

The Corporation of AZA of Chi Psi
Minutes of Annual Corporation Meeting
October 11, 2008

- Introductions – Randy Mason
- Motion to dispense with the reading of the minutes – T. Fouts, second – J. Doser.
Motion carries without objection
- Report of the #1
 - Formal Pledging recently conducted – we have 16 pledges
 - Currently 40 actives, with 23 living in
 - The undergraduate board was introduced: #2 - Andy Hager, #3 – Chris Mudillo, #4 – Matt Osarts
- Report of the #4
 - The undergrads currently have about \$24,000
 - Many brothers are struggling due to students loans
 - There are no current accounts payable
 - Rent is \$2800 per semester, and dues are \$430 per semester
 - Break-even in the Lodge is 30 guys, but including costs for maintenance is actually 33 guys
 - In order to break eve, we need 12 of the 16 current pledges to live in next year
 - It costs about the same to live in the Lodge as it does in apartments
- Corporation Report
 - Treasurer – D. Borsdorf:
 - Things are stable. We have \$731.00.
 - Things are paid up. We are good until April with our insurance.
 - We are paying Johnsons \$6,850 per month, which is lower than what we have been getting charged, in response to our lower numbers.
 - We have about \$57,000 sitting in escrow free from liability, plus another potential \$50,000.
 - President - R. Mason: According to the IRS, our property value is \$9,700, and the break-even to afford that would be 35 guys. The building is overpriced.
 - Background: The purchase agreement that we entered into in 2002 was for a sale price of \$1.35M. Since we were unable to meet our obligation to complete the contract, we have been in a month to month situation with a rent of the prime rate + 3%. This prime rate is 4% right now, whereas 1 year ago it was 7.5% (which meant we were paying \$11,000 + in rent).
 - Last Christmas, 7 or 8 guys decided not to live in. We had 23 guys living in, with a break even of 33. We were operating at a loss.
 - We are now counting on the Foundation grant plus the 16 pledges to live in.
 - Recently, we had a tentative agreement with Acacia, but they backed out of the deal at the last minute.

- Right now, no one is interested in buying this building. Our challenge is the coming year. We cannot stay in the Lodge without a sprinkler system, and also new windows in the rooms that are egress size. We also need a new roof.
- The Johnsons are not in a hurry for us to leave.
- We would ideally like to be let out of our purchase agreement by the Johnsons, and enter into a long term lease with an opt out clause in exchange for Johnsons investing in the sprinkler system and possibly the roof repairs (which would cost approximately \$35,000).
- Randy requests that the Corporation vote to endorse his ability to negotiate with the Johnsons in order to accomplish the above goals.
 - Motion to allow the President to negotiate with the Johnsons to cancel the purchase agreement and enter into a long-term lease with an opt-out clause: M.Hess
 - Second: T. Fouts
 - Discussion: It is our hope that we would be able to terminate the contract and walk away amicably.
 - P. Parks: our options are dwindling.
 - J. Kresl: Can't we raise money to fix the roof ourselves?
 - T. Fouts: We've been here before. Randy would not make this proposal if it was not in the best interest of the entire brotherhood
 - Vote: Motion carries with 1 nay (J. Kresl).
- Vice-President: P. Parks
 - Events were discussed
 - Elections for Alumni Corporation Board positions - Proposed slate: President: R. Mason; V.P.: P. Parks; Secretary: M. Hess, Treasurer: D. Borsdorf, Trustees: R. Ennesser, A. Pichon, N. Rushforth, M. King
 - Call for nominations? None.
 - Motion to elect proposed slate of board members: P. Parks. Second: M. Hess
 - Motion carries without objection.
- Announcements:
 - Br. Hastings: The undergrads are doing a great job keeping the Lodge looking great.
 - We are looking for someone to act as a class leader to send out letters to guys who graduated in the 1980s.
 - Br. Kresl: Alumni need to invest in the undergraduates
 - Our last Alpha Visitor had a very positive Lodge Report
 - Initiation is December 6, 2008.

Meeting adjourned.