

**BOARD OF TRUSTEES
RESOLUTION**

Number: R09- 61

Subject: Approval of Amendments to the Articles of Incorporation of Shands Teaching Hospital and Clinics, Inc.

Date: September 11, 2009

RESOLVED:

(A) That appropriately coordinated and consolidated leadership of the University of Florida's ("UF") J. Hillis Miller Health Center ("HSC") and Shands Teaching Hospital and Clinics, Inc. ("Shands") will best advance both institutions' shared core interests and missions of service, education and research through patient care, education of health professionals, and clinical research;

(B) That, in support of the UF President's determination and implementation of such coordinated and consolidated leadership of the UF HSC and Shands (and pending creation and designation of a parent corporation as the sole Member of Shands, which the Board previously authorized and will be done at the appropriate time determined by the UF President), the UF Board of Trustees approves amendments to the existing Shands Articles of Incorporation ("Articles") to effect the following provisions:

- The President of Shands shall be the UF President or *his or her designee*.
- The Chairman of the Shands Corporation shall replace the UF President as a Category One, ex officio, Member of the Shands Board of Directors and corporation.
- The UF President may elect to also serve as a Category One Member of the Shands Board of Directors and corporation, if he or she is not the Chairman of the Shands corporation.

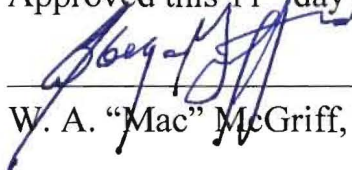
If the UF President does not serve as a Category One Member, he or she may be appointed to Category Two or Three Membership; and any applicable limitations and prerequisites for service in these Categories (such as those regarding term limits and UF faculty or employee affiliation) shall not apply to the UF President.

- A UF Trustee shall also be a Category One, ex officio, Member of the Shands Board of Directors and corporation.
- Authority to appoint the Members of the Shands Board of Directors and corporation and to remove the non-ex officio Members shall be vested in the UF President *or his or her designee*.
- The numbers of Members of the Shands Board of Directors and corporation shall be changed to: Total--no fewer than 15 and no more than 20; Category One--no fewer than five and no more than six; Category Two—no fewer than three and no more than five; Category Three—no fewer than seven and no more than nine.
- The Secretary, Treasurer, or any assistant secretary or treasurer, shall be appointed by the Chairman of the Shands corporation, and any two or more officer positions may be held by the same person.
- As is currently the case, amendments to the Shands Articles shall take effect only after approved by both the UF Board of Trustees and the Shands Board of Directors. The UF Board's approval may be first, but shall not take effect until the Shands Board's approval.

(C) The UF President is authorized to approve the preparation of documentation implementing any or all of the changes to the Shands Articles under Resolutions A and B and any additional consistent clarifying changes, for filing by the Shands President or Secretary.

(D) Resolutions B and C shall not become effective until the Shands Board of Directors approves relevant amendments to the Shands Articles.

Approved this 11th day of September, 2009 and certified as of that date:



W. A. "Mac" McGriff, III, Chair



Brian C. Beach,
Assistant Corporate Secretary

SUMMARY OF PROPOSED CHANGES TO SHANDS ARTICLES

To provide for the President of the University of Florida to determine and implement appropriately coordinated and consolidated leadership of UF's J. Hillis Miller Health Center and Shands Teaching Hospital and Clinics, Inc. ("Shands"), initially through the Senior Vice President for Health Affairs and President of the UF & Shands Health System at UF--which will best advance both institutions' shared core interests and missions (and pending creation and designation of a parent corporation as the sole Member of Shands, which the UF Board previously authorized and will be done at the appropriate time determined by the UF President)--the UF Board of Trustees is being asked to approve amendments to the existing Shands Articles of Incorporation ("Articles") to effect the following provisions (which follow the order in the Resolutions):

- The President of Shands shall be the UF President or *his or her designee*.

(The Shands Articles currently provide for the Shands President to be the UF President. The change will give the UF President the option to serve as Shands President or to appoint a designee to do so.)

- The Chairman of the Shands Corporation shall replace the UF President as a Category One, ex officio, Member of the Shands Board of Directors.

(The UF President or, at his/her option, a designee, continues to be Shands Chairman. The Shands Chairman—rather than the UF President, who may or may not opt to serve as Shands Chairman—will be an ex officio Member of the Shands Board.)

- The UF President may elect to also serve as a Category One Member of the Shands Board of Directors and corporation, if he or she is not the Shands Chairman.

If the UF President does not serve as a Category One Member, he or she may be appointed to Category Two or Three Membership; and any applicable limitations and prerequisites for service in these Categories (such as those regarding term limits and UF faculty or employee affiliation) shall not apply to the UF President.

(These changes will give the UF President the option to serve on the Shands Board even if s/he opts to designate someone else to serve as Chairman of Shands.)

- A UF Trustee shall also be a Category One, ex officio, Member of the Shands Board of Directors.

(A UF Trustee has been a discretionary appointee in Category Three—for Florida citizens not representing any constituency. A UF Trustee will now be a required appointee, as specified by the UF Board's principles and internal operating memorandum IOM 01-1 and Resolution 09-55 for affiliated organizations, and is assigned to the correct—ex officio--category.)

- Authority to appoint the Members of the Shands Board of Directors and corporation and to remove the non-ex officio Members shall be vested in the UF President *or his or her designee*.

(The current Articles vest this authority in the UF President. The change gives the UF President the option to appoint a designee to exercise this authority.)

- The numbers of Members of the Shands Board of Directors and corporation shall be changed to: Total--no fewer than 15 and no more than 20 *(was 18-20)*; Category One--no fewer than five and no more than six *(was 4)*; Category Two—no fewer than three and no more than five *(was 5)*; Category Three—no fewer than seven and no more than nine *(was 10-11)*.

(The changes will retain a good balance of insider and community members, while reflecting a more efficient size board.)

- The Secretary, Treasurer, or any assistant secretary or treasurer, shall be appointed by the Chairman of the Shands corporation, and any two or more officer positions may be held by the same person.

(The Chief Executive Officer of Shands shall continue to be elected by the Shands Board of Directors. The Secretary and Treasurer positions, and any assistants, will continue to serve, but will be appointed rather than elected. As is the case for all other positions under the current Articles, the person who serves as Secretary may also serve in other officer positions.)

- As is currently the case, amendments to the Shands Articles shall take effect only after approved by both the UF Board of Trustees and the Shands Board of Directors. The UF Board's approval may be first, but shall not take effect until the Shands Board's approval (which for these amendments is anticipated later in September).