

THE BYLAWS
OF
LAMBDA ALPHA EPSILON
FRATERNITY, INCORPORATED

12 MYRTLE AVENUE
TROY, NY

REVISED JULY 1996

Bylaws for LAE Fraternity, Inc.
12 Myrtle Ave.
Troy, NY 12180

000. Introduction

- 001. General - These By-Laws shall be the governing rules and regulations of Lambda Alpha Epsilon Fraternity Incorporated, hereafter referred to in these By-Laws as the Corporation.
- 002. Effective Date - These By-Laws, or any part thereof, shall become effective immediately upon ratification.
- 003. Certificate of Incorporation - The Certificate of Incorporation of the Corporation shall be appended to, and shall form a part of, these By-Laws.
- 004. Amendment - These By-Laws may be altered or repealed at any meeting of the Corporation, the notice of which contained the text of the amendment(s) to be considered at said meeting. A majority of those voting is required to enact such amendments.
- 005. Parliamentary Authority - The rules in the latest edition of Robert's Rules of Order shall govern the conduct of meetings of the Corporation in all cases in which they are applicable and in which they do not conflict with these By-Laws, the Certificate of Incorporation, or the laws of the State of New York.

006. - 099. - There are no paragraphs 006 - 099.

100. The Corporate Body

101. - 109. - There are no paragraphs 101 - 109.

110. Membership

- 111. Qualifications for Membership - The membership of the Corporation shall consist of the following:
 - .1 Each duly initiated member of Lambda Alpha Epsilon or of New York Epsilon of Sigma Alpha Epsilon.
 - .2 The signers of the Certificate of Incorporation of the Corporation; to wit, George J. Savage, Don H. Rohrer, Duncan Carmichael (deceased), George Mathews, and Forrest K. English.
 - .3 Each person having served for three continuous years as a director of the Corporation.
- 112. Tenure of Membership - Membership shall be automatically conferred upon those meeting any one of the requirements above. Each person becoming a member shall remain so until

termination by death or resignation. All rights of membership shall cease upon termination of membership.

- 113. Resignation - Members may resign by submitting or mailing said resignation to the Secretary of the Corporation at the offices of the Corporation or by so personally signifying at the annual meeting of the Corporation. Such resignation shall become effective at the time it is received by the Secretary of the Corporation.
- 114. Dues and Fees - There shall be no dues for, or assessments of, members of the Corporation. The Corporation shall not have the right to fine members.
- 115. Dissolution - Upon dissolution of the Corporation, any and all assets of the Corporation shall be transferred to the Sigma Alpha Epsilon Foundation, 1856 Sheridan Rd., Evanston, IL, a tax exempt entity under Section 501(c)(3) of the Internal Revenue Code (as amended 11/1/86).
- 116. - 119. - There are no paragraphs 116 through 119.

120. **Meetings**

- 121. Annual Meeting - The annual meeting of the Corporation shall be held during the fall semester of each year, the specific date and time to be determined by the Board of Directors to best suit the needs and desires of the members of the Corporation.
- 122. Special Meetings - Special meetings of the Corporation for any purpose or purposes shall be called if requested by:
 - .1 The Chairman of the Board of Directors, or,
 - .2 A majority of the Directors of the Corporation, or,
 - .3 Twenty percent (20%) of the members of the Corporation.
- 123. Place - All meetings of the Corporation shall be held at the offices of the Corporation in Troy, New York.
- 124. Notice of Meetings - Written notice of meetings of the Corporation shall be mailed to each member of the Corporation not an active member of New York Epsilon of Sigma Alpha Epsilon, twenty-eight (28) to forty (40) days prior to the date set for the meeting. This notice shall also be posted in the offices of the Corporation. This notice shall state the date, time, place, and purpose, or purposes, thereof.
- 125. Scope of Meeting - The annual meeting of the Corporation may consider any matter that may be properly brought before it, including election of Directors of the Corporation. A special meeting may consider only those matters set forth in the notice to said meeting as the purpose or purposes thereof.

126. Quorum of Members - A quorum of the members shall consist of twenty-five (25) members of whom (10) may not be active members of the New York Epsilon Chapter of Sigma Alpha Epsilon Fraternity. The necessary quorum may consist of those members in actual attendance and those represented by proxy.

