Resolution to Appoint Bonnie C. Gibson as Vice President for Budget and Management Analysis

RESOLVED, that Bonnie C. Gibson be appointed Vice President for Budget and Management Analysis, effective December 2, 2004.

Ms. Gibson had been serving as the Acting Executive Director for Budget and Management Analysis since January 2003.

She has a long and distinguished career at Penn, joining the University’s staff in 1987 as the Business/Clinical Administrator for General Internal Medicine in the School of Medicine. In 1992, she became the senior business officer in Information Systems and Computing. In 1996, she joined the Provost’s office as Executive Director of Administrative Affairs. In this capacity, she was responsible for the financial and human resources administration for the Provost Administrative and Interdisciplinary Programs responsibility centers, and provided financial oversight for the administrative and resource centers reporting to the Provost.

Prior to joining Penn, Bonnie was the Director of Finance and Administration for the Girl Scouts of Greater Philadelphia. She received her undergraduate degree from Muhlenberg College, and has a Masters Degree from NYU in Spanish and Spanish American Literature and an MBA from Temple University.
Resolution on Faculty Appointments, Leaves, and Promotions  
October 14, 2004, to November 4, 2004

SCHOOL OF ARTS AND SCIENCES

STANDING FACULTY

Chair Designations
Designation of Dr. Eugene W. Beier, Professor of Physics and Astronomy in the Standing Faculty of the School of Arts and Sciences, as the Fay R. and Eugene L. Langberg Professor of Physics effective July 1, 2004 through his tenure.

Designation of Dr. Thadious M. Davis, Professor of English in the Standing Faculty of the School of Arts and Sciences, as the Geraldine R. Segal Professor of American Social Thought effective July 1, 2004 through her tenure.

Designation of Mr. Charles Bernstein, Professor of English in the Standing Faculty of the School of Arts and Sciences, as the Donald T. Regan Professor of English effective July 1, 2004 through his tenure.

WHARTON SCHOOL

STANDING FACULTY

Reappointment
Reappointment of Dr. Mary Ellen Carter as Assistant Professor of Accounting in the Standing Faculty of the Wharton School for three years effective July 1, 2005 (full salary; tenure probationary period commenced July 1, 2002). Mandatory tenure review is academic year 2007-08.

Correction to Previously Approved Minute
Correction to previously approved minute -- Reappointment of Dr. Ayako Yasuda as Assistant Professor of Finance in the Standing Faculty of the Wharton School for three years effective July 1, 2004 (full salary; tenure probationary period commenced July 1, 2000). Mandatory tenure review is academic year 2006-07. [Consideration for promotion to tenure is contingent upon United States permanent residency status.] SHOULD READ Reappointment of Dr. Ayako Yasuda as Assistant Professor of Finance in the Standing Faculty of the Wharton School for three years effective July 1, 2004 (full salary; tenure probationary period commenced July 1, 2001). Mandatory tenure review is academic year 2006-07. [Consideration for promotion to tenure is contingent upon United States permanent residency status.] [Refer to PSC Action of June 23, 2004]
ASSOCIATED FACULTY

Reappointment
Reappointment of Dr. Hitendra Wadhwa as Adjunct Assistant Professor of Marketing in the Associated Faculty of the Wharton School for the period July 1, 2004 to June 30, 2005 (partial salary dependent upon duties assigned; not in tenure probationary status in this appointment).

SCHOOL OF MEDICINE

STANDING FACULTY

Chair Designation
Designation of Dr. George Coukos, Assistant Professor of Obstetrics and Gynecology in the Standing Faculty of the School of Medicine, as the Celso Ramon-Garcia Assistant Professor of Reproductive Biology for the period of November 1, 2004 to June 30, 2006.

Designation of Dr. Mitchell Lewis, Professor of Biochemistry and Biophysics in the Standing Faculty of the School of Medicine, as the John Morgan Professor of Biomedical Research and Education for a term of ten years effective November 1, 2004.

Designation of Dr. David E. Longnecker, Professor of Anesthesia in the Standing Faculty of the School of Medicine, as the Horatio C. Wood Professorship of Anesthesia for a term of three years effective October 1, 2004.

Promotion
Promotion of Dr. Jonathan A. Epstein to Professor of Medicine in the Standing Faculty of the School of Medicine effective July 1, 2004 (full salary; has tenure). Designation of Dr. Jonathan A. Epstein as the William Wikoff Smith Professor of Cardiovascular Research in the department of Medicine for a term of ten years effective July 1, 2004.

Promotion of Dr. Ian D. Krantz to Associate Professor of Pediatrics at the Children’s Hospital of Philadelphia in the Standing Faculty -- Clinician-Educator of the School of Medicine effective July 1, 2005 (full salary; non-tenure; continuation of appointment subject to the stipulations given in Guidelines for Appointments and Promotions, January 8, 1985 or as amended).

