

# Frat forced to close its doors

Cites issues with bank, loan debt

BY JOSEPH R. SCHWARTZ  
UNIVERSITY EDITOR

When officials proudly displayed elaborate renovations to the interior of the Kappa Alpha house in 2001, no one knew that four years later the exterior would be boarded up due to those same renovations.

But that's the problem that confronts the fraternity's leaders today.

A lack of funding and a switch in banks resulted in foreclosure on their 110 W. Cameron Ave. house, in effect leaving members without a home and officials searching for a replacement.

"I'm hoping that we'll be able to figure out a way to get another premise where the guys can meet and hold rush and continue to carry on," said Van Webb, president of the chapter's alumni association.

Despite losing the house, Kappa Alpha members are optimistic about the organization's future.

Chad Habeeb, president of the fraternity, said the foreclosure doesn't change anything except their location.

"It's a sad situation," he said. "We hate to lose the house, but we've got a positive outlook for this next year. ... We're going to stay as strong as ever."

Habeeb stressed his confidence in the alumni association's ability to find a new building.

J.B. Davis, treasurer of the alumni association, reassured that notion.

"We're going to rent another house as far as an interim until we decide what we need to do," he said.

And even without a firm housing plan, Kappa Alpha's status at UNC stands firm.

Jay Anhorn, director of Greek Affairs, said his office focuses more on integrity and adherence to rules



The Kappa Alpha fraternity house located at 110 W. Cameron Ave. has been boarded up since its foreclosure last semester. Members are seeking temporary housing until they can come up with a permanent solution.

DTH/NATALIE ROSS

and deals very little with finances.

"Finances has nothing to do with their status of good standing with the University," he said.

Webb said the roots of the foreclosure, which became official late in the spring semester, can be traced back to 2000.

RBC Centura provided funds to kick off the project, but the building dedication occurred just weeks after the Sept. 11 terrorist attacks, causing difficulty in fund raising.

"The climate for raising additional money was not conducive to raising the money that we needed to raise to pay down the debt," Davis said.

Webb estimated that they owed about 1.2 million to the bank, but

a 9 percent interest-only rate made it difficult to gain headway.

"It wasn't the fact that we weren't paying the bills," he said.

But the final blow came in September when RBC Centura sold the bank note to the Massachusetts-based Capital Crossing Bank.

"On Oct. 1 we get a welcoming letter from Capital Crossing," Webb said, "And 15 days later we got a foreclosure notice — end of story."

The bank wanted \$1.4 million to sell property back to Kappa Alpha, he said.

Although the fraternity bolstered fund-raising efforts and made several counteroffers, the

bank moved forward with foreclosure, Webb said.

"The bank backed us into a corner and we didn't have the funds to dig ourselves out."

Contact the University Editor  
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## The Daily Tar Heel

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# Officials hash over wireless on Franklin

Could expand wireless Net coverage

BY BRIANNA BISHOP  
CITY EDITOR

At about 4 p.m. on a Tuesday afternoon, Steve Dorozenski, owner of Jack Sprat Cafe, counted six people using computers at his Franklin Street coffee shop.

He credits that to the addition of the wireless Internet in his shop — an initiative that some town leaders are hoping to spread throughout the downtown area.

The Chapel Hill Town Council received two petitions Monday night addressing the subject.

Both petitions — one from the Chapel Hill Downtown Economic Development Corporation and the other from members of the town's technology committee — asked the council to consider pairing the groups together to pursue the goal.

"The technology committee has it in their strategic plan, and it's also of interest to us, so we thought it would be beneficial instead of working separately to collaborate," Andrea Rohrbacher, chairwoman of the development corporation, said Tuesday.

The groups could collaborate on tasks such as determining the coverage area, selecting hardware and promoting the idea with citizens and local businesses, according to the corporation's petition.

Rohrbacher said the implementation of wireless services will allow people to leave their homes and offices to do work.

Dorozenski said providing Internet service in his store has definitely helped his business.

"Seeing that ours is free, people love it," he said, adding that extending wireless throughout the downtown corridor would be beneficial because it would add to the town's

progressive atmosphere.

And possible wireless services could reach beyond the downtown to adjacent neighborhoods.

Providing wireless in Northside and Pine Knolls neighborhoods has also been discussed.

Rohrbacher said the proposal would help to provide Internet access to residents who otherwise might not have the resources.

Although the plans are in the early stages, Rohrbacher was hopeful the plans will move forward.

During Monday's meeting Mayor Pro Tem Edith Wiggins proposed that the petitions be referred to town staff to prepare a report on establishment of wireless downtown.

"I was really delighted to see both of these petitions," she said during the meeting.

Mayor Kevin Foy also said he thought the two petitions should be considered together.

But town leaders are not the only ones with wireless on their agenda. Student Body President Seth Dearmin, who advocated downtown wireless Internet on his campaign platform, said he plans to pursue a similar initiative within the next week or two.

He said he hopes to open a dialogue with community members to look at how the University and town can come together on the issue.

Though a deadline has yet to be set, he said he would like to have the initiative finished by the end of his term but would wait to see the town's plans.

"It's definitely going to be more contingent on the town."

Contact the City Editor  
at [citydesk@unc.edu](mailto:citydesk@unc.edu).

## CORRECTIONS

■ Due to an editing error, the June 23 graphic "Several key difference emerge in budgets" on the front page incorrectly stated that the N.C. house released its budget May 17.

House budget-writers began releasing their proposed spending plan June 9.

■ Due to an editing error, the caption for the June 23 page 3 picture of Memorial Hall incorrectly reported the length of the renovation.

After a \$17.9 million, three-year renovation, Memorial Hall will reopen with a Tony Bennett concert in September.

■ Due to a reporting error,

the June 23 article "Candidates set for gubernatorial race" on the front page misstated the last time a Republican governor presided over the state. James Martin, the last Republican governor, vacated the Governor's Mansion in 1993.

The Daily Tar Heel regrets the errors.

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