

NORTHWEST DELTA UPSILON CORPORATION
and
THE WASHINGTON CHAPTER OF
DELTA UPSILON INTERNATIONAL FRATERNITY
Seattle, Washington

TERMS AND CONDITIONS FOR MEMBER'S FINANCIAL RESPONSIBILITY AGREEMENT

These Terms and Conditions shall be incorporated by reference into and as part of each Member's Financial Responsibility Agreement entered into by and among the Northwest Delta Upsilon Corporation, the Washington Chapter of Delta Upsilon International Fraternity, and each Member and his Parents.

Section 1: Definitions

For purposes of these Terms and Conditions, and except as otherwise expressly provided for or unless the context otherwise requires, the following capitalized terms shall have the meanings set forth below:

1.1 "Annex" means any additional rooms and accommodations outside the Chapter House that the Corporation leases, rents or owns and, together with the Chapter, maintains for the benefit and use of Members.

1.2 "Annual House Bill" means the charges for room, board and accommodations and other services and activities for the academic school year, as determined by the Corporation and the Chapter for a Resident Member and as set forth in a Resident Member's Financial Responsibility Agreement executed by the Parties annually, but does not include the Other Charges that may be assessed.

1.3 "Chapter" means the Washington Chapter of Delta Upsilon International Fraternity, an unincorporated association of Members of the Fraternity at the University of Washington.

1.4 "Chapter House" means the Fraternity chapter house located at 4508 19th Avenue NE, Seattle, Washington 98105-3353, that the Corporation owns and, together with the Chapter, maintains for the benefit and use of Members who are students at the University of Washington

1.5 "Corporation" means the Northwest Delta Upsilon Corporation, a Washington not-for-profit corporation, whose mailing address is c/o Stokes Lawrence, P.S., 800 Fifth Avenue, Suite 4000, Seattle, Washington 98104.

1.6 "Excusable Delay" means any delay or inability of a Party to perform any of its obligations under these Terms and Conditions and the Member's Financial Responsibility Agreement that results from a Force Majeure Event.

1.7 "Facilities" means collectively the Chapter House and any Annex.

1.8 "Force Majeure Event" means the occurrence of an event that is beyond the reasonable control of a Party and not occasioned by such Party's fault, including fires, floods, earthquakes, labor unrest, riots, acts of war, acts of terrorism, civil disturbance, acts of God, failures of or delays by common carriers, suppliers or vendors, failure to obtain government approval notwithstanding reasonable efforts, loss of government licenses or non-renewals of the same notwithstanding reasonable efforts, government intervention or similar causes.

1.9 "Fraternity" means the Delta Upsilon International Fraternity, Inc., an Indiana not-for-profit corporation, whose principal place of business is 8705 Founders Road, Indianapolis, Indiana 46268-0942.

1.10 "Member" means a pledge or undergraduate member of the Fraternity who is or intends to be enrolled and matriculated in an academic program at the University of Washington, Seattle, Washington, for the academic school year, and includes any Resident Member and Townie Member.

1.11 “Other Charges” means such charges in addition to the Annual House Bill or Townie Bill, whichever is applicable, as the Corporation or the Chapter may from time-to-time assess Members on a non-discriminatory basis, including without limitation, such charges as pledge and initiation fees, building fund assessments, special assessments, late charges and interest, cost for damage or breakage attributable to the Member, or such other charges for goods and services purchased by or for the Member that are arranged for or purchased through the Chapter.

1.12 “Parents” means a Member’s parents or legal guardians.

1.13 “Party” or “Parties” means separately or collectively the Corporation, the Chapter, the Member and his Parents.

1.14 “Resident Member” means a Member that resides in the Facilities during the academic school year.

1.15 “Townie Bill” means the charges for board and other services and activities for the academic school year, as determined by the Corporation and the Chapter for a Townie Member and as set forth in a Townie Member’s Financial Responsibility Agreement executed by the Parties annually, but does not include the Other Charges that may be assessed.

1.16 “Townie Member” means a Member that does not reside in the Facilities during the academic school year.

Section 2: Room, Board and Accommodations and Other Services and Activities

2.1 Resident Member: For a Resident Member, upon execution of the Member’s Financial Responsibility Agreement, the Corporation and the Chapter agree to furnish to the Member room, board, and accommodations in the Facilities (in such location as is determined by the Corporation and the Chapter in their sole discretion) and other services and activities during the academic school year.