Promotion of Dr. Karin L. McGowan to Professor of Pediatrics at the Children’s Hospital of Philadelphia in the Standing Faculty -- Clinician-Educator of the School of Medicine effective July 1, 2005 (full salary; non-tenure; continuation of appointment subject to the stipulations given in Guidelines for Appointments and Promotions, January 8, 1985 or as amended).

Promotion of Dr. Mark A. Morgan to Professor of Obstetrics and Gynecology at the Hospital of the University of Pennsylvania in the Standing Faculty -- Clinician-Educator of
the School of Medicine effective July 1, 2005 (full salary; non-tenure; continuation of appointment subject to the stipulations given in Guidelines for Appointments and Promotions, January 8, 1985 or as amended).

**Promotion of Dr. Jeffrey N. Weiser** to Professor of Microbiology in the Standing Faculty of the School of Medicine effective July 1, 2005 (full salary; has tenure).

**Extension to the Approved Appointment**

Extension to the approved appointment and clinician-educator probationary period for Dr. Brian J. Forbes as Assistant Professor of Ophthalmology at the Children's Hospital of Philadelphia and the Hospital of the University of Pennsylvania in the Standing Faculty—Clinician-Educator of the School of Medicine for one year effective July 1, 2005 (full salary; appointment subject to the stipulations given in Guidelines for Appointments and Promotions, January 8, 1985 or as amended). This appointment carries a ten-year non-tenure probationary period which commenced July 1, 2001 and was previously adjusted by one year pursuant to paragraph A.1. of the policy on extension of tenure probationary period, March 18, 1997 or as amended. **Adjusted** Clinician-Educator review is academic year 2011-12. [This extension is granted pursuant to paragraph A.1. of the policy on extension of tenure probationary period, March 18, 1997 or as amended].

**Reappointment**

**Reappointment of Dr. Kenneth M. Algazy** as Clinical Associate Professor of Medicine in the Associated Faculty of the School of Medicine for three years effective July 1, 2004 (with salary, not in tenure probationary status in this appointment).

**Reappointment of Dr. Bernard S. Bloom** as Research Professor of Medicine in the Associated Faculty of the School of Medicine for five years effective July 1, 2004 or for the duration of the grant or contract which supports his work, whichever is the shorter period of time (full salary, without obligation on the part of the University to continue salary and benefits beyond termination of these research funds; not in tenure probationary status in this appointment).

**Reappointment of Dr. Kenneth R. Brown** as Adjunct Associate Professor of Medicine in the Associated Faculty of the School of Medicine for three years effective July 1, 2004 (without salary, not in tenure probationary status in this appointment).

**Reappointment of Dr. Sanford L. Herold** as Clinical Assistant Professor of Medicine in the Associated Faculty of the School of Medicine for three years effective July 1, 2004 (with salary, not in tenure probationary status in this appointment).

**Reappointment of Dr. Nayyar Iqbal** as Assistant Professor of Medicine at the Hospital of the University of Pennsylvania and the Veterans Administration Medical Center in the Standing Faculty—Clinician-Educator of the School of Medicine for three years effective July 1, 2004 (full salary; appointment subject to the stipulations given in Guidelines for Appointments and Promotions, January 8, 1985 or as amended). This appointment carries a
Reappointment of Dr. Francis Lo as Clinical Assistant Professor of Medicine in the Associated Faculty of the School of Medicine for three years effective July 1, 2004 (without salary, not in tenure probationary status in this appointment).

A terminal reappointment of Dr. Craig H. Scott as Assistant Professor of Medicine at the Hospital of the University of Pennsylvania and the Veterans Administration Medical Center in the Standing Faculty -- Clinician-Educator of the School of Medicine for one year effective July 1, 2005 (full salary; appointment subject to the stipulations given in Guidelines for Appointments and Promotions, January 8, 1985 or as amended). This appointment carries a ten-year, non-tenure probationary period which commenced July 1, 1996.

Reappointment of Dr. Linda Stern as Clinical Assistant Professor of Medicine in the Associated Faculty of the School of Medicine for three years effective July 1, 2004 (without salary, not in tenure probationary status in this appointment).

Reappointment of Dr. James S. White as Adjunct Associate Professor of Cell and Developmental Biology in the Associated Faculty of the School of Medicine for three years effective July 1, 2004 or for the duration of his administrative appointment, whichever is the shorter period of time (without salary; not in tenure probationary status in this appointment).

Reappointment of Dr. Thomas Wolman as Clinical Assistant Professor of Psychiatry in the Associated Faculty of the School of Medicine for three years effective July 1, 2004 (without salary, not in tenure probationary status in this appointment).

