MASTER AGREEMENT

FOR THE PURCHASE OF GOODS AND SERVICES

BETWEEN

REGENTS OF THE UNIVERSITY OF MINNESOTA

AND

UNIVERSITY OF MINNESOTA PHYSICIANS
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THIS MASTER AGREEMENT is entered into effective January 1, 2012, by and between the Regents of the University of Minnesota, a Minnesota constitutional corporation ("the University") and University of Minnesota Physicians, a Minnesota non-profit corporation ("UMPhysicians").

WHEREAS, the University is an instrumentality of the State of Minnesota which, through its Academic Health Center ("AHC") and the University of Minnesota Medical School ("Medical School"), fulfills public service missions in medical teaching, research and clinical care; and

WHEREAS, UMPhysicians, the clinical practice organization of the Medical School Faculty ("Faculty") at the University, is organized as a tax-exempt Internal Revenue Code ("IRC") 501(c)(3) charitable organization which is separate from the AHC but serves an integral part of the academic mission of the AHC; and

WHEREAS, UMPhysicians serves as the single faculty practice for the Faculty and exercises significant oversight and control over the private clinical practice of members of the Faculty; and

WHEREAS, pursuant to policies of the Regents of the University and policies and procedures of the Medical School, the University, Senior Vice President for Health Sciences ("SVP") and Dean of the Medical School ("Dean") also exercise oversight over the operation of UMPhysicians; and

WHEREAS, it is in the mutual interest of the parties to simplify and make more efficient the transactions between them relating to the purchase of goods or services, the parties desire to establish a Master Agreement with respect to the purchase of goods and/or services between UMPhysicians and the University,

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements set forth herein, the University and UMPhysicians agree as follows:
ARTICLE 1 - OVERVIEW
This is a Master Agreement for all purchasing and sales activities that are conducted between the University and UMPhysicians. Pursuant to this agreement the parties may purchase goods and services, at a fair and reasonable price, not to exceed $1,000,000 per transaction, without the need for additional review and approval of individual purchases by the University's Purchasing and External Sales Offices or the Regents, under the terms stated in this Master Agreement. All purchases or sales may or shall incorporate or be deemed to incorporate the terms and conditions of this Master Agreement. If the terms of a purchase or sale are in conflict with the terms stated in this Master Agreement, then the terms stated in this Master Agreement shall take precedence. This Master Agreement shall not apply to the lease of real property by one party to the other.

ARTICLE 2 - STANDARDS AND PROCEDURES
The University agrees to comply with all applicable federal, state and/or local laws in effect during the term of this agreement. UMPhysicians agrees to comply with all applicable federal, state and local laws in effect during the term of this agreement. UMPhysicians agrees to comply with any University policy and/or procedure applicable to the provision of goods and/or services. The University agrees to comply with any UMPhysicians' policy and/or procedure applicable to the provision of goods and/or services. To the extent the University or UMPhysicians determines that the other party's policies or procedures are conflicting, the parties shall discuss the issue. If the complaining party is unable to find a satisfactory resolution, the complaining party may elect not to render or receive the affected goods or services. If appropriate, the parties will adjust fees or payments to reflect the reduced level of goods or services. The University and UMPhysicians agree to be responsive to the regulatory needs of each other and, to the extent practicable, shall endeavor to keep policies and procedures applicable to a particular good or service consistent with each other. In the event that either party believes it will not be able to perform its obligations hereunder, said party shall then coordinate a meeting among all affected parties within fifteen (15) days of such notice to resolve the issue.
ARTICLE 3 - CONFIDENTIALITY AND INFORMATION EXCHANGE

Section 1. Legal Compliance. The parties agree to exchange any information, as it pertains to the purchase of a particular good or service, as may be required for compliance with any applicable federal, state, and/or local statutes or regulations. The parties shall exchange required information within a reasonable period after a request for such information is made. The parties shall use their best efforts to provide such information at an earlier time if so requested.

Section 2. Medical and Patient Information. The parties and their agents, consistent with all applicable state and federal laws, shall treat medical information on patients as confidential.

