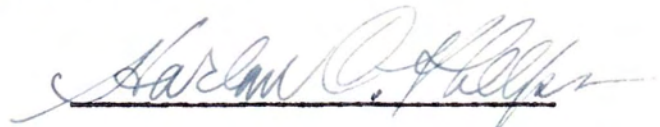


In return for one dollar (\$1.00), the receipt of which is hereby acknowledged, and other valuable consideration, I, Harlan C. Phelps do hereby sell and convey to Robert Richard Renner the following:

- (a) All my rights and interests in the Ford Pharmicaal Company or what was formerly the Ford Pharmicaal Company including any and all rights to patents, copyrighted titles, or material assets now held by me for and in the name of the Ford Pharmicaal Company.
- (b) All my rights and interests in the Schaefer-Phelps Company or what was formerly the Schaefer-Phelps Co. including any and all rights to patents, copyrighted titles, or material assets now held by me for and in the name of the Schaefer- Phelps Company.

To this agreement and contract, I do hereby set my signature this 29th day of November, A.D. 1948.


Harlan C. Phelps

Witnesseth:

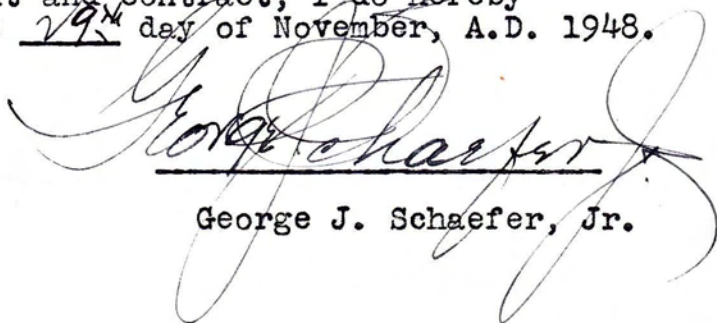
Miss Harlan C. Phelps

Dr. R. R. Renner

In return for one dollar (\$1.00), the receipt of which is hereby acknowledged, and other valuable consideration, I, George J. Schaefer Jr. do hereby sell and convey to Robert Richard Renner the following:

- (a) All my rights and interests in the Ford Pharmaceutical Company or what was formerly the Ford Pharmaceutical Company including any and all rights to patents, copyrighted titles, or material assets now held by me for and in the name of the Ford Pharmaceutical Company.
- (b) All my rights and interests in the Schaefer-Phelps Company or what was formerly the Schaefer-Phelps Company including any and all rights to patents, copyrighted titles, or material assets now held by me for and in the name of the Schaefer-Phelps Company.

To this agreement and contract, I do hereby set my signature this 29th day of November, A.D. 1948.


George J. Schaefer, Jr.

Witnesseth:

Mr. George J. Schaefer, Jr.
Dr. R. R. Renner

Dr. J. L. Bilton

	<u>Billed</u>	<u>Collected</u>
1947		
December	\$ 2075.00	\$ 1755.50
1948		
January	1933.00	1941.64
February	1973.00	1036.00
March	796.25	725.75
April	3114.50	1481.41
May	2251.25	1074.25
June	2329.00	1650.00
July	2669.25	1708.25
August	3220.00	2559.00
September	1860.50	2252.50
October	1806.00	1340.06
November	2600.06	2099.00
December	2990.25	2148.00
1949		
January	2347.00	2604.00
February	3115.70	2333.28
	\$ 35080.76	\$ 26708.64

Account balances	12/1/47	\$5760.00
" "	2/28/49	\$12717.20

	<u>Salary</u>	<u>Car Allow.</u>	<u>Research</u>	<u>Total</u>
1947	\$ 833.33	-	-	
1948	11074.88	2500.00	1000.00	
1949	1833.32	400.00		
	\$ 13741.53	\$ 2900.00	\$ 1000.00	\$ 17641.53

Clinic Expenses - Fiscal year (12/1/47-12/30/48)

Surgical expenses	\$ 3349.94	(not incl. Salaries, Car Allow, & research)
Administrative Expenses	19585.42	
X-Ray	1493.01	
Pharmacy	5800.11	
Maintenance-		
12900 Bldg.	4090.21	
Depreciation		
12900	\$ 320.00	
X-ray	1674.78	
Fixtures	4438.00	
Cedar Rd. Bldg.	2683.50	
	9116.28	
	\$ 41392.85	

Expenses for Dec. 1948 & Jan. & Feb. 1949 would average one fourth of total for Fiscal Year.

