Resolution to Authorize the Financing of Certain Capital Projects for the University of Pennsylvania

Intention:
Management (Management) of The Trustees of the University of Pennsylvania (University) has identified up to $150 million in capital projects (Capital Project), which can be financed cost effectively with the issuance of new indebtedness of the University. Management recommends that the University incur new indebtedness (2011 Bonds) to pay costs of the Capital Project and recommends that the University delegate to the Debt Subcommittee of the Budget and Finance Committee (Debt Subcommittee) the power to determine the terms of the 2011 Bonds authorized by this resolution and the details thereof.

RESOLVED, that the Trustees of the University hereby authorize and approve the incurrence of up to $150 million of indebtedness to finance the Capital Project and pay the costs of issuing the 2011 Bonds. In addition, the Trustees of the University authorize the Debt Subcommittee to authorize the details of the 2011 Bonds.

FURTHER RESOLVED, that any indebtedness authorized by this resolution may be for a term of up to 40 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 one or more governmental issuers 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 2011 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 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 of 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 Financing of Certain Capital Projects for the University of Pennsylvania Health System

Intention:
The Hospital of the University of Pennsylvania (HUP) and the Clinical Practices of the University of Pennsylvania (CPUP) are the “designated units” of The Trustees of the University of Pennsylvania (Trustees or University) under a Master Trust Indenture (Master Indenture) between the University and US Bank National Association, as successor master trustee that are obligated to make payments required under the Master Indenture. Presbyterian Medical Center of the University of Pennsylvania Health System d.b.a. Penn Presbyterian Medical Center (PPMC), 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 (WH), all of which are controlled affiliates of and wholly owned subsidiaries of the Trustees, are also obligated parties under the Master Indenture and are jointly and severally liable for any debt incurred under the Master Indenture. HUP, CPUP, PPMC, PAH, CCA and WH are referred to herein collectively as the “Health System.”

Management (Management) of the University and the Health System has identified up to $150 million in capital projects of the Health System (Capital Project) which can be financed cost effectively with the issuance of new indebtedness. Management recommends that the University incur new indebtedness (2011 Bonds) to pay costs of the Capital Project and recommends that the University delegate to the Debt Subcommittee of the Budget and Finance Committee (Debt Subcommittee) the power to determine the terms of the 2011 Bonds authorized by this resolution and the details thereof.

The PENN Medicine Executive Committee and the PENN Medicine Finance Committee have recommended and approved, 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 PENN Medicine Executive Committee and Management have recommended that the Trustees authorize the incurrence of up to $150,000,000 of indebtedness to finance the Capital Project. The PENN Medicine Executive Committee and Management also have recommended 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 under the Master Indenture.

In addition, Management requests that the Trustees delegate to Management 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.

RESOLVED, that the Trustees hereby authorize and approve the incurrence of up to $150 million of indebtedness pursuant to the Master Indenture to finance the Capital Project and pay
the costs of issuing the 2011 Bonds and hereby authorize and approve the incurrence of indebtedness by each member of the Health System. In addition, the Trustees of the University authorize the Debt Subcommittee to authorize the details of the 2011 Bonds.

**FURTHER RESOLVED,** that any indebtedness authorized by this resolution may be for a term of up to 40 years and may bear interest at a fixed or variable interest rate and/or as an ongoing commercial paper program, 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 President, Executive Vice President or Vice President for Finance and Treasurer be and any of them is hereby 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 President, Executive Vice President or Vice President for Finance and Treasurer be and any of them is hereby 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 a remarketing agent, if applicable, for the indebtedness, and a trustee and issuing 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 President, Executive Vice President or Vice President for Finance and Treasurer be and any of them is hereby authorized to determine whether, in connection with the indebtedness authorized hereby, one or more members of the Health System 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 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, the term and the collateral arrangements for such Hedge Agreement.
FURTHER RESOLVED, that the President, Executive Vice President or Vice President for Finance and Treasurer be and they are hereby 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, escrow deposit agreements, bond purchase contracts, reimbursement agreements, standby bond purchase agreements, remarketing agreements, issuing and paying agent agreements or any other agreements or documents necessary in connection with any commercial paper program, official statements or other offering documents, Hedge Agreements, and any other documents, agreements or instruments, and to do such things as shall be necessary or appropriate 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 each of the members 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 is hereby 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 Associate Secretary of each component of the Health System is hereby authorized to affix the seal of such component to such documents.