

Theta-Xi Chapter of Kappa Sigma

Greetings Brothers!

We've come a long way in the last six years, including our new House on the Hill, christened in January 2009.

- The new house is full and working out great, supporting itself for annual operations. All 12 rooms have been full every semester since finishing the house in January 2009. The Brothers have doubled up a couple of the larger rooms the last 2 semesters so occupancy has actually exceeded the plan.
- The Chapter Brotherhood is growing stronger each semester as the facility and traditions attract quality pledges. The actives are establishing priorities and criteria for grades, house duties, house and campus activities, and leadership.
- The Brothers are enjoying the return to having a cook and eating meals together on a regular basis. Out-of-House Brothers can also sign up for the Kappa Sigma meal plan and join in group meals at the House.
- New Faculty advisor and Brother Marek Kolar is mentoring the EC and the GT on chapter financial management. Marek is a professor of Business and Finance at TU.
- Alumni Keith Turner and Mitch Rhoads are mentoring the EC and House Manager on facility care and operation management. Keith is an ex-GM (1975) and recently retired, splitting his time between Auburn, Crooked Lake, and Florida. Mitch (KSK 1966, KS 2010) is on TU's Board of Trustees, and splits his time between Angola, Colorado, and Texas.
- We have a Brother working for TU in the Student Life area who is helping in the background to facilitate engagement and leadership in campus activities. Campus leadership is a traditional strength for Theta-Xi and is a priority for the House.



When we decided to build the new House on the Hill, we raised substantial initial funds for the down payment, and financed the balance of the house project cost. We have two mortgages which total \$900,000. We're paying the loan interest every month with operating revenues, and making some progress on the mortgage principal pay off, but not very fast. With the global economy and banking situation, we would be much better off to reduce and eliminate our debt as soon as we can.

Our steady annual alumni financial support comes from about 50 guys averaging about \$850 per year. That's less than 10% of our total alumni group; it's an unbalanced unsustainable load on too small a group. A significantly safer and more stable position would be to broaden our alumni support base to say 250 brothers averaging \$360 per year (\$30 per month). That's still less than 50% of our total alumni group.

So this fundraising campaign is very important and it is aimed at our entire alumni group to try to get to at least 250 steady annual donors for the next seven years. This will help greatly to strengthen our financial position and give us a better view down the road for financial planning.

A group of alumni Brothers has agreed to match a portion of the donations from NEW DONORS in order to encourage more Brothers to get involved. That provides added incentive and benefit for growing our donor base this year and every year, and will help us pay off our mortgage even faster. One alumnus Brother has already kicked off with a donation of \$25,000, and we have another Brother's pledge for \$10,000 over the next 7 years.

Every donation, large or small, is important and will get us closer to our goal of raising \$80,000 to \$100,000 per year from a much expanded support base. History of the new house project and the current goal and action plan is attached below.

Please give what you can afford – every dollar is needed. Your pledge and donation will remain confidential if you wish it so.

Please write or call by July 31, 2011 with your 7 year donation pledge:

- | | | | |
|------------------|--|--------------------|-------------------------|
| • Mitch Rhoads | rhoadsm@frontier.com | ph (260) 665-7782 | |
| • Randy Plank | randy.plank@rjpconsulting.us | ph (850) 872- 2340 | cell ph (850) 624-1286 |
| • Greg Ilko | gilko@crossroadengineers.com | ph (317) 422-1237 | cell ph (317) 408-3609 |
| • Allen Keen | allenkeen@gmail.com | | cell ph (260) 4 03-0997 |
| • Joel Morrison | jtm415@gmail.com | | cell ph (216) 4 01-4525 |
| • Mark Davenport | markdavindy@hotmail.com | ph (317) 843-0865 | cell ph (317) 652-9537 |

If you have or plan to put in place an insurance policy naming the chapter as beneficiary, or a will bequest to the chapter, please let us know.

Don't forget the Sig Cup 5-6 August, and/or the Homecoming Reunion 30 September – 1 October. Please try to work these house events into your plans, and keep in touch.

Theta-Xi of Kappa Sigma New House Project

History Theta-Xi Chapter of Kappa Sigma Fraternity at Trine University moved from 613 W. Pleasant Street in 1968. Theta-Xi leased a university-owned property on Summit Street for many years and then in 1995, purchased property at the corner of Moss and Kinney Streets. In 2008, Theta-Xi built a 14-bed facility on this site where they reside today.

