Minutes of the Stated Meeting
of the Trustees of the University of Pennsylvania
November 2, 2001

A meeting of the Trustees of the University of Pennsylvania was convened on Friday, November 2, 2001, at 10:28 AM in the Regent/St. Marks Ballroom, Inn at Penn, 3600 Sansom Street.


I. Call to Order—Mr. James Riepe
A. Invocation—Rev. William Christian Gipson
B. The minutes of June 15, 2001, Stated Meeting were approved as previously distributed.

II. Chair’s Report—Mr. James Riepe
A. Comments

Mr. Riepe welcomed everyone to the meeting and presented the following resolutions for approval by the Trustees:
A Memorial Resolution for University of Pennsylvania Alumni Victims of September 11, 2001 was approved as follows:

The University of Pennsylvania global community has been affected deeply by the devastating events of September 11, 2001. Friends, family members, colleagues, and everyday heroes have perished, and our sense of security has been shattered, as a result of the terrorist attacks on America. We are all personally touched by these attacks in some way, and we mourn the pointless loss of lives and destruction.

RESOLVED, that the Trustees of the University of Pennsylvania convey their profound sorrow at the death of these fine Penn graduates, victims of the September 11, 2001 tragedy:

Mukul K. Agarwala EE'84 WG'90  
J. Howard Boulton Jr. WEV'94  
Mark L. Charette W'85  
Geoffrey Cloud L'90  
Robert J. Deraney WG'83  
Garth E. Feeney ENG '95, W'95  
Dr. Gerald P. Fisher GRS'74, GCP'72  
Nicholas Humber WG'67  
Hideya Kawauchi WG'93  
Michael M. Miller W'84  
Tu-Anh Pham WG'89  
Michael V. San Phillip W'67  
Keiji Takahashi GL'85  
Jeffrey D. Wiener GEN'94  

Note: this list of names is based on confirmed information as of October 19, 2001.

Mr. Riepe then requested a moment of silence for fellow Penn alumni, as well as all victims and their families.
A Resolution of Appreciation for Jon M. Huntsman, Jr. was approved as follows:

Named in 1994 by the World Economic Forum in Switzerland as a Global Leader for Tomorrow, Ambassador Jon M. Huntsman, Jr., C’87, is already fulfilling that expectation as a magnificent world leader for today.

Armed with a Bachelor’s in Political Science from Penn and seasoned by work as a Mormon missionary in Taiwan, Jon embarked on a life of public service, culminating in his recent appointment as Deputy United States Trade Representative with the rank of Ambassador Extraordinary and Plenipotentiary. His long list of accomplishments along the way includes serving as Deputy Assistant Secretary of Commerce in the International Trade Administration and then as U.S. Deputy Assistant Secretary of Commerce for East Asian and Pacific Affairs. Following unanimous Senate confirmation, Jon became the youngest U.S. ambassador of the twentieth century, serving in the Republic of Singapore, where he impressed his hosts with his fluency in Mandarin Chinese and knowledge of Asian culture and business.

When President Clinton assumed office, Jon became Vice Chairman of the Huntsman Chemical Corporation and managed the Dole Presidential Campaign for Utah. He was also named Chairman of Envision Utah, a public/private partnership charged with projecting the state's growth options for the future. One of nine children, the father of six, and deeply committed to the welfare of young people, he is Chairman of KSL Television's Family Now Campaign and Director of the Karl Malone Foundation for Kids. Additionally, he serves or has served on a vast number of councils, committees, and boards throughout this country and the world, including the boards of directors of all Huntsman companies, and is President and Chief Executive Officer of the Huntsman Cancer Foundation, which is responsible for the Huntsman Cancer Institute.

Amazingly, Jon has found the time to follow the example of his father, a former (and future) Penn Trustee, giving generously of himself to the University that has educated many members of their family. As a Term Trustee, he shared his expertise with the Internationalization Committee and the Honorary Degrees and Awards Committee. Following his recent government appointment, he stepped down from his position as inaugural Chair of the Advisory Board for the Huntsman Program for International Studies and Business at the School of Arts and Sciences and the Wharton School.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the administration, faculty, students, and alumni of the University, convey their affection and deep appreciation to Jon M. Huntsman, Jr. for bringing to Penn a world of friendship, based on universal understanding, compassion, and respect.
Before presenting the next resolution, Mr. Riepe noted that Mr. Reginald Jones, upon his retirement as an Emeritus Trustee, will become an Honorary Trustee. Mr. Riepe noted that for those who have been Trustees for years and have had the pleasure and opportunity to work with Mr. Jones, he has been a Penn role model for leadership. Mr. Jones has always accommodated Penn’s requests of him and has volunteered his energy and his time and his resources in ways that really serve all of us well. With great pleasure, Mr. Riepe, on behalf of all the other Trustees, presented the resolution.

Action………..3. A Resolution of Appreciation for Reginald H. Jones was approved as follows:

With a deep commitment to society and respect for the individuals who compose it, Reginald H. Jones W’39, HON’80, has applied his scholarly and practical intelligence to lifelong leadership on a very large scale. He has done it all with quiet courtesy, sureness of purpose, and thoughtful attention to his surroundings.

As an undergraduate at Penn, he already knew the importance of "checking out the territory." From the College he moved to the School of Education and finally to the Wharton School. There he set a new standard for grades in business law and wrote papers deemed by a faculty member to be “cause for deep admiration.” A natural leader, he was elected President of Beta Gamma Sigma and Treasurer of Phi Sigma Kappa.

Going directly from Penn to General Electric, he again explored the territory — ascending through auditing, marketing, manufacturing, and finance to the position of President and finally Chairman and Chief Executive Officer of one of the world’s largest corporations. He led with such wisdom and grace that the 1979 U.S. News and World Report survey, Who Runs America, named him the most influential business leader, and a 1980 Wall Street Journal/Gallup survey revealed that he was the executive most respected by his peers — by a wide margin. A leading activist in the formation of public policy, dubbed “spokesman for corporate America,” he was appointed to advisory positions by Presidents Nixon, Ford, and Carter. It has been said that as Co-Chairman of the Business Roundtable and Chairman of the Business Council, he did more than anyone else to change the relationship between business and government.

English by birth and international by instinct, he is a Knight Commander of the British Empire and the first American to receive Japan’s Imperial Decoration Award from the Council for the Advancement and Support of Education. With honorary doctorates from several universities, including Penn, Harvard, and Yale, he also proudly bears the Honor Award of the Beta Gamma Sigma fraternity. He has been given the CASE Volunteer of the Year Award, the Poor Richard Club’s Gold Medal of Achievement for creating a communications program that helped educate the public about industry, and the Captain Robert Dollar Memorial Award
for distinguished contributions to American foreign trade and investment. When hailed as “a modern man for all seasons,” and presented with the Franklin Institute’s Vermilye Medal, he delighted everyone with the characteristically modest observation that “today’s peacock may be tomorrow’s feather duster.”

Among his many virtues is loyalty, a trait, when it comes to Penn, that seems to run in his family. His father-in-law, wife, daughter, son, and two grandchildren all earned Penn degrees. His own dedication led to his receiving the Alumni Award of Merit. In 1968, he joined the Penn Trustees and 14 years ago became Emeritus. As Chair of the Development Committee, he personally carried the case for Penn to boardrooms across the nation. A founding member of the Wharton Board of Overseers and its Chair for 13 years, he is now Chair Emeritus. He also served as Chair of the Joseph H. Lauder Institute Board of Governors. When General Electric honored him on his retirement with the Reginald H. Jones Professorship of Corporate Management, it gave the Wharton School a legacy of unparalleled distinction.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the administration, faculty, students, and alumni of the University, affectionately convey their profound gratitude to Reg Jones, not only for bringing good things to light, but for bringing his own warm and inextinguishable light to Penn.

Mrs. Grace Jones and Mrs. Grace Jones Vineyard accepted the award on Mr. Jones’ behalf.

Action………..4. A Resolution of Appreciation for Jerry A. Magnin was approved as follows:

With a longtime commitment to the University of Pennsylvania and its students, Jerry Magnin, W’60, has put his vision and leadership to work for Penn.

A member of Sigma Alpha Mu and the hockey club as an undergraduate, he was so happy at Penn that his father volunteered to chair the Penn Parents Campaign. Jerry, in turn, has been a committed Penn parent during his son Andrew’s undergraduate years, carrying on a Magnin tradition of volunteer leadership.

Born into a family of retailers, he not only managed the family business but started his own, with a keen eye and passion for getting things right. His shop was instrumental in making Rodeo Drive an international destination for shoppers, and his restaurants have confirmed his sure understanding of trends and marketing.

His interests in aesthetics and community improvement have led him to serve as a consultant to the Museum of Contemporary Art in Los Angeles, as Chairman of the Planning Commission of Beverly Hills, and as a member of both the Urban
Coalition Task Force on Job Opportunity and the Rapid Transit Committee of the Los Angeles Chamber of Commerce.

Volunteer service for Penn has been a constant in his life. He has been an Overseer of the School of Arts and Sciences since 1990, an Overseer of the Institute of Contemporary Art, a member and former president of the Southern California Regional Alumni Board, a member of the Wharton Advisory Board and the Wharton Club of Los Angeles, and a member of the Class of 1960 40th Reunion Committee. His commitment to helping Penn students was demonstrated by his co-chairmanship of the Southern California Scholarship Gala. His designation as a 1996 recipient of the Alumni Award of Merit was applauded by all.

As a Trustee of the University, he has traveled cross-country several times a year to offer his wisdom to the Board, serving on both the Facilities and Campus Planning and the Student Life Committees. The charm and friendliness that have made him so well liked in his hometown have served him well as a Trustee.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the administration, faculty, students, and staff of the University, affectionately convey their gratitude to Jerry Magnin for his tireless dedication to the University and, especially, its students.

Action..........5. A Resolution of Appreciation for Andrea Mitchell was approved as follows:

Known around the world for her incisive mind and clear articulation of even the most complicated concepts, Andrea Mitchell, CW’67, has been an enormously effective communicator for the University of Pennsylvania.

Andrea came to Penn planning either to become an English teacher or enhance her talent with the violin. Instead she excelled as a broadcaster and program director with WXPN, and a participant in KYW’s student reporter program. Immediately upon graduation, she joined KYW as a reporter on the police beat, moved on to education and, finally, City Hall, where she earned the grudging respect of then-Mayor Frank Rizzo for her integrity and tenacity. She also earned the admiration of her peers, winning the radio and television award from the Philadelphia chapter of Women in Communications, Inc. in 1973, and the Associated Press Broadcast Award in 1977. Countless other awards have followed.

When she moved to national news with NBC, Andrea began a network relationship remarkable for its duration and variety. Beginning as an energy correspondent – now there was a good match! – she became a White House Correspondent, Chief Congressional Correspondent, and Chief Foreign Affairs Correspondent. Her reports on foreign policy issues in the U.S. and abroad are aired not only on regular NBC News broadcasts but also on “Nightly News with Tom Brokaw,” “Today,”
and various MSNBC programs. Somehow she has still found time for the Advisory Council of the Girl Scouts of Washington, D.C. and the board of the National Chamber Orchestra.

Andrea's dedication to her alma mater has been unending. She served as an Overseer of the School of Arts and Sciences for two terms, as a member of the Publications Committee of the Alumni Society, and as a founding member of the Trustees’ Council of Penn Women. First as an Alumni Trustee and then as a Term Trustee, Andrea has served on the Academic Policy Committee, the External Affairs Committee, and the Executive Committee. She has been asked to speak at the University so often that she has become the unofficial “Voice of Penn.” Her real voice is heard on the audio tape guide to Penn's campus.

In 1992, Esquire magazine named her one of the “Women We Love.” We echo that sentiment.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the administration, faculty, students, and staff of the University, convey their continuing admiration, gratitude, and respect for Andrea Mitchell in recognition of all that she has done to promote her alma mater to a wide public and of her pioneering work in the field of broadcasting.

Mr. Riepe noted that Ms. Mitchell will continue to serve as chair of the External Affairs Committee and as a member of the Honorary Degrees & Awards Committee for which he is grateful. Mr. Riepe thanked Ms. Mitchell for her contributions to the Celebration of 125 Years of Women at Penn.

Action………6. A Resolution of Appreciation for Pamela Petre Reis was approved as follows:

With the head of a successful banker and the heart of a dedicated alumna, Pamela Petre Reis, CW’70, has worked to broaden the reach of the University of Pennsylvania – to women and to residents of the West Coast.

An active undergraduate, she was president of her sorority, Kappa Alpha Theta, a Justice of the Student Honor Committee, and a member of the women’s synchronized swimming group. No sooner did Pamela begin her banking career in New York than she began her parallel career as a Penn volunteer, co-founding the University of Pennsylvania Alumni Association of New York City.

Her profession took her to California where Pamela rose to the rank of Executive Vice President and Manager of Retail Banking for the Southern Area of First Interstate Bank of California. She quickly became a voice for Penn alumni in California, urging the University to reach cross country to alumni who wanted to
stay in touch, and to recruit more students from the West Coast. It was clear to her that an institution of Penn’s stature must have a California presence. And a wonderful presence it now has, thanks in good part to Pamela's efforts as a member of the Southern California Regional Advisory Board and chair of the Secondary School Committee in Los Angeles.

Hearkening back to her experience as a sorority leader, Pamela became a founding member of the Trustees’ Council of Penn Women and later served as its chair, once again demonstrating the analytical and organizational skills that served her so well professionally. She chaired TCPW’s 10th anniversary celebration in 1997, and has served both as president of her class and as a fundraiser for their 20th and 25th Reunions. Appointed to the Board of Overseers of the School of Arts and Sciences in 1994, she has made such a strong contribution that her term has already been extended twice. It is no wonder that Pamela received the Alumni Award of Merit in 1995.

Believing in the importance of scholarship support for Penn’s outstanding students, she joined the Undergraduate Financial Aid committee. She has been chair of the Alumni Society Awards and Resolutions Committee since 1998, and as an Alumni Trustee, she has served faithfully on the Academic Policy and External Affairs Committees.

**RESOLVED,** that the Trustees of the University of Pennsylvania, on behalf of themselves, the administration, faculty, students, and staff of the University, convey their admiration and gratitude to Pamela Petre Reis for bringing to all she does a rare combination of management skill and personal warmth – both head and heart.

*Action………7.* A Resolution of Appreciation for Russell E. Palmer and Election as Emeritus Trustee was approved as follows:

As the tenth dean of the Wharton School and Reliance Professor of Management and Private Enterprise, Russell E. Palmer, H'83, according to a colleague, practiced a level of creative management that “couldn’t be matched in the Guinness Book of World Records.”

A student leader and *cum laude* graduate of Michigan State University, Russ embarked on a 27-year career with Touche Ross & Co. (now Deloitte & Touche), where he broke ground as the youngest managing partner ever of a Big Eight firm and went on to serve with distinction as the firm’s managing director and Chief Executive Officer.

In search of something new, Russ came to Penn in 1983 as the first businessman to head the business school, and the first dean in over one hundred years to be chosen from outside Wharton’s own ranks. Under his leadership, the Wharton School
developed an extensive program of internationalization, established the Aresty Institute of Executive Education and the Steinberg Conference Center, attracted more than 100 new faculty members, and raised over $100 million. By the time he stepped down in 1991, his Plan for Preeminence had established Wharton as the leading business school in the world.

Widely recognized for his accomplishments, Russ holds honorary doctoral degrees from the Free University of Brussels, York College, Chulalongkorn University in Thailand, and Drexel University. Since leaving the deanship, he has started the Palmer Group, which buys and develops companies. He serves on five NYSE corporate boards and several other boards, including that of the National Constitution Center. All the while, Russ has remained very much connected to Penn. From April 1999 to June 2001, he served as Chair of the University of Pennsylvania Health System Trustee Board, presiding over its return to financial health. In further support of the University, he established the Russell E. Palmer Endowed Scholarship for Wharton undergraduate students, and has been a loyal supporter of the School’s Jon M. Huntsman Hall, as well as the Medical Center.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the administration, faculty, students, and alumni of the University, express their affection and gratitude to Russell E. Palmer for his commitment to excellence and for bringing everyone together to ensure the success of their collective vision.

FURTHER RESOLVED, that Russell E. Palmer be elected an Emeritus Trustee, effective November 2, 2001.

