

DELTA CHI EDUCATIONAL FOUNDATION

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“E-CHI

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SCHEDULE 1
(TO BE RETYPED ON UNIVERSITY LETTERHEAD)

The Board of Directors of
Delta Chi Educational Foundation
c/o Robert Hendershot
3443 Nugent Blvd.
Columbus, IN 47203

Gentlemen:

We understand that _____ House Corporation (the "House Corporation") is engaged in a housing project to remodel and enhance the housing it provides for the members of the _____ Chapter of The Delta Chi Fraternity on this campus. We also understand that your Foundation plans to make a grant to the House Corporation to fund certain expenses incurred in connection with the educational spaces in the house, and in that regard you have requested this letter.

Based upon the above understanding, we hereby acknowledge, as a matter of policy, on behalf of the University, the following:

The University is committed to providing facilities for individual and group study, library facilities, and/or educational equipment (including the provision of computer and internet access in University dormitories and other buildings) to students living both on and off its campus. The educational facilities at the chapter house, including study rooms, library facilities, and/or specialized areas, such as computer rooms and housewide computer and internet access, drafting rooms, laboratories or other instructional areas, are similar in nature to those provided by the University. As a result, the provision of these additional facilities will:

- (1) relieve the University of the burden of providing such facilities to students who are members of the chapter;
- (2) supplement the resources of the University by providing additional equipment and facilities; and
- (3) alleviate the current use of the University's existing facilities by providing an alternative source for members of the chapter and guests.

We also wish to confirm that _____ % of our undergraduate population belongs to a fraternity or sorority, and _____ % of our undergraduate population resides in a fraternity or sorority chapter house.

Sincerely yours,

(Signed by an Authorized University Official)

EXHIBIT 1

UNIFORM EDUCATIONAL AREA GRANT AGREEMENT

Delta Chi Educational Foundation (hereinafter "Foundation") agrees to make a Grant in the amount determined below to _____ Corporation (hereinafter "Corporation") for the development of certain educational areas through the enhancement and renovation of a building used by the _____ Chapter of The Delta Chi Fraternity (hereinafter "Chapter") and particularly identified in Exhibit 3 (hereinafter "Building"), subject to the following express conditions:

Sec. 1. In General.

Sec. 1.1 The Grant shall be used by the Corporation exclusively to fund expenses directly attributable or allocable to the purposes specified in Section 2 below. Payments from the Grant funds may be made during construction and renovation of the Building upon the Corporation's written request to fund Building Construction Costs (as defined in Exhibit 1), subject to the limitations specified in Section 3.1 below. The Foundation's Grant may take the form of cash funds or in kind provision for specific educational facilities pursuant to direct contract with third party contractors by the Foundation in which the Corporation shall cooperate, subject always to the limitations set forth in Section 3 hereof.

Sec 1.2. Payments from the Grant funds may be made to purchase Educational Equipment, Educational Materials, Fire Safety Equipment and Internet Wiring (all as defined in Exhibit 1) upon written request of the Corporation, which request shall describe the educational use or function thereof, up to the amount specified in Section 3.2 below.

Sec. 1.3. An additional amount of the Grant may be set aside in a separate fund, the income from such amount shall be used by the Corporation to pay for the operating costs attributable to the Educational Areas subject to the conditions and limitations specified in Section 3.3 below.

Sec. 2. **Use of Grant.** The Grant shall be used exclusively for the construction, renovation, operation and maintenance of Educational Areas of the Building, and for the provision of Educational Equipment, Educational Materials, Fire Safety Equipment and Internet Wiring (all as defined in Exhibit 1, attached).

Sec. 3. **Amount of Grant.**

Sec. 3.1 The Amount of the Grant allocable to the Building Construction Costs shall be determined by multiplying the total Building Construction Costs by a fraction, the numerator of which shall be the square footage of the Building used as Educational Areas, and the denominator of which shall be the total square footage of the entire Building. This fraction is summarized and calculated on Exhibit 4. The portion of the Grant used for Building Construction Costs shall not exceed \$ _____ based upon a construction and renovation budget of \$ _____.

Sec. 3.2. A portion of the Grant may also be used for the purchase of Educational Equipment, Educational Materials, Fire Safety Equipment and Internet Wiring. The portion of the Grant for these items shall not exceed \$ _____.

