MINUTES OF A JOINT MEETING OF THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY AND THE BOARD OF DIRECTORS OF THE MEDICAL COLLEGE OF VIRGINIA HOSPITALS AUTHORITY
June 12, 2000

A joint meeting of the Board of Visitors of Virginia Commonwealth University and the Board of Directors of the Medical College of Virginia Hospitals of Virginia Commonwealth University, with each meeting separately in accordance with applicable provisions of law, was held on Monday, June 12, 2000, at 5:30 p.m. in the Founders' Room located in the Siegel Convocation and Recreational Center at 1002 West Broad Street.

Members of the Board of Visitors present were: Messrs. Flippen (Rector), Axselle, Markel, Plymale and Weinberg; Drs. Long, Perkinson and Smith; and Mesdames Benner and Miles. Dr. Wootton and Messrs. Gresham, Pyon, Rigsby, Smith and Townes were absent. Members of the Board of Directors of the Medical College of Virginia Hospitals Authority present were: Drs. Trani (Chair), Beazley, Holland, Kontos, Perkinson, Smith and White; Messrs. Flippen, Forrest and Weinberg; Senator Lambert, and Delegates Hall and Jones. Absent were Drs. Newton and Wootton; and Mr. Rosenthal. Also present were Drs. Cardea, Clark, Dalton, Macrina, Merrell, Nettleman, Newsome, Retchin, Seeds, Silverman, Tatum, Ward, Wenzel and Wilkinson; Messrs. Fischer, Gehring, Puleo, Ross and Timmreck; and Mesdames Balmer, Jones, Katen-Bahensky, Mozingo, Price and Reed.

Mr. Flippen called the meeting of the Board of Visitors to order and on motion made and seconded, the Board convened into closed session to discuss
certain personnel matters involving the performance and appointment of specific
public officers, including certain personnel actions related to the VCU Health
System Authority, as authorized by Section 2.1-344 a(1) of the Virginia Freedom
of Information Act.

Following closed session, on motion made and seconded, the following
resolution was approved by roll call vote:

Virginia Commonwealth University hereby certifies that, to the best of each
member’s knowledge, (i) only public business matters lawfully exempted from
open meeting requirements by Virginia law were discussed in the closed session
meeting to which this certification resolution applies, and (ii) only such public
business matters as were identified in the motion convening the closed session
meeting were heard, discussed or considered by the Board of Visitors of Virginia
Commonwealth University.

Roll Call Vote

<table>
<thead>
<tr>
<th>Name</th>
<th>Ayes</th>
<th>Nays</th>
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<tbody>
<tr>
<td>Mr. Edward L. Flippen, Rector</td>
<td>X</td>
<td></td>
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<tr>
<td>Mr. Ralph L. “Bill” Axelle, Jr.</td>
<td>arrived after closed session</td>
<td></td>
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<tr>
<td>Ms. Yvonne E. R. Benner</td>
<td>X</td>
<td></td>
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<tr>
<td>Mr. Timothy L. Gresham</td>
<td>Absent</td>
<td></td>
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<tr>
<td>Dr. Stephen P. Long</td>
<td>X</td>
<td></td>
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<tr>
<td>Mr. Steven A. Markel</td>
<td>X</td>
<td></td>
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<tr>
<td>Ms. Angela Miles</td>
<td>X</td>
<td></td>
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<tr>
<td>Dr. W. Baxter Perkinson, Jr.</td>
<td>X</td>
<td></td>
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<tr>
<td>Mr. Monty W. Plymale</td>
<td>X</td>
<td></td>
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<tr>
<td>Mr. Harold Y. Pyon</td>
<td>Absent</td>
<td></td>
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<tr>
<td>Mr. Robert E. Rigsby</td>
<td>Absent</td>
<td></td>
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<tr>
<td>Dr. Lindley T. Smith</td>
<td>X</td>
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<td>Mr. Ted L. Smith</td>
<td>Absent</td>
<td></td>
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<tr>
<td>Mr. Clarence L. Townes, Jr.</td>
<td>Absent</td>
<td></td>
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<tr>
<td>Mr. Jay M. Weinberg</td>
<td>X</td>
<td></td>
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<tr>
<td>Dr. Percy Wootton</td>
<td>Absent</td>
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Vote:

Ayes: 9
Nays: 0

Absent during meeting: 6
Absent during voting: 7
On motion made and seconded, the following Resolution was approved:

WHEREAS, legislation (the "Legislation") reconstituting the Medical College of Virginia Hospitals Authority as the Virginia Commonwealth University Health System Authority (the "Authority") was enacted in the 2000 Session of the General Assembly of Virginia and approved by the Governor and will be effective July 1, 2000; and