1491M-February 1949

Exhibit D -



U. S. TREASURY DEPARTMENT
WASHINGTON 25

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TO

IT:P:ER

RBB

JUN 17 1949

Doctor's Clinic Foundation
12900 Euclid Avenue
Cleveland Heights, Ohio

Gentlemen:

It is the opinion of this office, based upon the evidence presented, that you are exempt from Federal income tax under the provisions of section 101(6) of the Internal Revenue Code and corresponding provisions of prior revenue acts, as it is shown that you are organized and operated exclusively for charitable purposes.

Accordingly, you will not be required to file income tax returns unless you change the character of your organization, the purposes for which you were organized, or your method of operation. Any such changes should be reported immediately to the collector of internal revenue for your district in order that their effect upon your exempt status may be determined.

Furthermore, under substantially identical authority contained in sections 1426 and 1607 of the Code and/or corresponding provisions of the Social Security Act, the employment taxes imposed by such statutes are not applicable to remuneration for services performed in your employ so long as you meet the conditions prescribed above for retention of an exempt status for income tax purposes.

You will be required, however, to file annually, beginning with your current accounting period, an information return on Form 990 with the collector of internal revenue for your district so long as this exemption remains in effect. This form may be obtained from the collector and is required to be filed on or before the 15th day of the fifth month following the close of your annual accounting period.

- 2 -

Doctor's Clinic Foundation

Contributions made to you are deductible by the donors in arriving at their taxable net income in the manner and to the extent provided by section 23(o) and (q) of the Internal Revenue Code, as amended, and corresponding provisions of prior revenue acts.

Bequests, legacies, devises or transfers, to or for your use are deductible in arriving at the value of the net estate of a decedent for estate tax purposes in the manner and to the extent provided by sections 812(d) and 861(a)(3) of the Code and/or corresponding provisions of prior revenue acts. Gifts of property to you are deductible in computing net gifts for gift tax purposes in the manner and to the extent provided in section 1004(a)(2)(B) and 1004(b)(2) and (3) of the Code and/or corresponding provisions of prior revenue acts.

The collector of internal revenue for your district is being advised of this action.

By direction of the Commissioner.

Very truly yours,

E. J. McCarney
Deputy Commissioner.

SNYDER, SEAGRAVE, ROUDEBUSH & ADRION

ATTORNEYS AT LAW

NINTH FLOOR WILLIAMSON BUILDING

CLEVELAND, OHIO

November 4, 1949

ALONZO M. SNYDER, Dec'd
WALTER H. SEAGRAVE
GEORGE M. ROUDEBUSH
CARL R. ADRION
MARK L. MCCAIVE

MYRON W. ULRICH
JAMES J. MURLEY
FREDERICK A. HENRY, COUNSEL
MARK L. THOMSEN, Dec'd

Dr. R. Richard Renner
12900 Euclid Ave.
Cleveland, Ohio

Dear Dr. Renner:

As I advised you over the telephone yesterday morning I had a long conference with Ed Lurie with regard to the possibility of settling your controversy with McCann. Lurie will make no offer. He states very positively that the matter cannot be settled on any such basis as we have previously talked with McCann. However, he is willing to submit any offer we desire to make to McCann. He wanted to settle the contract matter alone. I told him in my opinion there was no use of your settling with McCann unless you settle with him not only on his claimed management contract but also on the stock matter.

He is perfectly willing to try the case and fully expects to knock out the mortgage which you put on that property. All of this conference spells to me one of two propositions: We either set ourselves to defend litigation under McCann's contract and the subsequent litigation to follow on his stock, which will be quite extended, and thereafter take the results which the court or jury may give, or, second, we settle the entire McCann controversy.

I told Lurie I was in no position to make a lump sum offer to settle, but that I would make a full report to you and that if you authorized me to make an offer of settlement in a lump sum I would do so. He tells me that there is no question but that Clifford Bruce signed the contract with McCann and furthermore he is prepared to prove that Clifford Bruce actually drew the contract on his own typewriter. He further states that since Clifford Bruce was an officer of the company in which your family owned the stock there can be no question but that it was a duly authorized contract. Following this was the fact that McCann operated under the contract for a number of years and that you permitted him to take out approximately \$7,500.00 a year. It is inconceivable to Lurie that a court or jury will do other than stick the company on this contract for a substantial amount.

If you feel I should make in your behalf a lump sum offer to settle all of the McCann controversy, please advise.