Authorization to Offer Appointment
Authorization to offer appointment to Dr. Jon M. Burnham as Assistant Professor of Pediatrics at the Children's Hospital of Philadelphia in the Standing Faculty -- Clinician-Educator of the School of Medicine for the period of September 1, 2004 to June 30, 2007 (full salary; appointment subject to the stipulations given in Guidelines for Appointments and Promotions, January 8, 1985 or as amended). This appointment carries a ten-year, non-tenure probationary period which commenced July 1, 2004. The clinician-educator review date is academic year 2012-13.

Authorization to offer appointment to Dr. Keith T. Flaherty as Assistant Professor of Medicine in the Standing Faculty of the School of Medicine for the period of September 1, 2004 to June 30, 2007 (full salary; tenure probationary period commenced July 1, 2004 with a ten-year clinical probationary period). The mandatory tenure review is academic year 2012-13.

Authorization to offer appointment to Dr. Dale Frank as Assistant Professor of Pathology and Laboratory Medicine at the Hospital of the University of Pennsylvania in the Standing Faculty -- Clinician-Educator of the School of Medicine for three years effective July 1, 2004 (full salary; appointment subject to the stipulations given in Guidelines for Appointments and Promotions, January 8, 1985 or as amended).
Authorization to offer appointment to Dr. Beth D. Kaufman as Assistant Professor of Pediatrics at the Children's Hospital of Philadelphia in the Standing Faculty -- Clinician-Educator of the School of Medicine for the period of September 1, 2004 to June 30, 2007 (full salary; appointment subject to the stipulations given in *Guidelines for Appointments and Promotions*, January 8, 1985 or as amended). This appointment carries a ten-year, non-tenure probationary period which commenced July 1, 2004. The clinician-educator review date is academic year 2012-13.

Authorization to offer appointment to Dr. Priti Lal as Assistant Professor of Pathology and Laboratory Medicine at the Hospital of the University of Pennsylvania in the Standing Faculty -- Clinician-Educator of the School of Medicine for three years effective July 1, 2004 contingent on appropriate visa (full salary; appointment subject to the stipulations given in *Guidelines for Appointments and Promotions*, January 8, 1985 or as amended). This appointment carries a ten-year, non-tenure probationary period which commenced July 1, 2004. The clinician-educator review date is academic year 2012-13.

Authorization to offer appointment to Dr. Scott A. Lorch as Assistant Professor of Pediatrics in the Standing Faculty of the School of Medicine for the period of September 1, 2004 to June 30, 2007 (full salary; tenure probationary period commenced July 1, 2004 with a ten-year clinical probationary period). The mandatory tenure review is academic year 2012-13.

Authorization to offer appointment to Dr. Asim Maqbool as Assistant Professor of Pediatrics at the Children's Hospital of Philadelphia in the Standing Faculty -- Clinician-Educator of the School of Medicine for the period of September 1, 2004 to June 30, 2007 (full salary; appointment subject to the stipulations given in *Guidelines for Appointments and Promotions*, January 8, 1985 or as amended). This appointment carries a ten-year, non-tenure probationary period which commenced July 1, 2004. The clinician-educator review date is academic year 2012-13.

Authorization to offer appointment to Dr. M. Louis Moy as Assistant Professor of Urology in Surgery at the Hospital of the University of Pennsylvania in the Standing Faculty -- Clinician-Educator of the School of Medicine for the period of September 1, 2004 to June 30, 2007 (full salary; appointment subject to the stipulations given in *Guidelines for Appointments and Promotions*, January 8, 1985 or as amended). This appointment carries a ten-year, non-tenure probationary period which commenced July 1, 2004. The clinician-educator review date is academic year 2012-13.

Authorization to offer appointment to Dr. Gui-shuang Ying as Assistant Professor of Ophthalmology at the Hospital of the University of Pennsylvania in the Standing Faculty -- Clinician-Educator of the School of Medicine for the period of September 1, 2004 to June 30, 2007 contingent on appropriate visa (full salary; appointment subject to the stipulations
given in Guidelines for Appointments and Promotions, January 8, 1985 or as amended). This appointment carries a ten-year, non-tenure probationary period which commenced July 1, 2004. The clinician-educator review date is academic year 2012-13.

**ASSOCIATED FACULTY**

**Authorization to Offer Appointment**

Authorization to offer appointment to Dr. Michael A. Zasloff as Adjunct Professor of Biochemistry and Biophysics in the Associated Faculty of the School of Medicine for three years effective July 1, 2004 (without; not in tenure probationary status in this appointment).

