



Sigma Nu Fraternity Beta Rho Property Company

October 6, 2026

Brothers,

In our letter dated March 2026, we made alumni Brothers aware of our ongoing efforts to mediate active chapter ("Active Chapter") conduct issues that endangered the Active Chapter's operating status with Sigma Nu Fraternity, Inc. ("Nationals") and the University of Pennsylvania (the "University" or "UPenn"). We write to update alumni Brothers on the status of the Active Chapter with the University and Nationals after the Active Chapter was placed on an all-activity suspension and under the direction of an alumni board of receivers ("ABR") by Nationals in Winter 2025. After extensive dialogue and consultation between and with the University, Nationals and Beta Rho Property Company, Inc. ("BRPC" or the "Property Company"), the University and Nationals have agreed to a formal Active Chapter suspension of operations for the 2026/2027 academic year. Thereafter and upon meeting Nationals and University milestones, the Active Chapter will be able to formally re-establish operations at the University with new members on a provisional and staged basis over a period of two years under the heightened supervision of the University, Nationals, the ABR and the Property Company. Importantly, the Beta Rho Chapter was able to maintain its Sigma Nu Fraternity Charter despite the loss of chapter recognition at the University.

Many alumni Brothers have understandably sought more details regarding the circumstances that led to the Active Chapter's initial all-activity suspension in late 2025. As an addendum to this letter, alumni Brothers will have access to an abridged presentation that was made by the ABR at the request of Nationals as part of their formal disciplinary process for the Active Chapter in Spring 2026. File access will be granted by contacting us at sigmanubetarhopropco@gmail.com. We ask that Brothers honor our request that the presentation be kept confidential by each alumnus Brother that requests access. The presentation will provide additional detail on various Active Chapter difficulties which necessitated the Nationals and University discipline process.

While reviewing the presentation, alumni Brothers should consider that there have been substantial changes in the University and fraternity operating environment from when most alumni were active Brothers. For most of our alumni Brothers, the University had 35-40 fraternities operating with over one third of all University male students joining a fraternal chapter every year. The social environment could be described euphemistically as highly permissive. Over the last 20 years, the number of active fraternities at the University has dropped to the low 20s with a similar drop in fraternal student participation rates. The environment has greatly changed from the 1960s-early 2010s. A reorganized Active Chapter and the Property Company must manage the reality of certain social and other operating constraints placed on all fraternal chapters at UPenn to survive, thrive and grow as an institution. The University has been crystal clear as to what it expects from our Active Chapter and its members going forward. We can either work with the University and Nationals to reorganize and reform the Chapter into a values-based and values-led institution, or we can cease to exist as more than a dozen other fraternity chapters at UPenn have over the last 20 years. What we can't do as an organization is turn back the clock and have the Active Chapter run as it was managed when many of us were students, even as it was run only 10 or 20 years ago.

We had hoped to maintain Active Chapter operations and University recognition during this academic year, but the Active Chapter's conduct during its Nationals all-activity suspension in Spring 2026 made a continuation of operations inadvisable in our and Nationals' judgment and not permissible in the University's final adjudication. Nationals and ABR interviews with active Brothers during Spring 2026 made it apparent to both Nationals and the ABR that there was not even a small subset of the active Brotherhood who would be able to adhere to the terms of a Nationals reorganization plan and University-imposed operational restrictions. Any likely future failure by the Active Chapter to adhere to new and highly onerous University restrictions would have certainly resulted in more punitive sanctions. Other chapters in our situation have lost their University recognition for five or more years. The ABR and Property Company were keenly focused on not seeing this outcome.

The Active Chapter executive board and other members behaved in a particularly dishonest and dishonorable fashion while under the Nationals' all-activity suspension and while working with the ABR in 2026. As one example, Active Chapter executive board members directed other members to not pay Spring 2026 semesterly dues, which had been reduced by 50% by the ABR and were necessary to pay for fixed insurance and other costs incurred by Nationals. This action resulted in an Active Chapter debt with Nationals of over \$20,000 which we will need to address. In another example, the University informed us that Active Chapter executive board members actively explored transferring the Brotherhood's membership to a competitive fraternal organization while that fraternity was re-organizing on campus, apparently to avoid Nationals and University strictures. Obviously, neither the University nor the re-organizing fraternity would permit or endorse a transfer of the Sigma Nu Beta Rho membership under the circumstances.