Mr. Riepe noted that Mr. Palmer’s candid counsel and contributions to the Health System’s financial recovery are greatly appreciated and he hopes Mr. Palmer will continue to give Penn the benefit of his wisdom.

Before presenting the following resolution for approval by the Trustees, Mr. Riepe noted that it was the result of many months of study of the best course of action and the best structure for the governance of the University’s Health System, Medical School, and Clinical Practices. The University’s goals were: 1) to continue the integration of research, teaching, and clinical activities under the University and the School of Medicine umbrella; 2) to give operating autonomy to the clinical components; 3) to sustain the Health System’s financial recovery; 4) to position the Health System to be an effective competitor in the Philadelphia market; 5) to permit the University to have the influence necessary to achieve its academic missions and protect itself from unacceptable financial and legal risks; 6) and to provide flexibility for the future. This resolution will create an umbrella organization called “Penn Medicine” to facilitate achievement of these goals. The new governance structure further minimizes conflict, overlap, and redundancy; allows the Health System to alter course as the environment and circumstances dictate; and
consolidates oversight and support for the School of Medicine and the University of Pennsylvania Health System in one board.

Action........8. A Resolution on the Creation of Penn Medicine Governance Structure was approved as follows:

Note: In accordance with the resolution adopted by the Trustee at the November 2, 2001 Stated Meeting, Dr. Judith Rodin and Mr. James Riepe made on technical change to the bylaws, a copy of which is below.

The Trustees of the University of Pennsylvania have reviewed a proposal to establish an umbrella governance structure called “Penn Medicine” to oversee the academic, research, and clinical operations of the School of Medicine and the Health System. The purpose of this new structure is to operate, oversee and coordinate, efficiently and effectively, the activities of an integrated system for medical education, research and patient care that includes the University of Pennsylvania School of Medicine, the Clinical Practices of the University of Pennsylvania, the Hospital of the University of Pennsylvania, Pennsylvania Hospital, Phoenixville Hospital, Presbyterian Medical Center, Clinical Care Associates, Wissahickon Hospice and such other clinical health care enterprises that are from time to time under the control of the University.

Creation of Penn Medicine

RESOLVED, that the University hereby establish an umbrella governance structure, called Penn Medicine, to oversee the academic, research and clinical operations of the School of Medicine and the University’s health care affiliates and to have the organization and structure described in the Bylaws of Penn Medicine attached hereto as Exhibit A, and that Penn Medicine, acting through its Board and Executive Committee, be and it hereby is authorized to act in lieu of the Trustee Board of the University of Pennsylvania Health System and the Executive Committee thereof with respect to each of the University’s health care affiliates.

RESOLVED, that the Bylaws of Penn Medicine, in substantially the form attached hereto as Exhibit A, are hereby adopted and approved, and that the Bylaws of Penn Medicine shall, effective on the date of the first meeting of the Executive Committee of Penn Medicine, replace in their entirety the Bylaws of the Trustee Board of the University of Pennsylvania Health System, and it is further resolved that the Chairman of the Board of Trustees and the President of the University are, hereby authorized, in the name and on behalf of the University, to take or cause to be taken all actions in connection with the establishment of Penn Medicine that are referred to in, or contemplated by, these Resolutions or the Bylaws of Penn Medicine, including without limitation the appointment of the Penn Medicine Board and Penn Medicine Executive Committee in accordance with the Bylaws of
Penn Medicine and approving amendments to the organizational documents of the University’s health care affiliates to conform such documents to the Penn Medicine structure.

RESOLVED, that the University hereby dissolves the Trustee Board of the University of Pennsylvania Health System and all subcommittees thereof, with recognition of and appreciation for the faithful and diligent service of each of their members, effective as of the date of the first meeting of the Executive Committee of Penn Medicine.

Amendment of University Statutes

RESOLVED, that the Statutes of the Trustees of the University of Pennsylvania be and they hereby are amended to incorporate the revisions attached hereto as Exhibit B, together with such technical changes thereto as the Chairman of the Board of Trustees and the President of the University, may deem necessary, appropriate, or desirable.

General Authorization

RESOLVED, that the Chairman of the Board of Trustees and the President of the University are, and each of them acting singly is, authorized from time to time in the name and on behalf of the University to execute, acknowledge, deliver or file, or cause to be executed, acknowledged, delivered or filed, any instruments, agreements, filings, certificates, or other documents referred to in or contemplated by the preceding Resolutions, with such changes as they so acting may deem necessary, appropriate, or desirable, and to take or cause to be taken all other actions in connection with the transactions that are referred to in, or contemplated by, the preceding Resolutions as may be shown by their execution or performance to be in their judgment necessary, appropriate, or desirable, the taking of such action or the execution, acknowledgement, delivery or filing of any such instrument, agreement, filing, certificate or other document to be conclusive evidence that the same is authorized by the Board of Trustees of the University.
Section 1. PURPOSE AND RESPONSIBILITIES

The Trustees of the University of Pennsylvania (the “University”), acting through its Board of Trustees (the “University Trustees”), has determined that it is in the best interests of the University and of patients, faculty and staff, affiliated providers and students to institute a unified governance structure for its medical education, medical research and clinical health care. Reposing authority for the operation of these functions in Penn Medicine will allow for a more streamlined system of governance that will, in turn, allow them to operate more effectively and efficiently.

The purpose of Penn Medicine shall be to operate, oversee and coordinate the activities of an integrated system for medical education, research and patient care that consists of the University of Pennsylvania School of Medicine (the “School of Medicine”), the Clinical Practices of the University of Pennsylvania (“CPUP”), the Hospital of the University of Pennsylvania (“HUP”), the Pennsylvania Hospital of the University of Pennsylvania Health System (“PAH”), Phoenixville Hospital of the University of Pennsylvania Health System (“PXH”), Presbyterian Medical Center of the University of Pennsylvania Health System (“PMC”), Clinical Care Associates of the University of Pennsylvania (“CCA”), Wissahickon Hospice (“WH”) and such other clinical health care enterprises, including without limitation networks of physicians, ambulatory care facilities, management services organizations and managed care organizations, that are from time to time under the control of the University, whether through ownership, membership, contract or otherwise. For convenience, HUP, PAH, PXH, PMC, CCA, WH and all such other clinical health care enterprises are referred to individually and collectively as “Clinical Components,” and the School of Medicine, CPUP and Clinical Components are referred to collectively as the “Penn Medicine Constituents,” the “University of Pennsylvania Health System” or such other name or names as the University Trustees may from time to time determine.

Penn Medicine shall have responsibility for oversight of the Penn Medicine Constituents. Penn Medicine shall also be responsible for assuring that the Penn Medicine Constituents operate in a coordinated manner to promote academic excellence and the delivery of efficient, high quality health care. Penn Medicine shall assure that the School of Medicine, CPUP and all Clinical Components involved in clinical medical educational and research efforts provide effective programs of research and study. Penn Medicine
shall be responsible for assuring that the Penn Medicine Constituents’ relationships with one another and with the University promote the goals of providing outstanding clinical care, education and research.

Section 2. SOURCE OF AUTHORITY

In accordance with and subject to Section 4.1 of the Statutes of the Trustees of the University of Pennsylvania (the “University Statutes”) and subject to Section 3.1 of these Bylaws, the University Trustees have delegated to Penn Medicine, acting through the Board of Penn Medicine (the “Board”) and its Executive Committee, certain responsibilities with respect to the management and operations of the Penn Medicine Constituents.

Section 3. PENN MEDICINE BOARD

3.1 The Penn Medicine Board. The Board shall have overall responsibility delegated to it by the University Trustees for promoting productive relationships among the Penn Medicine Constituents and between Penn Medicine and the University for the purpose of maintaining the highest level of clinical, educational and research excellence. The Board shall review periodically the general goals of Penn Medicine and shall seek to facilitate progress toward and achievement of those goals.

3.2 Number and Election. The Board shall be appointed by the University Trustees upon nomination by the Chairman of the University Trustees, the Chairman of the Penn Medicine Board and the President of the University, acting jointly, and shall consist of a number of persons not greater than forty (40) (not including members ex officio). The members of the Penn Medicine Board shall be persons who, by their experience and expertise, can further the mission of Penn Medicine. The Board shall include all members of the Penn Medicine Executive Committee. The Chairmen of the HUP, PAH, PXH and PMC Boards shall serve as members of the Board ex-officio.

3.3 Term of Office. Other than the initial members of the Board who may be appointed for one (1), two (2), or three (3) year terms to provide for staggered terms, each member of the Board other than ex-officio members shall hold office for a term of three (3) years, or until his or her successor is elected and qualified, unless he or she sooner dies, resigns, is removed or becomes disqualified. The terms of members of the Board, other than ex-officio members and officers, may be renewed no more than two (2) times (a maximum of nine (9) years).

Section 4. PENN MEDICINE EXECUTIVE COMMITTEE
4.1 Establishment of Executive Committee. The Executive Committee shall consist of no more than 16 members. A majority of the Executive Committee members (not including the EVP/Dean, the Executive Vice President of the University and the CEO) shall be University Trustees. The Executive Committee shall be nominated by the Chairman of the University Trustees, the Chairman of the Penn Medicine Board and the President of the University, acting jointly, approved by the University Trustees, and shall consist of the following:

(a) The Chairman of the Penn Medicine Board, who is also a University Trustee, and who shall be the Chairman of the Executive Committee.

(b) Five members of the Executive Committee shall serve ex-officio, with vote:

(1) The Chairman of the University Trustees, who is also a University Trustee;

(2) The President of the University, who is also a University Trustee;

(3) The Executive Vice President of the University;

(4) The Executive Vice President of the University for Penn Medicine/Dean of the Medical School (“EVP/Dean”); and

(5) The Chief Executive Officer of the Clinical Components (“CEO”).

(c) The following persons shall also be appointed to the Executive Committee:

(1) One (1) University Trustee who is a member of the University’s Budget and Finance Committee and who shall also serve as a member of the Penn Medicine Finance Committee;

(2) One (1) University Trustee who is a member of the University’s Audit and Compliance Committee and who also shall serve as a member of the Penn Medicine Audit and Compliance Committee.

The appointed members of the Executive Committee shall serve at the pleasure of the Chairman of the University Trustees, the Chairman of the Penn Medicine Board, and the President of the University.

4.2 Authority of Executive Committee. The affairs of the Penn Medicine Constituents shall be managed by the Executive Committee, which shall have primary authority and responsibility for the oversight of Penn Medicine and shall exercise all of the powers of the Board, except for the powers specified in Section 5731 of the Pennsylvania Nonprofit
Corporation Law (or any successor provision). Subject to the University Statutes and applicable law, the Executive Committee shall have the authority to take all actions on behalf of the University Trustees that would otherwise be taken by the University in its capacity as the owner of assets or shares of a Penn Medicine Constituent, member of a nonprofit Penn Medicine Constituent, operator of a Penn Medicine Constituent that is a subdivision of the University or party to a contract with a Penn Medicine Constituent, except that any authority of the Executive Committee with respect to members of the University Faculty shall be subject to the University Statutes and Faculty Handbook and except that the prior approval of the University Trustees shall be required for each of the following:

(a) The annual capital and operating budgets of Penn Medicine;

(b) Capital expenditures for any project or program in excess of five million dollars ($5,000,000);

(c) The acquisition or sale of any real estate within the University campus or immediately surrounding area;

(d) Any increase of indebtedness, secured or unsecured, of the University in excess of the amount approved in the annual budget; any restructuring of indebtedness, or modifications of agreements or arrangements by which the University guaranties or provides surety for the obligations of any Clinical Component, shall be subject to the approval of the University Trustees through the University Budget and Finance Committee;

(e) The closure, discontinuation, dissolution, sale, or other termination of HUP, PAH, PXH, PMC, CCA or WH;

(f) A merger or consolidation involving any Penn Medicine Constituent or the acquisition, purchase, or creation of a Penn Medicine Constituent resulting in a material change in services;

(g) Any change in the name of HUP, PAH, PXH or PMC;

(h) Termination of any degree-granting program offered, sponsored or provided by a Penn Medicine Constituent;

(i) Any action relating to the School of Medicine which, pursuant to University policies or procedures, must be approved by the University; and
Section 5. MEETINGS

5.1 Place of Meetings. All meetings of the Board and the Executive Committee shall be held at such place or places within or without the Commonwealth of Pennsylvania, as may from time to time be fixed by the applicable body or as designated in the notice of the meeting.

5.2 Frequency of Meetings. The Board shall meet at least twice a year. The Executive Committee shall meet at least eight (8) times a year, unless otherwise determined by the Executive Committee. Other regular meetings of the Executive Committee may be held at such places and at such times as the Executive Committee may determine.

5.3 Special Meetings. Special meetings of the Board or the Executive Committee may be held at any time when called by the Chairman of the Penn Medicine Board or the Chairman of the University Trustees, or upon written request of at least three (3) members of the Executive Committee. The Secretary shall fix the time of any such special meeting, which shall be held not more than five (5) days after such special meeting is called or requested.

5.4 Notice of Meetings. Unless specifically provided otherwise in these Bylaws, a written notice of each meeting of the Board, stating the place, date and time and the purposes of the meeting, shall be given at least five (5) days before the meeting to each member of the Board entitled to vote thereat. Unless specifically provided otherwise in these Bylaws, a written notice of each meeting of the Executive Committee, stating the place, date and time and the purposes of the meeting, shall be given at least five (5) days before the meeting to each member of the Executive Committee entitled to vote thereat. Whenever notice of a meeting is required, such notice need not be given to any person entitled to receive such notice if a written waiver of notice, executed by him or her (or his or her attorney thereunto authorized) before or after the meeting, is filed with the records of the meeting. In the case of a special meeting, the notice shall specify the general nature of the business to be transacted.

5.5 Quorum. A quorum at any meeting of the Board shall consist of the presence of a majority of the Board entitled to vote on any action proposed at the meeting, except when a larger quorum is required by law, the University Statutes, or these Bylaws. A quorum at any meeting of the
Executive Committee shall consist of the presence of a majority of the members of the Executive Committee entitled to vote on any action proposed at the meeting, except when a larger quorum is required by law, the University Statutes, or these Bylaws. Any meeting may be adjourned by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

5.6 **Action by Vote.** When a quorum is present at any meeting, a majority of the voting members present and voting shall decide any question, unless otherwise provided by law, the University Statutes, or these Bylaws; provided, however, that the vote of two-thirds (2/3) of the members of the Executive Committee shall be required to authorize any purchase, sale, mortgage, lease away or other disposal of real property.

5.7 **Action by Unanimous Written Consent.** Any action required or permitted to be taken at any meeting may be taken without a meeting if consent or consents in writing, setting forth the action so taken, shall be signed by all of the voting members in office and shall be filed with the Secretary. Such consents shall be treated for all purposes as a vote at a meeting.

5.8 **Presence Through Communications Equipment.** Members of the Board or Executive Committee may participate in a meeting by means of a conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at such meeting.

Section 6. OFFICERS OF THE BOARD AND ADMINISTRATION

6.1 **Number and Qualification.** The Officers of Penn Medicine, who shall be the Officers of both the Board and the Executive Committee, shall be a Chairman of the Board, a Vice Chairman of the Board and a Secretary.

6.2 **Appointment of Officers.** The Chairman of the Penn Medicine Board shall be appointed by the Chairman of the University Trustees and the President of the University, acting jointly, and shall serve at the pleasure of Chairman of the University Trustees and President of the University. The Vice Chairman of the Penn Medicine Board and the Secretary shall be appointed by the Chairman of the University Trustees, the Chairman of the Penn Medicine Board and the President of the University, acting jointly, and shall serve at the pleasure of the Chairman of the University Trustees, the Chairman of the Penn Medicine Board and the President of the University.

6.3 **Chairman of the Board.** The Chairman of the Penn Medicine Board shall be a University Trustee and shall also serve as Chairman of the Executive
Committee. The Chairman shall preside at all meetings of the Board and the Executive Committee, except as the Board or Executive Committee shall otherwise determine, and shall have such other powers and duties as may be determined by the Executive Committee or the University Trustees.