Very truly yours

George M. Roubush

GMR:MF

ALONZO M. SNYDER, Dec'd
WALTER H. SEAGRAVE
GEORGE M. ROUDEBUSH
CARL R. ADRION
MARK L. MCCAIVE

MYRON W. ULRICH
JAMES J. MURLEY
FREDERICK A. HENRY, COUNSEL
MARK L. THOMSEN, Dec'd

SNYDER, SEAGRAVE, ROUDEBUSH & ADRION
ATTORNEYS AT LAW
NINTH FLOOR WILLIAMSON BUILDING
CLEVELAND, OHIO

December 20, 1949

Dr. R. Richard Renner
12900 Euclid Ave.
Cleveland, Ohio

Dear Dr. Renner:

I just returned from the Court House where the demurrer filed on McCann's petition was before Judge Artl. It involved a considerable discussion and the Judge very strongly urged that we all get together and see if we could not settle the litigation. I told him we had been trying to make such an effort but without any results to this point.

It is apparent that they will shortly get the pleadings in shape and we will be confronted with trying this case early next year unless it is settled.

Ed Lurie also expects to file a suit to attack the mortgage on the Shaker Blvd. property.

Thought I would just pass this along for what it is worth.

Very truly yours
Snyder, Seagrave, Roudebush & Adrion

By

Leo M. Roudebush

GMR:MF

R. RICHARD RENNER, M. D.
GENERAL SURGERY
12900 EUCLID AVENUE
CLEVELAND, O.

Sept 19 1950.

Meeting of Members of Cleveland Memorial
Medical Foundation this day meeting
at 1259 Oakridge, Cleveland Ohio.

Four new members to replace members
who have resigned and refused further
cooperation, the names of

Robert R. Renner of Cleveland
John W. Renner of Cleveland
Ruth A. Renner of Cleveland
Milton Sealand of St ^{Ignace} ^{Blod,} Detroit,
D.C. Mason of Cleveland

have been placed in nomination. There
being no other nominations the above were
declared unanimously elected.

For Trustees of St Ignace Hospital the
names of Milton Sealand, R.A. Long, Mr J.F.
Traier, Mr Earnest White were declared
duly nominated and elected.

Signed
Dr. P. Richard Renner Pres.
Jennie S. Renner, Sec

R. RICHARD RENNER, M. D.
GENERAL SURGERY
12900 EUCLID AVENUE
CLEVELAND, O.

Sept 19 1950.

Meeting of Members of Doctors Clinic Foundation
on Sept 19 1950 at 1259 Oakridge, Cleveland, O.

For replacement of members Meek
Woodworth, Bilton and Dr. G. Renner who have
resigned, there is placed in nomination

The names of

1. Jennie S. Renner, Cleveland, O.
2. Robert R. Renner, Cleveland, O.
3. John W. Renner, Cleveland, O.
4. Ruth A. Renner, Cleveland, O.

and to increase the board of members to
seven men there ~~has~~^{been} placed in nomination
the names of
Milton Alexander, Griggs Blvd, Detroit
and O.C. Mason, S. Morland Blvd, Cleveland.

There being no other nominations these
above named persons were declared
unanimously elected.

Signed Dr. R. Richard Renner M.D.
Pres.

Whereas the Cleveland Memorial Medical Foundation was founded by ~~Mr~~ Dr P. Richard Renner in company with many members of the Disciples of Christ and with the guidance of many ministers of that church group, therefore be it moved that the board of members of the Cleveland Memorial Medical Foundation shall consist of at least four ministers of that church and five ~~board~~ prominent laymen of that church whose duty it will be to attempt at all times to keep the Doctors Clinic Foundation and related or subsequently related institutions under Christian control.

Names of ministers placed in nomination for membership at this time are

1. Rev. R. L. Gubner, Lakewood Christian Church
2. Rev. H. K. Dickinson, Franklin Circle Christian Church
3. Rev. J. C. Snawles, Highland Christian Church
4. Rev. Larry Mairnes, Exec. Sec. Cleveland Disciples Union

Also placed in nomination for members at this time are the following

1. Earnest P. Wiles 2576 Kemper Cleveland, O
2. Tom Henderson, Wilson Mills Road, RFD #2 Chardon, O
3. Mark McCave. 3264 Berea Rd Cleveland, O
4. Guy A. Highbee 429 E 148 St. Cleveland O