These instances and other continued conduct issues diminished our and Nationals' belief that the current active Brotherhood, or a subset thereof, could be salvaged to seed a renewed Active Chapter. These issues stood beside the Property Company's long-running challenges in securing University standard and Beta Rho historical levels of Chapter House occupancy over the last eight years. Despite entreaties from the Property Company, the Active Chapter only produced six full-year leases (30% occupancy) during the standard leasing period through December 2025 which was later extended through mid-February 2026. Regardless of challenges with the University or Nationals, the Chapter House cannot operate for any Active Chapter that consistently fails to support its operations by living fraternally at levels we as a Brotherhood have previously maintained for nearly 100 years.

Lastly, we must quickly address the ownership status of our Chapter House and outline the Property Company's philosophy as stewards of the Chapter House for use by the Active Chapter. Regarding the topic of potential asset transactions, the Property Company's definitive view is that there isn't a foreseeable circumstance where either the sale of the Chapter House or a sale-leaseback transaction is in the Chapter's best short or long-term interest, or even necessary under any likely circumstances. The Property Company will exhaust every effort to continue ownership of our Chapter House at 3819 Walnut Street.

While we are not immune to financial realities necessitating sufficient tenants to maintain the physical property, especially to a high University standard, of which we have been very upfront with Nationals, our alumni Brothers and the University, we can easily maintain and improve the Chapter House with an Active Chapter that provides University-required levels of occupancy consistent with the lower end of occupancy levels Beta Rho had maintained for nearly 100 years. Alumni should also rest easy knowing the Property Company has operating levers to pull to continue Chapter House ownership without an Active Chapter operating as is the case now. We can feasibly operate the Chapter House in perpetuity, if needed, until a suitable Active Chapter is ready to occupy the

Chapter House and continue our long fraternal traditions. We are singularly focused on the continuation of the Beta Rho Chapter at an owned and unencumbered Chapter House located at our historically and architecturally significant 3819 Walnut Street property in perpetuity.

Our Nationals organization has a long history of managing the consequences of short-sighted outright chapter house asset sales or other asset transactions by alumni groups, including sale-leaseback transactions. Most recently, the Gamma Omicron Chapter of Sigma Nu at Washington University in St. Louis has been notified by its host university that the university may not renew the chapter's lease. While the university's decision to exercise its eviction clause is still under consideration, if exercised the Gamma Omicron Chapter would be kicked out of its chapter house a little over a decade after selling its house in a sale-leaseback transaction. Gamma Omicron is one of the oldest established fraternities at Washington University in St. Louis, having been chartered in 1903. This disastrous fate would be the obvious eventual outcome for the Beta Rho Chapter House should we ever engage in a similar transaction at 3819 Walnut Street with the University or any other party. Loss of our Chapter House would be tantamount to chapter death given the extremely challenging operating environment we face as outlined above.

In a final review, the Beta Rho Chapter of Sigma Nu Fraternity deserves and will insist on higher caliber active Brothers as an institution going forward. Brothers who share and strive to meet our inherently exclusive fraternal values of Love, Honor and Truth. Brothers who view living together fraternally in our Chapter House as a privilege of Beta Rho membership, not a burden. A privilege all alumni have enthusiastically agreed was quintessential to the Beta Rho Sigma Nu experience for nearly 100 years. Our University partners in the Office of Fraternity and Sorority Life and the Office of the Provost are demanding we take this direction as an organization to continue our relationship with UPenn. We are broadly in agreement with them and share their views on our way forward as an organization.

Again, we thank the many alumni Brothers for their trust and support as we begin the exciting process of reorganizing and rebuilding a successful Active Chapter.

Fraternally,

Beta Rho Property Company, Inc.