

February 16, 2017

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Ms. Dianne Chipps Bailey  
Robinson, Bradshaw & Hinson, P.A.  
101 N. Tryon St., Suite 1900  
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Dear Dianne:

The Foundation has reviewed the proposed resolution that you prepared, and regrettably is unable to accept the changes. From the outset of these discussions, the Foundation trustees have been clear that while they are very willing to entertain suggestions and recommendations from the Fraternity to facilitate transparency and accountability, they have no intent to move to a governance structure under which the Fraternity controls all aspects of appointment of Foundation trustees and thus the Foundation. The Foundation trustees have a fiduciary duty to act in the best interests of the Foundation and thus cannot allow the Fraternity to control the Foundation and its assets – a model that proved to be unworkable in the past.

The Foundation's proposal was yet another attempt on behalf of the trustees to facilitate cooperation, transparency and accountability between the Foundation and the Fraternity. It not only allows for Fraternity review of the slate, but goes well beyond what was contemplated by Point 1 in allowing the Executive Council to object in writing to the proposed slate. In addition to the latest proposal allowing the Fraternity a voice in the Foundation's nomination and election process, the Foundation has already implemented the following steps that show its willingness to cooperate with the Fraternity and maintain an open and transparent environment between the two organizations –

- The Fraternity's Vice President is and has been the official liaison between the Fraternity and the Foundation ruling bodies and has been invited to attend Foundation board of trustee meetings. In fact, the Fraternity's President attended and participated in a meeting in which the Foundation trustees discussed this very issue and developed its proposal.
- Two of the four voting members of the Foundation's Program Committee are Fraternity officers.
- The Fraternity has been asked to appoint a representative to the Foundation's newly established Laurel Hall Committee.
- The Foundation has agreed to conduct an open FAQ and annual meeting at each GAC.

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Conversely, the Fraternity has shown no willingness to cooperate with the Foundation in this process, and instead continues to maintain its position that it will only accept a proposal that gives it control of the Foundation. It is not about transparency or accountability for the Fraternity; it is only about control. This unwillingness by the Fraternity to cooperate has taken both time and funds away from the undergraduate brotherhood and the Foundation's tax-exempt purposes. For this reason, the Foundation will not continue to discuss this matter further.

Very truly yours,

ICE MILLER LLP

A handwritten signature in black ink, appearing to read "Gina M. Giacone", written in a cursive style.

Gina M. Giacone

GMG:jcs