Normand Pagan
Pres. Paul Frels.
Buell.
Miller

1900 Euclid. attorney
Hiram, O

Treas. Hiram College.
Business mgr. Hiram College

A. L. Trout - Detroit Mich.
Milt Sulerud "

November 15, 1949

The Nerren Company

The expenses to date	\$ 769.76
Salaries to date	1118.70
Cash on hand (\$600 savings)	<u>1491.64</u>
	\$3380.10

Cash sales to date	\$78.35 (Tax inc.)
Refunds	<u>1.75</u>
	\$80.10
	minus <u>\$3380.10</u>
	80.10
Original capital	\$3300.00

Sales record

Cash sales	\$79.36	(Tax excluded)
Accounts receivable	45.17	
Out on consignment	20.42	(Griests-Wheeling)
	<u>10.21</u>	(Stonebrakers)
Total	\$155.16	

Advertising suggestions:

\$300.00 maximum

1. Change name--Pain-A-Way
2. Point-of-sale advertising
3. Little folder or brochure
4. Labels for shipping carton
5. New name search (\$25.00)
6. New label-new design

Money in labels

2 oz.	\$41.50	\$74.68
1 lb.	<u>22.10</u>	25.00
	63.60	<u>30.00</u> (Labels for ship. cartons)
Die chg.	<u>11.08</u>	
	\$74.68	\$129.68
		<u>63.60</u> new labels
		\$193.28

Trustees.

R. RICHARD RENNER, M. D.

12900 EUCLID AVENUE
CLEVELAND, OHIO

- ① Ray.
- ② Earnest Wiles.
- ③ Joe Frazer. 3837 Woodridge.
- ④ A. L. Trout
- ⑤ Milton Sealand

cc Morrison. 72 Mansland.
 Milton Sealand, 4499 Blvd.
 Robert A. Renner
 R. W. Renner

fluid
Contents—2 Oz.

CONTAINS

Chloral Hydrate 1.270
Methyl Salicylate, Camphor
Gum, Menthol Crystals,
Chloral Hydrate, ~~Tragacanth.~~

~~Will not stain when rubbed in.~~

CAUTION: KEEP AWAY
FROM CHILDREN & ANIMALS

METHYLGESIC
Non-greasy Liniment

NERREN

THE NERREN CO.
Cleveland, O.

2680 N. MORELAND

DIRECTIONS

Rub on *externally* as desired.

Relieves pain and discomfort of
Rheumatism, Arthritis, Neuritis,
Myositis, painful muscles or joints.

Rub on back and chest for ~~conges-~~
~~tion due to~~ ^{MINOR} colds.

CERTIFIED COPY OF RESOLUTION OF
DOCTORS CLINIC FOUNDATION

I hereby certify that I am the secretary of Doctors Clinic Foundation, a non-profit corporation organized under the laws of the State of Ohio, and that at a meeting of the Board of Trustees of said Foundation duly held on _____, at which time a quorum was present and voting throughout the meeting, the following resolution was duly adopted:

RESOLVED, that the President, R. R. Renner, be and he hereby is authorized to execute on behalf of the Foundation a consent fixing the period of limitations upon the assessment of income and profit tax, if any, for the fiscal year ended November 30, 1950 as June 30, 1955, but the execution of said consent shall not be construed as implying or admitting that the Foundation is a taxpayer rather than an exempt non-profit corporation.

I further certify that said resolution has not been rescinded or modified and is still in full force and effect.

Executed at Cleveland, Ohio, this ____ day of _____ 195

THIS AGREEMENT made at Cleveland, Ohio, this _____ day of _____ 195____, by and between DOCTORS CLINIC FOUNDATION, INC., an Ohio corporation not for profit, hereinafter called Doctors Clinic, and _____, a physician, hereinafter called Dr. _____.

In consideration of the mutual promises hereinafter set forth and other valuable considerations, the parties do agree as follows.

1. Doctors Clinic hereby employs Dr. _____ for full time service as a member of the medical staff of Doctors Clinic beginning _____, for the sum of \$_____ per year, payable in semi-monthly installments.