**SCHOOL OF VETERINARY MEDICINE**

**STANDING FACULTY**

**Authorization to Offer Appointment**

Authorization to offer appointment to Dr. Charles H. Vite as Assistant Professor of Neurology in Clinical Studies-Philadelphia in the Standing Faculty of the School of Veterinary Medicine for the period January 1, 2004 to June 30, 2007 (full salary; tenure probationary period commences July 1, 2004 with a ten-year clinical probationary period). Mandatory tenure review is academic year 2012-13.

**Resignation**

Resignation of Dr. Mark Donaldson, Assistant Professor- Clinician Educator of Medicine in Clinical Studies/New Bolton Center in the Standing Faculty of the School of Veterinary Medicine effective December 31, 2004.

**ASSOCIATED FACULTY**

**Authorization to Offer Appointment**

Authorization to offer appointment to Dr. Eric Gingerich as Adjunct Assistant Professor of Poultry Medicine and Pathology in Pathobiology in the Associated Faculty of the School of Veterinary Medicine for five years effective July 1, 2004 (without salary; not in tenure probationary status in this appointment).

**EMERITUS FACULTY**

**Reemployment beyond Retirement**

Reemployment beyond retirement of Dr. Robert J. Eckroade, Associate Professor Emeritus of Poultry Pathology in Pathobiology in the School of Veterinary Medicine, effective October 1, 2004 through September 30, 2006 with partial salary dependent on duties assigned.
Reemployment beyond retirement of Dr. David S. McDevitt, Professor Emeritus of Anatomy in Animal Biology for one year effective July 1, 2004 with partial salary dependent upon duties assigned.
Resolution to Authorize the Design and Construction of the Annenberg Public Policy Center at the Site of the Former Hillel Building, 202 South 36th Street, in the Amount of $22 Million

INTENTION:

The Annenberg Public Policy Center (APPC) wishes to proceed with the design and construction of a new 40,000-square-foot building at 202 South 36th Street, the location of the former Hillel Building. Feasibility studies have been conducted and have established that the former Hillel building cannot be made to accommodate APPC's programmatic requirements. Therefore, the existing building must be demolished.

The new building will enable APPC to consolidate administration, faculty and research functions in one location, eliminating leased space on Market Street as well as making available space within the Annenberg School proper for other School programs.

The Annenberg Foundation Trust at Sunnylands and the Annenberg Foundation will fully fund the design and construction of the new building. The Annenberg Foundation has also agreed to provide $2 million for furniture and technology, moving, and related expenses in the new building, and a $6 million endowment to fund operating costs for the new building.

RESOLVED, that the design and construction of a new building for the APPC at 202 South 36th Street and related work, including demolition of the existing building at the site, estimated to cost $22 million, be and the same hereby are approved and that the Executive Vice President, the Senior Vice President for Facilities and Real Estate Services, or the Vice President for Finance and Treasurer be and hereby is authorized to take such actions, execute such contracts and incur such expenses and obligations – not, however, in excess of 110% of the estimated costs as presented to the Budget and Finance Committee – as may, in his or her judgment, be necessary or desirable to accomplish the purposes of this resolution. Any actions heretofore taken by any such officers in furtherance of the purpose of this resolution are hereby ratified and confirmed.
Resolution to Authorize the Financing and Refinancing of Outstanding University Indebtedness

INTENTION:

In 1995, the Trustees of the University of Pennsylvania (University) borrowed $156,835,000 (Prior Bonds) through the Pennsylvania Higher Education Facilities Authority (PHEFA) pursuant to a Trust Indenture dated as of January 15, 1987, as amended. The Prior Bonds are callable on September 1, 2005, when there will be $105,995,000 million bonds outstanding. The Prior Bonds consist of serial maturities through September 1, 2015. The University is able to borrow at current low interest rates and realize significant savings on the Bonds. Through the issuance of new debt today (Bonds) on a forward delivery basis, the bonds will be used to current refund the Prior Bonds in June 2005, the first possible date under existing federal tax law. The Series B bonds have one eligible advance refunding prior to the call date, which may be used for the Bond issuance if it is more cost effective than the long dated settlement.

The University has also identified approximately $5 million in capital needs related to dormitory sprinklers which could be financed cost effectively in connection with the issuance of the Bonds. The sprinkler projects are eligible for financial subsidy from the state for any interest in excess of 3%.

The University administration recommends that the University delegate to the Debt Subcommittee the power to determine the terms of the financing and refinancing authorized by this resolution and the details thereof.

RESOLVED, that the Trustees of the University hereby authorize and approve the incurrence of up to $115,000,000 of indebtedness to realize savings on the Prior Bonds and to accommodate the needs associated with dormitory sprinklers. In addition, the Trustees of the University authorize the Debt Subcommittee to authorize the details of the Bonds.

