

29. The proposed revised and restated Bylaws attached as Exhibit D provides that the Indenture and Charter, as amended, shall continue in effect as governing documents of The Foundation.

30. The proposed new Charter and Bylaws, and amended Indenture, remove restrictions in the current documents that prevent relocation of The Foundation's main gallery from the Merion Facility to Philadelphia.

31. The new Bylaws and amended Indenture remove some of the conditions and stipulations set forth in the present Indenture that restrict The Foundation. The Foundation therefore will have the flexibility in the future to manage its affairs in accordance with its best professional and business judgment as an educational institution, while continuing to be bound by the provisions in its Charter, Bylaws and Indenture requiring it to adhere to the central mission stated by Dr. Barnes.

32. Among the changes to the Bylaws will be expansion of The Foundation's Board of Trustees from five to fifteen members. Lincoln University, which now nominates four of The Foundation's five trustees, would nominate five persons for election to the 15-member Board. Mellon Bank no longer would nominate a person for election as a trustee. Upon adoption of the new Bylaws, the present five trustees would immediately elect three additional trustees, expanding the Board to eight members, and Lincoln would immediately nominate three new individuals for election to the Board of Trustees. Those trustees (by means of a nominating committee) then would recommend the remaining nominees for election to the Board. For the election of these final trustees on the initial expanded Board, Pew and Lenfest would jointly have the power to approve the nominations, so that they could help ensure the success of their charitable investment. Pew and Lenfest would have no such right of approval of any Board members after the initial expansion of

the Board to fifteen trustees. All Board members would be elected and approved on the basis of their record of achievements, integrity in their business and professional life or public service, and potential value to The Foundation.

33. Except as set forth in the Bylaws, the Board would have the power to amend its Bylaws by a majority vote, as do most non-profit corporate boards. Certain provisions, however, such as Article I and the Bylaws provision establishing the number of Board members (Article V, § 5.3), would only be amendable if approved by two-thirds of The Foundation's Board and the court having jurisdiction over The Foundation. The Indenture would continue to be amendable only with approval of the court having jurisdiction over The Foundation as a non-profit charitable institution.

34. Under the proposed changes, The Foundation's purpose would continue to be to promote the advancement of education and appreciation of the fine arts and horticulture. Nothing in the proposed revisions to the Charter, Bylaws or Indenture would change that purpose.

35. None of the proposed changes would alter The Foundation's existence as an educational institution. The Foundation would continue to offer educational programs in art and aesthetics and in horticulture in accordance with the theories and programs established by Dr. Barnes.

36. None of the proposed changes would remove control of The Foundation from the Board of Trustees or would relinquish The Foundation's independence to any third party, including Pew, Lenfest, or Annenberg.

37. As a nonprofit corporation, The Foundation would continue to be subject to the oversight of this Court.