A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Friday, April 16, 1971, at 3:00 p.m. in the Board Room of Sun Oil Company.

Present were: Mr. Robert G. Dunlop (Presiding), Mr. Henry H. Bryan, Mr. Howard Butcher III, Mr. Henry M. Chance, Mr. Paul J. Cupp, Mr. John W. Eckman, Mr. James M. Skinner, Jr., Robert L. Trescher, Esq., President Martin Meyerson, Provost and Vice-President Curtis R. Reitz, Vice Presidents John C. Hetherington, Harold G. Manley and E. Craig Sweeten; Dr. John N. Hobstetter, Mr. John A. Russell, Jr., Mr. Donald T. Sheehan, Mr. Donald M. Stewart, guests Dr. Alfred Gellhorn, Leonard Lodish, Robert Nason, Peter Nowell and Bernard Wolfman, and William G. Owen (Secretary). John Ames Ballard, Esq. attended as Counsel.

Mr. Dunlop called the meeting to order and the minutes of the March 12, 1971 meeting were approved.

Upon presentation by the Secretary, the following resolutions were adopted:

WHEREAS the members of the Board of Directors of the University of Pennsylvania Diagnostic Clinic, with formal approval of the Board of Managers of the Hospital of the University of Pennsylvania, have ratified an amendment to the Articles of Association to provide that the diagnostic function will hereafter be assumed by the University of Pennsylvania Medical Group, be it therefore

RESOLVED, That the Trustees endorse the aforementioned action calling for the Articles of Association of the University of Pennsylvania Diagnostic Clinic to be amended by the substitution of the name Health Evaluation Center for that of Diagnostic Clinic in each place where these words appear and that all other steps be taken to make this change in name.

RESOLVED, That the Trustees hereby confirm grateful acceptance of a grant in the amount of $141,120 from the John A. Hartford Foundation, Inc. as of December 31, 1970 for Studies of the Role of Lysosomal and Other Enzymes in Atherosclerosis to be used in accordance with the conditions of the grant as stated in letter of March 3, 1971 from the President of the Foundation to the Vice President for Medical Affairs of the University of Pennsylvania and be it further
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RESOLVED, That the University accepts and agrees to abide by and carry into effect all of the terms and provisions set forth therein.

President Meyerson presented background information about the University Press, noting that since 1922 the Press has provided an institutional mechanism for scholarly publication. Since 1966, when the University resumed full-time control over its operations, much progress has been made. At the present time, sales and receipts of the Press are estimated at $280,000 annually and the direct subvention from the University is $140,000.

Following discussions with the Council on the University Press, the administration wishes to provide for its future development through a limited operational subvention for the next two fiscal years, its establishment as a separate corporation with the University as sole investor, and making a concerted effort during the next two years to raise a working capital fund for the Press of not less than $500,000. It is understood that the possibility of a cooperative arrangement with another institution will be explored and that the Development Office will become involved in the task of raising working capital. The following resolution was adopted:

RESOLVED that the administration be authorized to investigate the feasibility of establishing the University of Pennsylvania Press as an autonomous operation, with the understanding that any proposal will be brought to the Trustees' Finance Committee before final action.

Mr. Sweeten gave a status report on the revised Master Plan for Higher Education in the Commonwealth, noting that, from the University's point of view, the current draft is a substantial improvement over the 1966 Plan it is designed to replace. We are making it clear to the Council on Higher Education that the current document is viewed as being subject to further refinement. The plan is based on the concept that the independent institutions constitute an important educational resource and that it is in the public interest to provide them with support. The structure proposed for coordination of the various educational interests within the Commonwealth has serious deficiencies, and we are continuing to urge that
higher echelon coordination of programs among universities and colleges, public and private, will be required. It is unlikely that there will be early agreement upon presentation of a Master Plan for consideration by the General Assembly.

Certain background information concerning the redevelopment of 3401 Walnut Street was presented by Mr. Hetherston: after discussion, the following resolution was adopted, with the understanding that Messrs. Hetherston and Sheehan will give careful consideration to any public statements associated with this action:

WHEREAS, the University has been named redeveloper of a parcel of land west of 34th Street, between Walnut and Sansom, pursuant to a redevelopment proposal contemplating the construction of University-related facilities, including commercial stores, office space, and research, apartment, hotel and parking facilities; and

WHEREAS, pursuant to authorization previously given by this Executive Board on November 14, 1969, the officers of the University have been negotiating with private developers in an effort to effect arrangements under which, subject to the approval of the Redevelopment Authority, they will carry out the redevelopment of the area as proposed without cost to the University; and

