

**BENEFITS OF THE KSN TRANSACTION
TO THE UNIVERSITY OF LOUISVILLE**

Issue	Before	After
Teaching Hospital Capacity	428 beds	1,025 beds
Ground Rent Payments	\$6 million annually	\$6 million annually (no loss in rent revenue)
Annual Support to Health Science Schools and Campus	Determined annually based on excess cash of University Hospital. Historically, amounts paid annually have been: 2007-2010: \$11 million; 2006: \$10 million; 2005: \$9,999,996; 2004: \$8 million; and 2003: \$8,168,696	\$11 million annually (increased annually by the lesser of (a) average % increases in KSN employee compensation or (b) annual % increase in CPI) <u>plus 24%</u> of KSN "excess cash"
Additional Commitment to Invest in Teaching Hospital	\$0	\$200 million during first 36 months post-closing
Additional Funding for Research	\$0	\$3 million in annual commitments
Cardiovascular Innovation Institute Building	\$0	Transfer of title to CII building by JHHS to University of Louisville (estimated value: \$15 million)
UMC Interest in Kentuckiana Medical Reciprocal Risk Retention Group ("KMRRRG")	\$0	Estimated \$4 million to \$10 million in withdrawal proceeds paid to University
Capital Infusion into KSN	\$0	\$320 million