2. In addition to the compensation above provided for, Doctors Clinic agrees that it will perform the following acts.

- a) Pay all necessary professional expenses of all kinds incurred by Dr. _____ in the performance of his professional and scientific duties for the Clinic.
- b) Pay all expenses of all medical or scientific research authorized by Doctors Clinic.
- c) Pay all expenses of medical and scientific publications written and published by all members of the medical staff of the Clinic.
- d) Pay all necessary traveling expenses for conventions, medical meetings, research or scientific meetings, or other authorized speaking engagements.
- e) Pay any additional compensation for outstanding contributions to the welfare of the Clinic such as unusual scientific work or extra professional services, as shall be determined by Doctors Clinic.
- f) At the sole option and discretion of Doctors Clinic, to pay any financial bonuses for extra professional zeal or skill, as the occasion may arise.
- g) To pay all professional liability insurance premiums required by the work of Dr. _____.
- h) Allow one month's paid vacation after each year's service under this agreement, to be taken by Dr. _____ as scheduled by Doctors Clinic.

3. Dr. _____ agrees that he will perform the following acts.

- a) He will devote his entire time and professional skill to Doctors Clinic.

- b) He will make every attempt to furnish the best possible medical service to patients to whom he will be responsible.
- c) He will make an honest attempt to keep up with all new medical development; to do research, writing and teaching in order to promote the scientific and professional standing of the entire professional group of Doctors Clinic.
- d) He will conduct his social and professional life in such a way as to not discredit the medical staff of Doctors Clinic or the medical profession.

4. The parties further agree that all equipment, properties, records, charts, moneys and accounts receivable which shall accrue to Doctors Clinic through the efforts of Dr. _____ while in the employ of Doctors Clinic shall be the property of Doctors Clinic, and that Dr. _____ shall at no time acquire any right or interest in or to the balances owed to Doctors Clinic by patients who are under Dr. _____ care.

5. This agreement shall be in force from and after the date provided for herein until it is terminated by either party giving 30 days written notice to the other of his intention to terminate on the date so specified. Upon payment of salary due to the date of termination, the obligation of both parties under this agreement shall terminate, save and except that obligation provided for in Paragraph 6 of this agreement.

6. Dr. _____ agrees as a part of this, his Contract of Employment, that he will not practice medicine in Cuyahoga County, Ohio, for three (3) years after the termination of this agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date first hereinabove written.

DOCTORS CLINIC FOUNDATION, INC.

By _____

By _____

WM. H. GILLIE
506 WILLIAMSON BUILDING
CLEVELAND 14, OHIO

Re - Clinic vs Shavelyn



Dr. Richard R. Renner
12900 Euclid Ave.
East Cleveland, Ohio

WILLIAM H. GILLIE
ATTORNEY AT LAW
506 WILLIAMSON BUILDING
CLEVELAND 14, OHIO
MAIN 7027

February 13, 1951

Dr. Richard R. Renner
12900 Euclid Ave.
East Cleveland, Ohio

Dear Doctor:

Reflecting on your outline of the activities of the Clinic, and confirming what I said Sunday evening without any opportunity to review your constitution rules and regulations, it would seem that you and the other doctors were seeking a means of separating your interests without declaring dividends out of cash on hand.

Apparently someone suggested to you the subterfuge of an investment in real estate, which was subsequently divided equally or equitably and agreeably among yourselves. It would appear to me that this liquidated the interests of all of your associates, whether in conformity to your regulations or not. You, being a party to the agreement, would seem to be precluded from instituting a suit for reimbursement. Charlie Silver is a trustee rather by courtesy than by investment, and it is reasonable to assume that Mrs. Renner is a trustee merely by virtue of your financial interest in the organization.

Under the circumstances, I would say that none of you has a right to bring suit for replacement of the fund, and as I see it, you are the owner of a clinic with the privilege of reorganizing your unit under the same corporate name in any manner you wish.

You suggest that the corporation might bring suit. Who is the corporation? Originally, it was the five interested doctors; now it would appear to be you, yourself, and for you to bring suit in the name of the corporation would be very like buying an automobile and being displeased with it after you have it, and then seeking to recover your cash.

The regulations of your corporation should also determine whether or not there is any possibility of eliminating certain undesirable members. Organizations not for profit may adopt laws, rules and regulations which permit expulsion of members under certain circumstances. Regardless of laws and regulations, you could expel a member for fraud under the laws of the State of Ohio, but I take it you have no such justification. For violation of the purpose of your corporation, the State of Ohio might

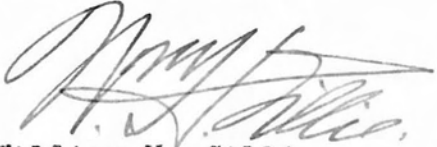
Dr. Richard R. Renner
Feb. 13, 1951

-page 2-

be persuaded by someone adversely interested to revoke your charter. As I told you Sunday evening, I would not publicize the matter any more than is necessary. Its reflections might be detrimental.