127. - 129. - There are no paragraphs 127 through 129.

130. **Voting**

131. Eligibility - Each member of the Corporation shall be entitled to one vote in all matters brought before a meeting of the Corporation. This right may be exercised in person or by proxy.

132. Proxy Voting - Each member of the Corporation shall be furnished, with the notice of a meeting, a proper proxy ballot. This ballot shall be so designed as to allow the member to grant a general proxy or to direct a specific proxy in matters known to be brought before said meeting, including election of the Directors of the Corporation and amendment of these By-Laws. Proxy Ballots received by the Secretary of the Corporation shall remain sealed until said meeting is in session. All proxy ballots received at any time prior to the commencement of said meeting shall be effective.

133. - 209. - There are no paragraphs 133 through 209.

210. **Directors**

211. Number - The number of Directors which shall constitute the whole Board of Directors shall be thirteen (13).

212. Qualifications - A Director need not be a member of the Corporation.

213. Term of Office - The term of office of Directors shall be as follows:

- .1 Eight (8) of the Directors shall be elected for terms of four (4) years. The terms of two (2) of whom shall expire each year. These Directors shall be elected at the annual meeting of the Corporation and shall serve as such until their terms shall expire or shall be sooner vacated in accordance with these Bylaws.
- .2 Four (4) of the Directors shall be elected for terms of one (1) semester by New York Epsilon of Sigma Alpha Epsilon at their regular election times. Directors shall serve until the next regular election or until their terms are vacated in accordance with these Bylaws. Additional qualifications for these Directors may be set by the New York Epsilon Chapter in its Bylaws, subject to the approval of the Board of Directors.
- .3 One (1) of the Directors shall be the current Chapter Advisor to New York Epsilon of Sigma Alpha Epsilon. This position has a permanent term, but may be vacated in accordance with these Bylaws. The Chapter Advisor is elected by the active chapter or appointed in accordance with the National Laws of Sigma Alpha Epsilon.

214. Election of Directors - Sufficient Directors shall be elected at each annual meeting to fill all vacancies of Directors, including unexpired portions of prematurely vacated terms. Each eligible voter may cast as many votes for Directors as there are vacancies to fill. No candidate may receive more than one (1) vote from each eligible voter. In the case of vacancies existing for parts of four year terms, the candidates receiving the larger number of votes will receive the longer terms.
215. Nomination of Candidates - The Board of Directors shall appoint a nominating committee of members of the Corporation to select any number of candidates to be placed on the ballot. The names of other persons shall also be placed on the ballot if a petition, requesting nomination, and signed by three (3) members of the Corporation, shall be received by the Secretary of the Corporation six (6) weeks or more before the date of the annual meeting. The names of the incumbent Directors whose terms of office shall expire at the annual meeting shall be placed on the ballot unless they specifically object thereto. Candidates, other than incumbent Directors, must consent to nomination either by appearing in person before a meeting of the Board of Directors, by submitting a statement of consent to the Secretary of the Corporation, or by verbal consent to a member of the nominating committee. This nominating procedure shall not preclude the nomination of other persons by proxy ballot. The proxy ballot shall provide space thereon for this purpose.
216. Vacancies, Creation of - A vacancy in the Board of Directors shall exist through the death or resignation of a Director or if the Chairman of the Board of Directors shall declare the office of a Director vacant for non-attendance at meetings of the Board of Directors. The Chairman of the Board of Directors may only declare the office of a Director vacant if said Director, having been legally notified of such meetings, remains absent from four (4) or more consecutive meetings.
217. Vacancies, Filling of - The office of any Director becoming vacant shall be filled by a majority vote of the remaining Directors, though less than quorum. A Director elected to fill such a vacancy shall serve until the next annual meeting of the Corporation.
218. Compensation - Directors of the Corporation shall receive no compensation for the performance of their duties as Directors.
219. There is no paragraph 219.
220. **Meetings of the Board of Directors**
221. Regular Meetings - Regular meetings of the Board of Directors shall be held at such times as shall be determined by the Board.
222. Special Meetings - Special meetings of the Board of Directors shall be called if requested by:
- .1 The Chairman of the Board of Directors, or,
 - .2 Three (3) or more Directors.