6.4 **Vice Chairman of the Board.** The Vice Chairman of the Penn Medicine Board shall have and may exercise all the powers and duties of the Chairman of the Penn Medicine Board during the absence of the Chairman of the Penn Medicine Board or in the event of his or her inability to act. The Vice Chairman shall have such other duties and powers as the Executive Committee shall determine. The Vice Chairman may, but need not, be a University Trustee.

6.5 **Secretary.** The Secretary shall record and maintain records of all proceedings of the Board and Executive Committee in a book or series of books kept for that purpose, which book or books shall be kept within the Commonwealth of Pennsylvania at the principal office of Penn Medicine or at the office of its Secretary. Such book or books shall also contain records of all meetings of the Board, the Executive Committee, these Bylaws, and the names and addresses of all Board members. If the Secretary is absent from any meeting of the Board or Executive Committee, a temporary secretary chosen at the meeting shall exercise the duties of the Secretary at the meeting. The Secretary may, but need not, be a member of the Board, member of the Executive Committee or University Trustee.

6.6 **EVP/Dean.** The EVP/Dean shall be the Dean of the School of Medicine and shall be responsible for the operations of Penn Medicine. The EVP/Dean shall be appointed by the President of the University in accordance with University policies and in consultation with the Chairman of the Penn Medicine Board. The EVP/Dean shall coordinate the activities of the Penn Medicine Constituents and assure that the Penn Medicine Constituents operate with efficiency and the highest degree of clinical and academic excellence. The EVP/Dean shall have the authority to perform all acts which are necessary to make effective the policies and actions of the Penn Medicine Board and the Executive Committee, unless by Executive Committee resolution such authority is specifically delegated to another person.

6.7 **Chief Executive Officer.** The CEO shall have such powers and duties as may be determined by the EVP/Dean, the Penn Medicine Board and the Executive Committee from time to time, including responsibility for the operations of the Clinical Components and CPUP.

Section 7. OTHER COMMITTEES OF THE PENN MEDICINE BOARD
7.1 **Committees Generally.** The Chairman of the University Trustees, the Chairman of the Penn Medicine Board and the President of the University, acting jointly, may appoint one or more committees and delegate to any such committee that consists solely of one or more Board member any or all of the powers of the Board, except those that are vested in the Executive Committee or that by law or these Bylaws are prohibited from being delegated. The committees shall conduct their affairs in the same manner as is provided in these Bylaws for the Board. The members of any committee shall serve at the pleasure of the Chairman of the University Trustees, the Chairman of the Penn Medicine Board and the President of the University.

7.2 **Finance Committee.** The Finance Committee shall review matters related to financial policies of the Penn Medicine Constituents and shall have oversight of the budgeting process at each Penn Medicine Constituent. The committee shall report to the Executive Committee and shall meet at least twice per year. The committee shall be responsible for approval of capital expenditures for any project or program in excess of two million dollars ($2,000,000), but less than five million dollars (“$5,000,000”). Any capital project or program that exceeds $5,000,000, shall be reviewed by the University Trustees. The Executive Committee member who is also a member of the University’s Budget and Finance Committee shall serve on the Board’s Finance Committee *ex-officio*.

7.3 **Audit and Compliance Committee.** The Audit and Compliance Committee shall oversee the internal control activities of the Penn Medicine Constituents to assure compliance with University policies and internal control processes and sound fiscal practices. The committee shall report to the Executive Committee and shall meet at least twice per year. The Executive Committee member who is also a member of the University’s Audit and Compliance Committee shall serve on the Board’s Audit and Compliance Committee *ex-officio*.

7.4 **Development Committee.** The Development Committee shall guide and assist staff responsible for maintaining alumni relations and securing the support necessary to fund the capital and programmatic needs of Penn Medicine Constituents. The Development Committee shall report to the Executive Committee and shall meet at least twice a year.

7.5 **Compensation Committee.** The Compensation Committee shall approve the compensation of senior executives of each of the Penn Medicine Constituents, with the exception of the EVP/Dean, at least annually. The committee shall consist of the Chairman of the Penn Medicine Board, the Chairman of the University Trustees, the President of the University, and one other member of the Executive Committee. The committee shall report to the Executive Committee and shall meet at least once per year. The
committee shall review recommendations made by the EVP/Dean and the CEO with respect to compensation of senior executives, determine senior executive compensation, and report the compensation decisions to the Compensation Committee of the University. No senior executive shall be present during, or otherwise participate in, any discussions regarding his or her own compensation. With respect to the EVP/Dean, the committee shall make recommendations regarding his or her compensation to the Compensation Committee of the University.

7.6 Research, Education and Patient Care Committee. The Research, Education and Patient Care Committee shall be responsible for overall guidance and support of the missions of the Penn Medicine Constituents. The committee will be knowledgeable on policy matters as they relate to medical education, basic and clinical research and patient care. The committee will be kept informed on regulatory and other compliance matters concerning these core activities of Penn Medicine. The committee shall be authorized to exercise supervisory authority over professional review actions of the Penn Medicine Constituents. The committee will report to the Executive Committee and will meet at least three (3) times a year.

Section 8. RESIGNATIONS, REMOVALS AND VACANCIES

8.1 Resignations. Any member of the Board, member of the Executive Committee, Officer or member of a committee of the Board may resign at any time by delivering his or her resignation in writing to the Chairman of the Penn Medicine Board or the Secretary. Such resignation shall be effective upon receipt unless specified to be effective at some other time.

8.2 Removals. Any member of the Board or a member of the Executive Committee may be removed with or without cause by the Chairman of the University Trustees, the Chairman of the Penn Medicine Board and the President of the University, acting jointly.

8.3 Vacancies. Any vacancy in the Board or Executive Committee, including a vacancy resulting from the enlargement of the Board or Executive Committee, as the case may be, may be filled upon nomination by the Chairman of the University Trustees, the Chairman of the Penn Medicine Board and the President of the University, acting jointly, and approval by the University Trustees. The Board and Executive Committee shall have and may exercise all of their respective powers notwithstanding the existence of one or more vacancies.

Section 9. CONFLICTS OF INTEREST
Any member of the Board, Executive Committee or any other committee thereof (or any member of his or her direct family) who has any power or influence to approve or disapprove a transaction proposed to be entered into between the University or any Penn Medicine Constituent and any entity or individual with which the member has a significant relationship must disclose such relationship and refrain from any discussion of or participation in that transaction if there is any possibility of a conflict of interest due to the member’s significant relationship. The definition of a significant relationship and any procedures related to a conflict of interest shall be set forth in conflict of interest policies of the University. The disclosure of the nature of the conflict of interest (or the possibility thereof) and the member’s disqualification shall be recorded in the minutes of the Board, Executive Committee or other committee as applicable.

Section 10. INDEMNIFICATION

The University, in the manner and to the extent specified in a Standing Resolution of the University Trustees, may indemnify (including advancement of expenses) any person against liabilities arising from status relating to the University as may be specified in the Standing Resolution, whether or not such indemnification would be authorized by the Pennsylvania Nonprofit Corporation Law, as amended. The University shall indemnify members of the Board, members of the Executive Committee and Officers to the full extent permitted by law.

The indemnification provided by or pursuant to the University Statutes shall continue as to a person who has ceased to be a member of the Board, member of the Executive Committee, Officer or other indemnified person and shall inure to the benefit of the heirs, executors or administrators of such a person.

Section 11. EXECUTION OF PAPERS

Except as the Executive Committee of the Board may generally or in particular cases authorize the execution thereof in some other manner, all deeds, leases, transfers, contracts, bonds, notes, checks, drafts and other obligations made, accepted or endorsed by the Executive Committee shall be signed by an Officer, EVP/Dean or such person who has been delegated authority.

Section 12. PERSONAL LIABILITY

The members of the Board, members of the Executive Committee and the Officers of Penn Medicine shall not be personally liable for any debt, liability or obligation of the University or any of the Penn Medicine Constituents.

Section 13. AMENDMENTS
These Bylaws may be altered, amended or repealed by the University Trustees acting in accordance with the University Statutes. The Executive Committee may make recommendations to the University Trustees regarding any amendment to these Bylaws.
Section 14. FORM OF NOTICE

Whenever notice is required to be given to any person under provisions of law or these Bylaws, it shall be given in writing to such person either personally or by sending a copy thereof by first-class or express mail, postage prepaid or courier service charges prepaid, or by facsimile transmission, to the person’s address, electronic address, or facsimile number appearing on the books of the University. If notice is sent by mail, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a courier service for delivery to that person. A notice of meeting shall specify the place, day, and hour of the meeting and any other information required by the Pennsylvania Nonprofit Corporation Law, as amended.

Adopted:____________________________

Last Amended:_______________________
Creation of Penn Medicine

Proposed Amendments
to the Statutes of the Trustees of the University of Pennsylvania

Section 4.1. This section shall be revised to read as follows:
“In addition to the Executive Committee, and the Investment Board, and the Penn Medicine Board and Penn Medicine Executive Committee created in Articles 5, 6, and 7 of these Statutes, the Trustees may from time to time form such boards and committees as they see fit for any of the purposes and activities of the University; may prescribe their functions, duties, powers, and rules of membership, which may include membership by persons who are not trustees; and may dissolve them.”

Section 4.2. The third sentence shall be revised to read as follows:
“The trustee members, the chairmen, and the vice chairmen of all committees and other bodies formed by the Trustees, with the exception of the Executive Committee, and the Investment Board, and the Penn Medicine Board and Penn Medicine Executive Committee, shall be appointed by the Chairman of the Trustees for one-year renewable terms.”

Section 4.3. The first sentence shall be revised to read as follows:
“The non-trustee members of all other bodies, boards of overseers and other advisory boards formed by the Trustees, with the exception of the Investment Board and the Penn Medicine Board and Penn Medicine Executive Committee, shall be nominated by the Chairman of the Trustees and the President and elected by the Trustees for terms of three years unless otherwise determined by the Trustees.”

Section 4.4. This section shall be revised to read as follows:
“The Chairman and Vice Chairmen of the Trustees, by virtue of his office, shall be members of all boards and committees formed by the Trustees pursuant to this Article. The Vice Chairmen of the Trustees, by virtue of office, shall be members of all boards and committees formed by the Trustees pursuant to this Article, other than the Penn Medicine Board and Penn Medicine Executive Committee.”

Section 4.6. This section shall be revised to read as follows:
“With the consent of the chairman thereof, Trustees ex officio may attend any meeting of any board or committee formed by the Trustees, pursuant to this Article, but shall not be members, except that the President shall be a voting member of the University of Pennsylvania Health System Board, the University of Pennsylvania Oversight Committee, the University of Pennsylvania Foundation Board, the University of Pennsylvania Investment Board, and the University of Pennsylvania Health System Board.”
Section 4.8. This section shall be revised to read as follows:

“Meetings of any board or committee formed by the Trustees (other than the Penn Medicine Board and Penn Medicine Executive Committee) shall be called on the request of the chairman thereof or on the written request of at least three of the members. The Secretary shall give notice of a meeting of a board or committee (other than the Penn Medicine Board and Penn Medicine Executive Committee) to all members at least five days before such meeting, unless a greater period is required by law, by the Charter, or by these Statutes, provided that whenever the Chairman (or in the Chairman’s absence a designated Vice Chairman) shall determine that an emergency exists, he or she may call a special meeting and specify a shorter period of notice than that prescribed for meetings of the Trustees, but in no event less than twelve hours telegraphic, facsimile, or telephonic notice.”

New Article 7. There shall be a new Article 7, which shall read as follows:

Article 7

Penn Medicine

7.1 In accordance with and subject to these Statutes, the Trustees hereby delegate to Penn Medicine, acting through the Board of Penn Medicine and the Penn Medicine Executive Committee, responsibilities with respect to the management and operations of the constituents of Penn Medicine (the “Penn Medicine Constituents”) as may be from time to time determined by the Trustees and set forth in the Bylaws of Penn Medicine.

7.2 The Penn Medicine Board and the Penn Medicine Executive Committee shall each be an “other body” within the meaning of the Pennsylvania Nonprofit Corporation Law (or any successor act or provision). The Penn Medicine Board shall have overall responsibility delegated to it by the Trustees pursuant to this Article and the Penn Medicine Bylaws for promoting productive relationships among the Penn Medicine Constituents and between Penn Medicine and the University for the purpose of maintaining the highest level of clinical, educational and research excellence.

7.3 The Penn Medicine Executive Committee shall exercise all of the powers of the Penn Medicine Board, except for the powers specified in Section 5731 of the Pennsylvania Nonprofit Corporation law (or any successor act or provision). Subject to these Statutes, the Penn Medicine Bylaws, and applicable law, the Penn Medicine Executive Committee also shall have the authority to take all actions on behalf of the Trustees that would otherwise be taken by the University in its capacity as the owner of assets or shares of a Penn Medicine
Constituent, member of a nonprofit Penn Medicine Constituent, operator of a Penn Medicine Constituent that is a subdivision of the University, or party to a contract with a Penn Medicine Constituent. Notwithstanding the foregoing, the authority of the Penn Medicine Executive Committee shall be subject to the reserved powers of the Trustees as set forth from time to time in the Penn Medicine Bylaws, and any authority of the Penn Medicine Executive Committee with respect to members of any Faculty shall be subject to these Statutes and the Faculty Handbook.

7.4 Members of the Penn Medicine Board and Penn Medicine Executive Committee shall be appointed as provided from time to time in the Penn Medicine Bylaws.

7.5 The Penn Medicine Board and Penn Medicine Executive Committee may appoint such officers and committees as provided from time to time in the Penn Medicine Bylaws.

Section 12.2 (to be renumbered Section 13.2). The first sentence of this section shall be revised to read as follows:

“The Corporation shall indemnify trustees and officers of the Corporation, trustees of the University of Pennsylvania Health System members of the Penn Medicine Board and Penn Medicine Executive Committee, and members of the Investment Board to the full extent permitted by law.”

Conforming Changes. The Articles in the Statutes numbered 7 through 13 shall be renumbered 8 through 14.

Before presenting the following resolution for approval by the Trustees, Mr. Riepe noted that during its last meeting, the Executive Committee discussed its restructuring and some changes to its position. The proposed changes outlined in the following resolution reflect the partial phase-in of those changes, the balance of which will be in place by the June 2002 full board meeting.

Action………9. A Resolution on Amendments to the Statutes of the Trustees of the University of Pennsylvania was approved as follows:

Last year, an Emeritus Trustee Advisory Group was formed to assess the role of emeritus trustees within the existing governing structures. The Emeritus Trustee Advisory Group made several recommendations regarding emeritus trustee policies. These recommended changes require revisions to the Statutes.

At the request of the Emeritus Trustee Advisory Group, the Office of the Secretary further developed criteria to be used by the Nominating Committee for future decisions regarding emeritus appointments. In evaluating an individual for selection as an emeritus trustee, the Trustees’ Nominating Committee will
recommend such selection only in the event of exemplary service as a trustee, in addition to at least one of the following: service on the Trustees’ Executive Committee; service as chairperson of a School or Center Board; service as chairperson of a Trustees’ Standing Committee; major contributions to the university (financial and otherwise). Note: All Charter Trustees are automatically eligible for emeritus designation.

The Advisory Group recommends that the statutes be amended as described below:

**Term of Service:**
- Charter trustees will be designated as emeritus trustees upon reaching the age of 70, or as early as 65 if they so choose, regardless of years of service.
- Non-Charter trustees must have completed 10 years of service and must be at least 70 years of age in order to be eligible to serve as emeritus trustees, except in rare circumstances when they may be so designated at a younger age.
- Upon reaching the age of 80, emeritus trustees may choose to maintain emeritus status or to be designated honorary trustees (as described below). Emeritus trustees may be designated honorary trustees prior to age 80, if they so choose.

**Attendance/Committee Service:**
- Emeritus trustees may serve on the Development Committee and one additional standing committee.
- Assignment of emeritus trustees to committees is at the discretion of the Chairman of the Board.
- Emeritus trustees may attend all plenary/information sessions during full board meetings, including the President’s and Chairman’s briefings.
- Emeritus trustees will receive all mailings and other communications sent to voting trustees, unless they indicate a preference not to receive them.

