



Alpha Theta House Company

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Rennovation Project - Status and Plans

**“The pessimist complains about the wind;
The optimist expects it to change;
The realist adjusts the sails.”
*William Arthur Ward***

Where we are

- The “House Company of Alpha Theta Chapter, Inc.” (aka ATHCO) is in good standing as a non-profit corporation in the State of West Virginia.
- All corporate filings with the State of West Virginia and the Internal Revenue Service are up to date. The IRS has recognized the House Company’s non-profit status.
- Financing has been arranged through a local Morgantown bank (and is still available).
- An architect has been engaged. Conceptual and detailed drawings of an “apartment hybrid” floor plan have been developed.
- Preliminary contractor estimates have been received and reviewed.
- Pi Kappa Alpha house renovation is one of two projects officially on the Greek Village plans for school year 2009-2010.
- Capital Campaign as of August 1, 2009 (3 years into the 5 year fulfillment period)
 - Pledged \$284,380
 - Billed: \$198,856
 - Collected \$159,569
- We are redoubling our commitment to achieve our goal of excellent housing for Alpha Theta with a sustainable financial and management model.

Where we’re headed

Near term activities underway include:

- Continue to refine the two options for renovating and managing the house: The WVU Greek Village (WVU guarantee of mortgage payment and rental management); or the Emperor Group (a real estate development and management group specializing in Greek housing) to provide management responsibilities.
- Meet with a broader group of contractors to refine material specifications and cost estimates.
- Continue to refine our financial pro forma to assess options and the debt/equity balance for each.
- One conclusion is unmistakable: We lack sufficient cash to conduct the renovations as planned, operate the house with competitive rents, and still pay White Horse their option price. We will need to raise more money or scale back the scope of the project or implement a combination of these options.

How we got here

- September 2008 – The global financial crisis and resulting uncertainty in the credit markets created havoc across the economy. The reality is the crisis created multiple distractions, both personal and institutional, impacting our project. The full extent of those distractions and their impact may never be fully known or understood.

- December 2008 – Proposal to White Horse. Proceed immediately to begin renovation. Address our financial gap (about \$500K) through a White Horse land lease to ATHCO at a nominal rate and sale the building to ATHCO at a nominal price. ATHCO would own the property and WVU would manage it.
- February 2009 – White Horse rejected proposal. Risk and return to Pi Kappa Alpha International Fraternity is too great for WH to meet their fiduciary responsibility to the Fraternity. Suggested we consider options with Emperor Group (EG). ATHCO Board endorsed the EG approach and had initial discussions with EG, noting the urgency of meeting the August 2009 occupancy plan.
- April 2009 it became apparent EG could not respond in the time frame we required. Demolition and renovation plans were put on hold.
- May – July 2009. EG was reported to be “close” to having a firm proposal each month, but to date, no proposal has been received. Planning with WVU continued on a regular basis.

Prepared by
Doug Ladish
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