223. Place - Meetings of the Board of Directors shall be at such places as the Board may, from time to time, determine.
224. Notice of Meetings - Notice of meetings of the Board of Directors shall be given to each Director not less than one (1) week prior to such meeting, and to each member of the Corporation so requesting. This notice may be given by certified mail, telephone, telegraph, or in person.
225. Executive Session - The meetings of the Board of Directors and of its several committees shall be open to each and every member of the Corporation.
226. Quorum - A quorum of the Board of Directors shall consist of five (5) Directors. The act of a majority of the Directors present at any meeting at which there is a quorum shall be an act of the Board of Directors; except that the sale, purchase, mortgage, or lease of real property must be authorized by two-thirds (2/3) of the whole number of Directors.

227. - 229. There are no paragraphs 227 - 229.

230. **Functions of the Board of Directors**

231. Authority - The Board of Directors shall have vested in it authority to act for the Corporation in all matters not inconsistent with the laws of the State of New York, these Bylaws, and such rules, regulations, and limitations as the whole Corporation may from time to time enact. The Board may invest the funds of the Corporation in mortgage bonds, debentures, common or preferred stock, and such other securities as the Board may deem advisable from time to time.
232. Responsibility - The Board of Directors shall be responsible for the management of the property and business, and the administration of the affairs of the Corporation as directed by the whole Corporation.
233. Reports - An annual report, in accordance with article 46 of the Membership Corporation Law, shall be submitted to the annual meeting. This report shall also be mailed to each member of the Corporation.
234. Standard Procedures - These Bylaws may be supplemented by Standard Procedures prescribed by the Board of Directors provided such procedures are not inconsistent with the laws of the State of New York, these Bylaws, or such rules, regulations, and limitations as may be prescribed by the whole Corporation.

235. - 239. There are no paragraphs 235 through 239.

240. **Funds of the Corporation**

241. Building Fund - The Building Fund shall consist of those monies received from an annual compensation from New York Epsilon (on the basis of a formula annually approved by the Board of Directors), from the proceeds of alumni notes and bequests as may, from time to time, be received by the Corporation for this purpose. The Building Fund may be expended only for the purpose of acquiring real property and for the costs incurred in acquiring same.

241.-A. The Lion Fund

- .1 Name of Fund - The name of the fund shall be called The Lion Fund.
- .2 Purpose of Fund - The purpose of the fund is to invest contributions from alumni and surplus LAE Corporation deposits in a proactive manner with the objective of maximizing asset value and generating long term growth.
- .3 Objective of Fund
 - (a) The long term objective of the fund is to provide LAE Corporation with a capital base with which to accomplish major projects such as the building of a new SAE Chapter House.
 - (b) Limitation on Use of Fund Money - The funds of The Lion Fund may only be used for major house improvements or a new chapter house. The funds may not be withdrawn until there is at least \$100,000 in the fund and no withdrawal can be more than 25% of the total fund value. To withdraw funds, a motion to the LAE Board must be made detailing the amount of the withdrawal and its use. The motion must then be passed by a majority vote of the board.
- .4 Membership of the Fund Committee
 - (a) The fund shall be managed by a fund manager and two assistants. The fund manager shall always be member of LAE. The fund assistants shall also be members of LAE, unless specifically approved in accordance with the next paragraph.
 - (b) The fund manager shall be appointed by the LAE Treasurer subject to a 2/3 approval of the LAE Board. Assistants shall be appointed by the Fund Manager and shall also be approved by a 2/3 vote of the LAE Board unless the assistants are not NYE SAEs or NYE SAE Alumni in which case the assistants must be approved by a 2/3 vote of those voting at a Corporation meeting at which there is quorum (See Section 120). (This holds true for the possibility of professional fund manager in which the rules for a non SAE apply and the professional must be bound by a formal contract).
 - (c) The term of the fund manager and his assistants shall be two years. The term will begin and end on the meeting before the general fall meeting.
 - (d) Duties of the fund manager - The duties of the fund manager are listed below:
 - 1) To continually manage the fund, accomplish day to day tasks including monitoring fund status, executing trades, and evaluating the investment environment in line with fund objectives and philosophies.