**Honorary Trustees:**
- The designation “honorary trustee” recognizes distinguished Board service and has no expiration.
RESOLVED, that Articles 2.2 (e) and 4.5 of the Statutes of the University of Pennsylvania pertaining to Emeritus Trustees be amended to read as follows:

Section 2.2 (e) Trustees Emeriti: Charter trustees shall be designated as trustees emeriti upon attaining the age of seventy (70), or as early as age sixty-five (65), if they so choose. Other trustees who have served for more than five years two five-year terms in any class shall be eligible for election as trustees emeriti upon attaining the age of seventy (regardless of the age at which their ten-year term of service ends), or, in special rare circumstances, at an earlier age. Trustees emeriti shall enjoy all the rights and privileges of other trustees with the exceptions set forth in section 2.9, section 4.5, section 5.2, and section 6.2. At the age of eighty (80) or at any time before, emeritus trustees may choose to maintain emeritus status or step down from the board, acquiring the honorific title of "honorary trustee."

Section 4.5 Trustees emeriti may be appointed, by the Chairman, members of the Development Committee and any one additional board or committee formed by the Trustees pursuant to this Article. They shall not be entitled to vote at a meeting of any such board or committee to which they have been appointed and shall not be considered in constituting a quorum or for any other purpose for which a certain number or proportion of trustees is required. Trustees emeriti may not serve as chairmen of any committee formed by the Trustees pursuant to this Article and consisting solely of Trustees, except for ad hoc committees.

Action……….10. A Resolution on Reelection of Michael L. Tarnopol as a Vice Chair of the Board of Trustees was passed as follows:

RESOLVED, that Michael L. Tarnopol be reelected as a Vice Chair of the Board of Trustees of the University of Pennsylvania, effective November 2, 2001 - June 30, 2002.

Action……….11. A Resolution on Election of Natalie I. Koether, Esq. as a Vice Chair of the Board of Trustees was approved as follows:

RESOLVED, that Natalie I. Koether, Esq. be elected a Vice Chair of the Board of Trustees, effective November 2, 2001 - June 30, 2002.

Mrs. Koether (CW'61, L'65) is President of Pure World, Inc., and counsel to the New York law firm of Rosenman & Colin. From 1989 to 1994, Mrs. Koether was a partner with Keck, Mahin & Cate and served as the partner-in-charge of its New York office, known familiarly as “Keck, Mahin, Cate & Koether.” Prior to 1989, Mrs. Koether was a partner with Koether, Harris & Hoffman. Following
graduation from law school, Mrs. Koether took a judicial clerkship and practiced with Morgan, Lewis & Bockius in Philadelphia. She is a former trustee of the Peck School of Morristown, New Jersey.

Mrs. Koether is the former chair of the Board of Overseers of the School of Arts and Sciences, and a current member of the Trustees' Council of Penn Women. Mrs. Koether endowed a chair in School of Arts and Sciences in honor of the late Catherine Bryson (Ed'22, G'47) and established the Natalie Koether Endowed Scholarship in the School of Arts and Sciences. She has supported a variety of other areas at the University, including the Law School and the Perelman Quadrangle.

Action

12. A Resolution on Election of Jon M. Huntsman as a Term Trustee and a Vice Chair of the Trustees of the University of Pennsylvania was approved as follows:

RESOLVED, that Jon M. Huntsman be elected a Term Trustee, effective November 2, 2001.

FURTHER RESOLVED, that Jon M. Huntsman be elected a Vice Chair of the Board of Trustees, effective November 2, 2001 - June 30, 2002.

Jon M. Huntsman (W’59, H’96) is Founder and Chairman of Huntsman International Corporation, with operations at 123 sites in 43 countries. Chemical industry honors bestowed upon Mr. Huntsman include the prestigious Kaveler Award for the industry’s Outstanding CEO (1994) and the Petrochemical Heritage Award for humanitarianism (2001).

Mr. Huntsman serves on numerous corporate, civic and cultural boards, and is chair of the Wharton School Board of Overseers. He is co-chair of the National Prostate Cancer Coalition, Chairman of the International Services Committee of the American Red Cross and is a member of its National Board of Governors. He is a former member of the Board of Directors of Bankers Trust of New York, and former Chairman of the Board of the Utah Symphony Orchestra. Mr. Huntsman is a former naval gunnery officer and served under Richard M. Nixon as Special Assistant to the President and White House Staff Secretary.

Jon Huntsman donated $225 million to establish the Huntsman Cancer Institute at the University of Utah, now one of the nation’s major cancer research and treatment centers, dedicated to finding cures for cancer based on genetic research. Huntsman Cancer Research Hospital, adjacent to the Institute, is currently under construction. His efforts to rebuild Armenia after the 1988 earthquake earned him the country’s highest award—the Medal of Honor. The Huntsman Center for Environmental Research at Utah State University, the Huntsman Program in
International Studies & Business at the University of Pennsylvania, together with major gifts for the homeless, the ill and the underprivileged, mark him as one of America’s foremost concerned citizens. He has received numerous national awards for philanthropy, including the Horatio Alger Award in 1997. Last year, Mr. Huntsman was recognized as one of the three most generous Americans by the *Chronicle of Philanthropy*.

**Action**

13. A Resolution on the Election of the Executive Committee was approved as follows:


**FURTHER RESOLVED**, that Andrea Mitchell be elected a member of the Executive Committee, effective November 2, 2001 - January 1, 2002.

**III. President’s Report—Dr. Judith Rodin**

**A. Comments**

Dr. Rodin noted that the University continues supporting the campus and larger communities in response to the attacks of September 11, providing information when possible and creating venues for discussion about the complicated, emotional, and intricate political situations facing us. The University recently hosted an academic symposium at Avery Fisher Hall for a group of 1800 New York-area alumni. The session was modeled after a symposium held on campus on September 13th, with panelists Ian Lustick, Brendan O’Leary, Arthur Waldron, and P.J. Brennan. The event exhibited the true spirit of Penn’s academic mission in provoking a wide range of reaction and sparking debate. Dr. Rodin thanked Samuel Preston, Virginia Clark, and Robert Alig for organizing the event.

Dr. Rodin then noted recent groundbreakings and building openings. The Graduate Student Center opened recently with wonderful support from graduate student leadership in the Graduate and Professional Student Association (GAPSA) and Graduate Students Associations Council (GSAC) and from the faculty and administration. The Center provides comfortable furniture, computers, and state-of-the-art audio and visual equipment, and boasts a dedicated staff. The Jerry Lee Center of Criminology was recently dedicated by Former US Attorney General Janet Reno, who was joined by crime prevention experts from Great Britain and Australia. The Center was founded with an initial $5 million gift from the Jerry Lee Foundation and has attracted an additional $7 million in funds since its creation in 2000. The Center will expand its efforts to help find
solutions to the challenges of preventing violence and creating democracy, researching terrorism as well as assessing traditional views of crime. Penn recently broke ground for the new $12 million Hillel Center to be named Steinhart Hall, after alumnus Michael Steinhart. The finished center will have 35,000 square feet and feature a dramatic two-story glass-enclosed entrance, a recreation area, a space large enough to accommodate the 500 to 600 students who worship at Friday night services, and dining facilities for the more than 200 students who gather daily for Kosher meals.

In closing, Dr. Rodin noted that the University will make the largest retail purchase of wind energy in the US through an agreement with Community Energy Incorporated. The contract will satisfy 5 percent of the University’s annual energy needs and will demonstrate leadership in achieving cleaner and more sustainable energy use—a leadership role of which Penn students are quite appreciative.

B. Academic Report—Dr. Robert Barchi

Dr. Barchi gave a brief admissions update on the class of 2006. As of September 30, visits to campus by prospective students were up 16 percent over the same time period last year. Early decision applications have increased 10 percent as well.

Dr. Barchi reported on recent activities at the School of Arts and Sciences (SAS). In January, SAS will launch a new Computing Certificate in the College, the first program of its kind among our peers, which will emphasize building computing and information-technology skills within the context of any liberal arts discipline. The certificate consists of four courses designed to encourage students to become fluent in the use of computing as a tool for analysis and discovery in the liberal arts discipline in which their studies are concentrated. Upon completion of the program, students will receive a notation on their transcripts to attest to their fluency in computing.

The Modern Language Association's James Russell Lowell Prize was recently awarded to Dr. Peter Stallybrass of English and to his wife Ann Rosalind Jones, a professor at Smith, for their book Renaissance Clothing and the Materials of Modern Memory.” The Lowell Prize is one of the most prestigious honors in literary criticism, and this is the second Lowell Prize to be awarded to a member of the English Department faculty, the first having been awarded to Department Chair David Wallace in 1997. Dr. Stallybrass is one of the University’s most distinguished teachers, having won the Lindback Award, as well as the top SAS teaching honor, the Ira Abrams Award.

Dr. Barchi continued his report on school activities by noting that Dr. Cindy Otto, Associate Professor of Critical Care Medicine, was a member of the PA Emergency Task Force Team called upon early in response to the tragic events of September 11th. Dr. Otto left for New York at 1 PM on September 11, along with the 62 other members of the Pennsylvania team and four highly specialized and trained search-and-rescue dogs, and she remained on duty for nine days. Dr. Otto went immediately to "ground zero" where she was responsible for care of the dogs. Unlike human rescue workers, the dogs did not wear
respirators or boots so they were exposed to toxic chemicals in the burning rubble, glass, dust, and asbestos. None of the approximately 300 search-and-rescue dogs were seriously injured although they needed constant attention from the team. Dr. Otto is an outstanding example of the many ways that Penn faculty can assist during such a trying time.

In the Annenberg School for Communication, the Annenberg Public Policy Center has taken its Student Voices Project into high schools in Tulsa, Seattle, New York, Newark, and Detroit this year and will return to Philadelphia next year. The Student Voices Project involves high school students in mayoral elections and encourages the civic engagement of young people by bringing the study of local political campaigns into the classroom. Students use online news sources to follow campaigns and to research the candidates’ positions on issues. Through classroom visits and candidate forums, students raise their concerns directly with the candidates and hear what can be done about them. Finally, students communicate their concerns to the general public by making their voices heard in the local media. The Student Voices Project is an initiative of the Annenberg Public Policy Center of the University of Pennsylvania, with funding from the Annenberg Foundation and The Pew Charitable Trusts.

Dr. Barchi then presented the following resolution for approval by the Trustees:

**Action……….1.** A Resolution on Faculty Appointments and Promotions, as presented in pages 29-67 of the meeting book, was approved.

**C. Financial Report—Mr. John Fry**

Mr. Fry gave the financial report for Fiscal Year (FY) 2001 for the period July 1, 2000- June 30, 2001. During the twelve months of FY01, the University increased its net assets by $268.5 million to a total of over $5 billion. The majority of this increase is the result of non-operating contributions to endowment and various capital projects of $169 million and realized and unrealized gains on investments of $34.5 million. In addition, the University recorded an increase in net assets from its operating activities of $76.8 million for the fiscal year.

Plant assets, net of depreciation, were $2.5 billion and have increased $85.2 million since June 30, 2000. This increase is primarily the result of capital costs incurred for a series of projects, including Huntsman Hall, Hamilton Square, the Quad, Civic Center, Johnson Pavilion, Perelman Quad, the Museum and the Graduate School of Education. The fair value of the University’s endowment (including the Health Services Component) was $3.39 billion at June 30, 2001, and has increased approximately $181 million from the previous year.

For Fiscal Year 2001, operating revenue increased 6.1 percent over the revenue recorded in Fiscal Year 2000. Overall, tuition and fee revenue, net of direct grants, increased 8.2 percent reflecting the tuition rate increase, a slight increase in enrollment and
increases in certain special programs. The University continues to experience increased revenue derived from contributions and sponsored programs. Sponsored program revenue, including indirect cost recoveries, increased almost 8.2 percent over FY00 to a total of over $503 million. This increase reflects the continuing growth that the University has experienced over the last several years in its sponsored research programs. The University also recorded an increase of 7.9 percent in combined operating and non-operating contributions from FY00 to FY01. Overall, operating expenditures increased only 3.5 percent. A 10 percent increase in research expenses was offset by a slight decline in the hospitals and physician practices expenses during FY01 due to successful cost containment efforts.

Net cash provided by operating activities totaled $243.2 million for the year, compared to $155.1 million during FY00. Most of the difference is accounted for by the change in operating performance from year to year. The primary use of cash was for the purchase of property, plant and equipment of $298.7 million, which is $15.1 million below the capital investment activity of last year.

For FY 01, the Health Services Component of the Health System continued to improve its financial position, recording an overall increase in net assets of $83.6 million or 23 percent improvement. After accounting for non-operating revenue and other support and an unrealized gain on the investments of $4.7 million offset by $25.4 million in transfers and other, the Health Services Component had an overall increase in unrestricted net assets of $39.3 million. This compares to a $42.9 million decrease in FY00. Including investment income, the excess of revenue over expenses from operations was $57.8 million for the year, compared to $1.1 million in FY00. Health Services liquidity position showed signs of stabilization this past fiscal year as days cash on hand improved to 84.4 days, from 81.5 as of June 30, 2000. Stabilization of liquidity position was principally due to an improvement in operating cash flow by $80.6 million over the prior fiscal period and a significant reduction in patient receivables. Days in patient receivables have declined 14 percent from 100 days outstanding to 86 days.

D. Health System Report—Dr. Arthur Rubenstein

Dr. Rubenstein reported that the Health System is still in financial recovery.

Dr. Rubenstein then noted the Health System’s activities, in conjunction with city and state authorities, in responding to bioterrorism threats. The Health System’s faculty and staff are kept apprised of the issues and are prepared to respond accordingly, and the awareness efforts extend to patient and public education via written materials, web postings, meetings, and conferences.

Dr. Rubenstein then gave an update on medical education and the volunteer activities of the medical students, the latter which are supported by external grants, many of them from foundations and solicited by the students themselves. At the Kennett Square
Clinic, located in rural Chester County, students conduct free clinics on a weekly basis for migrant Mexican workers brought to Pennsylvania to work on mushroom farms. The clinics are supervised by Steve Larson, MD, an Assistant Professor of Medicine in the Emergency Department at HUP. To facilitate better communications with the patients, the students are also learning Spanish. Dr. Rubenstein then noted other community clinics and outreach programs, particularly a weekly multidisciplinary clinic conducted by students and supervised by faculty from the dental, nursing, medical, and social work schools, as well as a clinic located at the St. Agatha/St. James Church in West Philadelphia that includes a soup kitchen.

Dr. Rubenstein then noted research highlights. A new $7 million multidisciplinary research grant was recently awarded to the Health System to establish a Center of Excellence in Patient Safety and Practice. Led by Dr. Brian Strom, chair of Biostatistics and Epidemiology, the Center’s mission is to examine medication errors and address practical ways to prevent their often fatal effects on patients, the subject of intense debate and scrutiny in recent years. Projects will focus particularly on elderly patients and join forces with a prescription benefit firm, so adherence to medication instructions can be assessed in terms of patient safety and positive socioeconomic effects.

III. Committee Reports

A. Academic Policy—Ms. Natalie Koether

Ms. Koether provided highlights from the Academic Policy Committee’s November 1, 2001, meeting, held in the Goldstein Electronic Classroom of the Van Pelt-Dietrich Library, and focusing on teaching and technology. Deputy Provost Peter Conn, co-chair of a faculty-administration committee assessing teaching and evaluation of teaching, gave a brief report on the committee's work to date. A final report and recommendations are expected in the next month. A presentation was given on Blackboard, a web-based tool used by Penn professors to help manage and teach their courses. Professor Cristle Judd of the Music Department demonstrated Blackboard’s capabilities. For her courses, she is able to use the program to post the course syllabus, class assignments, reading materials, and audio files of assigned musical works. Students are able to engage in an on-line discussion about the assigned music as well as to consult their grades and the current grade distribution of the class as a whole. Professor Judd also demonstrated software developed specifically for her class that enables students to learn the basics of music and music theory on their own, as well as to complete assignments and be critiqued on them both by her and by fellow classmates. One of the great advantages of Blackboard is that it enables students to learn and study on their own schedules and also facilitates more thoughtful discussions. The committee members participated in an exercise to create original music using Blackboard. The committee was also briefed by Joseph Farrell, Associate Dean for Graduate Studies and Chair of the SAS Committee on Distributed Learning, on future technology developments that would further enhance teaching.
Ms. Koether then presented the following resolution for approval by the Trustees:

*Action….*

1. Resolution Creating Penn Praxis, Inc., a 501c(3) Subsidiary of the Trustees of the University of Penn

The Graduate School of Fine Arts (GSFA) seeks to create a new entity, Penn Praxis, to further the mission of the school in the fields of architecture, planning, landscape architecture, community development, public art and historic preservation. Penn Praxis will provide a vehicle for carrying out practical or applied projects for external clients under the direction of GSFA faculty. Currently many GSFA faculty carry out professional services projects through private firms or as personal consulting engagements. By creating a school-related entity, faculty efforts on projects with appropriate educational or community service value may be integrated into the school's program, thereby improving the education and extending GSFA's impact. Modeled in part on the Community Design Collaborative centers at other institutions, Penn Praxis will provide opportunities for student and faculty education and development, strengthen community ties, and provide service to the community.