FURTHER RESOLVED, that any indebtedness authorized by this resolution may be for a term of up to 30 years and may bear interest at a fixed or variable interest rate, subject however, to the approval of the terms and conditions of such borrowing by the Debt Subcommittee, such approval by the Debt Subcommittee to be conclusively evidenced by the adoption of a resolution authorizing and approving the terms of such borrowing pursuant to this resolution.

FURTHER RESOLVED, that the Executive Vice President and the Vice President for Finance and Treasurer be and either of them hereby is authorized to apply on behalf of the University to a governmental issuer to issue indebtedness for the purposes stated above and to pay such fees and expenses as may be required in connection therewith and in connection with the incurrence of indebtedness authorized herein including bond redemption costs and issuance expenses to the extent not paid with proceeds of the Bonds.
FURTHER RESOLVED, that the Executive Vice President and the Vice President for Finance and Treasurer be and either of them hereby is authorized to determine the method of sale of any indebtedness incurred pursuant to this resolution (which may be a competitive sale, negotiated sale, a private placement or any combination thereof), to select an investment banker or bankers (if a negotiated sale is to be used) or a lender or purchaser in the event of a private placement, to select a bank or other financial institution to provide credit and/or liquidity support for the indebtedness, to select an insurer or insurers to provide insurance for the indebtedness, to select a remarketing agent, an auction agent, broker-dealer or market agent, if applicable, for the indebtedness, and a trustee and paying agent, and to take all action in connection therewith, subject to the Debt Subcommittee's approval of the details of the indebtedness incurred pursuant to this resolution including the rates of interest, interest rate mode, dates of maturity, redemption features and security for such indebtedness (but not in excess of the amount or for the term above authorized).

FURTHER RESOLVED, that the Executive Vice President and Vice President for Finance and Treasurer be and either of them hereby is authorized to determine whether, in connection with the indebtedness authorized hereby, the University shall enter into an interest rate swap, cap, collar, floor, or other arrangement intended to hedge such indebtedness, or, in effect, to convert interest on all or a portion of such indebtedness from a fixed rate to a floating rate, from a floating rate to a fixed rate, or from one floating rate to another floating rate, and thereby reduce the cost of borrowing on such indebtedness by optimizing the relative amounts of fixed and floating rate debt from time to time or the risk of variations in debt service costs (Hedge Agreement), and in connection therewith any collateral arrangements, including pledging investment securities, as security for their obligations with respect to any Hedge Agreement, and to take all action in connection therewith, subject to the Debt Subcommittee's approval of the details of any Hedge Agreement, including the notional amount thereof, the method by which payments thereunder are determined, the term and collateral arrangements for such Hedge Agreement.

FURTHER RESOLVED, that the Executive Vice President and the Vice President for Finance and Treasurer be and they hereby are authorized and empowered to take such action, approve the form and content and execute and deliver, and the Secretary or Officer is authorized and directed to affix the seal of the University to, such documents, including if applicable, one or more trust indentures, loan agreements, leases or subleases, bond purchase contracts, reimbursement agreements, standby bond purchase agreements, remarketing agreements, official statements or other offering documents, Hedge Agreements, and any other documents, agreements or instruments, and to do such things as shall be necessary to effectuate the borrowing authorized by this resolution, subject, however, in all respects to the approval of the terms and details of the indebtedness and any Hedge Agreement by the Debt Subcommittee.
Resolution to Authorize the Approval of the Transaction Related to Chestnut Hill HealthCare and the Investment in a Joint Venture with Community Health Systems and the Approval of License of Certain Trade Names and Trade Marks

INTENTION:

Penn Medicine is working to maintain productive relationships with outlying community providers, while modifying its previous strategy from one of ownership to one of partnership. This approach ensures that capital resources are invested appropriately in the core Penn Medicine tertiary and quaternary programs, while maintaining access to programmatic affiliations that will support its clinical and academic missions. In 1994, the Trustees of the University of Pennsylvania (The Trustees), as owner and operator of the University of Pennsylvania Health System (UPHS), entered into an affiliation agreement with Chestnut Hill HealthCare (CHHC). This resulted in successful ongoing joint programs in oncology, cardiology, obstetrics/gynecology and family practice. In June 2003, following a strategic planning and market assessment process, CHHC approached UPHS in search of capital and to strengthen its clinical relationships with Penn Medicine. In response to an RFP process, which included other health systems, UPHS and Vanguard Health Systems Inc. (Vanguard) submitted a joint proposal to establish a joint venture for the purpose of enhancing the health care services provided in the northwest Philadelphia and eastern Montgomery County communities. On or about October 11, 2004, Vanguard withdrew from the negotiations and UPHS subsequently approached Community Health Systems (CHS) about taking Vanguard’s place as UPHS’s new capital partner in the joint venture.