Section 3. Confidential Information. Confidential Information means all information not generally known to the public relating to a party's business including, but not limited to, all present and future business information, trade secrets, intellectual property rights, economic and financial information, commercial information, technical information, business designs, process designs and marketing information of a party or its affiliate(s) or information which could or may injure or competitively disadvantage or damage that party and/or its affiliate(s) if disclosed to or used by, on behalf of, or for the benefit of the other party and/or its affiliate(s) or any other person or entity, including competitors of the party and/or its affiliate(s), actual or possible.

Section 4. Confidentiality of University Information. UMPhysicians' personnel with a need to know shall have access to the University's Confidential Information. At all times during the term of this agreement and thereafter, UMPhysicians shall keep confidential any of the University's Confidential Information which may come into UMPhysicians' possession, and shall not disclose any of the University's Confidential Information to any third party without the University's prior written consent, except as may be required by law. UMPhysicians shall restrict access to the University's Confidential Information consistent with policies and procedures to be established between the parties. These policies and procedures will not preclude UMPhysicians' personnel, with a need to know, from having access to or discussing internally the University's Confidential Information.
Section 5. Confidentiality of UMPhysicians Information. University personnel with a need to know shall have access to UMPhysicians' Confidential Information. At all times during the term of this agreement and thereafter, the University shall keep confidential any of UMPhysicians' Confidential Information which may come into the University's possession, and shall not disclose any of UMPhysicians' Confidential Information to any third party without UMPhysicians' prior written consent, except as may be required by law. The University shall restrict access to UMPhysicians' Confidential Information consistent with policies and procedures to be established between the parties. These policies and procedures will not preclude University personnel, with a need to know, from having access to or discussing internally UMPhysicians' Confidential Information.

ARTICLE 4 - BILLING AND COST OF SERVICES

Section 1. Fees or payments. In exchange for providing goods and/or services, as requested by the University, UMPhysicians shall receive such fees or payments as may be mutually agreed to by the parties in writing. In exchange for providing goods or services, as requested by the UMPhysicians, the University shall receive such fees or payments as may be mutually agreed to by the parties in writing.

Section 2. Billing. UMPhysicians agrees to bill the University for all goods and/or services provided as may be mutually agreed to in writing. In the event that an agreement is silent as to billing cycle, UMPhysicians shall bill on a monthly basis by the fifteenth (15th) day following the last day of the month during which the goods and/or services are provided. The University agrees to bill UMPhysicians for all goods and/or services provided as may be mutually agreed to by the parties in writing. In the event that an agreement is silent as to billing cycle, the University shall bill on a monthly basis by the fifteenth (15th) day following the last day of the month during which the goods and/or services are provided.

Section 3. Payment. It shall be the practice of both parties to make payment for goods and/or services rendered thirty (30) days from receipt of an invoice (net 30 days). Under unusual circumstances, exceptions may be made with the agreement, in writing, of both.
ARTICLE 5 - TERM AND TERMINATION

Section 1. Term. This Master Agreement shall be effective for an initial term of January 1, 2012, through December 31, 2016, and will automatically renew for five additional one (1)-year terms of January 1 to December 31 for a period of ten years, expiring December 31, 2021 unless otherwise terminated as noted in Article 5, Section 2.

Section 2. Termination With or Without Cause. This Master Agreement may be terminated by either party at any time with or without cause upon written notice to the other party of not less than six (6) months in advance of the effective date of termination. This Master Agreement may also be terminated at any time upon mutual agreement, in writing, of the parties.

Section 3. Termination of Purchase or Sales Agreement. A purchase or sale may be terminated as mutually agreed, in writing, by the parties. If the purchase or sale document is silent as to termination, it may be terminated at the end of the initial term upon a minimum of ninety (90) days advance written notice to the other party. In the event a purchase or sale document is renewed after the initial term, it may be terminated at the end of any Contract Year (defined as each January 1 to December 31) upon a minimum of ninety (90) days advance written notice to the other party.