Penn Praxis will serve essentially five objectives, all consistent with the mission of GSFA:

1. Offering increased and enhanced educational opportunities for faculty and students to test ideas and apply theories through practical projects.
2. Providing the opportunity for students to work collaboratively with faculty, while offering financial support for students during their studies.
3. Encouraging joint projects by faculty members across the various disciplines of the GSFA.
4. Promoting community outreach and providing assistance to members of the community who do not have access to normal professional services or who are unable to afford the full cost of those services.
5. Providing additional compensation to faculty.

The proposed business plan, certificate of incorporation, and proposed by-laws are included as attachments to this resolution.

**RESOLVED**, that Penn Praxis, Inc. be created as a 501c(3) subsidiary and a supporting organization of the Trustees of the University of Pennsylvania, a not for profit entity supporting the educational mission of the University.
1. Introduction and Summary

The Graduate School of Fine Arts (GSFA) seeks to create a new entity, Penn Praxis, to further the mission of the school in the fields of architecture, planning, landscape architecture, community development, public art and historic preservation. Penn Praxis will provide a vehicle for carrying out practical or applied projects for external clients under the direction of GSFA faculty. Currently many GSFA faculty carry out professional services projects through private firms or as personal consulting engagements. By creating a school-related entity, faculty efforts on projects with appropriate educational or community service value may be integrated into the school’s program, thereby improving the education and extending GSFA’s impact. Modeled in part on the Community Design Collaborative centers at other institutions, Penn Praxis will provide opportunities for student and faculty education and development, strengthen community ties, and provide service to the community.

2. Objectives and Goals

Penn Praxis will serve essentially five objectives, all consistent with the mission of GSFA:

1. Offering increased and enhanced educational opportunities for faculty and students to test ideas and apply theories through practical projects.
2. Providing the opportunity for students to work collaboratively with faculty, while offering financial support for students during their studies.
3. Encouraging joint projects by faculty members across the various disciplines of the GSFA.
4. Promoting community outreach and providing assistance to members of the community who do not have access to normal professional services or who are unable to afford the full cost of those services.
5. Providing additional compensation to faculty.

3. Organization

Penn Praxis will be organized as a 501c(3) subsidiary of the Trustees of the University of Pennsylvania, a not for profit entity supporting the educational mission of the University. The Board will be chaired by the Dean of GSFA and its members appointed by the Dean, with the approval of the Provost. The Board will include at least one representative from GSFA; at least one University representative from outside GSFA; and at least one professional in the field, not otherwise affiliated with the University.

The day-to-day operations of the entity will be managed by a President, appointed by the Dean, and approved by the Board, who is also a member of the standing faculty or
associated faculty. The term of the President will be for 3 years, but the Director may be reappointed. The teaching load of the President will be adjusted to reflect these added responsibilities.

Penn Praxis will also appoint a Treasurer, who will serve as business manager, initially on a part time basis, who will be responsible for administrative and financial tasks, under the supervision of the President. The entity may also determine to engage graduates of GSFA as fellows for one year after completion of their studies.

4. Operations

A. Project Selection

Projects undertaken by Penn Praxis will all be subject to the approval of the Board, after recommendation by the President. Projects may come through faculty members, students, or be proposed by community clients in need of services, and will be evaluated according to written criteria established by the Board. In order to be eligible for acceptance, the project must not be appropriate as a “sponsored project” under the University’s definition of the term. Research and scholarly projects will continue to be handled through the University’s existing mechanisms for sponsored projects. Penn Praxis projects must be practical or applied engagements to provide professional services to serve the objectives of an external client. In addition, projects must (1) provide an educational benefit; and/or (2) serve the interests of the community.

B. Project Management

The President of Penn Praxis will be responsible for ensuring that projects are commenced only after a written agreement meeting University requirements has been executed by the client and the entity. The President will also be responsible for ensuring that all necessary or prudent licensing, certification, indemnification and insurance provisions are in place before any project is undertaken. The supervising faculty member will be responsible for performing and managing the project, including financial aspects, subject to periodic review by the President. The President shall have the right to take actions necessary to ensure that projects are performed according to contractual obligations, and to protect the interests of Penn Praxis and the University.

C. Faculty Participation

Faculty will be encouraged, but not required to participate in Penn Praxis. Each project will be supervised by a faculty member who will be responsible for establishing a budget for the project and presenting that budget to the President and Board for approval. Overhead rates will be negotiable, but the budget should ensure that any incremental costs incurred by the GSFA are reimbursed. Faculty may include in the budget charges for their time at such rates as are appropriate and feasible, taking into account the clients’ ability to pay, and these must be approved by the President. Faculty will be compensated for work
on projects under a written plan approved by the Board that will provide for payment to faculty for services performed up to the amount specified in the approved budget, but only to the extent the amount collected for the project exceeds all other costs incurred in connection with the project, including overhead.

In order to ensure that projects do not interfere with their other teaching, research, and administrative responsibilities, faculty on full-time academic appointments will be prohibited from devoting more than 75 days each year to all of their Penn Praxis and private consulting projects. Faculty may shift additional time to Praxis projects by buying out a portion of their academic salaries, and charging their projects for the full costs of salary and benefits incurred by the university for the additional time devoted to projects. Such shifts will need to be approved by the relevant department chair(s).

D. Student Participation

Students also will be encouraged, but not required, to participate in Penn Praxis projects. Depending upon the project, students may either receive course credit or compensation. All student participation will be reviewed and approved in advance by the Director to ensure that participation is voluntary and educationally appropriate, and does not create or result in any improper conflicts of interest. When projects also involve students who are receiving educational credit for their activities, they will need to be approved in advance by the relevant department chair(s). The President will determine standard hourly rates for student work.

E. Project Development and Marketing Strategies

Projects will be promoted by the President, and as the reputation grows, we expect a growing number of inquiries from groups wishing assistance. A number of projects are currently in the works that should result in a modest volume during the first year. In addition, several faculty have expressed a willingness to use Penn Praxis as a vehicle for work currently being done as personal consulting projects, and we expect this will result in several new projects. Lacking an adequate vehicle, we have in the past had to turn such projects down.

Ultimately, the bulk of projects will come through the faculty who will oversee them. With 31 standing faculty and 22 associated faculty, we expect that in an average year at least one in five will undertake a project through Penn Praxis, resulting in a minimum of 10 projects a year several years out.

5. Finances

Ultimately, Penn Praxis is intended to be self-supporting. In order to get the operations of the entity underway, GSFA will provide space and administrative services, without separate charge, for a period of one year, unless or until GSFA, with the concurrence of the University, determines that a different arrangement is appropriate. Similarly, the
University will provide legal, human resources, clerical, and other services without separate charge for the first year of operation. Thereafter the arrangement will be reviewed and modified, subject to the approval of the Dean and the Provost, depending upon the financial and operational circumstances of the entity at the time.

Penn Praxis will initiate operations with a grant from GSFA in the amount of $50,000, to serve as working capital and absorb the cost of space and administrative services during the first year. In addition, GSFA will provide computer and other equipment for the Penn Praxis space estimated at $20,000.

A projected budget for the first year, and for the next two years, including projected costs for equipment, professional liability insurance, personnel, and other administrative costs, and projected revenues, is attached.

6. Assessment of Risks and Benefits

If Penn Praxis is successful, the primary benefits will be: (1) greater integration of the professional service activities of the faculty into the life of the school, (2) enhancing opportunities for faculty and student collaboration and for students to improve their education by participation in real projects under the supervision of faculty, (3) providing financial support to students, (4) increasing GSFA’s impact in the community through participation in community centered projects, and (5) increasing faculty compensation.

The primary risks are financial and, perhaps, damage to the relationship between GSFA and practicing architects and other professionals, should they find themselves in competition for work. The direct financial risk should be relatively small. If project budgets are reviewed carefully and appropriate payment schedules are implemented, risk of loss to Penn Praxis should be small. As with all such professional service arrangements, there is a risk of underestimation and cost overruns on individual projects. However, as faculty supervisors will be compensated only to the extent there are revenues in excess of all other costs, there will be both an incentive for close management and a margin for error before Penn Praxis or GSFA resources would be called upon to meet deficits. There is also the indirect financial risk of malpractice and breach of contract claims that may arise as a consequence of the direct provision of professional services. Appropriate malpractice insurance will be a prerequisite to undertaking projects where there are such risks, and the costs of such insurance and reserves for deductibles will be included in project budgets. Selection criteria that discourage high-cost or particularly high-risk projects, or the imposition of additional project oversight and management procedures where such projects are accepted, may help reduce the magnitude of risk for breach of contract claims.

There is a possibility that Penn Praxis could raise concern among practicing architects that the GSFA/University is competing in the provision of professional services and drawing away projects that properly belong to private practitioners. This concern should be minimized by the Practicum’s emphasis on educational and community service projects, particularly if Penn Praxis takes on community projects that would not likely be able to
support private professional services. Obviously, too great an emphasis on such projects may put pressure on the financial viability of the entity. We are hopeful, however, that an acceptable mix of projects can be achieved that will make the entity viable without creating legitimate grounds for complaint that its activities fall outside the proper scope of the University.
# PENN PRAXIS
## Financial Proforma

### Assumptions:

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<thead>
<tr>
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<th>Year 1</th>
<th>Year 2</th>
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<td>Number of projects</td>
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<td>Average value of projects</td>
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<td>Target overhead rate</td>
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<td>Space devoted to Penn Praxis</td>
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### Revenues

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<td>Project fees and reimbursements</td>
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### Expenses

#### Direct project expenses

- Faculty salaries: $80,000, $220,000
- Benefits on faculty salaries (est at 15%): $12,000, $33,000
- Student and fellow salaries: $30,000, $110,000
- Project expenses: $22,000, $40,000

#### Overhead expenses

- President salary (also released time): $20,000, $40,000
- Business administrator: $5,000*, $20,000
- Space costs: $3,000*, $7,000
- Equipment: $20,000*, $10,000
- Telephones: $1,500, $5,000
- Liability insurance: $5,000, $10,000
- Project brochures and publicity: $5,000

### Total expenses

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### Profit (or Loss)

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### Initial Grant for Equipment and Working Capital

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### End of Year Balance

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* Included in initial grant

Penn Praxis Business Plan 012900.doc
BYLAWS

OF

PENN PRAXIS, INC.

Adopted: _____ __, 2001
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BYLAWS
OF
PENN PRAXIS, INC.
(formed under the Delaware General Corporation Law)

ARTICLE I

Offices

Section 1.01  Location. The principal office of the Corporation shall be located within or without the State of Delaware at such place as the Board of Directors (sometimes referred to herein as the “Board”) shall from time to time designate. The Corporation may maintain additional offices at such other places as the Board of Directors may designate. The Corporation shall have and maintain within the State of Delaware a registered office at such place as may be designated in the Certificate of Incorporation or by the Board of Directors.

ARTICLE II

Board of Directors

Section 2.01  Power of Board and Qualification of Directors. The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors.

Section 2.02  Number of Directors. The number of directors constituting the entire Board of Directors shall be five. Unless otherwise required by law, a director need not be an officer of the Corporation. The number of directors may be increased or decreased by amendment of the Bylaws or by action of the Board of Trustees of the University of Pennsylvania.

The Board of Directors shall consist of four members who shall serve in one class and one member who shall serve in the same class in his or her ex officio capacity with voting rights. The Dean of the Graduate School of Fine Arts of the University of Pennsylvania shall serve as the ex officio member and shall also serve as Chair of the Board of Directors. The Provost of the University of Pennsylvania may designate another member of the Board of Directors to serve as Vice-Chair of the Board of Directors.

Section 2.03  Term and Election of Directors.

A.  Term. The director who serves in his or her ex officio capacity shall serve without term. Other directors shall be appointed for a term of three years, except that a director appointed to fill a vacancy shall serve for the unexpired term of his or her predecessor in office.

B.  Appointment of Directors. The initial Board of Directors shall be appointed by the sole incorporator at the direction of the Board of Trustees of the University of Pennsylvania. Subsequent members of the Board of Directors who are not serving in an ex officio capacity shall be appointed by the Dean of the Graduate School of Fine Arts of the University of Pennsylvania.
subject to the approval of the Provost of the University of Pennsylvania. The name of each such appointed director shall also be submitted to the Board of Trustees of the University of Pennsylvania who may either approve the appointment of the director or appoint another individual to serve. It is expected that at least one of the appointed directors shall be a faculty member of the Graduate School of Fine Arts, at least one of the appointed directors shall be a representative of the University of Pennsylvania from outside the Graduate School of Fine Arts, and at least one of the appointed directors shall be a professional in the community with preference given to alumni of the Graduate School of Fine Arts.

Section 2.04 Vacancies. Vacancies in the Board of Directors for members who are not serving in an *ex officio* capacity, whether caused by removal or resignation, shall be filled through appointment by the Dean of the Graduate School of Fine Arts of the University of Pennsylvania subject to the approval of the Provost of the University of Pennsylvania.

Section 2.05 Removal of Director. Any one or more of the directors, except the director serving in an *ex officio* capacity, may be removed with or without cause at any time by action of a unanimous vote of the remaining directors then in office or at the direction of the Board of Trustees of the University of Pennsylvania, provided that written notice of such removal is given to any director so removed.

Section 2.06 Resignations. Any director may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective.

Section 2.07 Quorum of Directors and Action of the Board. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business and, except as otherwise provided by law, the vote of a majority of the directors present at the meeting at which a quorum is present shall be the act of the Board.

Section 2.08 Meetings of the Board. An annual meeting of the Board of Directors shall be held each year, at such time and place as shall be fixed by the Chair of the Board of Directors, for the election of officers and directors and for the transaction of such other business as may properly come before the meeting.

Regular meetings of the Board of Directors shall be held, at such times and places as may be fixed by the Chair of the Board of Directors, for the conduct of business. Special meetings of the Board of Directors may be held whenever called by the Chair of the Board, the Vice-Chair of the Board, the President of the Corporation or any two directors.

Meetings of the Board of Directors shall be held in Philadelphia, Pennsylvania at a place or places as may be fixed by the Chair or Vice-Chair of the Board for annual and regular meetings and in the notice of meeting for special meetings.

Section 2.09 Informal Action by Directors; Meetings by Conference Telephone. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without
a meeting if all members of the Board consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board.

Any one or more members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at the meeting.

Section 2.10 Compensation of Directors. The Corporation shall not pay any compensation to directors for services rendered to the Corporation, except that directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by a majority of the entire Board.

ARTICLE III

Committees

Section 3.01 General Provisions. The Board of Directors may designate one or more committees, each committee to consist of one or more directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee shall have and may exercise all the powers and authority that the Board of Directors delegates to it in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such Committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, engaging in the sale, lease or exchange of all or a significant portion of the Corporation’s property and assets, authorizing a dissolution of the Corporation or a revocation of dissolution, or amending the Bylaws of the Corporation.

Section 3.02 Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of a contrary provision by the Board of Directors or in rules adopted by such committee, a majority of the entire authorized number of members of each committee shall constitute a quorum for the transaction of business, the vote of a majority of the members present at a meeting at the time of such vote if a quorum is then present shall be the act of such committee, and each committee shall otherwise conduct its business in the same manner as the Board of Directors conducts its business under Article II of these Bylaws.

Any action required or permitted to be taken at any meeting of such committee may be taken without a meeting if all members of such committee consent in writing to the adoption of a
resolution authorizing the action. The resolution and the written consents thereto by the members of the committee shall be filed with the minutes of proceedings of such committee.

