Login link on the site. You can find your Member ID printed above your username and password on this site.



Alpha Delta DATA

Alpha Delta Chapter of Chi Phi at Penn State • www.chiphi-psu.org • February 2011

CAMPAIGN UPDATE

Two Options on House Sale

Immediate Alumni Support Needed To Prevent Sale

The Alpha Delta Alumni Association has raised over \$1.2 million in written pledges so far in the campaign to save the Chapter House. To keep the momentum going, the campaign needs to reach \$1.725 million by March 31 in the effort to obtain \$2.25 million for renovation and for the maintenance fund.

It is dismaying that only 29% of alumni have pledged anything toward the campaign (281 out of 981). Unless immediate support is forthcoming, it appears that the efforts to keep the Alpha Delta Chapter of Chi Phi at Penn State will be unsuccessful.

If anyone is on the fence, now is the time to get off. There is a strong leadership group of alumni spearheading the effort to bring the chapter back with safeguards against the house being mistreated by the actives. Please see an abbreviated business plan on page 2 of this issue. You will also find a Q&A answering some of the questions that have arisen on page 4.

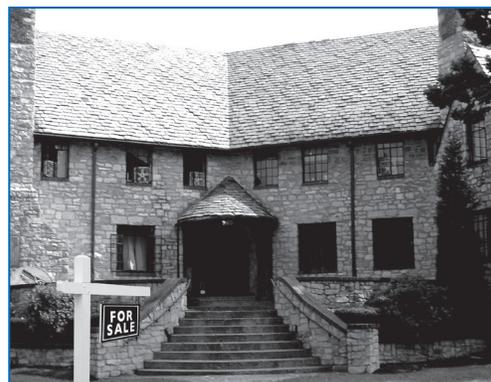
Meanwhile, the leadership group is running out of money to carry the chapter house much longer, and is also disappointed that so many have not yet stepped up to support the renovation.

Bringing in a Realtor

Therefore, the Alumni Association has interviewed realtors and has chosen one to find a buyer. Of course, if we receive an influx of pledges getting us back on track towards our overall goal, the sale will be put off. *[Ed. Note: At the time of this publication, we have seen a steady stream of new pledges. We MUST carry this momentum if we want to keep our house].*

Sale to Greek Housing Alliance

A second option has arisen which involves selling the House to the Greek Housing Alliance, LLC. This group buys fraternity houses throughout the country and leases them back to fraternities. They would give Chi Phi the first right of refusal to lease the property IF it is



We can't let this happen to our house!

available and not already leased to another fraternity. Or, they could do the renovation and lease it directly to Chi Phi if a colony is ready.

Or, the Alumni Association could enter into a long-term land lease with Greek Housing Alliance, LLC. The property would be renovated and brought up to code at the expense of Greek Housing Alliance, LLC. They would then sub-lease the building with a short-term lease to a currently active fraternity on the Penn State campus. On a predetermined date, Chi Phi Fraternity would have the option of moving back into the property by entering into a long-term lease arrangement with Greek Housing Alliance, LLC.

This option gives the Chi Phi time to re-establish an active chapter and have the property remain the Chi Phi house managed by Greek Housing Alliance, LLC. The cost of the lease is not known at this time so the Association does not know if it will be affordable. If the Association cannot re-establish an active chapter by a predetermined date, then the Greek Housing Alliance will have the right to purchase the property at that time.

Recapping the Plan

Campaign Chair **Bob Martin '87** stated recently that, "Our strategy over the past 18 months or so has been to concentrate on the younger eras

(Continued on Page 2)

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of the '80s through '00s, and then leverage this success with a large push in the '70s, '60s, '50s and '40s. We pushed through our intermediate goal of \$1,000,000 and had a good participation rate with the younger classes, but we slowed to a snail's pace up until about a month ago. Only until recently, when the urgency of our situation seemed so dire, did the participation increase dramatically."

We have always done our best to be good stewards of your money and of the house we all own. As such, here is the financial situation. Our house was appraised around five years ago at about \$800,000. We do not want to spend any more money in another appraisal, but we conservatively estimate that it might now be worth \$650,000. We currently carry a first and second mortgage of approximately \$325,000. This leaves us with approximately \$325,000 in equity. If we take provisions of \$100,000 for a safety factor and liquidation cost, it leaves us

with a working equity of \$225,000. To date, we have had \$135,000 in cash already donated to this capital campaign which had been spent in paying the ~\$60,000/year annual operating cost (mortgage, taxes, insurance, and miscellaneous costs).