The structure of the UPHS/CHS transaction with CHHS is as follows:

1. CHHC will form a stock subsidiary (NewCo) into which it will transfer substantially all of its assets (and some of its liabilities) including Chestnut Hill Hospital (the Hospital), the rehabilitation hospital and other healthcare-related assets;
2. CHHC will transfer 80 to 85% of NewCo’s stock to CHS, in exchange for: (i) cash in an amount to be negotiated (approximately $25 million plus 85% of working capital); (ii) a capital commitment of approximately $43 million over seven (7) years; and (iii) other covenants concerning future operations of the Hospital and other programs for the good of the community;
3. CHHC will transfer 15 to 20% of NewCo’s stock to UPHS in exchange for various non-cash commitments, including: (a) limited approval authority by UPHS over certain aspects of the operation of NewCo; (b) assurances that UPHS will operate certain clinical programs for specified periods of time (to be set forth in a separate clinical affiliation agreement); and (c) an agreement to license certain trade names and trade marks of UPHS and the University of Pennsylvania (Penn) to NewCo;
4. UPHS will not be responsible for funding operating losses of NewCo or infusing working capital; and
5. UPHS will also be entering into a long-term clinical affiliation with NewCo pursuant to which UPHS will provide various clinical and administrative services to NewCo.
and will establish a framework for further academic and clinical collaboration in the northwest Philadelphia and Chestnut Hill region communities.

On October 29, 2004, CHHC, UPHS and CHS entered into a non-binding letter of intent covering the major terms and conditions of the proposed joint venture, which letter of intent substantially mirrors the previous agreement among CHHC, UPHS and Vanguard. CHS, UPHS and CHHC have been in exclusive negotiations, with the intent of entering into a definitive agreement on or about December 10, 2004, and closing the transaction between December 31, 2004 and February 1, 2005.

On November 3, 2004, the Penn Medicine Executive Committee approved and recommended to The Trustees the transaction as contemplated by this resolution.

In evaluating this transaction, The Trustees have carefully considered several factors. These include the ability of this model to achieve UPHS’s long-term objectives by strengthening clinical and academic ties through affiliation and licensing agreements without a cash capital contribution by UPHS. The Trustees have also carefully considered the ability of UPHS to ensure the highest levels of quality and service and that UPHS will be incorporating into both the license agreement and definitive agreement between UPHS and NewCo certain reserved powers, reporting requirements and affirmative covenants, including representation on NewCo’s governing bodies. Additional information concerning commitments by the parties and to the community and other elements of the transaction has been presented to The Trustees.

RESOLVED, that the transactions described in the foregoing Intention and as presented to The Trustees, including the actions listed below are approved:

- Approval of the proposed structure of the transaction by which:
  (1) CHHC will form a stock subsidiary, NewCo, into which it will transfer substantially all of its assets (and some of its liabilities) including the Hospital, the rehabilitation hospital and other healthcare-related assets;
  (2) CHHC will transfer 80 to 85% of NewCo’s stock to CHS, in exchange for: (i) cash in an amount to be negotiated (approximately $25 million plus 85% of working capital); (ii) a capital commitment of approximately $43 million over seven (7) years; and (iii) other covenants concerning future operations of the Hospital and other programs for the good of the community;
  (3) CHHC will transfer 15 to 20% of NewCo’s stock to UPHS in exchange for various non-cash covenants and assurances, to include:
    (a) limited approval authority by UPHS over certain aspects of the operation of NewCo;
    (b) assurances that UPHS will operate certain clinical programs (to be set forth in a separate clinical affiliation agreement); and
    (c) an assurance from UPHS and CHS that UPHS will grant, and NewCo will use, a license to use certain trade names and trade marks of UPHS and Penn, the terms and conditions of which will be negotiated with the definitive agreements;
(4) UPHS will not be responsible for funding operating losses of NewCo or infusing working capital; and

(5) UPHS will also be entering into a long-term clinical affiliation with NewCo pursuant to which UPHS will provide various clinical and administrative services to NewCo and will establish a framework for further academic and clinical collaboration in the northwest Philadelphia and Chestnut Hill region communities.

- Approval of an operating agreement between NewCo and The Trustees on behalf of UPHS and such other documents as necessary by which, among other terms, The Trustees shall retain certain reserved powers and The Trustees and CHS must both provide affirmative approval of major decisions, NewCo must maintain specified reporting to The Trustees, and The Trustees may terminate its investment interest under certain circumstances.

- Authorization of the Executive Committee to appoint a representative(s) to the various governing bodies of NewCo and its healthcare entities.