Any one or more members of such committee may participate in a meeting of the committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at the meeting.

Section 3.03 Service of Committees. Each committee of the Board of Directors shall serve at the pleasure of the Board. The designation of any such committee and the delegation thereto of authority shall not alone relieve any director of his or her duty under law to the Corporation.

Section 3.04 Records. Minutes shall be kept of each meeting of each committee. Copies of the minutes of each such meeting shall be filed with the corporate records.

ARTICLE IV

Officers, Agents and Employees

Section 4.01 Officers. The Board of Directors shall elect or appoint a President, a Secretary and a Treasurer. The Board may also elect or appoint one or more Vice-Presidents, Assistant Vice-Presidents, Assistant Secretaries, Assistant Treasurers and other officers and may give any of them such further designation or alternate titles as it considers desirable. Any two or more offices may be held by the same person.

Section 4.02 Term of Office, Vacancies and Removal. Each officer shall hold office for the term for which he or she is elected or appointed or until his or her earlier resignation or removal. All officers shall be elected or appointed at the annual meeting of the Board. Vacancies resulting from any resignation or removal may be filled by the Board of Directors. An officer appointed or elected to fill a vacancy shall hold office for the unexpired term of his or her predecessor in office, and until his or her successor is elected and qualified. Any officer may be removed by the Board with or without cause at any time.

Section 4.03 Resignation. Any officer may resign at any time by giving written notice to the Corporation. Unless otherwise specified in the written notice, the resignation shall be effective upon delivery to the Corporation.

Section 4.04 Powers and Duties of Officers. Subject to the control of the Board of Directors, all officers as between themselves and the Corporation shall have such authority and perform such duties in the management of the Corporation as may be provided by the Board and, to the extent not so provided, as generally pertain to their respective offices.

A. President. The President shall serve as the chief executive officer of the Corporation. The President shall preside at all meetings of the Board of Directors and the Executive Committee, if such a committee is appointed pursuant to the provisions of Article III of these Bylaws, and, subject to the supervision of the Board of Directors, shall perform all duties
customary to that office and shall supervise and control all of the affairs of the Corporation in accordance with policies and directives approved by the Board of Directors.

B. Secretary. The Secretary shall be responsible for the keeping of an accurate record of the proceedings of all meetings of the Board of Directors, shall give or cause to be given all notices in accordance with these Bylaws or as required by law, and, in general, shall perform all duties customary to the office of Secretary. The Secretary shall send a copy of the records of the proceedings of meetings of the Board of Directors to the Chair of the Board of Trustees of the University of Pennsylvania when such records are prepared and approved for filing with the records of the Corporation. The Secretary shall have custody of the corporate seal of the Corporation, if any; and he or she shall have authority to affix the same to any instrument requiring it; and, when so affixed, it may be attested by his or her signature. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation, if any, and to attest the affixing by his or her signature.

C. Treasurer. The Treasurer shall serve as the chief financial officer and have the custody of, and be responsible for, all funds and securities of the Corporation. The Treasurer shall keep or cause to be kept complete and accurate accounts of receipts and disbursements of the Corporation, and shall deposit all monies and other valuable property of the Corporation in the name and to the credit of the Corporation in such banks or depositories as the Board of Directors may designate. Whenever required by the Board of Directors, the Treasurer shall render a statement of accounts. The Treasurer shall at all reasonable times exhibit the books and accounts to any officer or director of the Corporation, and shall perform all duties incident to the office of Treasurer, subject to the supervision of the Board of Directors, and such other duties as shall from time to time be assigned by the Board of Directors.

Section 4.05 Agents and Employees. The Board of Directors may appoint agents and employees who shall have such authority and perform such duties as may be prescribed by the Board. The Board may remove any agent or employee at any time with or without cause. Removal without cause shall be without prejudice to such person’s contract rights, if any, and the appointment of such person shall not itself create contract rights. The Board may delegate to any officer or officers its power with respect to appointing agents and employees, prescribing authority and duties, and removing agents and employees under this Section 4.05.

Section 4.06 Compensation of Officers, Agents and Employees. The Corporation may pay compensation in reasonable amounts to officers for services rendered, such amounts to be fixed by a majority of the entire Board of Directors or by a Compensation Committee, if such a committee is appointed pursuant to the provisions of Article III of these Bylaws.

The Corporation may pay compensation in reasonable amounts to agents and employees for services rendered, such amount to be fixed by the Board or, if the Board delegates power to any officer or officers, then by such officer or officers.
ARTICLE V

Miscellaneous

Section 5.01 Fiscal Year. The fiscal year of the Corporation shall be the calendar year or such other period as may be fixed by the Board of Directors.

Section 5.02 Corporate Seal. The corporate seal shall be circular in form, shall have the name of the Corporation inscribed thereon and shall contain the words “Corporate Seal” and “Delaware” and the year the Corporation was formed in the center, or shall be in such form as may be approved from time to time by the Board of Directors.

Section 5.03 Checks, Notes, Contracts. The Board of Directors shall determine who shall be authorized from time to time on the Corporation’s behalf to sign checks, drafts, or other orders for payment of money; to sign acceptances, notes, or other evidences of indebtedness; to enter into contracts; or to execute and deliver other documents and instruments.

Section 5.04 Books and Records. The Corporation shall keep at its office correct and complete books and records of account, the activities and transactions of the Corporation, minutes of the proceedings of the Board of Directors and any committee of the Corporation, and a current list of the directors and officers of the Corporation and their residence addresses. Any of the books, minutes and records of the Corporation may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 5.05 Amendment of Certificate of Incorporation and Bylaws. The Certificate of Incorporation of the Corporation may be amended in whole or in part by a majority vote of the directors then in office pursuant to the procedure outlined in Title 8, Section 242 (b)(3) of the General Corporation Law of the State of Delaware subject to the prior consent of and approval by the Board of Trustees of the University of Pennsylvania. The Bylaws of the Corporation may be amended or repealed in whole or in part by a majority vote of the Board of Directors then in office subject to the prior consent of and approval by the Board of Trustees of the University of Pennsylvania.

Section 5.06 Indemnification and Insurance. In accordance with and to the extent authorized by the Standing Resolution on Indemnification adopted by the Board of Trustees of the University of Pennsylvania, the Corporation shall indemnify any director, officer, employee or agent, any former director, officer, employee or agent, any person who may have served at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation), to which he or she may be or is made a party by reason of being or having been such director, officer, employee or agent if so permitted by the General Corporation Law of the State of Delaware. However, there shall be no indemnification in respect of any claim, issue or matter as to which he or she shall have been adjudged to be liable to the
Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

In addition, in accordance with and to the extent authorized by the Standing Resolution on Indemnification adopted by the Board of Trustees of the University of Pennsylvania, the Corporation may pay expenses (including attorneys’ fees) incurred by an officer, director, employee, or agent in defending any civil, criminal, administrative or investigative action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation under this Article.

Any indemnification (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Title 8, Section 145 (a) and (b) of the General Corporation Law of the State of Delaware. Such determination shall be made (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) if there are no such directors or if such directors so direct, by independent legal counsel in a written opinion.

The Board of Directors may authorize the purchase of insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against or incurred by him or her in any such capacity, or which arises out of such person’s status as a director, officer, employee, or agent whether or not the Corporation would have the power to indemnify such person against that liability under law. In addition, the Corporation, with the prior consent or approval by the University of Pennsylvania, may authorize the coverage of such persons described in the preceding sentence under the University of Pennsylvania's general business liability insurance, professional liability insurance, and directors’/officers’ insurance policies.

If any part of this Article shall be found in any action, suit, or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.
CERTIFICATE OF INCORPORATION
OF
PENN PRAXIS, INC.

THE UNDERSIGNED, for the purpose of forming a nonstock corporation pursuant to Section 101 of the General Corporation Law of the State of Delaware, hereby certifies:

FIRST:  The name of the Corporation is Penn Praxis, Inc.

SECOND:  The address of the registered office of the Corporation in the state of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware 19801. The name of the registered agent of the Corporation at that address is The Corporation Trust Company, Inc.

THIRD:  The Corporation is organized and shall be operated exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code"). The purposes for which the Corporation is formed are to engage in activities that support the mission of the University of Pennsylvania including educational and collaborative projects involving the various disciplines of the Graduate School of Fine Arts of the University of Pennsylvania, including architecture, community development and historic preservation, and conducting such other activities that are consistent with tax-exempt status. It is intended that the Corporation qualify as a “supporting organization” within the meaning of Section 509(a)(3) of the Code, which is operated, supervised, or controlled by the University of Pennsylvania. Nothing contained in this Certificate of Incorporation shall be considered as granting the Corporation any purpose, or the right to exercise any power, which would cause it to fail to qualify as such a “supporting organization.”

In furtherance thereof, the Corporation may receive property by gift, grant, contribution, or bequest, invest or reinvest the same, and apply the income and principal thereof to conduct its charitable, scientific or educational purposes and to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware. In addition to the foregoing, the Corporation may distribute income and principal thereof, or any of its assets, as the Board of Directors may from time to time determine, to the University of Pennsylvania.

The Corporation shall have all the general powers enumerated in Sections 121 and 122 of the General Corporation Law of the State of Delaware as now in effect or as may hereafter be amended, together with the power to solicit grants and contributions for such purposes.

FOURTH:  The Corporation shall not have authority to issue capital stock.

FIFTH:  The Corporation shall have no members.

SIXTH:  The name and mailing address of the incorporator, who is to serve as the initial director until his successors are appointed and qualify, is as follows:
SEVENTH: Except as otherwise provided by law, or in any Bylaw of the Corporation, the business of the Corporation shall be managed and all of the powers of the Corporation shall be exercised by the Board of Directors of the Corporation.

EIGHTH: The duration of the existence of the Corporation is perpetual.

NINTH: No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to any director or officer of the Corporation, or any other private person, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to or for the Corporation and to make payments and distributions in furtherance of the purposes set forth in Article THIRD hereof.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise permitted by Section 501(h) of the Code and in any corresponding laws of the State of Delaware), and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements concerning) any political campaign on behalf of (or in opposition to) any candidate for public office.

Notwithstanding any other provision of this Certificate of Incorporation, the Corporation shall not directly or indirectly carry on any activity which would prevent it from obtaining exemption from Federal income taxation as a corporation described in Section 501(c)(3) of the Code, or cause it to lose such exempt status, or carry on any activity not permitted to be carried on by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

TENTH: In the event of dissolution or final liquidation of the Corporation, all of the remaining assets and property of the Corporation shall, after paying or making provision for the payment of all the liabilities and obligations of the Corporation and for necessary expenses thereof, be distributed to the University of Pennsylvania. In no event shall any of such assets or property be distributed to any director or officer, or any private individual.

ELEVENTH: To the fullest extent permitted by the General Corporation Law of the State of Delaware, as now in effect or as may hereafter be amended, no director or officer of the Corporation shall be personally liable to the Corporation for monetary damages for any breach of fiduciary duty as a director or officer; provided, however, such relief from liability shall apply to the extent that such relief is consistent with any provision of the Code applicable to corporations described in Section 501(c)(3) of the Code. The Corporation shall indemnify and advance expenses to the fullest extent permitted by Section 145 of the General Corporation Law of the State of Delaware with respect to each person who is or was a director or officer of the Corporation and the heirs, executors and administrators of such a person; provided, however,
such indemnification shall apply to the extent that such indemnification is consistent with any provision of the Code applicable to corporations described in Section 501(c)(3) of the Code.

TWELFTH: The Board of Directors shall exercise all corporate powers of the Corporation except as otherwise provided by law or in any Bylaw. Elections of Directors need not be by written ballot unless the Bylaws of the Corporation shall so provide. The Board of Directors shall serve as such without compensation from the Corporation.

IN WITNESS WHEREOF, the undersigned, being the sole incorporator named above, has executed this Certificate of Incorporation this ___ day of __________, 2001.

__________________________________
Gary Hack, Incorporator

I, _______________________ a notary public, hereby certify that on the ___ day of __________, 2001, personally appeared before me ______________________, who being first duly sworn, declared that he signed the foregoing document as incorporator, and that the statements therein contained are true.

B. Audit & Compliance—Mr. Paul Kelly

Mr. Kelly briefly reviewed the Audit & Compliance Committee November 1, 2001 meeting during which the committee met with the University outside auditors, PriceWaterhouseCoopers, and approved the draft of financial statements for both the University and the Health System for FY01. Regarding the financial statements, the outside auditors have reported that both the University and Health System received clean opinion letters, and that the financial statements of both entities had been prepared in accordance with GAAP (Generally Accepted Accounting Principles). Among the remaining items of business, most prominent was the review of the management letters for the University and the Health System in which the outside auditors have made recommendations to further improve the efficiencies of our internal control systems and management responses as to their efforts to implement such recommendations. Overall, management continues to make good progress in meeting its implementation schedule. On behalf of the committee, Mr. Kelly thanked all members of the financial and Audit and Compliance staffs of the University and the Health System for their cooperative efforts during the past fiscal year; their hard work is evident in the continuing improvement in the University and Health System financial reporting systems.
C. Budget & Financial—Mr. John Clark

Mr. Clark reported on the Budget & Finance Committee’s November 1, 2001 meeting during which the committee reviewed and approved the University financial report for the fiscal year ending June 30, 2001, as well as the University of Pennsylvania Health Services Component report.

Mr. Clark then presented the following resolutions for approval by the Trustees:

Action.........1. A Resolution Authorizing Infrastructure Relocation and Improvements on the Former Civic Center Site was approved as follows:

Resolutions adopted by the Trustees on March 18, 1999 and June 17, 1999 authorized: (i) the demolition and related environmental remediation of existing structures at the former Civic Center site; and (ii) the construction, with Children’s Hospital of Philadelphia (“CHOP”), of a 2000 car parking garage on a portion of the Civic Center Site. To facilitate the immediate development of the Civic Center Site, sewer lines and other utilities at the site must be relocated and upgraded. Thus, the University, working with CHOP and the Philadelphia Authority for Industrial Development (“PAID”), proposes to undertake certain infrastructure improvements at the site. These will include: (a) the removal of one existing 48” diameter brick sanitary sewer; (b) the construction of a new 48” diameter sanitary sewer in a more suitable location; (c) the construction of a new 12” diameter water line; and (d) the construction of a new service road and appropriate traffic signals and controls (together the “Infrastructure Improvements”). The total cost of the Infrastructure Improvements, estimated at $4.6 million, will be shared between the University and CHOP, with CHOP responsible for 52% of the project costs (estimated to be $2.4 million) and the University responsible for 48% of the project costs (estimated to be $2.2 million). The University’s portion of the project cost will be funded from the proceeds of the sale of a 1.90-acre parcel on the Civic Center Site to CHOP (approved by the Trustees by Resolution dated June 15, 2001), which closed in August 2001 at a price of $5.7 million. The University, CHOP and PAID (an affiliated entity of the Philadelphia Industrial Development Corporation (“PIDC”)) have executed a Tri-Party Agreement to govern the Infrastructure Improvement project and, pursuant to that Agreement, each party’s pro rata share of the project cost will be deposited in an escrow account and disbursed as costs are incurred.

RESOLVED, that the construction of the Infrastructure Improvements estimated to cost $4.6 million with the University’s share estimated to equal $2.2 million be and hereby is approved and that the Executive Vice President or any other appropriate officer of the University be and hereby is authorized to take such actions and incur such expenses and obligations – not however in excess of 110% of the estimated costs as set forth herein - as they in their judgment may deem necessary or desirable to accomplish the purposes of this Resolution. Any actions heretofore taken by such officers in furtherance of the purposes of this Resolution are hereby ratified and affirmed.

Action.........2. A Resolution Authorizing the Issuance of Up to $75 Million of Long Term Debt and the Bond Ad Hoc Committee was approved as follows:
The University intends to use financing provided by obligations to be issued by the Pennsylvania Higher Educational Facilities Authority (“PHEFA”) to (1) renovate, rehabilitate, improve and equip existing University facilities, construct new facilities and acquire property as further described on Exhibit “A” attached hereto (the “Capital Project”), and (2) current refund PHEFA’s Revenue Bonds, Series of 1968 (the “Refunding Project”). The Administration recommends that it be authorized to borrow up to $75,000,000 to finance the costs of the Capital Project and the Refunding Project from the proceeds of tax-exempt bonds (such bonds or indebtedness to be collectively referred to herein as the “Bonds”), the terms of which would be approved by the Bond Ad Hoc Committee (the “Ad Hoc Committee”). The Chair of the Budget and Finance Committee will have authority to select members of the Ad Hoc Committee.