WHEREAS, after extensive negotiations, the officers of the University, with the advice and assistance of University Counsel, have agreed upon a proposed form of Nominee Agreement designating Richard J. Fox and Ramon L. Posel as the private developers who will submit for University approval plans and designs for the proposed development and with whom the University would propose (subject to such approval and the approval of the Redevelopment Authority) to execute a lease in the form exhibited to the Nominee Agreement under which Messrs. Fox and Posel would proceed with the development; and

WHEREAS, the proposed agreements provide that the University shall purchase the premises in question from the Redevelopment Authority, and shall lease the same to the developers for a term of fifty years with two twenty-year renewal options at a net rent for the basic term sufficient when applied first to interest (at the rate being paid by the University on borrowed money) and then to principal, to amortize the University investment in the land during such fifty year period, and with a rent for the two succeeding twenty-five year periods equal to 68% of the rent for the basic term and obligates the nominee to proceed to construct, complete, manage and operate the buildings, facilities and other improvements in accordance with the plans and designs approved by the University and the Redevelopment Authority; and

WHEREAS, the said Nominee Agreement does not provide

SECRETARY
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for the subordination of the University's interest as lessor to any mortgage on the leasehold or the improvements will revert to the University free and clear upon expiration of the lease term or renewal term.

NOW, THEREFORE, BE IT RESOLVED, that the President or any Vice President of the University is hereby authorized to execute, acknowledge and deliver on behalf of the University a Nominee Agreement and a Lease Agreement between the University and University Square Associates, a partnership composed of Richard J. Fox and Ramon L. Posel, in substantially the form presented to this meeting with such changes therein as counsel for the University and the officer executing said Nominee Agreement and Lease Agreement may approve, such approval to be conclusively evidenced by the execution thereof, and the officer executing said Nominee Agreement and Lease Agreement is further authorized to cause the seal of the University to be affixed to said Agreements and to be attested by the Secretary of the University.

Mr. Butcher abstained on the above vote.

Mr. Ballard reviewed the state of negotiations for the sale of University land at Valley Forge south of Route #202 to a real estate developer. A question was raised about whether or not the proposed sale price was adequate, and the pro's and con's of proceeding to negotiate for a higher price were thoroughly discussed. Finally, it was the consensus that approving action should be postponed until further conversations can take place with the developer between now and May 4.

Mr. Trescher offered his services in the continuing discussions.

Upon presentation by Mr. Sweeten, the following resolution was adopted:

WHEREAS, The Class of 1921 has previously established a fund at the University of Pennsylvania known as "The Class of 1921 Scholarship Endowment Fund" consisting of gifts from members of the Class of 1921 and others; and,

WHEREAS, said fund, as of January 1, 1971, consisted of principal in the amount of approximately $63,000.00, and accrued income in the approximate sum of $8,200.00; and

WHEREAS, The Class of 1921 will be celebrating its Fiftieth reunion in May of 1971; and

WHEREAS, it is the desire of the Class of 1921 through its Class Executive Committee to cause said Fund to be incorporated into "The Class of 1921 Fiftieth Reunion Gift"; and

WHEREAS, it is the desire of the Class that scholarship funds shall be applied annually to assist needy students, to be known as "Class of 1921 Scholars," meeting the University's criteria for financial assistance, at the University of Pennsylvania in the following order of preference:

Secretary
WHEREAS, The University has offered to pay such scholar-
ships up to $40,000, the approximate income which said
Fund would have earned to such children and grandchildren
of members of The Class of 1921.

NOW THEREFORE:

BE IT RESOLVED, The Class of 1921 through its Executive
Committee authorizes the Trustees of the University of
Pennsylvania, as of January 1, 1971, to assign "The Class of
1921 Scholarship Endowment Fund" to "The Class of
1921 Fiftieth Reunion Gift"; and,

BE IT FURTHER RESOLVED, that in consideration of said
assignment the University shall agree for a period up
to July 1, 1981, to pay and apply up to $40,000 for the
assistance of needy undergraduate students who meet the
University's criteria for financial aid to be designated
as "Class of 1921 Scholars" in the following order of
preference:

1) Children of members of The Class of 1921, and
2) Grandchildren of members of The Class of 1921.

Upon presentation by Mr. Reitz, the following resolutions
were adopted:

RESOLVED, that the degree of Bachelor of Science in
Engineering be approved for award upon the recommenda-
tion of the Faculties of the Schools of Engineering,
effective in the academic year 1971-72.

