

Business Affairs Committee

July 16, 2015

Action Item: Appointment of director to The Donald R. Watson Foundation, Inc. Board

Donald R. Watson, the incorporator of the Foundation outlined in the articles of incorporation and by- laws that there shall be five directors. Each director shall hold office until his death, *resignation*, retirement, removal, disqualification, or their successor is appointed and qualified. Three of the members of the Board shall be appointed by the Board of Trustees of the University. Business Affairs Committee recommendation is that the Board of Trustees appoint Chancellor Jose “Zito” Sartarelli as successor to Interim Chancellor William A. Sederburg,



UNIVERSITY of NORTH CAROLINA WILMINGTON

Board of Trustees

Recommendation for Action

July 16, 2015

Recommendation: Board of Trustees approval for appointment of Chancellor Jose “Zito” Sartarelli to the Board of Directors of the Donald R. Watson Foundation, Inc.

Summary and Applicable Policy

Donald R. Watson, the incorporator of the Foundation outlined in the articles of incorporation and by-laws that there shall be five directors. Each director shall hold office until his death, *resignation*, retirement, removal, disqualification, or their successor is appointed and qualified. Three of the members of the Board shall be appointed by the Board of Trustees of the University. Business Affairs Committee recommendation is for the Board of Trustees to appoint Chancellor Jose “Zito” Sartarelli as successor to Interim Chancellor William A. Sederburg.

- Jose “Zito” Sartarelli (Chancellor) - BOT appointed
- Vice President Monica Watson – succeeded her husband upon his death
- Treasurer Bob Warwick- BOT appointed
- Secretary Bill Anlyan – Monica Watson appointed
- Director Eddie Stuart (Vice Chancellor University Advancement) - BOT appointed

The Donald R. Watson Foundation, Inc.

- The Donald R. Watson Foundation, Inc. was organized in 1994 by Donald R. Watson as a North Carolina nonprofit corporation whose purpose is to support charitable, religious, scientific and educational institutions that are approved tax-exempt organizations located in the State of North Carolina. The Foundation provides scholarship support to the University of North Carolina at Wilmington, and provides for gifts to Duke Medical University (for medical research) and St. John's Episcopal Church in Wilmington.
- The original gift in 1994 was 25,000 shares of Pepsi stock at a value of \$1 million. Mr. Donald Watson, along with his Pepsi Bottling Co. partner, Mr. Carl Brown, at this same time made an additional gift of 28.9 acres of land at a value of \$1.3 million to The Foundation of UNCW. The proceeds of the sale of land were used to establish the Donald Watson Distinguished Professorship in School of Education and the Carl Brown Distinguished Professorship in Marine Science. In 1994 the School of Education was named the Donald R. Watson School of Education in recognition of his philanthropy to the University.
- The investments are held at Wells Fargo and as of April 2015 the market value is \$1.5 million. The spending policy allows for a 5% of the three year market average to make annual distributions to the beneficiaries. 80% goes to the University for Scholarships, and the remaining 20% distributed equally to Duke Medical University and St. John's Episcopal Church. Distributions are made in December of each year and in recent years have averaged \$75,000.
- Current Board composition:
 - Director (vacant) - BOT appointed
 - Vice President Monica Watson – succeeded her husband upon his death
 - Treasurer Bob Warwick- BOT appointed
 - Secretary Bill Anlyan – Monica Watson appointed
 - Director Eddie Stuart (Vice Chancellor University Advancement) -BOT appointed
- Donald R. Watson, the incorporator of the Foundation outlined in the articles of incorporation and by-laws that there shall be five directors. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or their successor is appointed and qualified. Three of the members of the Board shall be appointed by the Board of Trustees of the University. The remaining two members are to be appointed by Mr. Watson if he is living, or if not, by Monica Watson. In default of such appointment by Donald or Monica, the remaining two members shall be appointed by the Board of Trustees of the University.