In connection with the undertaking of the Capital Project, the Administration expects that the University will expend its own funds prior to the incurrence of debt to be authorized by this resolution, and as permitted by Federal tax law, desires to be eligible for reimbursement for any costs of the Capital Project funded from its general funds.

In addition, the Administration would like the Trustees to delegate to it the power to choose an issuer and an investment bank or bankers for the Bonds, to determine the method of sale of the Bonds, to appoint bond counsel and to do and to take all action with respect to the Bonds except to the extent delegated to the Ad Hoc Committee.

RESOLVED, that the Trustees of the University hereby grant the Chair of the Budget and Finance Committee the ability to select members of the Ad Hoc Committee, for the purposes described in this resolution.

FURTHER RESOLVED, that the Trustees of the University hereby authorize the borrowing of up to $75,000,000 for the Capital Project and the Refunding Project for a term of up to 40 years, at a fixed or variable interest rate, subject however, to the approval of the terms and conditions of any borrowing pursuant to this resolution by the Ad Hoc Committee, such approval by the Ad Hoc Committee to be conclusively evidenced by the adoption of a resolution authorizing and approving the terms of one or more borrowings pursuant to this resolution.

FURTHER RESOLVED, that the Executive Vice President and the Vice President for Finance and Treasurer be and each of them is hereby authorized to apply on behalf of the University to a governmental issuer to issue tax-exempt indebtedness for the purposes stated above and to pay such fees and expenses as may be required in connection therewith and in connection with the incurrence of indebtedness authorized herein.

FURTHER RESOLVED, that the Executive Vice President and the Vice President for Finance and Treasurer be and either is hereby authorized to determine the method of sale of any indebtedness incurred for the University (which may be a competitive sale, negotiated sale, a private placement or any combination thereof), to select an investment banker or bankers (if a negotiated sale is to be used) or a lender or purchaser in the event of a private placement and to take all action in connection therewith, subject to the
approval of the amount of indebtedness but not in excess of $75,000,000 for the Capital Project and the Refunding Project, the rates of interest, the terms thereof and the security for indebtedness, all of which shall be subject to approval by the Ad Hoc Committee.

**FURTHER RESOLVED**, that this resolution shall constitute an official expression of the University’s intent to borrow under current Internal Revenue Service income tax regulations, the proceeds of up to $75,000,000 of the Bonds and to reimburse itself for amounts expended in connection with the Capital Project commencing with the period beginning 60 days prior to the date hereof (or 60 days prior to the date of any applicable prior resolution expressing such intent) to the date of the issuance of such indebtedness.

**FURTHER RESOLVED**, that the Executive Vice President and the Vice President for Finance and Treasurer be and they are hereby authorized and empowered to take such action, approve the form and content and execute and deliver such documents and to do such things as shall be necessary to effectuate the borrowing authorized by this resolution, subject, however, in all respects to the approval of the terms and details of the Bonds by the Ad Hoc Committee.

**EXHIBIT A**

**Project Description**

The Project consists primarily of construction, renovations, improvements and equipment acquisitions at the University’s facilities in the Commonwealth of Pennsylvania, including the campus of the University in the City of Philadelphia, the boundaries of which are 41st Street on the West, 32nd Street on the East, Chestnut Street on the North and Civic Center Boulevard on the South, during fiscal years 2001 through 2005. The Project facilities will be used by the University in its activities as an independent, nonprofit institution of higher learning.

The Project is expected to include one or more of the following specific facilities together with others related thereto:

- Biomedical Research Building 2/3 – Small Animal Imaging
- Blockley Hall – Center for Bioinformatics
- Carriage House
- Civic Center Garage (University Avenue)
- Dormitory Sprinklers and Fire Safety
- GSE Building Renovations
- Hamilton Square
- John Morgan – Anesthesia
- Levine Hall
- Life Sciences Quad
- Mainwaring Storage Facility Addition
- MEP Infrastructure Upgrades
- New Bolton Center Chemical Digester
- Pottruck Health & Fitness Center
- Quadrangle College House Renovation
- Schattner Center
Wharton West Leasehold Improvements

Action........3. A Resolution Amending the Prior Authorization Allowing the University of Pennsylvania Health System to Enter into Lease Financing Agreements Up to $30,000,000 was approved as follows:

The Trustees of the University of Pennsylvania (the “University”) owns and operates the University of Pennsylvania Health System (“UPHS”), which includes certain designated units of the University and various corporations controlled by the University. Based upon the recommendation of both the UPHS Trustee Board Executive Committee and the University Budget and Finance Committee, the University Trustee Board had previously approved a proposal from GE Capital Public Finance, Inc. (“GECPF”) to provide tax-exempt financing to UPHS for capital assets, including equipment, to be acquired by UPHS pursuant to a master financing agreement among UPHS, GECPF and the Pennsylvania Higher Educational Facilities Authority (“PHEFA”). The UPHS and University administration has subsequently determined that it is in the best interest of UPHS to solicit proposals from several lessors in addition to GECPF to provide such financing. UPHS, PHEFA and each lessor whose proposal is accepted (“Lessor”) will enter into a lease and financing agreement (“Financing Agreement”) which will provide for payments by UPHS to the Lessor in amounts and at the times sufficient to repay the financing provided by the Lessor pursuant to the financing agreement, and will also provide for UPHS to grant a security interest to the Lessor in the financed capital assets. The UPHS Trustee Board Executive Committee has recommended that UPHS enter into the Financing Agreement.

ACCORDINGLY, IT IS HEREBY

RESOLVED, based upon the recommendation of both the UPHS Trustee Board Executive Committee and the Budget and Finance Committee, that the University Trustee Board hereby authorizes UPHS to enter into one or more Financing Agreements with each Lessor and PHEFA, in such form and with such terms and conditions as the applicable officers of UPHS shall approve; and authorizes and directs the appropriate officers of the University and UPHS to take such actions, execute such documents and incur such expenses and obligations as may in their judgment be necessary or desirable to accomplish the purposes of this resolution; provided that (i) the aggregate amount of the financing outstanding at any time shall not exceed $30,000,000, (ii) the term of the financing for any capital asset shall not exceed seven years and (iii) the annual interest cost shall not exceed 7%.

D. Development—Mr. Michael Tarnopol

Mr. Tarnopol gave a report on Development Committee’s November 2, 2001 meeting. Mr. Tarnopol noted that the University has exceeded its projected FY01 fundraising goal of $350 million with a record-setting $371.8 million in gifts and pledges. Annual receipts of $285.6 million were second only to the previous year’s record performance. Gift receipts of $94.3
million added to the University’s endowment last year also set a new record, as did annual giving programs, with more than $31.7 million raised for unrestricted support. Funds raised for the University’s strategic plan during the five years of the *Agenda for Excellence* totaled $952 million. This year, the University has set an overall fundraising goal of $340 million. Unaudited results for October show that gifts and pledges raised to date total $81 million, 24 percent of the goal for the year. October receipts bring the year-to-date cash total to $75 million, 26 percent of the goal.

Mr. Tarnopol then noted substantial new gifts received since July: three endowed chairs, two for the Wharton School and one for the Law School; support for research and treatment programs for the Cancer Center; commitments to the Veterinary School’s new teaching and research building; and a grant for the University’s new Center for Research on Religion and Urban Civil Society.

Mr. Tarnopol then expressed the committee’s anticipation of an extremely challenging year due to the impact of the events of September 11th and continuing uncertainty with regard to the economy. The committee also believes that the humane values for which the University stands, and its leadership in research and education, are critically important and worthy of support. The committee discussed several strategic initiatives designed to enhance the strength and the effectiveness of the University’s Development and Alumni Relations programs.

On behalf of the Development Committee, Mr. Tarnopol thanked the University Trustees for their support and assistance and reminded everyone that the year ahead will be difficult and that the University will need everyone’s support.

Mr. Tarnopol then presented the following resolution for approval by the Trustees:

*Action*........1. A Resolution Establishing a University of Pennsylvania Dual Qualified Entity in the United Kingdom was approved as follows:

In 1993, certain trustees independent of the University established a trust qualified as a charity in the United Kingdom (The Friends of the University of Pennsylvania Charitable Trust). The Trust allowed donors who were residents of the United Kingdom to make contributions, deductible in the UK, to support the University of Pennsylvania.

Recent tax law changes in the United Kingdom now allow for an entity to qualify as charitable in the United States and in the United Kingdom (dual qualified entities). A donor who pays both U.S. and U.K. taxes may now make a charitable contribution to a dual qualified entity and in most cases take a deduction from both his or her U.S. and U.K. taxes.

Development and Alumni Relations and the Office of General Counsel have engaged counsel in the U.K. to assist in the preparation of a dual qualified entity. Counsel has recommended that the dual qualified entity be formed as a company limited by shares, with the Trustees of the University of Pennsylvania as the sole shareholder. The name of the new company will be confirmed upon the filing of a Memorandum of Association,
and the new company will be registered with the U.K. Charity Commission. The Friends of the University of Pennsylvania Charitable Trust may be combined with the new dual qualified entity.

**ACCORDINGLY, IT IS HEREBY**

**RESOLVED,** that the Trustees of the University of Pennsylvania accept the transfer of the shares in the U.K. dual qualified entity, to hold and apply the income and capital of the shares for purposes which are exclusively charitable under the laws of England and Wales, including support of the Trustees of the University of Pennsylvania; and

**FURTHER RESOLVED,** that the Trustees authorize the directors of the U.K. dual qualified entity to conduct fundraising activities in the U.K.; and

**FURTHER RESOLVED,** that the appropriate officers shall be authorized to take whatever actions are necessary and to execute all necessary documents to effectuate the intent of the resolution.

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**E. External Affairs—Ms. Andrea Mitchell**

Ms. Mitchell gave highlights of the External Affairs Committee’s November 1, 2001 meeting, noting several reports and presentations given by University administration and staff. Ms. Lori Doyle, Director of University Communications, presented a joint University-independent firm analysis of news generated by the University. The report provided a summary of the many stories, including 999 positive stories or spots and 6,578 column inches, which, through subjective analysis, can be valued at more than $5 million in positive advertising for the University. Ms. Doyle will provide the committee with the number of negative reports which, presumably, are not nearly as numerous. Mr. Michael Baltes, Communications Director for the Wharton School, reported on some of the very successful web-based initiatives, including Knowledge at Wharton, an e-mail newsletter sent every two weeks containing information on current Wharton faculty expertise and research, as well as the Alumni Leadership and Alumni Notes web site, two very successful ventures for Wharton. Dr. Ira Harkavy, Director of the Center for Community Partnerships, reported on the number of Academically-based Community Service (ABCS) courses coordinated through the Center in which over 700 students are now enrolled per academic year, with over 60 standing faculty in 11 schools and 16 SAS departments teaching these courses, all of which are of great benefit to the students and also to the University community.

Maureen Rush, Vice President for Public Safety, presented a video that was created by the Department of Public Safety to provide safety tips to students. The film was distributed to undergraduates and graduate students via compact disk. Ms. Rush also noted that, in light of September 11th, the University has hired a nationally recognized security firm to assist in future risk-management planning. Dr. Valerie Swain-Cade McCoullum reported on the University’s truly extraordinary efforts in responding to tragic events of September 11th. Houston Hall served as a counseling center, staffed with counseling professionals, which was greatly used by undergraduates and graduate students alike as well as other members of the University community.
F. Facilities & Campus Planning—Mr. William Mack

Mr. Mack noted that the Facilities & Campus Planning Committee had met twice recently, once on October 19, 2001 and again on November 1, 2001. The following items were discussed at the two meetings: 1) the previous purchase of a parcel of land at 34th and Chestnut Streets from the City of Philadelphia and the progress on distributing an RFQ to qualified developers; 2) safety issues presented by Ms. Maureen Rush, Vice President of Public Safety; 3) the groundbreaking of the new Hillel Center, as well as an update on the existing Hillel Center; 4) a discussion on energy management and conservation and the University’s recent savings of about $5 million on energy costs through an aggressive conservation program; 5) an update on the Penn-Assisted Pre-K through 8 school, 40 percent complete and partially open, serving approximately 75 students; 6) an update on the planning for Hamilton Village; 7) an update on the potential development of the 34th & Market Streets parcel (old Conrail building).

At the November 1 meeting, George Thomas and David Brownlee gave a presentation on the architectural history of the campus, which was followed by a discussion about future development and the architectural guidelines currently being developed. The committee also discussed the appointment of Architectural Review Subcommittee for the Facilities & Planning Committee to address quality and standards compliance.

G. Neighborhood Initiatives—Mr. Egbert Perry

Mr. Perry reported on behalf of committee chair Mr. Gilbert Casellas, who presided over the Neighborhood Initiatives’ November 1, 2001, meeting.

Mr. Casellas began the meeting by reviewing the goals document, previously distributed to the Trustees, which outlined the five West Philadelphia initiatives, and gave an update on the progress toward and challenges in meeting those initiatives.

Mr. John Fry introduced the new Executive Director for the University City District, (UCD) Mr. Eric Goldstein. The committee then received an overview of UCD’s accomplishments over the first four years, in which it was noted that the University was able to leverage its $7.5 million investment by attracting another $20 million from other sources to fund the organization. Over the next year, Mr. Fry and Mr. Goldstein will attempt to raise $23 million for future funding. The UCD community is cleaner and safer today due to these efforts.

Ms. Maureen Rush reported on overall crime statistics in the area and how they have dropped dramatically (by approximately 33 percent). Penn Police was also able to establish two major partnerships with the Philadelphia Police: 1) an arrest protocol granting Penn Police primary jurisdiction within its boundaries; 2) access to all of the 911 calls from campus received by the Philadelphia Police Department.

Mr. Leroy Nunery, Vice President of Business Services, reviewed the accomplishments of the Housing Program to-date. Mr. Nunery reported that housing values are up over 40 percent and that
approximately 356 families or individuals have been assisted in seeking and acquiring housing in the program area. In order to achieve the overall intended impact of the Housing Program, catchment area may need to be expanded.

A report on economic development was superseded by a report on the Penn-Assisted Pre-K through 8 school, which is in partial operation. Nineteen countries are represented in the student body. At this point, all indicators are positive, and the committee looks forward to a more extensive report in the future.

Ms. Carol Scheman, Vice President for Government, Community & Public Affairs, noted that a new resource board coordinator was hired earlier this year.

H. Student Life—Mrs. Susan Catherwood

Mrs. Catherwood reported that the Student Life Committee met in open session on November 1, 2001. Mr. Leroy Nunery, Vice President for Business Services, gave an update on campus dining, including the following components: 1) support for the College House program; 2) current operating parameters; 3) business viability and market trends; and 4) future plans being developed by the Retail/Food Working Group.

Deputy Provost Peter Conn discussed the University’s response to the events of September 11th and their aftermath. Dr. Conn noted that President Rodin immediately convened the Emergency Management Team, which was led by Provost Robert Barchi and Executive Vice President John Fry. The campus community was provided, and continues to be afforded, opportunities for support and reflection ranging from counseling and psychological services, academic seminars and symposia, communication centers (including Houston Hall and the College Houses) and information vehicles (including broadcast voice and electronic mail messages and websites). Additional support has been and will continue to be provided to students studying abroad, as well as to the international students studying here on campus. Dr. Joyce Randolph, Director of International Programs, and Vice-Provost for University Life Valerie Swain-Cade McCoullum provided an update on the Penn Police safety and security efforts on behalf of international students on campus.

H. Investment Board—Mr. Christopher Browne

Mr. Browne reported that for FY01, the performance of the endowment might best be described as a reversal of misfortune. The University’s endowment produced a positive return of 6 percent. While not outstanding in absolute terms, on a relative basis the University outperformed its benchmark, which lost 7.4 percent over the same period. In terms of the University’s peers, out of 32 endowments with $1 billion or more, the median return was a loss of 2.4 percent; over 75 percent of the endowments had negative returns for the fiscal year ended 6/30/01. Penn's out-performance came primarily from its public equity portfolios, both domestic and international, which represent approximately 56 percent of the total endowment. The University’s domestic equities produced a return of 9.8 percent versus a loss of 15.4 percent for the Wilshire 5000. International equities
produced a positive gain of 3.4 percent versus a loss of 23.6 percent for the Morgan Stanley International index.