Sec. 3.3 A portion of the Grant also may be segregated and the net income shall be used for the operating costs attributable to the Educational Areas, subject to the following limitations:

Sec. 3.3.1 Payments of Grant funds for real estate taxes, casualty and liability insurance premiums, utility costs and any other operating costs which cannot be directly attributable or allocable to any specific area of the Building shall not exceed the amount determined by multiplying the total of such cost by a fraction, the numerator of which shall be that portion of the square footage of the Educational Areas, and the denominator of which shall be the total square footage of the entire Building. This fraction is summarized and calculated on Exhibit 4.

Sec. 3.3.2. Payments of Grant funds may be used for personal property taxes assessed on Educational Materials and Educational Equipment and any other operating costs which are directly attributable and allocable to such Educational Areas, including, but not limited to, regular recurring maintenance expenses (e.g., those

incurred for the painting of Educational Areas) and regular expenses related to computer networking equipment and internet wiring throughout the Building.

Sec. 3.3.3. No part of this fund may be used by the Corporation without the Foundation's prior approval in writing acknowledging that such funds will be used exclusively for educational purposes.

Sec 4. **Exclusive Use.** No part of the Educational Areas or of the Educational Equipment and Educational Materials shall be used for any other purpose than those described in Exhibit 2, such as for dining, sleeping, social, recreational or fraternal purposes (except for minor social or recreational use such as a reception held in a library).

Sec. 5. **Record Keeping.**

Sec. 5.1. The Corporation agrees to deposit all Grant funds in a separate fund and to maintain its books and records in such a way that such Grant funds will be shown separately on the Corporation's books. Expenditures made in furtherance of the educational purposes specified in Sections 2 and 3 shall be charged against the Grant funds. The Corporation will maintain records for such expenditures adequate to identify the funds for the percentage of the Building Construction Costs attributable to the Educational Areas, as determined under Section 3.1. The Corporation also will maintain separate records to identify the purchase of Educational Equipment, Educational Materials, Fire Safety Equipment and Internet Wiring, as well as the principal and income of the Grant described in Sections 1.3 and 3.3.

Sec. 5.2. If any part of the grant funds are paid over by the Corporation to the Chapter to cover any part of the expenses for which the Grant was made, as opposed to the Corporation directly paying for such expenses, then the Chapter shall also maintain a separate fund to pay for such costs and such fund shall be subject to the same record keeping requirements as are applicable to the separate fund of the Corporation under Section 5.1.

Sec 6. **Reports to the Foundation.**

Sec 6.1. With respect to all Grant funds paid to the Corporation under Section 3.1 of this Agreement, the Corporation shall provide the Foundation with semi-annual reports showing the use of such funds for construction or renovation of the Building in a manner consistent with the allocations described in Section 3.1. Upon completion of the renovation of the Building, the Corporation shall, within 90 days of such completion, provide a report to the Foundation certifying that the Grant funds used for Building Construction Costs have not exceeded the authorized amount described in Section 3.1.

Sec. 6.2. During the construction or renovation period, and thereafter until all funds available under this Agreement have been paid in full to the Corporation, the semiannual reports required under this section shall include financial information on all Educational Equipment, Educational Materials and Fire Safety Equipment purchased for use in the Educational Areas of the Building, as well as any Internet Wiring for the Building.

Sec. 6.3. The Corporation shall also provide the Foundation with an annual report as to that portion of the Grant described in Sections 1.3 and 3.3 that has been allocated for the operating costs of the Educational Areas. Such report shall indicate the amount of this fund at year-end, the annual income produced by this fund, and the expenses charged to it during the year.

Sec. 6.4. After completion of the construction or renovation of the Building, the Chapter shall provide the Foundation with quarterly reports in order to assure the Foundation that the activities carried on in the Educational Areas are educational in nature and to enable the Foundation to monitor the use of such areas for educational purposes. Such reports shall include descriptions of all conferences, meetings, seminars, instructional activities, etc., that have taken place in the Educational Areas during the quarter. Such reports shall also include a certification by the President of the Chapter that the Educational Areas of the Building and the Educational Equipment and Educational Materials used in those areas have not been used for non-educational

purposes or activities, such as for dining, sleeping, social, recreational or fraternal purposes, except for minor or occasional non-educational use.

Sec. 7. Repayment.

Sec 7.1. The Corporation or the Chapter must repay to the Foundation any portion of the Grant which is not used for the educational purposes specified in Section 2.