2.2 Townie Member: For a Townie Member, upon execution of the Member’s Financial Responsibility Agreement, the Corporation and the Chapter agree to furnish to the member board in the Facilities and other services and activities during the academic school year.

Section 3: Payment Terms

3.1 Annual House Bill: The Resident Member and his Parents agree to pay to the Corporation and the Chapter the Annual House Bill as set forth in the Resident Member’s Financial Responsibility Agreement.

3.2 Townie Bill: The Townie Member and his Parents agree to pay to the Corporation and the Chapter the Townie Bill as set forth in the Townie Member’s Financial Responsibility Agreement.

3.3 Payment Schedule: The Member and his Parents shall pay the Annual House Bill or the Townie Bill, whichever is applicable, to the Corporation and the Chapter in a single annual payment, three quarterly payments or nine monthly payments as set forth in the Member’s Financial Responsibility Agreement. The Member and his Parents shall elect the payment schedule for the Annual House Bill or the Townie Bill. Absent such an election, the Member and his Parents shall pay the Annual House Bill or the Townie Bill in accordance with the quarterly schedule.

3.3.1 Annual Payment: If the Member and his Parents elect the single annual payment, the payment is due and payable on the 10th day after the commencement of classes for the academic school year (Fall Quarter) and as specified in the Member’s Financial Responsibility Agreement. The single annual payment of the Annual House Bill shall be discounted by \$250, if the Member and his Parents timely pay the single annual payment of the Annual House Bill when due.

3.3.2 Quarterly Payment: If the Member and his Parents elect the three quarterly payments, each quarterly payment is due and payable on the 10th day after the commencement of classes for that quarter (Fall, Winter and Spring) and as specified in the Member’s Financial

Responsibility Agreement. Each of the quarterly payments of the Annual House Bill shall be discounted by \$35, if the Member and his Parents timely pay the quarterly payment of the Annual House Bill when due.

3.3.3 Monthly Payment: If the Member and his Parents elect the nine monthly payments, each monthly payment is due and payable the 5th day of each month for nine months beginning October 5 through and including June 5, and as specified in the Member's Financial Responsibility Agreement.

3.4 Other Charges: In addition to the Annual House Bill or the Townie Bill, whichever is applicable, the Member and his Parents agree to pay to the Corporation and the Chapter such Other Charges as may be assessed by the Corporation or the Chapter from time-to-time. The Chapter shall bill to the Member all Other Charges quarterly. Payment of all other charges will be due and payable upon the Member's receipt of the invoice.

3.5 Payment Method: Payment may be made by check delivered or mailed to Chapter Treasurer, Washington Chapter of Delta Upsilon Fraternity, 4508 19th Avenue, N.E., Seattle, WA, 98105, or, if the Chapter has such ability, by credit card.

3.6 Late Charges and Interest: A late charge in the amount of \$25 of any quarterly or monthly payment will be assessed if the payment is not received when due. In addition to the late charge, interest will be charged on any past due amount of the Annual House Bill or Townie Bill, whichever is applicable, or Other Charges, at a rate of one percent (1%) per month compounded monthly (which is equivalent to an Annual Percentage Rate of 12.68%). Such late charges and interest are to offset the additional expenses incurred by the Corporation and the Chapter in the collection of past due amounts. Late charges and interest may be waived only upon petition and approval of the Executive Council of the Chapter.

3.7 Damage and Key Deposit: The Member and his Parents further agree to pay a damage and key deposit as assessed by the Corporation and the Chapter and as specified in the Member's Financial Responsibility Agreement. The deposits shall be deposited in a separate account. In addition to assessing the Member the full costs of repairs for any damage that he may cause, the Corporation or the Chapter may retain the Member's deposit and reassess a new deposit. The Corporation and the Chapter shall refund any remaining portion of the deposit after the end of the academic school year upon return of all keys belonging to the Chapter and payment of all outstanding balances due and owing to the Corporation and the Chapter by the Member.

3.8 Discounts: In addition to discounts that may apply for timely payment of the single annual payment or a quarterly payment of the Annual House Bill, other discounts may apply and will be used to reduce the amount of the Annual House Bill or Townie Bill, whichever is applicable, or Other Charges that may be due and payable.

3.9 Parents' Guarantee: The Parents shall and do hereby guarantee payment and performance by the Member of all the Member's financial obligations under any provision of these Terms and Conditions and the Member's Financial Responsibility Agreement. The Parents further agree to pay upon demand any amount due and owing by the Member to the Corporation or the Chapter.