Section 4. Breach. In the event of a material breach of the terms of this Master Agreement, or any Purchase Order, Contract, or other purchasing document, the non-breaching party will provide written notice to the breaching party within thirty (30) days of the discovery of the breach. The parties shall meet to resolve the issue. In the case of any breach that may be cured but that cannot, with diligence, be cured within thirty (30) days of notice, if the breaching party promptly commences to cure the breach and proceed to cure the breach with diligence, the period within which such failure may be cured shall be extended for such further period as shall be necessary, but in no event longer than thirty (30) days, unless a longer time period is agreed to in writing.
ARTICLE 6 - ASSIGNMENT OF RIGHTS AND OBLIGATIONS

Neither party may assign its rights or delegate its obligations under this Master Agreement without the prior written consent of the other.

ARTICLE 7 - AMENDMENT

This Master Agreement, and all service schedules or purchase or sales agreements, may only be changed by a written amendment signed by the parties.

ARTICLE 8 - ACTS BEYOND CONTROL

Neither the University nor UMPhysicians shall be in default under this Master Agreement, a Purchase Order, Contract, or other purchasing document or by reason of any failure in performance if such failure is due to fire, flood, epidemic, quarantine restrictions, or unavailability of transportation, communications or materials beyond the reasonable control of such party other then financial inability to perform.

ARTICLE 9 - GOVERNING LAW

The laws of the state of Minnesota shall govern this Master Agreement.

ARTICLE 10 - EQUAL OPPORTUNITY

UMPhysicians shall comply with all applicable laws governing the assurance of equal opportunity and shall not discriminate in violation of law in the performance of this master Agreement with regard to race, color, religion, national origin, gender, age, marital status, disability, public assistance status, veteran status, or sexual orientation.
ARTICLE 11 - INSURANCE

Unless more specific insurance provisions are attached, the following shall apply. At all times during its performance under this Master Agreement, UMPhysicians shall obtain and keep in force comprehensive general and professional liability insurance, including coverage for bodily or personal injury, property damage, and product liability, with limits of not less than $1,000,000 each claim and $3,000,000 each occurrence. In addition, UMPhysicians shall obtain and keep in force automobile liability insurance in an amount not less than $1,000,000 combined single limit. All such certificates evidencing such insurance shall name the Regents of the University of Minnesota as a primary additional insured. UMPhysicians shall provide such certificates to the University prior to commencement of services or delivery of goods and when requested by the University. UMPhysicians represents that it has worker's compensation insurance to the extent required by law and agrees to furnish proof of such insurance upon request.

ARTICLE 12 - AUDIT AND RETENTION OF BOOKS AND RECORDS

The University shall have the right to inspect and copy such books, records, and documents (in whatever medium they exist) as well as all accounting procedures and practices of UMPhysicians, its agents, and subcontractors to verify UMPhysicians' performance and all expenses submitted pursuant to the terms of this Master Agreement and for a period of three (3) years after the delivery of the goods and/or services. Any items relating to a claim arising out of the performance of this Master Agreement shall be retained by UMPhysicians, its agents and subcontractors, if any, until the claim has been resolved.

ARTICLE 13 - INDEPENDENT CONTRACTOR

It is expressly understood that the University and UMPhysicians are independent contractors and not the agent, partner, or employee of the other. In this regard, UMPhysicians acknowledges and agrees that UMPhysicians and its workers are not employees of the University and are not entitled to tax withholding, workers' compensation, unemployment compensation, or any employee benefits, statutory or otherwise. Neither party shall have the authority to enter into any
contract or agreement to bind the other and shall not represent to anyone that it has such authority.

ARTICLE 14 - TAXES

The University is exempt from paying Minnesota sales and use taxes. Except as provided in Minn. Stat. 297A.25, Subd. 11, UMPhysicians shall not charge the University for such taxes.

ARTICLE 15 - USE OF UNIVERSITY NAME OR LOGO

UMPhysicians agrees not to use the name, logo, or any other marks (including, but not limited to, colors and music) owned by or associated with the University or the name of any representative of the University in any sales promotion work or advertising, or any form of publicity, without the written permission of the University in each instance.