Mr. Browne then delivered the following statistics:

Overall Performance

- For the fiscal 2002 first quarter, the AIF lost 5.8 percent versus a loss of 8.1 percent for its composite benchmark and a loss of 8.8 percent for a hypothetical 70/30 stock/bond portfolio.
- Penn’s domestic and international public equities were largely responsible for Penn’s outperformance on a relative basis, although bonds, real estate and hedge fund investments turned in positive returns.
- To put this in context, during the quarter the S&P 500 declined 14.7 percent -- the largest quarterly drop since the market crash of 1987.
- Most of the market’s downturn in the quarter occurred prior to the terrorist attacks of September 11th and index declines after the attacks largely recovered by the middle of October.

Global Equities

- The domestic equity portfolio fell 11.5 percent, but still beat its benchmark, the Wilshire 5000, by 440 basis points.
- This was largely due to the portfolio’s tilt toward defensive, value-oriented stocks which outperformed stocks in more volatile sectors such as technology and telecommunications.
- Similarly Penn’s international equity portfolio, which also has a value tilt, beat its benchmark by a wide margin returning -9.1 percent compared to EAFE’s -14.0 percent.

Global Bonds

- Penn’s investment grade bond portfolio underperformed its Lehman Government/Credit A-rated or better benchmark by 50 basis points due to its over-weight in mortgage and corporate bonds and under-weight in Treasuries.

Diversifying Assets

- Among Penn’s Diversifying Assets, Absolute Return under-performed its benchmark, but produced a +0.5 percent return compared to the S&P’s 14.7 percent loss for the quarter.
- The flight to quality after September 11th pushed the high yield bond market sharply lower, producing most of the quarter’s losses.

Excess Return Assets

- Penn continues to make good progress building its nascent private equity portfolio, but it is too early to judge the performance of this part of the portfolio.
- The combination of management fees and some mark-downs led to the negative private equity return.
• Real estate investments underperformed their benchmark by 130 basis points for the quarter, however because these portfolios are lagged by one quarter and valued infrequently, it is difficult to draw conclusions from one quarter’s performance.

J. Alumni Report—Mr. Leonard Shapiro

Mr. Shapiro reported the that University of Pennsylvania Alumni Society (UPAS) Council of Representatives will vote to approve the slate of three nominees for Alumni Trustee positions to begin on January 1, 2002: Edward J. Mathias, C’64, of Bethesda, MD (Middle Atlantic); Paul S. Levy, L’72, of Scarsdale, NY (At-Large); and Dr. Susan C. Taylor, C’79, of Wynnewood, PA (At-Large).

The Alumni Society commends and thanks Alumni Trustees Jerry Magnin and Pamela Petre Reis, whose terms are ending, for their exemplary trustee service during the past five years. UPAS looks forward to their continued involvement with the University in many other ways.

In the interest of time, Mr. Shapiro briefly commented on the Alumni Society’s November 1, 2001, meeting. The Office of Alumni Relations is conducting a study of the Sweeten Alumni Center, including an assessment in terms of non-compliance with electrical wiring, telecommunications deficiencies, and other areas in need of improvement. UPAS hopes to have more information to report to the full board in February 2002.

Mr. Shapiro reminded everyone of the the Alumni Award of Merit Gala that evening during which Edward Schills, Herbert Katz, Norma Pedie Killebrew, and Melanie Nussdorf would be honored.

IV. Appointments to Overseer and Other Boards—Mr. James Riepe

Mr. Riepe presented the following resolutions for approval by the Trustees:

Action………..1. Resolution on Appointments of Eleanor Graham Claus and J. Mark Baiada to the Board of Overseers of the School of Nursing was approved as follows:

RESOLVED, that Eleanor Graham Claus and J. Mark Baiada be appointed to the Board of Overseers of the School of Nursing for three-year terms, effective November 2, 2001.

Mrs. Eleanor Graham Claus, GNU’69, is a consultant for the Hunter Group, a health care consulting firm. In June 1998, Mrs. Claus retired as President and Chief Executive Officer of the Central-Midwest Region of Catholic Health Initiatives, a Denver-based healthcare system. Prior to becoming President and CEO of Catholic Health Initiatives Central-Midwest, Mrs. Claus served as President and CEO of Catholic Health Corporation. Mrs. Claus is also an experienced clinical educator and administrator. From 1980-1990, she taught as a Clinical Professor of Community and Administrative Nursing at the University of California at San Francisco. From 1984 to 1990, she served
as Chief Executive Officer of the merged Alta Bates and Herrick Hospitals, both acute care facilities in Berkeley, CA. Mrs. Claus also held adjunct clinical appointments at Creighton University, Clarkson College, and the University of Nebraska Medical Center, until 1998. She is Chair of the Board of Trustees at her alma mater, Mt. Holyoke College. Mrs. Claus is a former trustee of Mercy High School and former director of the Opera Omaha and of Boys Scouts of America.

Mr. J. Mark Baiada, PAR’98, is the Founder, President and Owner of Bayada Nurses, Inc., one of the region’s largest home care companies. Providing home care through visiting nurses since 1975, Bayada is known for its outstanding care for both clients and employees. Prior to founding Bayada, Mr. Baiada worked at Avon Products from 1972 to 1975, and for the American Thread Corporation from 1970 to 1972. He received the Ernst & Young Greater Philadelphia Entrepreneur of the Year Award in 1999. Mr. Baiada earned a Bachelor of Arts in 1969 and a Master of Business Administration in 1970 from Rutgers University. Mr. Baiada is a member of the Parents’ Council of Loyola University and former Chairman of Campaign 2000, at the Moorestown Friends School in New Jersey.

Action

2. A Resolution on Appointments of Gerald Chalphin, Esq., Zahi Hawass, Ph.D. and Deborah L. Wince-Smith to the Board of Overseers of the University Museum of Archaeology and Anthropology was approved as follows:

RESOLVED, that Gerald Chalphin, Esq., Zahi Hawass, Ph.D. and Deborah L. Wince-Smith be appointed to the Board of Overseers of the University Museum of Archaeology and Anthropology for three-year terms, effective November 2, 2001.

Gerald Chalphin, Esq., NAF, is a Partner at the Philadelphia-based law firm of Spector Gadon & Rosen, P.C. Mr. Chalphin’s practice focuses on securities work, corporate finance, banking, and mergers and acquisitions. Before joining Spector Gadon & Rosen, P.C. in August 2001, he was a partner in the Business Department of Hoyle, Morris & Kerr, also based in Philadelphia. Mr. Chalphin is a member of the Arthur Ashe Youth Center Advisory Board, the Board of Senior Employment and Educational Services, Inc., and the John J. Kennedy Community Mental Health and Mental Retardation Board. He has chaired the University Museum’s Corporate Partners Advisory Board since October 2000. Mr. Chalphin is the author and co-author of numerous articles and papers on American Securities Law. He is a member of the American, Philadelphia, and Pennsylvania Bar Associations. Mr. Chalphin received his Bachelor of Arts with magna cum laude honors from Kenyon College in 1972 and his Juris Doctor from Columbia University Law School in 1975.

Dr. Zahi Hawass, G’83, GR’87, has served as the Undersecretary of the State for the Giza Monuments in Egypt, since 1998. From 1987 to 1998, Dr. Hawass was the General Director of the Giza Pyramids and Saqqara and Bahria Oasis. In 1999, he uncovered “The Valley of the Golden Mummies”, called the most famous discovery in Egypt in recent years by The New York Times and National Geographic. Dr. Hawass has served
as a consultant for several documentaries, films, television specials and magazines throughout the years. He has taught courses and given lectures both in Egypt and the United States. Dr. Hawass is a member of the Board of the Cairo Museum, the German Archaeological Institute, the High Council of Culture (History and Archeology), and the Committee for the Restoration of the Sphinx. Dr. Hawass received his Bachelor of Arts in 1967 and his Diploma in 1980 from Alexandria University in Egypt. He earned both his Master of Administration in 1983 and his Doctor of Philosophy in Egyptology in 1987, from Penn.

Deborah L. Wince-Smith, NAF, is a Senior Fellow at the Council on Competitiveness, a non-profit coalition of chief executives from industry, academia and labor. Ms. Wince-Smith is Chairman of the Board of Directors of Scram Technologies, Inc., a Director of Netcom Solutions International, Inc., and an Advisory Board member of Global Asset Management, Inc. She is a Trustee of the National Inventors Hall of Fame, and Chairman of the University of California Review Committees for Los Alamos and Lawrence Livermore Laboratories. Ms. Wince-Smith is a member of the University of Chicago Board of Governors for the Argonne National Laboratory, the Council of the Woodrow Wilson Center, and the American Association for the Advancement of Science and National Research Council Committees. In 1989, Ms. Wince-Smith was appointed by President Bush as the First Assistant Secretary for Technology Policy in the Department of Commerce Technology Administration. During the Regan Administration, she served as the Assistant Director of International Affairs and Competitiveness in the White House Office of Science and Technology Policy. Ms. Wince-Smith developed President Regan’s 1987 and 1988 Executive Orders on Federal Technology Policy and Global Competitiveness. She graduated from Vassar College in 1972 and received a Master in Archaeology from King’s College, Cambridge University in 1974.

**Action**

3. A Resolution on Appointment of Stuart Jan Netsky to the Board of Overseers of the Institute of Contemporary Art was approved as follows:

**RESOLVED**, that Stuart Jan Netsky be appointed to the Board of Overseers of Institute of Contemporary Art for a three-year term, effective November 2, 2001.

Mr. Stuart Jan Netsky, NAF, is a Philadelphia artist who works in a wide range of media, including photography, printing, sculpture and installation. Mr. Netsky had a solo exhibit at the Institute of Contemporary Art from November 1993 to January 1994, and was part of a group exhibition, “Sight/Site”, held at ICA from May to June 2001. He has been a Senior Lecturer at the University of the Arts in Philadelphia since 1998. Mr. Netsky is also an Adjunct Assistant Professor at the Philadelphia University of Textiles and Science and at Drexel University. He received a Bachelor of Science in Design and Merchandising from Drexel University and a Master of Art in Art Education from the Philadelphia College of Art (University of the Arts). Mr. Netsky went on to receive a Master of Fine Arts from Tyler School of Art. He has had a varied career, including his entrepreneurial venture starting a hat company, Stuart Jay Design, in New York, which he successfully operated for several years. Since that time, Mr. Netsky has focused solely on his career as an artist and teacher.
Action………..4.  A Resolution on Appointment of Lynn Yeakel as Chair of the Board of Overseers of the Annenberg Center for the Performing Arts was approved as follows:

RESOLVED, that Lynn Yeakel be appointed as Chair of the Board of Overseers of Annenberg Center for the Performing Arts for a three-year term, effective November 2, 2001.

Mrs. Lynn Yeakel, NAF, is the Director of Conversations About Women’s Health, in The Institute for Women’s Health at MCP/Hahnemann University and Founder of Women’s Health Action Group. She is Chair of the WOMEN’S WAY 25th Anniversary Celebration, to be held in May 2002. From 1994 to 2000, Mrs. Yeakel served as Director of the United States Department of Health and Human Services, Region III, until she resigned to run for Pennsylvania State Senate. She was also a candidate in 1992 for the United States Senate. In January to December 1993, Mrs. Yeakel was a national lecturer and commentator on “Lessons Learned in the Year of the Women”. She was President and Chief Executive of WOMENS WAY from 1980 to 1992. Mrs. Yeakel is currently a member of the Advisory Committee of the Five-County Democratic Women’s Coalition, the Citizen Academy Advisory Board of Philadelphia Cares, and the Russell Byers Charter School Foundation. She is Finance Chair and President of the 21st Century Club of the Delaware County Democratic Party. Her honors and awards include: Distinguished Daughter of Pennsylvania, Pennsylvania Citizen Action Award, Lucretia Mott Award, Prudential Leadership Award and the Family Support Center’s Community Vision Award. Mrs. Yeakel studied at the University of Paris in France from 1961 to 1962, and received a Bachelor of Arts cum laude from Randolph-Macon Women’s College in Lynchburg, VA, in 1963. She has served on the Annenberg Center Board of Overseers since June 2000.

Action………..5.  A Resolution on Appointments of Alan A. Shuch, Andrew Viterbi, Ph.D. and Walter Zifkin, Esq. to the Board of Overseers of the Center for Advanced Judaic Studies was approved as follows:

RESOLVED, that Alan A. Shuch, Dr. Andrew Viterbi, and Walter Zifkin, Esq. be appointed to the Board of Overseers of the Center for Advanced Judaic Studies for three-year terms, effective November 2, 2001.

Mr. Alan A. Shuch, WG’75, is an Advisory Director with the Goldman Sachs Asset Management Group (AMG). He is a member of AMG’s mutual fund Board of Trustees and of its Investment Policy, Valuation, Control Oversight, Risk Management, Brokerage Allocation, and Collective Fund Advisory Committees. He also chairs the Executive Risk Committee. Prior to retiring as a Goldman Sachs general partner in 1994, Mr. Shuch was President and Chief Operating Officer of the Asset Management Group, which he founded in 1988. He joined the Goldman Sachs Fixed Income Division in 1976 after receiving his Master of Business Administration from The Wharton School. Mr. Shuch
is a member of the Board of Overseers of the Museum of Jewish Heritage and a former Trustee of The Kent Place School and Congregation B’nai Jeshunrun.

Dr. Andrew Viterbi, NAF, is Founding Chairman of Intecam, Inc., an emerging company specializing in streaming video technologies and systems. He is also Co-Founder and a Director of Qualcomm, a leading developer of digital wireless communications products and services. Prior to co-founding Qualcomm, Dr. Viterbi co-founded Linkabit Corporation in 1968, where he served as Executive Vice President and later as President. He taught for ten years at the University of California at Los Angeles’ School of Engineering an Applied Science, where he performed fundamental work in digital communication theory. Dr. Viterbi is a member of the National Academy of Sciences and the National Academy of Engineering. He has served on President Clinton’s Information Technology Advisory Committee and the Board of Trustees of the University of Southern California. Dr. Viterbi received a Bachelor in Science and a Master in Science from the Massachusetts Institute of Technology, and a Doctor of Philosophy from the University of Southern California.

Walter Zifkin, Esq., PAR’97, PAR’99, is Executive Vice President and Chief Operating Officer of the William Morris Agency, Inc., the nation’s largest and longest-established talent and literary agency. Mr. Zifkin is also a member of the company’s Executive Committee. He has served on the boards of the Abe and Frances Lastfogel Foundation, Cedars-Sinai Hospital, Jewish Orphans Home of Southern California, the William Morris Agency Foundation, and the Sam Weisbord Charitable Trust. Mr. Zifkin is a graduate of the University of California at Los Angeles and of the University of Southern California Law School. At Penn, he and his wife were members of the Penn’s Parents Executive Board.

Action………..6. A Resolution on Appointment of Supat Jumbala to the Board of Overseers of the School of Engineering and Applied Science was approved as follows:

RESOLVED, that Supat Jumbala be appointed to the Board of Overseers of the School of Engineering and Applied Science for a three-year term, effective November 2, 2001.

Mr. Supat Jumbala, CHE’80, is Investment Director of HSBC Private Equity (Asia) Limited in Hong Kong, a unit of Hong Kong and Shanghai Bank Corporation, which is a subsidiary of HSBC Holdings PLC. Prior to joining HSBC, Mr. Jumbala served as head of the Private Equity Unit of Asset Plus Securities in Bangkok, Thailand. Before joining Asset Plus, Mr. Jumbala was Business Development Manager for General Electric International in Thailand. Philadelphia-born, Mr. Jumbala attended Philips Exeter Academy in New Hampshire and received a Master of Business Administration from the Amos Tuck School of Business at Dartmouth College. Mr. Jumbala is a member of the Thai Royal Family.
There being no further business before the board, the Chairman adjourned the meeting at 11:35 am.

Submitted by,

Leslie Laird Kruhly
Secretary of the University