

JOINT USE AGREEMENT

This Agreement is entered into this 31st day of August, 2010 by and between Case Western Reserve University ("CASE"), an institution of higher learning established under the laws of the State of Ohio and having a principal place of business at 10900 Euclid Avenue, Cleveland, OH 44106 and University Hospitals Health System, Inc. ("UHHS"), a not-for-profit corporation established under the laws of the State of Ohio and having a principal place of business at 11100 Euclid Avenue, Cleveland, OH 44106.

Background

In 2009, the Ohio Department of Development issued a Request for Proposals ("RFP") for grants to be awarded from the Wright Capital Fund ("WCF"). Philips Healthcare, UHHS, and CASE submitted a proposal in response to the RFP (the "Proposal") and received notice of a \$5,000,000 award in June 2010.

CASE is a "state assisted institution of higher education" for the purposes of the RFP and was identified as a collaborating state assisted institution of higher education in the Proposal.

CASE is an institution of higher education that receives state subsidy for its medical students per Section 371.40.10 of House Bill 1, passed by the 128th General Assembly. Therefore, CASE qualifies as a "state-assisted institution of higher education" per Ohio Administrative Rule 3333-1-05.

In the Proposal, Philips Healthcare, UHHS, and CASE sought grant funds to support certain research and development of medical imaging technologies. As part of this grant, funds will be used to purchase equipment that will be located in a new cancer hospital constructed by UHHS located at the main campus at 11100 Euclid Avenue, Cleveland, Ohio 44106. The RFP specifies that in such case, UHHS must enter into a Joint Use Agreement with a collaborating state assisted institution of higher education, and such Joint Use Agreement must contain the elements set forth in Ohio Administrative Code § 3333-1-03(E). The parties acknowledge that the new cancer hospital may be owned and operated as part of University Hospitals of Cleveland or by a new 501(c)(3) corporation and that upon such determination UHHS shall provide written notice to CASE and an Acceptance of Assignment by such entity and this Agreement shall be automatically assigned from UHHS to such entity and all obligations of UHHS transferred to such entity. The parties further acknowledge that:

IN CONSIDERATION of the foregoing, the parties agree as follows:

1. The term of this agreement is twenty (20) years commencing on the date the grant funds are released.
2. CASE, a state assisted institution of higher learning selected by the Ohio Department of Development, will be granted the right to use of and reasonable access to the equipment. The equipment purchased from the grant funds is set forth in Exhibit A. CASE has concluded that the value of use of UHHS equipment and facilities as provided in this agreement is reasonably related to the amount of the grant funds. Transfer of ownership of equipment to UHHS or any affiliate of UHHS shall not affect UHHS's obligations under this Agreement and shall not result in termination of CASE's right to use of and reasonable access to the equipment. Should UHHS for any reason, terminate CASE's right to use the equipment, prior to the end of the term specified in section one, UHHS will reimburse the State of Ohio an amount calculated by dividing the grant funds contributed by the state by twenty and multiplying that sum by 20 minus the number of full years the equipment is utilized by CASE.

3. During each year of the term, CASE shall be entitled to the following from UHHS:
 - a) Opportunities for up to three (3) graduate level students to use the equipment for research activities;
 - b) Qualified and experienced Department of Radiology staff members for the purpose of speaking to students and faculty at state-supported or state-assisted institutions in Ohio on an as-needed basis;
 - c) Qualified and experienced Department of Radiology staff members for the purpose of providing up to four (4) students from state-supported or state-assisted institutions in Ohio the opportunity to obtain the knowledge and understanding of the clinical application and operation of the equipment;
 - d) Qualified and experienced Department of Radiology staff members for the purpose of providing up to four (4) students from state-supported or state-assisted institutions in Ohio the opportunity to participate in on-going research that utilize the equipment;
 - e) Qualified and experienced Department of Radiology staff members for the purpose of providing up to four (4) students from state-supported or state-assisted institutions in Ohio the opportunity to successfully complete the grant writing process with the goal of being named (co-) investigator in an original research activity utilizing the equipment.

3. UHHS agrees to comply with all federal, state, and local laws, and state administrative regulations and shall use, to the extent possible consistent with the Proposal, competitive bidding procedures equivalent to those enumerated in relevant provisions of Chapter 153 Ohio Revised Code involving publishing advertisements to seek bids, receiving sealed bids, and awarding contracts to the lowest responsive and responsible bidders, pertinent to the acquisition and installation of the equipment to be purchased and installed with state funds (see Exhibit A). UHHS also agrees to sufficiently insure the equipment.

4. UHHS agrees that all State of Ohio grant funds shall be used only for capital improvements as defined in the bill appropriating such funds.