ARTICLE 16 - HOLD HARMLESS

Section 1. Indemnification by UMPhysicians. UMPhysicians shall indemnify, defend and hold harmless the University and any related entity, and each of their Regents, directors, officers, and employees from and against any and all claims, actions, causes of action, demands, liabilities, losses, damages, costs and expenses, including but not limited to, reasonable attorney's fee and interest, which any of them at any time sustain or incur (i) by reason of any negligent act or omission to act of UMPhysicians or its employees arising under this Master Agreement or other purchasing or sales documents or (ii) by reason of the failure of UMPhysicians to perform its obligations under the terms of this Master Agreement or other purchasing or sales documents.

Section 2. Indemnification by the University. The University shall indemnify, defend and hold harmless UMPhysicians and any related entity, and each of their directors, officers, and employees from and against any and all claims, actions, causes of action, demands, liabilities, losses, damages, costs and expenses, including but not limited to, reasonable attorney's fee and interest, which any of them at any time sustain or incur (i) by reason of any negligent act or
omission to act of the University or its employees arising under this Master Agreement other purchasing or sales documents or (ii) by reason of the failure of the University to perform its obligations under the terms of this Master Agreement or other purchasing or sales documents.

ARTICLE 17 - RESERVATION OF RIGHTS

Nothing in this Master Agreement shall modify, limit or restrict the ability of either party to enter into contracts with other entities. Toward continued support of the academic mission of the AHC, the University will allow for preferential consideration to the purchase of goods and/or services from UMPhysicians.

ARTICLE 18 - NOTICES

All notices required or permitted to be given by this Master Agreement shall be in writing and shall be given by first class mail to the University and UMPhysicians.

If to the University, the notice shall be made to: University Controller
At this address: Suite 266 WBOB
                  1300 South Second Street
                  Minneapolis, MN 55454

If to UMPhysicians, the notice shall be made to: Contract Administrator
At this address: Mayo Mail Code 126
                  420 Delaware Street SE
                  Minneapolis, MN 55455

ARTICLE 19 - SEVERABILITY

If any provision of this Master Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
ARTICLE 20 - WAIVER

No consent to or waiver (whether expressed or implied) by any party to any breach or default by the other party in performance of its obligations under this Master Agreement or other purchasing or sales documents shall be deemed or construed to be consent to or waiver of any other breach or default in performance by such other party of the same or any other obligations of such party hereunder. The failure to act by one party or to declare another party in default, irrespective of how long such failure continues, shall not constitute a waiver of such party's rights hereunder.

ARTICLE 21 - NO THIRD-PARTY BENEFICIARIES

Nothing in this Master Agreement is intended to create or creates any enforceable legal rights for third-party beneficiaries or individuals or entities other than the University and UMPhysicians.

ARTICLE 22 - ENTIRE MASTER AGREEMENT

This Master Agreement and any documents which by reference become a part hereof contain the entire agreement between the parties with respect to the matters herein referenced and supersede all other prior agreements and understandings, written and oral, between the parties with respect to such matters.

ARTICLE 23 - UNIVERSITY EXTERNAL SALES POLICY AND PROCEDURES

Transaction review and approval pursuant to the University's policies and procedures on External Sales shall not apply to the following types of transactions or activities: UMPhysicians' reimbursement to the University for common paymaster processing; UMPhysicians' reimbursement to the University for clinical expenditures on behalf of UMPhysicians; UMPhysicians' academic transfers to the University in support of research and education; taxes paid by UMPhysicians to the University; UMPhysicians' lease of University employees and
payments for related administrative services; UMPhysicians’ lease of University space and payments for related building and infrastructure services; UMPhysicians’ use, lease or occasional purchase of University equipment. Any other sales by the University under this agreement shall be conducted in conformity with and pursuant to the University’s policies and procedures on External Sales, as the same may be amended from time to time, and are hereby incorporated into this Agreement by reference.

IN WITNESS THEREOF, the University and UMPhysicians have duly executed this Master Agreement to be effective as of the 1st day of January, 2012.

REGENTS OF THE UNIVERSITY OF MINNESOTA

By: ____________________________
   RICHARD H. PFUTZENREUTER III
   Its ____________________________
   TREASURER

UNIVERSITY OF MINNESOTA PHYSICIANS

By: ____________________________
   Brent Williams
   Its ____________________________
   CFO