Section 4: Member's Responsibilities

4.1 Laws, Rules, Regulations and Policies: The Member agrees to strictly abide by all laws and regulation of the United States, the State of Washington, and all policies, rules, and regulations of the University of Washington, the Fraternity, the Corporation, and the Chapter while resident at the Facilities.

4.2 Loss Prevention Policies and Program: The Member agrees to strictly abide by the Fraternity's, the Corporation's and the Chapter's Loss Prevention Guidelines and to assist and cooperate in the Chapter's Loss Prevention Program. The Member and his Parents hereby acknowledge receipt of a copy of the Loss Prevention Guidelines adopted by the Fraternity, the Corporation, and the Chapter.

4.3 Rules and Regulation of an Annex: If the Member resides in the Annex, the Member further agrees to strictly abide by any additional policies, rules, and regulations required by the owner and

or manager of the Annex pursuant to the Corporation's or the Chapter's rental or lease agreement for the Annex, and any additional policies, rules or regulations that the Corporation or the Chapter may adopt for any Annex. If appropriate, a copy of the rental or lease agreement for the Annex will be provided to the Member and his Parents.

4.4 Damage: The Member and his Parents hereby acknowledge that they will be financially responsible for any damage that the Member may cause to the Facilities, any other real or personal property of the Corporation and the Chapter, and any personal property owned by or in the possession of any other Member or his Parents that is at the Facility.

Section 5: Insurance

5.1 The Corporation and the Chapter shall not be responsible for any theft, loss, or damage by whatever cause of any personal property owned by or in the possession of the Member or his Parents at the Facilities, including any motor vehicles. The Member and his Parents acknowledge that they are solely responsible for any personal property insurance for any personal property owned by or in the possession of the Member or his Parents at the Facilities, and for any automobile insurance for any motor vehicle owned by or in the possession of the Member or his Parents at the Facilities.

Section 6: Termination

6.1 By the Corporation or the Chapter: Default by the Member of any provisions of these Terms and Conditions or of the Member's Financial Responsibility Agreement, or other conduct or behavior deemed by either the Corporation or the Chapter to be such as to require the removal of the Member from the Facilities in the best interest of the other members and the Chapter, may constitute grounds for immediate termination of the Member's Financial Responsibility Agreement by the Corporation or the Chapter. The Corporation or the Chapter may terminate the Member's Financial Responsibility Agreement upon such grounds by providing written notice of termination and a request to vacate to the Member and his Parents, delivered to the Member at the Facilities and sent by regular mail to the Parents' listed mailing address. Upon termination of the Member's Financial Responsibility Agreement by the Corporation or the Chapter, the Member shall immediately leave and vacate the Facilities and shall within one week after the date of such written notice remove all personal property owned by or in the possession of the Member and his Parents at the Facilities, and upon the Member's failure to do so, the Chapter may, for the Member's and Parents' account, remove such property and either store it or dispose of it, as the Chapter may determine in its sole discretion. The Annual House or Townie Bill, whichever is applicable, due from the Member and his Parents shall be pro-rated as of the date of termination of the Member's Financial Responsibility Agreement by the Corporation and the Chapter, and any overpayment by the Member or his Parents shall be refunded. The Other Charges assessed will not be prorated.

6.2 By the Member or his Parents: The Member or his Parents may terminate the Member's Financial Responsibility Agreement by providing thirty days (30 days) written notice to the Chapter or the Corporation. The Member and his Parents shall remain responsible for the Annual House Bill or the Townie Bill, whichever is applicable, and the Other Charges assessed to or incurred by the Member prior to termination. If a Resident Member and his Parents terminate the Resident Member's Financial Responsibility Agreement and the Member no longer resides in the Facilities, and if the Corporation and the Chapter are not able to reoccupy the Member's room by another Member within a reasonable time and after reasonable efforts, the Corporation and Chapter have been damaged. In such circumstances the Resident Member and his Parents agree to pay as liquidated damages (in addition to all other amounts due and owing at the time the Resident Member or his Parents terminate the Resident Member's Financial Responsibility Agreement) an amount equal to fifty percent (50%) of the remaining prorated portion of the Annual House Bill, prorated as of the date the Resident Member or his Parents terminate the Resident Member's Financial Responsibility Agreement, and any overpayment by the Member or his Parents shall be refunded.