We were out of money; however, four brothers agreed to loan money to the house at the rate of \$5,000 per month to let us continue fundraising. To date, these loans amount to \$70,000 and they are guaranteed by the equity in the home (after the first two mortgages). The \$135,000 already donated stands last in line. If you do the math, you see that with our safety factors, we no longer have equity to provide protection for the \$135,000 already donated at this time. It's official - we have now put this \$135,000 that some of you have already paid on your pledge commitments at risk of not being paid back."

Pledges and Volunteers Needed

This is why the Association needs your pledges TODAY. Volunteers are also needed to call other members of each class to join in. If any can help call your pledge brothers, let Bob Martin know by calling him at 813-571-2755 or drop him an email at rpm163@psu.edu.

The house at 360 E. Hamilton Ave. belongs to Chi Phi. It is up to us to save it. **If we don't rally together to maintain ownership of our house, who will?** If you've already supported the campaign, *thank you*, and if you're able, please consider increasing your level of commitment during this dire time. If you have not yet made a pledge, *please* return the pledge form on page 3 with your commitment. Your brothers – and the house – are counting on you.

The Plan for Chi Phi's Future

Below is an abbreviated version of the plan that the AD House Association developed several years ago when it started its fundraising. It is hoped that this will help you feel comfortable in donating to the *Foundation for the Kingdom* capital campaign.

Background

- * Fraternities offer a unique maturing experience to learn leadership and create lifelong friendships.
- * The Chi Phi house at Penn State has significantly deteriorated over the last 25 years.
 - Little money has been spent on maintenance.
 - Actives have not treated the house with respect.
 - Poor house condition breeds sub-par brothers.
- * Other fraternities are raising millions for renovations.
- * Chi Phi was closed in 2008 due to a sprinkler ordinance and need for repairs.
- * The House needs renovations to attract quality actives.
- * A more effective House/Alumni Association has been developed to oversee the project. (26 alumni are overseeing the plan to rebuild the chapter).

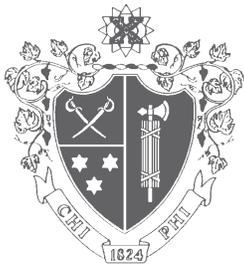
The Plan

- * Improve active/alumni relations.
 - Implement and maintain quarterly Alumni Assoc. meetings. Track performance of agenda items on web site.
 - Increase alumni engagement and interest in Chi Phi. Improve web site and annual outings/events.
 - Fill all 24 House Assoc. leadership/committee positions shown in full plan.
- * Raise \$2.25 million for renovations and maintenance fund. Renovations are being repriced.
 - A self-sustaining maintenance fund of \$500,000 will assure long-term maintenance and upkeep.
 - Grant high-donors room naming rights. \$1.2 million raised to date.
- * Re-colonize the chapter with high caliber young men.
 - Develop best practice rush program with National's help with New Member Program.
 - Develop requirements to qualify as Rush Chairman.
 - Recruiting events will be dry/semi-dry
 - Recruit young campus leaders.
 - Alumni to assist in setting goals and review.
- Some alumni will help in the actual recruitment and rush.
- * Rebuild the Active Brotherhood and culture.
 - Raise the standards & expectations for actives and chapter.
 - Use University's "Standard of Excellence" for fraternities.
 - Continue with Brotherhood Board
 - Increase philanthropy and campus leadership.
 - Maintain House GPA above 3.0.
 - Give actives defined goals/expectations; hold them accountable weekly.
 - End all hazing once and for all.
- * Implement effective and reasonable control of actives.
 - Hire house parent to provide guardian oversight.
 - Hold weekly inspections for damage and cleaning.
 - Continue with weekly alumni advisor meetings w/strong authority to follow rules.
 - Ban open house parties and combines.
 - Restrict all socials to basement level to maintain pristine first floor appearance.
 - Enforce house-wide smoking ban.
 - Pledges AND brothers will have daily duties.

Read the full plan at www.chiphi-psu.org.

