Minutes of Special Meeting of
the Executive Committee of the
Trustees of the
University of Pennsylvania

April 18, 1997

A special meeting of the Executive Committee of the Trustees of the University of Pennsylvania was convened at 2:45 p.m. on Friday, April 18, 1997 in the Club Room of the Faculty Club. Trustee members present were Susan Catherwood, Gloria Twine Chisum, Elsie Sterling Howard, Natalie I. Koether (via phone), Donald Langenberg (via phone), Andrea Mitchell (via phone), James Riepe (via proxy), Judith Rodin (ex officio), and P. Roy Vagelos (chair). Others attending included Thomas E. Beeman, Henry Chance (emeritus trustee), Stanley Chodorow, Stephen De Stefano, John A. Fry, Norman Hetrick (alumni trustee), Jason E. Horger, William N. Kelley, John C. S. Kepner, Roman Petyk, Barbara R. Stevens, Thomas Tammany, Raymond Welsh (alumni trustee), and John P. Wynne, Jr.

I. Call to Order - Dr. Vagelos

Dr. Vagelos called the special meeting to order and noted that, prior to the meeting, the Trustees' Budget and Finance and Executive committees met in a joint executive session to consider the purchase or lease of real property. He asked Mrs. Catherwood for her report.

II. Trustee Committee Reports

A. Budget and Finance - Mrs. Catherwood

Action.........1. A Resolution on the Approval of the Phoenixville Hospital Merger was approved as follows:

Intention:

The Trustees of the University of Pennsylvania, owner and operator of the University of Pennsylvania Health System ("UPHS"), plans to engage in a statutory merger of Phoenixville Hospital (the "Hospital") into a newly formed non-profit subsidiary of UPHS ("Newco"). By virtue of the statutory merger, Newco will succeed to the assets and liabilities of the Hospital, including its debt. UPHS will guarantee Newco's debt, if necessary. The University of Pennsylvania Health System Trustee Board Executive Committee has approved and recommends approval of the transactions by the Budget & Finance Committee of the University
of Pennsylvania Trustee Board and the University of Pennsylvania Trustee Board Executive Committee.

RESOLVED, that the transactions described in the foregoing Intention be and the same hereby are approved, with such changes as the Chief Executive Officer of the University of Pennsylvania Medical Center and Health System/Dean School of Medicine, or his designee, with the concurrence of the President of the University, shall approve (such approval to be evidenced conclusively by the execution and delivery on behalf of UPHS and Newco of documents effectuating such transactions).

FURTHER RESOLVED, that pursuant to the foregoing, the delegation of authority to the Chief Executive Officer of the University of Pennsylvania Medical Center and Health System/Dean School of Medicine, or his designee, to take such action and approve and execute such documents on behalf of UPHS and Newco as may be necessary to effectuate and implement the transactions contemplated herein be and the same hereby is approved, with such changes as such officer shall deem advisable, necessary or appropriate in order to effectuate such transactions, with the concurrence of the President of the University.

Action.........2. A Resolution on the Approval of an Ambulatory Care Satellite Facility Located at Route 422 was approved as follows:

Intention:

The Trustees of the University of Pennsylvania, owner and operator of the University of Pennsylvania Health System ("UPHS"), plans to develop an ambulatory care satellite facility (the "Project") on 13.1 acres of land at the junction of Route 422 and Lewis Road in Limerick, Pennsylvania. UPHS will own and develop the Project through a new wholly-owned subsidiary ("Newco") formed to acquire Phoenixville Hospital or a separate subsidiary to be formed for this purpose. The Project will consist of approximately 52,400 rentable square feet. UPHS plans to lease to CCA approximately 12,600 rentable square feet in the Project to provide primary care services which will include the relocation of CCA’s offices in Royersford and Trappe. CPUP and other UPHS entities will rent approximately 17,000 rentable square feet to provide community radiology, laboratory, cardiac and respiratory rehabilitation and physical therapy, rehabilitative medicine, otorhinolaryngology, occupational health and possibly other clinical services. Physicians affiliated with the Phoenixville Hospital plan to lease approximately 22,800 rentable square feet in the Project. UPHS and the Phoenixville Hospital Healthcare Foundation may develop a surgicenter as a second phase of the Project. Approval of the Project is a condition to the University’s acquisition of Phoenixville Hospital (the "Acquisition"). The University of Pennsylvania Health System Trustee Board Executive Committee has approved and recommends approval of the transactions by the Budget and Finance Committee.
RESOLVED, that subject to the consummation of the Acquisition of Phoenixville Hospital, the transactions described in the foregoing Intention be and the same are hereby approved, with such changes as the Chief Executive Officer of the University of Pennsylvania Medical Center and Health System/Dean School of Medicine, or his designee, with the concurrence of the President of the University, shall approve (such approval to be evidenced conclusively by the execution and delivery on behalf of UPHS and Newco of documents effectuating such transactions).

FURTHER RESOLVED, that pursuant to the foregoing, the delegation of authority to the Chief Executive Officer of the University of Pennsylvania Medical Center and Health System/Dean of the School of Medicine, or his designee, to take such action and approve and execute such documents on behalf of UPHS and Newco as may be necessary to effectuate and implement the transactions contemplated herein be and the same hereby is approved, with such changes as such officer shall deem advisable, necessary or appropriate in order to effectuate such transactions, with the concurrence of the President of the University.

III. Adjournment

There being no further business to come before the meeting, it was adjourned at 2:50 p.m.

Respectfully submitted,

Barbara R. Stevens
Vice President and Secretary of the University