- Delegation to the Chief Executive Officer of UPHS, or his designee, the authority to take such action on behalf of The Trustees with respect to all matters to be voted upon by The Trustees in their capacity as a shareholder of NewCo.

- The filing of documents with, and taking of other actions with respect to any governmental or regulatory offices, if necessary or appropriate, in order to secure all approvals, consents, licenses, permits and the like necessary to consummate the transaction.

RESOLVED, that pursuant to the foregoing resolution, The Trustees delegate authority to the Chief Executive Officer of UPHS, or his designee, to take such action and approve and execute such documents on behalf of The Trustees as may be necessary to effectuate and implement the transactions contemplated in the foregoing substantially within the parameters described therein, with such changes as such officer deems advisable, necessary or appropriate in order to effectuate such transactions with the concurrence of the President of the University of Pennsylvania.

FURTHER RESOLVED, that the appropriate officers, members of Penn Medicine Executive Committee, and the Penn Medicine and UPHS Management are hereby authorized and empowered to take such actions as they may deem necessary, appropriate or desirable to effectuate the intent of the foregoing resolutions.
Resolution to Authorize the Refinancing of the University of Pennsylvania Health System Revenue Bonds, Series A and B of 1996

Intention:

On March 15, 1996, the Pennsylvania Higher Educational Facilities Authority issued $448,435,000 of The Trustees of the University of Pennsylvania Health System Revenue Bonds, Series A and B of 1996, of which $361,295,000 million is currently outstanding (Prior Bonds). In connection with the issuance of the Prior Bonds, the Trustees of the University of Pennsylvania (University or Trustees) entered into a supplement to the Master Trust Indenture dated May 1, 1994, as amended (Master Indenture) with First Union National Bank as trustee and to which Wachovia Bank, National Association, is the successor. The Prior Bonds were secured under the Master Indenture and were issued to fund capital projects for the operating units of the University known as the Hospital of the University of Pennsylvania (HUP) and the Clinical Practices of the University of Pennsylvania (CPUP), and for Presbyterian Medical Center of the University of Pennsylvania Health System (PMC). Pennsylvania Hospital of the University of Pennsylvania Health System (PAH), Clinical Care Associates of the University of Pennsylvania Health System (CCA), and Wissahickon Hospice of the University of Pennsylvania Health System (Wissahickon Hospice), all of which are controlled affiliates and wholly owned subsidiaries of the Trustees, subsequently became obligated parties under the Master Indenture and are jointly and severally liable with HUP, CPUP and PMC for any debt incurred under the Master Indenture. HUP, CPUP, PMC, PAH, CCA and Wissahickon Hospice are referred to herein collectively as the “Health System.”

Because interest rates have declined since the issuance of the Prior Bonds, Management recommends refinancing of all or a portion of the Prior Bonds for the Health System and the incurrence of indebtedness by each member of the Health System by virtue of its being a party to the Master Indenture and being jointly and severally liable for all debt incurred thereunder.

The Health System may be able to lock in current low interest rates and significant savings on the Bonds through several refinancing structures currently being evaluated by Management and the financing team. These approaches include: (i) the issuance of fixed-rate bonds presently to advance refund the Prior Bonds, (ii) the issuance of forward bonds that will settle within 90 days of January 1, 2006, when bonds may be issued to refund the Prior Bonds under existing federal tax law, (iii) entering into a forward interest rate swap (Forward Swap) that may be used to achieve the impact of a forward refunding on a more cost-effective basis, or (iv) the issuance of new money bonds presently, combined with an appropriate amount of simultaneous debt retirement. Collectively, a combination of these approaches will constitute the refinancing plan (Refinancing Plan). In connection with the completion of the Refinancing Plan, it is likely that the transaction will involve the use of bond insurance with one or more municipal bond insurers. It is also likely that the bond insurers will require security and financial covenants from the Health System that reflect the current market for health care revenue bonds and the credit standing of the Health System.
Management of the University and the Health System recommends that the Trustees authorize the incurrence of up to $420 million of debt to accomplish the Refinancing Plan for the Prior Bonds. Management also recommends to the Trustees that they approve the incurrence of indebtedness in connection therewith by each member of the Health System by virtue of its being a member of the obligated group.

The terms of the indebtedness would be approved by the Debt Subcommittee of the Budget and Finance Committee (Debt Subcommittee) upon the further recommendation and approval by the Penn Medicine Executive Committee.

In addition, Management would like the Trustees to delegate to it the power to choose an issuer and an investment bank or bankers for the indebtedness, to determine the method of sale of the indebtedness, to approve the appointment of bond counsel and to do and to take all action with respect to the indebtedness except to the extent delegated to the Debt Subcommittee upon the recommendation and approval of the Penn Medicine Executive Committee.

