

**From:** Office of the University Secretary  
**Sent:** Thursday, August 30, 2007 5:54 PM  
**Subject:** A Message from Amy Gutmann

TO: Trustees

FROM: Amy Gutmann

I am extremely pleased to inform you that we have completed the acquisition of the U.S. Postal Service facilities and will collaborate with Brandywine Realty Trust in a comprehensive redevelopment of a portion of the site along 30th Street between Market and Walnut Streets.

We are excited about the possibilities the development of this site offers both for Penn and for the city of Philadelphia. Not only will this project expand Penn's campus to the east but it will also transform a prime section of Philadelphia for the next century.

*Penn Connects* – our campus master plan -- will provide a much needed connection between the campus and Center City, stimulate economic development, improve the urban infrastructure and character of University City and create a vital new center of commerce for the region.

Penn has had its eye on the Postal Lands for two decades and after much hard work and determination, the development of this site will soon become a reality.

The press release below contains the details of the transaction. It will be distributed to local and national media outlets next week.

## **Penn and Brandywine Realty Trust Announce Collaborative Redevelopment of U.S. Postal Service Facilities in Philadelphia, PA**

September 4, 2007

**PHILADELPHIA, PA – The University of Pennsylvania has completed its acquisition of various U.S. Postal Service facilities in the University City sub-market of Philadelphia, PA, and will collaborate with Brandywine Realty Trust (NYSE: BDN) in a comprehensive redevelopment of the properties located on 30th Street between Market and Walnut streets.**

Brandywine has completed the \$28 million purchase from Penn of the main post office building located at 30th and Market streets directly across from the 30th Street train station and one block from Brandywine's existing, award-winning Cira Centre office development. The U.S. General Services Administration has executed a 20-year lease on behalf of the Internal Revenue Service, which will occupy the entire post office building as their Philadelphia headquarters beginning in the third quarter of 2010, encompassing a total of 5,000 workers. Pursuant to this lease, Brandywine will completely redevelop the five-story, 862,000 square foot post office building, while maintaining its designation as a national historic site and preserving its historic lobby and facade. The anticipated total cost of this redevelopment

including the site acquisition and before realization of any historic tax credits is approximately \$265 million with construction commencing by year-end 2007 and scheduled to be completed in mid-2010. The U.S. Postal Service will continue to occupy portions of the building during the redevelopment under three short-term leases for 222,000 square feet through the fourth quarter of 2008.

In a related transaction, Brandywine has executed a 90-year ground lease with Penn for the current U.S. Post Office Truck Terminal Annex facility, a full block structure located on the east side of 30th Street, between Chestnut and Walnut streets, directly across from the Post Office building and one block from 30th Street Station. Brandywine will demolish the Annex, and in a multi-phase plan, develop Cira Centre South, a mixed-use project incorporating a 733,000 square foot, 2,400-space parking facility (at least 1,200 of the spaces to be dedicated to the IRS), 400-500,000 square feet of office space, street level retail, and subject to market conditions, hotel, residential and additional retail components. Penn has agreed to lease approximately 100,000 square feet of the office space for a 20-year term. The estimated cost for the parking structure is expected to be approximately \$110 million, with construction commencing in the first quarter of 2008 and scheduled to be completed by mid-2010. The costs for the office, retail, residential and lodging components have not yet been determined or finalized.

The project team for the main post office redevelopment will include Bohlin, Cywinski & Jackson of Philadelphia as the interior renovation architect, PHY Inc. Consulting Engineers of Philadelphia for interior mechanical engineering and Keating Building Corporation as the construction manager. The postal annex development team will feature Pelli Clarke Pelli as design architect and Cope Linder as executive architect. Sasaki Associates Inc. will serve as landscape architect for the overall site.

Penn has retained 14 acres of current U.S. Post Office parking lots running south of Walnut Street between the Schuylkill Expressway. This fall, Penn will begin to implement "Penn Connects -- A Vision For the Future", its award-winning, campus development plan by Sasaki Associates, that will result in the ultimate redevelopment of this land into a combination of open space, athletic fields and academic, cultural, commercial and residential buildings.

