A meeting of the Board of Trustees was held in the Boardroom of The Nittany Lion Inn, University Park, Pennsylvania, on May 15, 2009, at 2:00 p.m.

The following Trustees were present: Broadhurst (chairman), Garban (vice chairman), Alexander, Arnelle, Baldwin, Chaiken, Clemens, Eckel, Hayes, Henning, Hetherington, Hintz, Huber, Hughes, Jones, Joyner, Junker, Lubert, Masser, Metzgar, Myers, Poprik, Quigley, Riley, Shaffer, Spanier, Strumpf, Suhey, and Surma; and Trustees Emeriti Brosius, Huck, Robinson, Rowell, and Wise.

Present by invitation were faculty representatives Coraor and Hannan; student representatives Borsuk-Woodman and Keirans; staff members Ammerman, Bechtel-Wherry, Curley, DiEugenio, Dolbin, Doncsecz, Erickson, Horvath, Kirsch, Mahon, Pangborn, Paz, Pell, Poole, Romano, Schultz, Sims, Stryker, and Weidemann; and Mr. Courtney of McQuaide Blasko.

It was voted to approve the minutes of the March 20, 2009 meetings of the Board of Trustees.

Reports from Standing Committees

A. Chair Alexander reported that the Committee on Campus Environment met on May 15, 2009, and there were no recommendations for action to present to the Board of Trustees.

B. Chair Hayes reported that the Committee on Educational Policy met on May 15, 2009, and recommended that the Board of Trustees approve the following resolutions:

1. RESOLVED, That the Board of Trustees approves President Graham B. Spanier's recommendation for a change in title of Dr. Thomas G. Poole to Vice President for Administration effective July 1, 2009.

2. WHEREAS, in support of the Vision of The Pennsylvania State University to be a global university, committed to excellence, with a passion for creating knowledge and educating students to be leaders for a better tomorrow, and

   WHEREAS, in support of the Mission of The Pennsylvania State University to educate students from Pennsylvania, the nation and the world, and improve the well-being and health of individuals and communities through integrated programs of teaching, research, and service, and

   WHEREAS, in support of the Values of The Pennsylvania State University recognizing that education is the foundation of an enlightened, productive, and prosperous society;

   THEREFORE, BE IT RESOLVED, That the Board of Trustees approves a five year strategic plan as set forth in the "Priorities for Excellence: The Penn State Strategic Plan, 2009-10 through 2013-14" which is attached to and made a part of this resolution. (Appendix I)

The Board voted to approve the action items as recommended by the Committee on Educational Policy.

C. Chair Strumpf reported that the Committee on Finance and Physical Plant met on May 15, 2009, and recommended that the Board of Trustees approve the following resolutions:

1. RESOLVED, That the conditions governing certain existing scholarships, fellowships, awards, and similar funds previously established at the University be revoked and that the Officers of the University are authorized to put into effect the revised regulations as requested by the donors.
2. RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University in support of endowments, funds, and other major commitments as reported to the Committee on Finance and Physical Plant at its meeting of May 15, 2009.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to convey the Board's appreciation to these generous benefactors who provide opportunities for many students to receive a quality education.

3. RESOLVED, That Residence C at Penn State Mont Alto is named "George Perry House."

4. RESOLVED, That pending adoption of a new budget to reflect clarification of the amount and form of the State appropriation, and subsequent decision regarding the amount of tuition charges, adjustments to salaries, wages, and employee benefits, and provisions for fuel and utilities and other cost increases, the Board of Trustees approves continuation for the interim period beginning July 1, 2009, total budget amounts at the level of the adjusted 2008-09 budget as follows:

<table>
<thead>
<tr>
<th>University Park and Other Locations</th>
<th>College of Medicine</th>
<th>Pennsylvania College of Technology</th>
<th>Total University</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>$1,538,853,000</td>
<td>$89,230,000</td>
<td>$1,722,197,000</td>
</tr>
<tr>
<td>Agricultural Federal Funds</td>
<td>19,144,000</td>
<td></td>
<td>19,144,000</td>
</tr>
<tr>
<td>Restricted Funds</td>
<td>512,660,000</td>
<td>76,000,000</td>
<td>611,083,000</td>
</tr>
<tr>
<td>Auxiliary Enterprises*</td>
<td>306,608,000</td>
<td>4,007,000</td>
<td>333,118,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,377,265,000</strong></td>
<td><strong>$169,237,000</strong></td>
<td><strong>$2,685,542,000</strong></td>
</tr>
</tbody>
</table>

Whereas, the assets of The Renaissance Fund are primarily managed by The Pennsylvania State University. The Renaissance Fund is a Pennsylvania Nonprofit Corporation organized for the purpose of awarding grants, loans, and other forms of financial aid to prospective and enrolled undergraduate students of the University;