5. UHHS agrees to hold CASE harmless from all liability associated with the acquisition, assembly, installation, operation and maintenance by UHHS of the equipment to be purchased with grant funds.

6. Amendments to this Agreement require approval of the Ohio Department of Development and the Chancellor of the Ohio Board of Regents.

7. Case is entitled to receive an amount equal to one and one-half percent of the grant funds for actual administrative costs, but agrees these funds will be used for the purchase of equipment as detailed in Exhibit A.

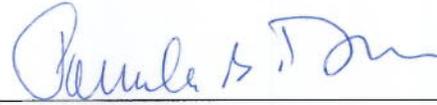
8. The "Joint Use Agreement Worksheet" is attached for illustrative purposes as Exhibit B.

University Hospitals Health System, Inc



Name: Fred C. Rothstein, M.D.
Title: President, UHCMC

Case Western Reserve University



Pamela B. Davis, M.D., Ph.D.
Dean School of Medicine
Vice President for Medical Affairs



John F. Sideras
Senior Vice President & Chief Financial Officer

APPROVED:

By: _____
Ohio Board of Regents

August 2010

Exhibit A

Equipment: Gemini TF PET/MR System

Exhibit B**Joint Use Agreement Worksheet****The Ohio Board of Regents****August, 2010**

Direction: The purpose of this worksheet is to enable a campus to demonstrate how the value of the uses that will be derived from a Joint Use Agreement is reasonably related to the value of the state capital appropriation made to the partner entity. Section I is to be filled out by the staff of the Board of Regents. Sections II and III are to be filled out by the partner campus.

Example: A campus wishes to enter into a Joint Use Agreement with a 501(c)(3) entity for a state appropriation of \$5,000,000. The annual debt service paid by the state on this appropriation is about \$390,000 per year, for 20 years. To demonstrate that the value of the uses of the facility is reasonably related to the state appropriation, the sum of the campus' educational uses of the facility should roughly equal \$390,000 per year for 20 years.

Section I: State appropriation information.

1. Amount of state appropriation provided: \$5,000,000
2. Estimated annual debt service on the appropriation: \$387,000
3. Term of the state bond, in years: 20 years

Section II: Estimated value of use of the facility.

Uses(s) of the facility*	Annual value of use	# of years
a. Research Opportunities PET/MRI	<u>\$ 80,000</u>	<u>20</u>
b. Research Opportunities PET Only	<u>\$ 50,000</u>	<u>20</u>
c. Research Opportunities MRI Only	<u>\$ 75,000</u>	<u>20</u>
d. General Speaking Opportunities	<u>\$ 35,000</u>	<u>20</u>
e. Instructional Opportunities	<u>\$ 72,000</u>	<u>20</u>
f. Participation in Clinical Research	<u>\$ 50,000</u>	<u>20</u>
g. Grant Writing Assistance	<u>\$ 25,000</u>	<u>20</u>

(* List additional uses on separate page as needed.)

Section III:

On a separate page, explain how each use listed in Section II was valued for this analysis.

Joint Use Agreement Worksheet

Section III

The cost of the equipment being purchased with the funds delivered through this agreement is \$5,000,000 for the Gemini TF PET/MRI Imaging System to purchase now and install in University Hospitals Radiology located in new Cancer Hospital.

For the purposes of this analysis, items A, B, and C, (research opportunities for the PET/MRI combined unit, PET unit alone, and MRI unit alone) were valued considering that qualified and experienced University Hospitals Department of Radiology and Radiation Oncology staff would provide two to three (3) Graduate level students the opportunity to participate in research activities each academic year.

Item D (general speaking opportunities) was valued considering that University Hospitals Department of Radiology staff would make available qualified and experienced staff members for the purpose of speaking to students and faculty at state-supported or state-assisted institutions in Ohio on an as needed basis each academic year.

Item E (instructional opportunities) was valued considering that University Hospitals Department of Radiology staff would make available qualified and experienced staff members for the purpose of providing up to four (4) students per academic year from state-supported or state-assisted institutions in Ohio with the instructional and educational opportunities to obtain the knowledge and understanding of the clinical application and operation of the Gemini TF PET/MRI system.

Item F (participation in clinical research) was valued considering that University Hospitals Department of Radiation staff would make available qualified and experienced staff members for the purpose of providing up to four (4) students per academic year from state-supported or state-assisted institutions in Ohio with the opportunity to participate in on-going clinical research that utilize the Gemini TF PET/MRI system.

Item G (grant writing assistance) was valued considering that University Hospitals Department of Radiology staff would make available qualified and experienced staff members for the purpose of providing up to four (4) students per academic year from state-supported or state-assisted institutions in Ohio with the opportunity to successfully complete the grant writing process with the goal of being names (co-) investigator in an original research activity utilizing the Gemini TF PET/MRI system.