- 2) To minimize expenses incurred by the fund including trading fees, and research analysis costs, and possible taxes.
 - 3) To appoint, supervise, and delegate tasks to the assistant fund managers.
 - 4) To report fund performance monthly to the LAE treasurer and chairman, quarterly to the LAE Board and yearly to the general LAE membership. Reports should include a cumulative list of investments, records of transactions, net result for the period, quarterly updates on economic and investment trends, and investment plans for the next period.
- .5 Removal and Review - The removal of the fund manager and his assistants can be made at any time by a motion by any board member. At this time the fund manager and the fund assistants must be given an opportunity to present their case before the removal vote can be taken. The vote can be taken at any time (including a phone vote) and must be passed with a 2/3 majority of the board. If the manager or assistants are not members of LAE they will not have a vote.
- .6 Investment guidelines and Limitations
- (a) At no time may the fund manager make trades with LAE funds based on pure speculation or inside information. Entry trades must be considered long term investments with positive potential for the future value of the fund (i.e. short term plays are discouraged).
 - (b) The fund manager must seek to minimize the tax liability created by capital gains on investments. The manager must consider the tax implications before liquidating an investment.
 - (c) The fund manager may not churn the fund by buying and selling investments rapidly or in a haphazard manner.
 - (d) The fund may at no time be invested in commodities, futures, options on futures, derivatives, or leveraged investments. However, the fund may be invested in a mutual fund which does invest in these contracts and securities as long as the percentage of total assets that these types of contracts or securities in the fund make up less than 15%.
 - (e) The fund managers act of investing in these ‘banned’ contracts or securities is grounds for the immediate review of the managers performance and removal if necessary.
 - (f) Execution of a trade will require the approval of the fund manager and one of the assistants.
 - (g) The fund shall not invest more than 25% of the total fund value in one particular security (i.e. stock, bond or mutual fund).

.7 Limitation of Debt Liability

- (a) Under no circumstance can the fund manager or fund assistants borrow or agree to any liability on behalf of the Lion Fund, LAE Corporation, or NYE SAE. All trading shall be undertaken without leverage.
- (b) The Lion Fund shall be liable for the debts and obligations of its activities to the full extent of its assets. The fund manager and fund assistants, as agents for the fund, shall be entitled to require the exhaustion of the fund assets to meet outstanding debts and obligations and shall not personally be held liable for those debts and obligations.

.8 Indemnification Clause - To the fullest extent permitted by law, the LAE Corporation shall indemnify and save harmless the fund manager and fund assistants (collectively, "the indemnitees") from and against any and all claims, liabilities, damages, losses, costs, and expenses that are incurred by any indemnitee and arise out of or in connection with the business of the fund or the performance by such indemnitee of any of the fund's responsibilities hereunder, provided that an indemnitee shall be entitled to indemnification hereunder only if such indemnitee acted in good faith and in a manner such as the indemnitee reasonably believed to be in or not opposed to the best interests of the fund, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, and such indemnitee conduct did not constitute willful misconduct, fraud, gross negligence, or a knowing violation of this bylaw.

.9 Investment Philosophy

- (a) The philosophy of the fund shall be to utilize an investment strategy that focuses on a mix of stock (equities) with a significant opportunity for future growth(growth stocks), bonds (debt) when the interest rate environment offers asset growth as well as interest income, sector stocks which take advantage of economic and business conditions, and cash instruments such as CDs and money market funds when such instruments are attractive.
- (b) The fund shall strive to diversify its portfolio by purchasing mutual funds and/or closed end funds which follow the fund's philosophy. The fund shall attempt to generate profit (after operating costs) above market return as measured against the S&P 500. The benchmark profit target shall be +12% growth per year. However, as with all investments, it is understood that there is risk of not achieving the profit target or, during some periods, experiencing a decrease in principle.

242. Operating Fund - The Operating Fund shall consist of those monies received from the rental and lease of real property, and the normal operation of the Corporation, with the exception of sources of the Building Fund. The Operating Fund may be expended for any purpose involving the normal operation of the Corporation including maintenance, upkeep, and repair of real property, and the cost of alumni functions, the administration of the Corporation, and such other purposes as the Board of Directors may authorize.