Section 7: Limitations

7.1 DISCLAIMER OF WARRANTIES. EXCEPT AS AND ONLY TO THE EXTENT EXPRESSLY SET FORTH IN THESE TERMS AND CONDITIONS OR THE MEMBER'S FINANCIAL RESPONSIBILITY AGREEMENT, ANY ROOM, BOARD AND ACCOMMODATIONS AND ANY OTHERS

GOODS OR SERVICES THAT THE CORPORATION OR THE CHAPTER MAY FURNISH TO THE MEMBER ARE PROVIDED WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, OR ARISING BY USAGE OF TRADE, COURSE OF PERFORMANCE OR COURSE OF DEALING, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS EXPRESSLY SET FORTH IN THESE TERMS AND CONDITIONS AND THE MEMBER'S FINANCIAL RESPONSIBILITY AGREEMENT, NO WARRANTIES ARE AUTHORIZED TO BE GIVEN BY ANY OFFICERS OR DIRECTORS OF THE CORPORATION OR ANY OFFICERS OF THE CHAPTER OR THEIR AGENTS OR ANYONE ELSE PURPORTING TO ACT ON BEHALF OF THE CORPORATION OR THE CHAPTER. ACCORDINGLY, THE CORPORATION AND THE CHAPTER DISCLAIM ALL WARRANTIES OF ANY KIND AND NATURE WHATSOEVER. NO PARTY SHALL BE LIABLE TO THE OTHER PARTY, OR TO ANY THIRD PARTY CLAIMING BY OR THROUGH SUCH PARTY, FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF OR IN CONNECTION WITH THESE TERMS AND CONDITIONS OR THE MEMBER'S FINANCIAL RESPONSIBILITY AGREEMENT OR THE ROOM, BOARD AND ACCOMMODATIONS AND ANY OTHER GOODS AND SERVICES THAT THE CORPORATION OR THE CHAPTER MAY FURNISH TO THE MEMBER.

7.2 LIMITATION OF LIABILITY. THE LIABILITY OF THE CORPORATION AND THE CHAPTER AND ANY OF THEIR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONTRACTORS, SUCCESSORS AND ASSIGNS (FOR PURPOSES OF THIS SECTION REFERRED TO COLLECTIVELY AS THE "CORPORATION"), TAKEN AS A WHOLE, WHETHER IN TORT, CONTRACT OR OTHERWISE AND NOTWITHSTANDING ANY FAULT, NEGLIGENCE, STRICT LIABILITY OR PRODUCT LIABILITY OF THE CORPORATION, OR ANY FAILURE OF ESSENTIAL PURPOSE WITH REGARD TO THE ROOM, BOARD AND ACCOMMODATIONS AND ANY OTHER GOODS OR SERVICES THAT THE CORPORATION OR THE CHAPTER MAY FURNISH TO THE MEMBER SHALL IN NO EVENT EXCEED THE AMOUNT OF THE ANNUAL HOUSE BILL OR TOWNIE BILL, WHICHEVER IS APPLICABLE, PAID BY THE MEMBER AND HIS PARENTS.

7.3 WAIVERS AND RELEASE. THE MEMBER AND HIS PARENTS HEREBY WAIVE AND RELEASE ANY AND ALL OF THEIR RIGHTS AND REMEDIES, AND ALL WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE CORPORATION OR THE CHAPTER, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY ERROR, OMISSION, DEFECT, DEFICIENCY OR NON-CONFORMITY IN ANY ROOM, BOARD AND ACCOMMODATIONS AND ANY OTHER GOODS OR SERVICES THAT THE CORPORATION AND THE CHAPTER MAY FURNISH THE MEMBER, INCLUDING WITHOUT LIMITATION: (A) ANY IMPLIED WARRANTY OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; (B) ANY IMPLIED WARRANTY ARISING FROM USAGE OF TRADE, COURSE OF PERFORMANCE OR COURSE OF DEALING; (C) ANY CLAIM IN TORT, WHETHER OR NOT ARISING IN WHOLE OR IN PART FROM THE CORPORATION'S OR THE CHAPTER'S NEGLIGENCE, STRICT LIABILITY, OR PRODUCT LIABILITY, BUT NOT INCLUDING ANY CLAIM ARISING FROM ANY INTENTIONAL ACT OR GROSS NEGLIGENCE OF THE CORPORATION OR THE CHAPTER; AND (D) ANY CLAIM FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR COVER.

