

Deal Terms and UMN Payments to Fairview	Through 12.31.2010
	\$
Transition @ \$6.5M / Yr for 3 Years ("Working Capital")	19,500,000
	\$
Research and Education Transitional Agreement (32 Months)	32,000,000
	\$
Bucket (Education & Research) for years after through 12.31.2010	82,573,000
	\$
Appropriation Offset & Settlement Issues	33,400,000
	\$
Revenue Allocation (UMP)	24,300,000
	\$
Total 14 Year Deal Payments	191,773,000
1997 - 2010 (14 Years)	14
	\$
Annualized UMN Subsidy to Fairview 1997-2010	13,698,071
Plus: Took Over \$13M per Year Costs (Appropriation Offset)	
Plus: Absorbed \$10M per Year Hospital Support for Medical School (Bucket Sunset)	



HISTORICAL OVERVIEW OF PAYMENTS TO FAIRVIEW:

Transitional Payments: \$1,000,000 per month for 32 months
 Appropriation Offset: U retained \$13M O&M hospital appropriation and agreed to remove \$13 M of U controlled costs from hospital operation
 Bucket: Fairview and U would split unfunded costs of education and research 50/50
 Revenue Allocation Agreement: Intended to allocate to FV revenue received by UMP for facilities and services provided by Fairview.

PAYMENTS BY THE UNIVERSITY TO FAIRVIEW (ASSOCIATED WITH A&A)									
Year	Transitional (Working Capital)	Transitional (Research & Education)	Historical Bucket and Appropriation Offset Issues 1997-2002 Negotiation	Appropriation Offset (\$13M) - Prospective Buyout Negotiation	Buyout of Clinic Education Costs - Negotiation	Bucket ***	Revenue Allocation (UMP) Agreement	Totals	
1997	\$ 6,500,000	\$ 12,000,000	\$ 4,600,000	\$ 1,040,000	\$ 940,000	\$ 8,196,000	\$ 2,400,000	\$ 20,900,000	
1998	\$ 6,500,000	\$ 12,000,000	\$ 4,600,000	\$ 1,040,000	\$ 940,000	\$ 7,715,000	\$ 2,100,000	\$ 20,600,000	
1999	\$ 6,500,000	\$ 8,000,000	\$ 4,600,000	\$ 1,040,000	\$ 940,000	\$ 8,917,000	\$ 1,800,000	\$ 16,300,000	
2000			\$ 5,100,000	\$ 1,040,000	\$ 940,000	\$ 7,715,000	\$ 1,800,000	\$ 1,800,000	
2001			\$ 4,600,000	\$ 1,040,000	\$ 940,000	\$ 7,715,000	\$ 1,800,000	\$ 1,800,000	
2002			\$ 4,600,000	\$ 1,040,000	\$ 940,000	\$ 7,715,000	\$ 1,800,000	\$ 17,076,000	
2003			\$ 4,600,000	\$ 1,040,000	\$ 940,000	\$ 7,715,000	\$ 1,800,000	\$ 16,355,000	
2004			\$ 4,600,000	\$ 1,040,000	\$ 940,000	\$ 7,670,000	\$ 1,800,000	\$ 17,297,000	
2005			\$ 4,600,000	\$ 1,040,000	\$ 940,000	\$ 9,215,000	\$ 1,800,000	\$ 16,650,000	
2006			\$ 4,600,000	\$ 1,040,000	\$ 940,000	\$ 10,200,000	\$ 1,800,000	\$ 12,000,000	
2007						\$ 10,200,000	\$ 1,800,000	\$ 12,000,000	
2008						\$ 10,200,000	\$ 1,800,000	\$ 12,000,000	
2009						\$ 10,200,000	\$ 1,200,000	\$ 11,400,000	
2010						\$ 10,200,000	\$ 600,000	\$ 10,800,000	
2011								\$ -	
2012								\$ -	
2013								\$ -	
2014								\$ -	
2015								\$ -	
2016								\$ -	
2017	\$ 19,500,000	\$ 32,000,000	\$ 23,500,000	\$ 5,200,000	\$ 4,700,000	\$ 82,573,000	\$ 24,300,000	\$ 191,773,000	

*** Bucket Swap - Fairview ended its annual funding of ~ \$10M of Medical School / AHC academic initiatives; AHC was allocated of future bucket payments; O&M previously used to make bucket payments was permanently reallocated to AHC (\$1M in lieu of "Dividend") and Medical School (\$9M) to continue funding of the FV academic initiatives.

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PAYMENTS BY FAIRVIEW TO UNIVERSITY (EXCLUDES EXCHANGE TRANSACTIONS)						
Year	Direct AHC Support Payment (3.5% of \$1M)	\$1M Offset to Rent Payments Due University	Dean's Grant	Additional FV Funded Programs Prior to Bucket Swap	Bucket Swap Resources Available to Med School ***	Totals
1997	\$ 1,000,000	\$ (1,000,000)				\$ -
1998	\$ 1,000,000	\$ (1,000,000)				\$ -
1999	\$ 1,000,000	\$ (1,000,000)				\$ -
2000	\$ 1,000,000	\$ (1,000,000)				\$ -
2001	\$ 1,000,000	\$ (1,000,000)	\$ 1,000,000			\$ 1,000,000
2002	\$ 1,000,000	\$ (1,000,000)	\$ 1,000,000			\$ 1,000,000
2003	\$ 1,000,000	\$ (1,000,000)	\$ 1,000,000			\$ 1,000,000
2004	\$ 1,000,000	\$ (1,000,000)	\$ 1,500,000			\$ 1,500,000
2005	\$ 1,000,000	\$ (1,000,000)	\$ 2,000,000	\$ 300,000		\$ 2,300,000
2006	\$ 1,000,000	\$ (1,000,000)	\$ 2,250,000	\$ 700,000		\$ 2,950,000
2007	\$ 1,000,000	\$ (1,000,000)	\$ 2,950,000	\$ 800,000		\$ 3,750,000
2008	\$ 1,000,000	\$ (1,000,000)	\$ 2,950,000	\$ 1,970,000		\$ 5,250,000
2009	\$ 1,000,000	\$ (1,000,000)	\$ 2,950,000	\$ 3,200,000		\$ 6,150,000
2010	\$ 1,000,000	\$ (1,000,000)	\$ 2,950,000	\$ 4,482,000		\$ 6,512,000
2011			\$ 4,500,000			\$ 4,500,000
2012			\$ 4,500,000			\$ 4,500,000
2013			\$ 7,000,000			\$ 7,000,000
2014			\$ 7,000,000			\$ 7,000,000
2015			\$ 6,000,000			\$ 6,000,000
2016			\$ 6,000,000			\$ 6,000,000
2017	\$ 14,000,000	\$ -	\$ 59,250,000	\$ 11,032,000	\$ -	\$ 70,282,000

Bucket Swap

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