243. Budget - The Treasurer shall submit to the Board of Directors at the first regular Board meeting after July 1 a budget for the forthcoming fiscal year. After consideration by the Board with or without revisions, it shall then be presented to the whole Corporation at the annual meeting.
244. Obligation of Funds - The Board of Directors, the Officers, the Committees, employees, or agents of the Corporation shall not obligate the Corporation in excess of the budget as approved.
245. The Don Farkouh and Mark Hier Memorial Scholarship Fund - The Fund has been created in memory of these two Brothers who died in a tragic automobile accident in March 1989. This Fund shall be set up as an endowed trust fund to be administered by the Scholarship Fund Committee of the Corporation. The intent is to annually award scholarships from the interest and/or provide loans to undergraduate members of the New York Epsilon Chapter who will be attending Rensselaer.
- (a) Award recipients will be selected based on financial need, fraternity participation, campus and community service, and scholastic achievement. Applications shall be submitted by August 1 of the upcoming school year to the Corporation Secretary to be eligible for consideration by the Scholarship Fund Committee.
 - (b) Minimum awards shall be \$250. The award will be in the form of a check made out to the Chapter House or to the Rensselaer Bursar to credit the student's account. Any excess interest will be folded into the trust fund to help its growth.
 - (c) Donations are tax deductible as described in section 107(c)(4) of the IRS Code. Upon dissolution of the Corporation, the funds shall be transferred to the New York Epsilon Fund, or its successor, at the Sigma Alpha Epsilon Foundation, 1856 Sheridan Road, Evanston, IL, a tax exempt entity under section 501(c)(3) of the Internal Revenue Code.
246. Stewart (Skeeter) Guild Memorial Scholarship Fund - The Fund has been created in memory of this Brother and fellow House Corporation Director who died in a motorcycle accident in March 1993. This Fund shall be set up as an endowed trust fund to be administered by the Scholarship Fund Committee of the Corporation. The intent is to annually award scholarships from the interest and/or provide loans to undergraduate members of the New York Epsilon Chapter who will be attending Rensselaer.
- (a) Award recipients will be selected based on financial need, fraternity participation, and other criteria as judged by the Committee to be within the spirit of a True Gentleman. Applications must be submitted by September 1 of each year, for review by the Scholarship Funds Committee.

- (b) Minimum awards shall be \$250. The award will be in the form of a check made out to the Chapter House or to the Rensselaer Bursar to credit the student's account. Any excess interest will be folded into the trust fund to help its growth. In the event that there no applicants for the award were received, or that less than \$250 interest was earned by this Fund, this award may be combined with the Farkouh/Hier Scholarship Award.
- (c) Donations are tax deductible as described in section 107(c)(4) of the IRS Code. Upon dissolution of the Corporation, the funds shall be transferred to the New York Epsilon Fund, or its successor, at the Sigma Alpha Epsilon Foundation, 1856 Sheridan Road, Evanston, IL, a tax exempt entity under section 501(c)(3) of the Internal Revenue Code.

247. - 249. There are no paragraphs 247 through 249.

250. **Officers of the Corporation**

- 251. Elected Officers - The Board of Directors shall at their first meeting after the annual meeting, elect a Chairman, Vice-Chairman, Secretary and Treasurer. These officers shall hold office for one year. One person may hold concurrently, any two of these elected offices except that the offices of Chairman and Vice-Chairman shall be held by different persons. The Secretary and Treasurer need not be Directors of the Corporation.
- 252. The Chairman of the Board of Directors - The Chairman of the Board of Directors shall be the chief executive officer of the Corporation. He shall handle all routine affairs of the Corporation and preside over meetings of the Corporation, and of the Board of Directors. He shall exercise such authority and assume such responsibilities as the Board of Directors shall deem appropriate.
- 253. The Vice-Chairman - The Vice-Chairman shall, in the absence of the Chairman, preside over meetings of the Corporation. He shall perform such other duties as the Board of Directors shall assign.
- 254. There is no paragraph 254.
- 255. The Secretary - The Secretary shall be responsible for, and shall perform, the following duties:
 - .1 Timely distribution of notices of all meetings and reports to the members and Directors.
 - .2 Maintenance of an accurate list of members and their addresses and the availability of same to any member at any time. The submission of a list of eligible voters to each meeting of the Corporation.
 - .3 Recording, reproduction, and distribution of the minutes of meetings of the Corporation and of the Board of Directors.
 - .4 Such other duties as the Chairman, by and with the authority of the Board of Directors, shall assign.