RESOLVED, that students currently enrolled in
Bachelor's Degree programs of the Engineering
Schools be entitled to elect to receive the
current specialty degree upon fulfilling the
requirements, with the understanding that this
option will terminate as of June 30, 1974.

RESOLVED, That the academic appointments and promotions
for the period from March 11, 1971 through April 11, 1971
be approved (Appendix A).

President Meyerson indicated that the administration is
considering seriously the implementation of certain recommenda-
tions of the Task Force on University Governance. These include
the creation of an ombudsman to receive and resolve complaints
from persons within the University; substitution of a Dean of
the Engineering Faculties for the Vice-President for engineering
Affairs upon the retirement of Dr. Chambers; establishment of
a policy on the length of term for academic administrative
positions; creation of a position of Dean of Undergraduate Studies,
which would serve to expedite the resolution of questions relating
to standards and programs cutting across the undergraduate

Academic appointments approved

Ombudsman

Dean of Engineering Faculties

Terms of academic administrative positions

Dean of Undergraduate Studies

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Consultative committees to advise President

schools; and reconstituting the membership of consultative committees
which are appointed to advise the President in the appointment
of certain administrative officers, which has been approved by
the University Council. The President was encouraged to proceed
on all of these proposals.

Dr. Gellhorn presented background information relating to
the future role of the Graduate Hospital, after which the
following resolution was adopted:

WHEREAS the Professional Staff and the Board of Managers
of the Graduate Hospital have been considering with Dean
Gellhorn the role that Hospital should play within the
over-all concept of the University Medical Center; and

WHEREAS the Staff and the Board have recommended that
as part of the reorganization of the Hospital a University
sponsored prepaid health plan would be appropriate
to the future operation and development of the Hospital; and

WHEREAS the Administration of the University has recommended
that an intensive effort be undertaken to plan the organiza-
tion, functioning, and financing of a comprehensive prepaid
health care program as a mechanism for pursuing our educa-
tional, research, and service responsibilities; and

WHEREAS a corporation known as the Health Services Plan of
Pennsylvania has been approved by the Commonwealth and is
currently functioning as a Health Maintenance Organization; and

WHEREAS the formation of such a corporation and securing
the necessary approvals is a time consuming and costly op-
eration: Therefore be it

RESOLVED, That the action of the Board of Managers of the
Graduate Hospital regarding the future role of the Hospital
be referred to the Trustees' Medical and Hospital Affairs
Committee with power to act; and be it further

RESOLVED, That the appropriate officers of the University
be authorized to undertake the necessary actions and
execute such documents as may be required to the end that
the Health Services Plan become effectively an instrument
of the University of Pennsylvania with the following
understandings:

1. That the funding of the planning effort referred to
above be sought from sources other than the University's
normal operating budgets.

2. That reinsurance be purchased to limit the liability of
the University to the present subscribers of the Health
Services Plan.

3. That the Chairman of the Finance Committee be satisfied
that the financial implications of the foregoing ap-
provals and authorizations are in the best interests
of the University.

Secretary
Dr. Robert W. Nason, Director of the Community-Wharton Education Program, described this joint effort of the University and seven black community organizations to provide college training in business administration to able residents of the Philadelphia area who have not had the opportunity to go to college. He noted that achievement of the placement goals of the program is critical and urged individual Trustees to play such role as is possible and appropriate in obtaining meaningful employment for the graduates. Several Trustees expressed a positive reaction to the desirability of employing such persons in their organizations.

Drs. Wolfman and Nowell reviewed briefly the Task Force on Governance Report on the Trustees, noting specifically the position taken by the Task Force on Recommendations 2, 7, and 10. The suggestion was made that in electing young Trustees, it would likely be more meaningful to recent graduates if they could directly elect these members rather than merely nominate candidates for election by the Trustees. It was urged also that some specific provision be made for the election of a President.

Dean Wolfman expressed appreciation to the Trustees for the support which they had provided to the Task Force.