Sec. 7.2. Should any part of the Educational Areas financed under this Agreement cease to be used exclusively for the purposes specified in Exhibit 2 or should any part of the Grant exceed the amount determined in Section 3, that portion of the Grant allocated to any Educational Area that is not used exclusively for educational purposes, or that exceeds the amount determined in Section 3, must be repaid to the Foundation. Moreover, the payments made from that portion of the Grant described in Sections 1.3 and 3.3 for the operating costs allocable to the Educational Areas, if any, shall be reduced proportionately, the amount of the Grant being segregated at that time shall be reduced in the same proportion, and such reduced amount shall be repaid to the Foundation. Notwithstanding the above, the Corporation shall have 30 days from the date of written notice by the Foundation to the Corporation that such a situation has been found to exist, to correct the situation, and if it does not do so within the 30 day period, it must so repay the Foundation.

Sec. 8. Monitoring of Use of Grant Proceeds.

The Corporation and the Chapter shall cooperate with, and provide access to the premises to, representatives of the Foundation making periodic visits and inspections to monitor the use of the Educational Areas. The Corporation and the Chapter shall also make their financial records freely available to the Foundation, either in connection with the inspection of its representatives or upon request.

DELTA CHI EDUCATIONAL FOUNDATION

By: _____

_____ HOUSE CORPORATION

By: _____

_____ CHAPTER OF THE DELTA CHI FRATERNITY

By: _____

Date of this Agreement: _____

EXHIBIT 1

DEFINITIONS

1. **Building.** The Building means the building owned by the Corporation, used by the Chapter, and more particularly identified on the architectural plans attached as Exhibit 3 to this Agreement.

2. **Building Construction Costs.** The term, Building Construction Costs, means the construction and renovation costs of the Building. The term includes, but is not limited to, the costs of architectural plans and specifications, acquisition of the site, demolition of any existing structure, general site work, foundation work, frame work and exterior finish, the roof, insulation, dry wall, mechanical and electrical, landscaping, interest and taxes during construction, and other similar costs, and the installation of Fire Safety Equipment.

3. **Educational Areas.** In general, the term, Educational Areas, means the area in the Building used exclusively for educational purposes, except for minor or occasional non-educational use. The specific Educational Areas of the Building are more particularly described and identified in the summary description attached as Exhibit 2 to this Agreement and on the architectural plans attached as Exhibit 3 to this Agreement.

4. **Educational Equipment.** The term, Educational Equipment, means personal property and fixtures used in the Educational Areas. The term includes, but is not limited to: (i) furniture, such as desks, conference tables, bookcases, and other furniture or equipment used in Educational Areas; (ii) computers and printers; (iii) laboratory and science equipment; (iv) other equipment used for the study of such disciplines as engineering, architecture, graphic design and fine arts; and (v) audio and visual equipment. Educational Equipment shall also include desks, chairs and computers in student dormitory rooms.

5. **Educational Materials.** The term, Educational Materials, shall include reference materials, course books, general literature, historical memorabilia, and other materials having an educational purpose and that are used in the Educational Areas.

6. **Internet Wiring.** The term, Internet Wiring, shall include the installation, configuration and maintenance of a house-wide computer network and house-wide wiring to allow access to the university main frame and network and to the Internet.

7. **Fire Safety Equipment.** The term, Fire Safety Equipment, shall include fire alarms, smoke detectors and internal sprinkler systems installed for any of the Educational Areas.

EXHIBIT 2

DESCRIPTION OF EDUCATIONAL AREAS

SUMMARY

Floor	Educational Area	Purpose	Square Footage
Basement*	Library	Library and Study Areas	
	Computer Room	Computer Facility	
	Drafting Room	Drafting and Work Area	
	Leadership Training Room	Leadership Development and Conference Facility	
	Educational Storage Room	Storage of Educational Equipment	
	Study Rooms	Study	square feet
Third Floor*	Study Rooms	Study	square feet
	Total of Educational Areas		square feet

***Per attached Architectural Plans
ADDITIONAL INSTRUCTIONS**

1. The grant applicant must provide written descriptions of each Educational Area and its educational use. The descriptions should reflect the fact that no other activity, i.e., dining, sleeping, social, recreational, or fraternal will be conducted in any Educational Area (other than minor social or recreational use).

2. The grant applicant must also provide detailed written descriptions of the use to be made of all Educational Equipment and Educational Materials for which funding is requested and the Educational Areas in which they will be used.

EXHIBIT 3

ARCHITECTURAL PLANS FOR THE BUILDING

EXHIBIT 4

ALLOCATION OF BUILDING CONSTRUCTION COSTS

Total Square Feet of Educational Areas* _____ square feet

Total Square Feet of Building* _____ square feet

Allocation of Construction Costs to Educational Areas

_____ $\frac{\text{square feet}}{\text{square feet}}$ = _____ %

* Not including support areas such as _____ which total _____ square feet.