256. The Treasurer - The Treasurer shall be responsible for, and shall perform, the following duties:
- .1 Maintenance of the account books, banking accounts, and other financial records of the Corporation.
 - .2 The collection, banking, and disbursement of the monies of the Corporation as directed by the Board of Directors.
 - .3 The submission to the Board of Directors, at each regular meeting of the Board, of a brief financial report in a form prescribed by the Board.
 - .4 The submission, to the Corporation at the annual meeting, of an annual financial report. This report shall include a complete balance sheet, a summary of receipts and expenditures during the fiscal year, and a list of the accounts receivable and payable.
 - .5 Such other duties as the Chairman, by and with the authority of the Board of Directors, shall assign.
257. Removal of Elected Officers - The office of an elected officer of the Corporation may be declared vacant by a vote of two-thirds (2/3) of the whole number of Directors.
258. Appointed Officers - The Chairman of the Board of Directors, by and with the consent of the Board of Directors, may appoint such other officers as, from time to time, may be deemed necessary. These officers shall be granted such authority, responsibilities, and duties as the Board of Directors shall deem appropriate.
259. There is no paragraph 259.
260. **Committees of the Corporation**
261. Standing Committees - The standing committees of the Corporation shall consist of the following: Alumni Relations Committee, New Facilities Committee, Operations Committee.
262. Alumni Relations Committee - The Alumni Relations Committee shall be responsible for the planning and execution of social functions of the Corporation and the preparation and distribution of newsletters to the members. They shall have the authority to obligate, and to direct the Treasurer to expend, such funds as have been budgeted to the Committee and for which the purpose of the obligation is within the scope of the Committee's responsibility.
263. New Facilities Committee - The New Facilities Committee shall be responsible for the inquiry into, and investigation of matters relating to, the sale, lease, mortgage, and purchase of real property. The Committee shall make recommendations to the Board of Directors regarding these matters as it shall deem appropriate and shall report to the Board on such other matters in relation to the acquisition of real property as the Board may request from time to time

264. The Operations Committee - The Operations Committee shall be responsible for the maintenance, upkeep, and repair of the real property of the Corporation. They shall have the authority to obligate, and to direct the Treasurer to expend, such funds as have been budgeted to the Committee and for which the purpose of the obligation or expenditure is within the scope of the Committee's responsibility.
265. The Don Farkouh and Mark Hier Memorial Scholarship Fund Committee - This committee shall, in addition to any other duties assigned by the Board, administer the Fund. They will review the applications, with input from graduating seniors, at a meeting each May. They will present the award(s) at the fall Alumni Weekend.
266. Awards Committee - This committee shall select the recipient(s) of the annual awards of the Corporation, listed as follows;
- .1 The Pride - The Pride of the LAE House Corporation shall be awarded annually to an individual or individuals who have serviced the Corporation beyond the normal call of duty. It is the intent of the Corporation to recognize individuals who have donated much time and effort to the success of the Corporation over the past years. The Corporation shall recognize these individuals by awarding them a Statuette of a Lion, entitled "The Pride of Sigma Alpha Epsilon."
 - .2 The Alumni Sports Cup - The Alumni Cup shall be awarded to the team (the Actives or the Alumni) that wins a majority of the sports matches played each year during Alumni Weekend(s). These matches shall include, but are not limited to, soccer, cross country (the Alumni Run), and hockey.
267. The Lion Fund Committee - Refer to Section 241-A for the membership of this committee.
268. Appointment to Standing Committees - Appointment of Directors to the standing committees of the Corporation shall be made by the Chairman of the Board of Directors, by and with the consent of the Board of Directors. In appointing Directors to committees, consideration shall be given to their desires and capabilities.
269. Other Committees - The Chairman of the Board of Directors may from time to time appoint such other committees as he deems advisable or as he is directed by the Board. These committees shall be granted such authority and delegated such responsibility as is deemed appropriate by the Board.
270. Reports - Each of the committees of the Corporation shall submit to the Board of Directors at each regular meeting of the Board and at such other times as the Board may direct, a report of the committee's operations, progress, and expenditures.
- 271 - 300. There are no paragraphs 271 through 300.