WHEREAS, the Legislation provides that the Authority shall be under the immediate supervision and direction of a Chief Executive Officer ("CEO"), subject to the policies and direction established by the Board of Directors (the "Board") of the Authority; and

WHEREAS, the Legislation further provides that the CEO of the Authority shall be the person who holds the title of Vice President for Health Sciences of Virginia Commonwealth University (the "University"), and that the selection of the CEO as well as the conditions of the CEO's appointment, including salary, shall be made jointly by the Board of Directors of the Authority and the Board of Visitors of the University at a joint meeting of such Boards upon a vote of a majority of the members of each Board, present and voting at such joint meeting, acting separately in accordance with applicable provisions of law; and

WHEREAS, Hermes A. Kontos, M.D., is the Vice President for Health Sciences of the University, and both the Board of Visitors of the University and the Board of Directors of the Authority have determined that Dr. Kontos is well qualified to discharge the duties of CEO of the Authority;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

1. Hermes A. Kontos, M.D., Vice President for Health Sciences of the University, is hereby appointed Chief Executive Officer of the Authority effective July 1, 2000.

2. The terms of the employment of the Chief Executive Officer of the Authority shall be consistent in all material respects with the terms presented to the Board in closed session. The employment of Dr. Kontos in accordance with such terms is hereby authorized.

3. The Board of Visitors hereby delegates to the President of the University the authority, prior to any subsequent joint meetings of the Authority and the University, to amend the terms of the employment of the Chief Executive Officer of the Authority so long as, with respect to such amendments:
a. The President has consulted with the Rector of the Board of Visitors and such other members of the Board of Visitors as the President believes appropriate.

b. The compensation of the Chief Executive Officer is not increased by more than 15%.

c. Such amendments are approved by the Chair of the Authority pursuant to the authorization given to such Chair by resolution of the Board of Directors of the Authority adopted on the date of this resolution.

Dr. Trani introduced Tammie Smith, a reporter for the *Richmond Times-Dispatch*. Two newly appointed members of the Board of Directors of the Medical College of Virginia Hospitals Authority, Dr. John Ward and Dr. Randy Dalton, were introduced.

On motion made and seconded, the following Resolution was approved:

**WHEREAS**, the Board of Visitors (the "Board") of Virginia Commonwealth University (the "University") has determined that the establishment of the Virginia Commonwealth University Health System (the "Health System") through the implementation of legislation reconstituting the Medical College of Virginia Hospitals Authority as the Virginia Commonwealth University Health System Authority (the "Authority") and providing for representation of physician faculty members on the Authority Board of Directors will inure to the benefit of the University and the Medical College of Virginia Hospitals, the teaching hospitals of the University's School of Medicine and other Health Sciences Schools, and the respective missions of the University and the Authority; and

**WHEREAS**, the Board has further determined that the integration of MCV Physicians ("MCVP") into the Health System by making the Authority the sole voting member of MCVP will promote coordinated governance and integrated management and budgeting by the Authority and MCVP, and otherwise will inure to the benefit of the University and the Authority and their respective missions; and

**WHEREAS**, legislation reconstituting the Authority as the Virginia Commonwealth University Health System Authority and providing for representation of physician faculty members on the Authority Board of Directors has been enacted by the General Assembly of Virginia and signed by the Governor (the "Legislation"); and
WHEREAS, the Members of MCVP have adopted certain resolutions amending the Articles of Incorporation and Bylaws of MCVP to make the Authority the sole voting member of MCVP, subject to the determination by the Vice President for Health Sciences of the University that appropriate action to create the Health System has been taken by the General Assembly of Virginia and the Governor of Virginia, the Board of Visitors of the University and the Board of Directors of the Authority;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

1. The establishment of the Health System through the implementation of the Legislation is hereby approved.

2. The integration of MCVP into the Health System by making the Authority the sole voting member of MCVP is hereby approved.

3. The President of the University is hereby authorized and directed to take all such action consistent with this Resolution as he may consider necessary or desirable in connection with the establishment of the Health System and the integration of MCVP into the Health System.

4. The President of the University shall cause the Affiliation Agreement between the University and the Authority and related documents to be reviewed to determine whether any such agreements require amendment in light of the establishment of the Health System and the integration of MCVP into the Health System.

An update on the VCU Health System, the MCVH Hospitals Financials and a report on capital construction was presented for information.

The meeting was adjourned at 7:35 p.m.

Edward L. Flippen, Rector

Lindley T. Smith, Secretary