



*Board of Trustees*

*Minutes*

*January 14, 2009*

A special meeting of the University of Florida Board of Trustees was held by conference call and in room 123 Tigert Hall on Wednesday, January 14, 2009.

Chair Dianna Morgan called the meeting to order at 9:30 a.m. A quorum was confirmed.

Trustees Present: Alfonso, Bova, Cunningham, Daniels, McGriff, Merkel, O'Connell, Ponce, Powell, Reilly, Scott, and Warrington. Others Present from UF and Shands: President Bernie Machen, Tim Goldfarb (Shands), James Roberts (Shands), Brian Beach, Jamie Lewis Keith, Brian Mikell, and Janine Sikes.

Press: Thomas Stewart.

Chair Morgan called the meeting to order and asked Vice President and General Counsel Jamie Lewis Keith to explain to the Board the proposed action regarding a new Parent Corporation for the Shands hospitals in Gainesville and Jacksonville.

Ms. Keith began by explaining that the Board is being asked to approve amendments to the Articles of Incorporation of Shands Teaching Hospital and Clinics, Inc. and creation of the new Parent Corporation as the sole "member" of the Teaching Hospital (i.e., the body that has final authority on all major actions of the Teaching Hospital), as described in the "Summary of Shands Restructuring," dated January 14, 2009, the proposed Resolution 09-50, and the organization chart that were previously distributed to the Trustees. Ms. Keith briefly reviewed the Summary and Resolution. Mr. Goldfarb discussed the purpose of the restructuring and creation of the Parent, which will enhance opportunities for the UF and Shands endeavor. The restructuring will provide the necessary flexibility to develop relationships with third party health care providers and others without involving or affecting the Gainesville and Jacksonville teaching hospitals. Mr. Goldfarb reviewed the organization chart, showing the subsidiary relationships of the Gainesville and Jacksonville hospitals and possible other subsidiaries to the Parent. Ms. Keith noted that the University will retain appropriate control of the Parent and subsidiaries, and their service of the University's interests in some manner, directly or indirectly, through the University President who will retain board appointment authority for the Gainesville teaching hospital's board, as well as serving as Chair of the Parent Board. The Chair of the Parent Board will have board appointment and approval authority for the Parent Board and

approval authority for major actions of the subsidiary boards. The Board discussed the proposal and Trustee Ponce noted that he had discussed the proposal with Ms. Keith and Mr. Goldfarb and feels comfortable with it.

Trustee McGriff asked that the Resolution be amended to reference the Jacksonville hospital as a direct subsidiary of the new Parent. Ms. Keith suggested that the Summary, which is a predicate to the Resolution, be amended to add the organization chart showing this direct subsidiary relationship. She explained that the Jacksonville hospital is currently a subsidiary of the Gainesville hospital and appropriate action would have to be taken to amend the Jacksonville hospital's organizational documents. She recommended that the Resolution be amended to reference an expectation that these actions would be taken as follows: "Corresponding changes will be made in the Shands Jacksonville Healthcare, Inc. Articles of Organization and, if needed, Bylaws to reflect that Shands Jacksonville Healthcare, Inc. is also a subsidiary of the Parent Corporation."

Chair Morgan entertained a motion. Trustee McGriff made a motion that the Resolution be approved with the changes to the Summary and the Resolution as stated by Ms. Keith. The motion was seconded by Trustee Ponce. No further discussion was desired and the motion passed unanimously.

Chair Morgan adjourned the meeting at approximately 10:00 a.m.