Mr. Dunlop called attention to the Budget Survey and Statement of University Operating Fund for 1970-71, following which these resolutions were adopted:

WHEREAS on March 4, 1971, the Chairman of the Trustees' Finance Committee approved the appropriation of the sum of $15,314 from the C. Mahlon Kline Orthopedic and Rehabilitation Center Fund for the preparation of working drawings for this project: Therefore be it

RESOLVED, That the action of the Chairman in approving proceeding with working drawings for the C. Mahlon Kline Orthopedic and Rehabilitation Center Project at New Bolton Center and the appropriation of funds for this purpose be approved.
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WHEREAS the current line of credit is $16,300,000; and
WHEREAS the projections of cash needs for the next twelve months indicate that this sum will not be sufficient to meet the University's needs; and
WHEREAS the Philadelphia banks now require, as a condition to renewing the lines of credit with the University, compensating balances of 10% of the total line plus 10% of the amount availed of: Therefore be it

RESOLVED, That the appropriate officers of the University be and they hereby are authorized to enter into appropriate agreements to establish a total line of credit for operational purposes in the amount of $21,300,000 with the following banks:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Pennsylvania Banking and Trust Co.</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Fidelity Bank</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Philadelphia National Bank</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Girard Bank</td>
<td>$1,400,000</td>
</tr>
<tr>
<td>Provident National Bank</td>
<td>$800,000</td>
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<tr>
<td>Central Penn National Bank</td>
<td>$500,000</td>
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<tr>
<td>Industrial Valley Bank</td>
<td>$500,000</td>
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<tr>
<td>Bank of New Jersey</td>
<td>$300,000</td>
</tr>
<tr>
<td>Continental Bank</td>
<td>$300,000</td>
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</tbody>
</table>

21,300,000

WHEREAS The Trustees of the University of Pennsylvania has been extended a line of credit in the amount of $200,000 by Morgan Guaranty Trust Company of New York for a number of years; and
WHEREAS Morgan Guaranty Trust Company wish to have a current resolution: Therefore be it

RESOLVED, That Morgan Guaranty Trust Company of New York is designated as a depository of the funds of this corporation and that such funds are subject to withdrawal upon checks, notes, drafts, bills or exchange, acceptances, undertakings or other orders for the payment of money when signed in the following manner:

Singly by any one of the following:

Vice-President for Business and Financial Affairs
Treasurer
Associate Treasurer
Assistant Treasurers

and be it further

RESOLVED, That Morgan Guaranty Trust Company of New York is authorized to pay any such orders without inquiry as to the circumstances of issue or disposition of the proceeds: and be it further

RESOLVED, That any one of those authorized in the foregoing resolutions is authorized to sign reconciliations of all statements of account with Morgan Guaranty Trust Company of New York.

SECRETARY
WHEREAS Mr. Daniel Dougherty, Jr., Graduate of the College of Arts and Sciences, Class of 1965, was granted a loan of $2,000 from the Student Aid Fund; and

WHEREAS Mr. Dougherty died on September 22, 1970, as a result of injuries received in an automobile accident on September 10, 1970; and

WHEREAS Mr. Dougherty's only survivors are a widowed mother and a brother who is enrolled in a school for retarded children; and

WHEREAS Mr. Dougherty left no estate, and his mother is obligated for considerable expenses arising from his hospitalization and subsequent death: Therefore be it

RESOLVED, That an outstanding balance of $1,354.72, together with accrued interest of $25.06, be written off as uncollectible; and be it further

RESOLVED, That any voluntary payments which may be made in the future by Mrs. Daniel Dougherty, Sr., be restored to the Student Aid Fund.

RESOLVED, That any appropriate statutory officer of the University be and be hereby is authorized and empowered, for and on behalf of the University, to execute, acknowledge and deliver all documents required by the Bureau of Customs of the Department of the Treasury in connection with the importation, transportation or exportation of merchandise by the University, and for that purpose to execute, acknowledge and deliver powers of attorney appointing any licensed Customs House broker to act for and on behalf of the University in all matters before the Bureau of Customs; to perform any act or condition which may be required by law or regulation in connection with such merchandise; and to receive any merchandise deliverable to the University.

Reporting for the Committee on Corporate Responsibility, Mr. Eckman noted that the initial meeting of the Committee had been held on April 8, at which time it was decided to provide an opportunity on the afternoon of April 21 for interested corporations and spokesmen for opposing points of view to appear before the Committee. Specific attention will be directed at that time to Campaign GM and the Gulf Angola Project.

Mr. Eckman reported for the Committee on Development that total receipts for the year to date are $12 million and that there are several substantial gifts which should be received before June 30. Annual Giving continues its strong showing with receipts which approximate those of the same date last year.
Executive Board, April 16, 1971

In a brief review of possible agenda items for the Stated Meeting of the Corporation on May 7, at which time Governor Shapp will be present, Mr. Sweeten proposed that the first half hour be devoted to necessary items of business, the next half hour to a consideration of financial matters and action on the budget for 1971-72, and that in the remaining hour various committees of the Trustees report upon major developments in their respective spheres of operation.

Adjourned.

William G. Owen
Secretary