Recent campus activity at Trine University

- Phi Kappa Theta built a new fraternity house in 2007.
- Sigma Phi Epsilon built a new fraternity house in 2007.
- Kappa Sigma built a new fraternity house in 2008.
- Delta Chi built a new fraternity house in 2010.
- TU has constructed new buildings, including new student housing and a University Center across the street from Theta-Xi.
- Trine University enrollment continues to rise due to the upgrade in facilities on campus.
- Theta-Xi is strategically located and positioned to attract quality members at Trine University.

Financing and Fundraising Plan (FFP)

Our new fraternity house was built using the following sources of funds:

- Bank financing - Current loan was dated May, 2009 and originated at \$750,000 and has a current balance of \$670,000. Repayment is \$5,400 per month and the interest rate is 5.975% fixed until May, 2014. Loan is paid ahead of schedule as many donations have gone to reduce the debt.
- Borrowed funds from alumni using self-directed IRA funds - Theta-Xi owes several alumni a total of \$230,000. These loans are secured by a second mortgage on the fraternity property and are payable interest only at 5.975% (same as the first mortgage rate).
- Donations from alumni - Cash and pledges (5-year pledges) were solicited from alumni back in 2005 and 2006. A total of \$391,800 was raised from 73 alumni donors. These donations were used to reduce debt and small amounts were used to balance cash flow deficits in the years 2008, 2009, and 2010. Undergraduate rent now satisfies the cash flow needs. All future donations are anticipated to be used to reduce debt.

Repayment of the borrowed funds (currently totals \$900,000) depends on a fully-occupied fraternity house and donations. Undergraduate rent now pays for all expenses, including mortgage payments. At the current repayment rate, it would be at least 20 years to repay this debt.

Goal

While interest rates are attractive and while Trine University policies are cooperative with fraternity life, it is imperative to substantially reduce or eliminate Theta-Xi's debt.

Plan

Theta-Xi plans to re-finance current debt of \$900,000 into a mortgage that will have a fixed interest rate for 7 years (15-year amortization). These payments will be made from income derived from a fully-occupied fraternity house (12-14 undergraduates).

Theta-Xi alumni board and committee members will seek donations and/or pledges for 7 years in the amount of \$500,000.

Upon success of the above, Theta-Xi will be debt-free in 7 years or less.

Action

Please consider a donation to help us achieve this financial freedom. What a great legacy we can leave by insuring the "House on the Hill" will have many years of successful operation in the 21st century and beyond.

Please use the enclosed "Donation/Pledge Commitment Form" and get involved today. Please call one of the contacts with your pledge.

Theta-Xi of Kappa Sigma, Inc.

House On The Hill Legacy Campaign Donation Pledge Commitment Form

Brothers,

In recognition of the value of my Kappa Sigma experience in my time at Tri-State/Trine University, and of the enjoyment of Brotherhood in my adult years; and recognizing the importance of this campaign to the future of Theta-Xi Chapter, I pledge my support with donations over the next seven (7) years 2011 - 2017:

2011 \$ _____ 2012 \$ _____ 2013 \$ _____ 2014 \$ _____

2015 \$ _____ 2016 \$ _____ 2017 \$ _____

Total Commitment of \$ _____

I will make my donations in the form of:

____ A) Annual checks payable to Theta-Xi of Kappa Sigma, Inc.

____ B) Monthly ACH deposits to Theta-Xi of Kappa Sigma, Inc. savings account.

I view this pledge as a commitment to the Fraternity, and to my Brothers, and the Board is free to count this amount in the total pledged toward the House on the Hill Legacy Campaign in any future financial planning and reporting.

I realize that I may be contacted by phone, e-mail or in writing to remind me of upcoming due dates of my payments; or if I miss a payment date as outlined above.

While I understand that the exact amount of my donation will not be publicized without permission, the Chapter, House Corporation Board, or Finance Committee may publish my name among those of other contributors to the House on the Hill Legacy Campaign.

Fraternally,

Signature _____ Printed Name _____ Date: _____

Mailing Address _____

Email _____ Telephone _____

Pledge Class _____ Grad Year _____ Major _____ Big Brother _____

Thank you for your Brotherhood and continued support of our House!

www.theta-xiofkappasigma.com