WHEREAS, representatives of The Renaissance Fund desire to merge into The Pennsylvania State University pursuant to a Term Sheet which sets forth the principles, terms, and conditions for the merger of The Renaissance Fund with The Pennsylvania State University;

WHEREAS, the Board of Trustees has received information regarding the proposed merger, including a Term Sheet;

WHEREAS, at its meeting on November 18, 2008, the Board of The Renaissance Fund adopted an Agreement and Plan of Merger with The Pennsylvania State University, and authorized its officers to execute an Agreement and Plan of Merger and Articles of Merger with The Pennsylvania State University;
WHEREAS, the Office of the Attorney General of the Commonwealth of Pennsylvania issued a No Objection Letter to the proposed merger on February 20, 2009;

WHEREAS, the officers of the University believe that the merger of The Renaissance Fund is in the University's best interest and will serve the interests of the Commonwealth of Pennsylvania.

THEREFORE, BE IT RESOLVED, That the Board of Trustees hereby approves the merger of The Renaissance Fund with The Pennsylvania State University and adopts as proposed the Agreement and Plan of Merger, pursuant to Section 5924 of the Pennsylvania Nonprofit Corporation Law, in substantially the same form as set forth in the Term Sheet.

FURTHER, BE IT RESOLVED, That the Board of Trustees empowers and directs the officers of the University to execute the Agreement and Plan of Merger and any related merger documents, to file with the Commonwealth of Pennsylvania and appropriate county office any and all articles, amendments, certificates and all other forms and related documents required to complete and implement the merger of the two corporations.

6. RESOLVED, That the Board of Trustees approves the acquisition of the property containing approximately 6.55 acres located in Derry Township, Dauphin County, Pennsylvania, from Bruce H. and Doris L. Winters for $280,000.

BE IT FURTHER RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective this resolution.

The Board voted to approve the action items as recommended by the Committee on Finance and Physical Plant.

Revision to the Bylaws of the Board of Trustees

The Board of Trustees voted to adopt the following resolution:

RESOLVED, That Bylaws, Article 1., Organization and Meetings of the Board, paragraph (5) Quorum, be revised to read as follows:

(5) Quorum: Twelve (12) Thirteen (13) members of the Board shall constitute a quorum for the official transaction of all business.

Appointment of Members, Board of Directors of The Milton S. Hershey Medical Center

The Board of Trustees voted to adopt the following resolution:

RESOLVED, that the following individuals are appointed as members of the Board of Directors of The Milton S. Hershey Medical Center for a three-year term ending June 30, 2012:

David M. Joyner, M.D.
Edward P. Junker III
Barry K. Robinson
Report on the Election of Trustees by Alumni

The report of the election of Trustees by alumni was presented by George T. Henning, Jr. (See Appendix II). It was reported that the following candidates, having received the highest number of votes cast, were elected to the Board of Trustees for a term of three years beginning July 1, 2009:

David R. Jones
David M. Joyner, M.D.
Anne Riley

The report of the results of the election of Alumni Trustees was approved.

Report on the Election of Trustees by Agricultural Delegates

The report of the election of Trustees by delegates from agricultural societies was presented by Chairman James S. Broadhurst (See Appendix III). It was reported that the following candidates were elected by the respective societies to the Board of Trustees for a term of three years beginning July 1, 2009:

Barron L. Hetherington
Carl T. Shaffer

The report of the results of the election of Agricultural Trustees was approved.

Election of Trustees Representing Business and Industry Endeavors

The Board of Trustees voted to adopt the following resolution:

RESOLVED, that the following individuals are elected as members of the Board of Trustees representing business and industry endeavors for a three-year term beginning July 1, 2009:

Kenneth C. Frazier
Edward R. Hintz, Jr.

Announcements by the Chairman of the Board of Trustees

Chairman Broadhurst in his remarks:

- Congratulated Trustees Hetherington, Hintz, Jones, Joyner, Riley, and Shaffer on their reelection to the Board;
- Noted that the Board looks forward to welcoming Ken Frazier to the Board;
- Noted that Bob Metzgar will complete his term as Trustee on June 30; and thanked him for his service;
- Presented appreciation gift to Gary Schultz who will retire at the end of June after 38 years of service;
- Informed the trustees that there will be a seminar on the afternoon of Thursday, July 9th, 2009; and
The review of committee and other assignments will be occurring over the course of the next few weeks.

The meeting adjourned at 2:45 p.m.

Respectfully submitted,

Paula R. Ammerman
Associate Secretary
Board of Trustees