Section 8: Miscellaneous Provisions

8.1 Changes: The Corporation and the Chapter may amend these Terms and Conditions from time-to-time, upon thirty days (30 days) advance notice to Members and their Parents.

8.2 Binding Nature: These Terms and Conditions and the Member's Financial Responsibility Agreement shall be binding on the Parties and their successors, heirs and assigns.

8.3 Entire Agreement; Amendments. These Terms and Conditions, as may be amended from time-to-time, and the Member's Financial Responsibility Agreement constitute the entire and exclusive agreement of the Parties with respect to the subject matter and together supersede all prior communications, representations, understandings, commitments and agreements, oral or written, between the Parties with respect thereto. Such agreement may only be amended as described herein or by a written amendment signed by all the Parties. No Party is relying on any representation or statement by any other Party or any other person that is not included in these Terms and Conditions or the Member's Financial Responsibility Agreement.

8.4 Waiver. No waiver of any provision of these Terms and Conditions or the Member's Financial Responsibility Agreement shall be valid unless in writing and signed by the appropriate Party, and no such waiver shall extend to any provisions or to any breach other than those specifically described in such waiver. No failure or delay by any Party to enforce strictly any of the provisions of these Terms and Conditions or the Member's Financial Responsibility Agreement shall be construed as a waiver of such provision.

8.5 Excusable Delay; Force Majeure. Except for payment obligations, a Party shall not be responsible for or deemed to be in default on account of any delay in its performance of these Terms and Conditions or the Member's Financial Responsibility Agreement to the extent primarily resulting from a Force Majeure. In the event of an Excusable Delay, such Party shall be excused from the performance of such act for the duration of the Excusable Delay, shall promptly notify the other Parties, in writing, of the cause of such Excusable Delay, and shall use reasonable efforts to minimize the effects of the Excusable Delay, and no Party is entitled to monetary damages or specific performance to the extent resulting from such Excusable Delay.

8.6 Applicable Law: These Terms and Conditions and the Member's Financial Responsibility Agreement shall be construed in accordance with the laws of the State of Washington. The Parties expressly agree, however, that these Terms and Conditions and the Member's Financial Responsibility Agreement and the room, board, and accommodations furnished by the Corporation and the Chapter are not subject to the Washington Residential Landlord Tenant Act, Title 56 RCW.

8.7 Enforcement: The Corporation and the Chapter shall be entitled to use all available means under the laws and regulations of the State of Washington or the policies, rules, and regulations of the University of Washington to enforce the provisions of these Terms and Conditions or the Member's Financial Responsibility Agreement.

8.8 Jurisdiction and Venue: The Parties agree that any action to enforce any provision of these Terms and Conditions or the Member's Financial Responsibility Agreement shall be commenced in the Superior Court for the State of Washington in and for the County of King, in Seattle, Washington. The Parties expressly waive any defenses that they may have to personal jurisdiction over them in such court.

8.9 Authority: The individuals who shall sign the Member's Financial Responsibility Agreement on behalf of the Corporation acknowledge and warrant that they are authorized to sign for the Corporation and to bind the Corporation to these Terms and Conditions and the Member's Financial Responsibility Agreement.

8.10 Severability. If, but only to the extent that, any provision of these Terms and Conditions or the Member's Financial Responsibility Agreement is declared or found to be illegal, unenforceable or invalid, then, to the full extent permitted by law: (a) such provision shall be deemed amended to the extent necessary to make it legal and enforceable while preserving the intent of the parties reflected therein; and (b) such illegality, unenforceability or invalidity will not affect any other provision hereof and the other provisions will be liberally construed in order to carry out the original intent of the Parties as nearly as possible.

8.11 Headings and Construction. Section headings are for reference only and shall not in any way affect the construction or interpretation of these Terms and Conditions or the Member's Financial Responsibility Agreement. Unless the context requires otherwise, references to the plural include the singular and vice versa, and "or" has the inclusive meaning sometimes represented by the phrase "and/or." The word "including" shall be deemed followed by the phrase "without limitation," although the use of "without limitation" or any similar phrase in any instance shall not be deemed to limit the interpretation of "including" in any other instance. Any references to Section(s) herein are references to Section(s) of these Terms and Conditions or the Member's Financial Responsibility Agreement unless otherwise clearly indicated. These terms and Conditions and the Member's Financial Responsibility Agreement shall be interpreted and construed as if both Parties had drafted it.

8.12 Counterparts. The Member's Financial Responsibility Agreement and any amendments, waivers, consents, or supplements hereto may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.