RESOLVED, that the Trustees hereby authorize and approve the borrowing of up to $420 million for the Health System pursuant to the Master Indenture or otherwise to complete the Refinancing Plan for the Prior Bonds and hereby authorize and approve the incurrence of indebtedness by each member of the Health System to the extent the aforementioned obligations are issued under the Master Indenture, and authorize the pledge by the members of the Health System of their gross revenues to secure their obligations under the Master Indenture.

FURTHER RESOLVED, that any indebtedness authorized by this resolution may be for a term of up to 30 years and may bear interest at a fixed or variable interest rate, subject however, to the approval of the terms and conditions of such borrowing by the Debt Subcommittee, such approval by the Debt Subcommittee to be conclusively evidenced by the adoption of a Debt Subcommittee resolution authorizing and approving the terms of such borrowing pursuant to this resolution.

FURTHER RESOLVED, that Management shall present the general terms of the Refinancing Plan to the Penn Medicine Executive Committee and, if so determined by it, to the Penn Medicine Finance Committee, for its approval and recommendation prior to presenting the specific terms of the Refinancing Plan to the Debt Subcommittee for approval.

FURTHER RESOLVED, that the Executive Vice President and the Vice President for Finance and Treasurer be and either of them hereby is authorized to apply on behalf of the University to a governmental issuer to issue indebtedness for the purposes stated above and to pay such fees and expenses as may be required in connection therewith and in connection with the incurrence of indebtedness authorized herein.

FURTHER RESOLVED, that the Executive Vice President and the Vice President for Finance and Treasurer be and either of them hereby is authorized to determine the method of sale of any indebtedness incurred pursuant to this resolution (which may be a competitive sale, negotiated sale, a private placement or any combination thereof), to select an investment
banker or bankers (if a negotiated sale is to be used) or a lender or purchaser in the event of a
private placement, to select a bank, bond insurer or other financial institution to provide
credit and/or liquidity support for the indebtedness, to select a remarketing agent, an auction
agent, broker-dealer or market agent, if applicable, for the indebtedness, and a trustee and
paying agent, and to take all action in connection therewith, subject to the Debt
Subcommittee’s approval of the details of the indebtedness incurred pursuant to this
resolution and the details of the Refinancing Plan, including the Prior Bonds to be refunded,
the projects, if any, to be financed, rates of interest, interest rate mode, dates of maturity,
redemption features and security for such indebtedness (but not in excess of the amount or
for the term above authorized).

FURTHER RESOLVED, that the Executive Vice President and Vice President for Finance
and Treasurer be and either of them hereby is authorized to determine whether, in connection
with the indebtedness authorized hereby, one or more members of the Health System shall
enter into a Forward Swap or any other interest rate swap, cap, collar, floor, or other
arrangement intended to hedge such indebtedness, or, in effect, to convert interest on all or a
portion of such indebtedness from a fixed rate to a floating rate, from a floating rate to a
fixed rate, or from one floating rate to another floating rate, and thereby reduce the cost of
borrowing on such indebtedness by optimizing the relative amounts of fixed and floating rate
debt from time to time or reduce the risk of variations in debt service costs (Hedge
Agreement), and in connection therewith enter into any collateral arrangements pledging
property of one or more members of the Health System, including investment securities, as
security for their obligations with respect to any Hedge Agreement, and to take all action in
connection therewith, subject to the Debt Subcommittee’s approval of the details of any
Hedge Agreement, including the notional amount thereof, the method by which payments
thereunder are determined and the term and collateral arrangements for such Hedge
Agreement.

FURTHER RESOLVED, that the Executive Vice President and the Vice President for
Finance and Treasurer be and either of them hereby is authorized and empowered to take
such action, approve the form and content and execute and deliver, and the Secretary or other
authorized officer of the University is authorized and directed to affix the seal of the
University to, such documents, including if applicable, one or more trust indentures, loan
agreements, leases or subleases, supplemental Master Indentures, master notes, bond
purchase contracts, reimbursement agreements, standby bond purchase agreements,
remarking agreements, official statements or other offering documents, Hedge Agreements,
and any other documents, agreements or instruments, and to do such things as shall be
necessary to effectuate the borrowing authorized by this resolution, subject, however, in all
respects to the approval of the terms and details of the indebtedness and any Hedge
Agreement by the Debt Subcommittee.

FURTHER RESOLVED, that the appropriate officers of the Health System and any one or
more of the components of the Health System, or the Senior Vice President and Chief
Financial Officer of the Health System on their behalf, be and each of them hereby is
authorized and directed to execute and deliver such documents and to take all action and to
do all things as shall be necessary or advisable in connection with the subject matter of this
resolution, and the Secretary or Assistant Secretary of each component of the Health System is hereby authorized to affix the seal of such component to such documents.