"This marks a milestone for both our institution and the Philadelphia region," said Penn President Amy Gutmann. "Penn has 14 acres of land contiguous with our campus and a plan to expand our academic core with vibrant new uses, while Brandywine will create a first-class commercial corridor that will adapt industrial buildings into new modern uses. The project will stimulate economic development, improve the urban infrastructure and character of University City, bridge the divide between the campus and Center City and create a vital new center of commerce for the region."

"This is a very exciting project that will provide tremendous benefit to the entire southeast region of the Commonwealth," Pennsylvania Governor Edward G. Rendell said. "The development of the former postal lands site into a world class mixed-use project along with green space will enhance the appeal of Philadelphia as a destination for education, entertainment and business. The activity created by this project will stimulate more economic opportunities and growth in the city and region for years to come."

“The City of Philadelphia looks forward to working with Penn and Brandywine Realty Trust on this exciting new development,” Philadelphia Mayor John F. Street said. “The substantial investment by Penn over the years into West Philadelphia and the important work done by Brandywine and the Schuylkill River Development Corporation along the river are indications of the positive impact we can have by focusing our efforts on public-private partnerships. This project creates a wonderful connection between our West Philadelphia neighborhoods, the river and our business district.”

“We are delighted that the combined vision and energy of Penn, the U.S. Postal Service, the U.S. General Services Administration, the Internal Revenue Service and Brandywine has created such an outstanding result for our respective organizations,” stated Jerry Sweeney, President and CEO of Brandywine. “I also want to acknowledge the great efforts by Keating Development Company in helping this vision become a reality, as well as the strong support of our city and state government officials. As a fully-leased redevelopment, the new IRS facility accelerates the continuing renaissance of University City, enhances the value of our existing Circa Centre office project and will act as a catalyst for future activity in the surrounding area, including our proposed mixed-use development. The combined efforts of Penn, the City, the State and many other interested parties reinforce the vitality of University City as a first-class commercial district within the Northeast Corridor.”

A booklet titled “Post Office Redevelopment / Circa Centre South Development” which contains renderings, site plans and other project information can be accessed under the “Presentations” tab in the “Investor Relations” section of our web site at [www.brandywinerealty.com](http://www.brandywinerealty.com) .

### **About the University of Pennsylvania**

The University of Pennsylvania is an Ivy League institution with a distinctive past. Founded in the 18th century by Benjamin Franklin, Penn has a long standing reputation for excellence in graduate and professional education, with a number of its 12 schools ranked at or near the top of their fields. The University is located in West Philadelphia on an attractive urban campus that today serves a diverse, 20,000 member student body from around the nation and the world. For more information, visit [www.upenn.edu](http://www.upenn.edu) .

### **About Brandywine Realty Trust**

Brandywine Realty Trust is one of the largest, publicly-traded, full-service, integrated real estate companies in the United States. Organized as a real estate investment trust (REIT) and operating in selected markets, Brandywine owns, develops and manages a primarily Class-A, suburban and urban office portfolio aggregating approximately 44.3 million square feet including 29.8 million square feet which it currently owns on a consolidated basis. For more information, visit [www.brandywinerealty.com](http://www.brandywinerealty.com) .

## **Forward Looking Statements**

*Certain statements in this release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, achievements or transactions of the Company and its affiliates or industry results to be materially different from any future results, performance, achievements or transactions expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors relate to, among other matters, the Company's ability to lease vacant space and to renew or relet space under expiring leases at expected levels; the potential loss of major tenants; interest rate levels; the availability and terms of debt and equity financing; competition with other real estate companies for tenants and acquisitions; risks of real estate acquisitions, dispositions and developments including cost overruns and construction delays; unanticipated operating costs and the effects of general and local economic and real estate conditions. Additional information or factors which could impact the Company and the forward-looking statements contained herein are included in the Company's filings with the Securities and Exchange Commission. The Company assumes no obligation to update or supplement these or any other forward-looking statements that become untrue because of subsequent events.*

**Media contact:** Tony Sorrentino at 215-898-2295 or  
<mailto:asorrent@pobox.upenn.edu> asorrent@pobox.upenn.edu  
Amy Biemiller at 215-832-7705 or  
<mailto:amy.biemiller@bdnreit.com> amy.biemiller@bdnreit.com

----- End of Forwarded Message