A Foundation for the Kingdom

A CAMPAIGN FOR THE ALPHA DELTA CHAPTER OF CHI PHI AT THE PENNSYLVANIA STATE UNIVERSITY



Alpha Delta Chapter of Chi Phi Fraternity
The Pennsylvania State University
Capital Campaign Processing Center
P.O. Box 7007
Albert Lea, MN 56007-8007

The Order of the Chakett Society

\$500,000+

The Scarlet & Blue Society

\$250,000-\$499,999

The Distinguished Alumni Society

\$100,000-\$249,999

The Leadership Society

\$50,000-\$99,999

The Kingdom Society

\$25,000-\$49,999

The Alpha Delta Society

\$10,000-\$24,999

Order of the Alumni Society

\$5,000-\$9,999

Order of the Brotherhood

\$2,500-\$4,999

Chi Phi Supporter

\$1,000-\$2,499

THREE-YEAR PLEDGE AGREEMENT

I, _____, accept the invitation to join others in support of our fraternity in its mission of brotherhood, education and leadership and do hereby pledge and agree to contribute the total sum of \$_____ payable to "**Chi Phi Capital Campaign at PSU.**" To encourage larger gifts, pledges may be paid over a three-year period. No payment on pledge will be required until we meet our overall goal.

We are anticipating gifts to be tax-deductible. More information will be available after your pledge is made. No payment on pledge will be required until we meet our overall goal.

My gift shall be paid in the following manner (please check one):

- One-time Payment
- Quarterly (Jan/Apr/July/Oct — *all* months apply)
- Semi-Annually (Jan/July or Apr/Oct — choose *one*)
- Annually (Jan Apr July Oct — choose *one* month to receive invoice)
- Other _____

*Over
3 years*

Invoice Starting Month/Year _____ / _____ Today's Date _____
(Jan/Apr/July/Oct)

Signature _____ Grad. Year _____

Invoice Address _____

City _____ State _____ ZIP _____

E-mail Address (Home) _____ (Office) _____

Phone (Home) _____ (Office) _____

For further information, please contact Melissa Brickell, at Affinity Connection by phone (800.598.4050 x. 133), FAX (814.237.4296), or e-mail (mbrickell@affinityconnection.com).

Answers to Current Myths

Myth #1: Aren't fraternities out of vogue at PSU?

Truth: Fraternities are looked upon negatively when it pertains to alcohol—there is no question. This is exactly why our plan is to run Chi Phi quite differently than it ever has been before. We have been listening to our members when they provide feedback. The clear resonating response we are receiving from our members is “**protect my investment**”. If it means making Chi Phi dry, then do it so we are not throwing away everyone's donations. We are considering doing exactly that. This is one of the ideas we have to strongly consider. There are still 50 fraternities at Penn State... hardly passé.

Myth #2: Actives will never really take care of the House.

Truth: The House has been in a deplorable state for years. This is exactly why we set out to “re-engineer” the entire fraternity. Times have changed and we must change with them. We need to find new members that will agree to live by our policies and procedures. Moving into a deteriorating house without funds for improvement does not inspire actives to treat

it any differently than it already looks.

Any damage will be equally distributed amongst all brothers and we would have brothers/parents agree to a tenant policy just as they would if they were to live in an apartment. Not only will an AD House Association officer visit the House regularly, but the addition of a House Mother will help ensure the House is cared for. Anyone purposefully causing damage will be expelled from the house. The chapter will have a Maintenance Committee charged with repairing any problem areas and keeping the house in top shape.

Myth #3: Fraternities can't compete with dorms.

Truth: It is still a rarity that a student will stay in the dorms for three or four years. If we do everything we plan to do, it will bring the entire fraternity as close as possible to its original state and in most cases, in a better state. It is then our job to protect the structure and we are confident we have the plan to do it.

Myth #4: We can rebuild cheaper than renovating for \$2.25 MM.

Truth: We all want to protect the memories we

each have of 360 E. Hamilton. Building a new structure would defeat that purpose. We surveyed our alumni base long ago and gave them the option of renovating our home, closing down Alpha Delta for good, or building a new fraternity. Seventy percent said renovating our home was the best option. The other options were not even close. Plus, we are confident that building a new structure would cost just as much and probably a lot more with the aesthetics that we have in our present house.

Myth #5: Rebuilding a superior Chi Phi would be impossible.

Truth: We are counting on re-colonizing with help from our alumni. We would pursue leaders on campus from a variety of organizations providing them the chance to be a part of a newly remodeled facility. If the fraternities around are thriving, what makes you think we can't get new brothers to become a part of something they can call their own? Beta just did it. We feel we can do the same. National also has a re-colonizing plan they use around the country to establish new, superior chapters.

Read more at www.chiphi-psu.org.

The Latest Details Inside

360 E. Hamilton Ave. is On the Market...

FOR SALE:

NS 001-100 SN

Address Service Requested

Albert Lea, MN 56007-8007
P.O. Box 7007

CHI PHI FRATERNITY
PENN STATE
Alumni Relations Processing Center



PRESORTED
FIRST CLASS MAIL
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