I am enclosing a statement for services in connection with the conferences, services, drafting and executing of reciprocal wills and trust agreement, which should have been forwarded to you on or about the first of the month, but owing to the fact that I had an important case set for hearing in the Court of Appeals, I overlooked the billing. I trust it will meet with your approval.

Sincerely yours,



William H. Gillie

WHG:JR
encl.

MEMORANDUM ON EXAMINATION OF MINUTE BOOKS OF
CLEVELAND MEMORIAL MEDICAL FOUNDATION

March 19, 1951.

The Ohio General Corporation Act provides that the corporate powers, property and affairs of every corporation not for profit shall be exercised by a Board of not less than three Trustees each of whom shall be a member of the corporation. (Sec. 8623-106).

Thus it is mandatory that a Trustee be a member but there is no statutory requirement that a member be a Trustee. Consequently, if a person is elected a Trustee but is not designated as a member, either the election as a Trustee is void or he automatically becomes a member, the minutes having failed to correctly designate him as a member.

The Ohio Corporation Act also provides that where neither the Articles nor the Regulations of a corporation not for profit provides for members as such or if a corporation in fact has no members, then the Trustees shall be considered to be members (Sec. 8623-109).

The original Articles of Incorporation of the hospital make no mention of members but said Articles do designate Renner, Butchard and Culler as Trustees.

The original meeting of subscribers to the Articles elected Sommerfield and McCann in addition to the original member Trustees to be members of the corporation. The meeting then elected Sommerfield and McCann together with Culler, Renner and Butchard to be Trustees.

The meeting then adopted a Code of Regulations. The Code of Regulations made no provision for the election of members and specified no qualifications for members. It did, however, provide for annual meetings of members, for the election of Trustees and the transaction of other business. The Code also contained the following provisions:

"The corporate powers, property and affairs of the corporation subject to the limitations contained in the General Code, the Articles of Incorporation or the Regulations shall be exercised, conducted and controlled by a Board of thirty-six Trustees, twelve of whom shall be elected each year to serve for a term of three years. The Trustees so elected shall be members of the corporation. Each Trustee upon the expiration of his term of office shall, unless he be reelected, cease to be a member of the corporation."

The Regulations further provided that the Trustees should hold two regular meetings annually and that at the second regular meeting in each year the Trustees should elect Trustees. Thus it will be observed

that there was some conflict in the original Code of Regulations on the method of electing Trustees and as to whether it should be done by members or by the Board of Trustees. It should also be noted that the original meeting and the original Code of Regulations contemplated that the Trustees and the members would be identical.

On November 2, 1945 (page 19) the Trustees elected Clark, Miller, Kroesen, Pringle, Silver and Roudebush as additional Trustees. No mention is made in the minutes of their election as members. However, as both the statute and the regulations required Trustees to be members and as the election was the action of all the persons who were members as well as Trustees, the conclusion is sound that these new Trustees must also have been elected as members, and that the minutes merely failed to state correctly the action taken. There is nothing in the statute and nothing in the regulations prohibiting these new Trustees from being members.

On January 18, 1946, Miller, Pringle, Clark and Roudebush resigned as Trustees. However, at the meeting of the Trustees held August 14, 1946, Miller is listed as a Trustee and is recorded as participating in the meeting and voting. I find nothing in the minutes to show how he became a Trustee after his resignation was accepted.

On December 22, 1946, Silver and Miller were elected members. However, if our contention is correct that Trustees became members automatically, then this election was unnecessary.

The minutes show a waiver of notice of a special meeting of the Trustees held January 21, 1947, and immediately thereafter inserted in the minute book are various resolutions but no evidence appears thereon as to whether or not they were adopted, and if so, at what meeting. Included in the resolution so set forth is the election of Trustees Pringle, Cain, Klein and Herrick.

The minutes also indicate that a meeting was called for May 15, 1947, but that a quorum was not present. However, that meeting went on to elect Messrs. Pringle, Cain, Klein and Herrick as Trustees. If the election of said gentlemen occurred at the meeting of May 15, such election was invalid as no quorum was present.

On September 17, 1947, a special meeting of the members was held pursuant to waiver but no waiver was signed by Messrs. Miller or Sommerfield. Also, no waiver was obtained from the Trustees and there is

no evidence that notice was given to the Trustees. At said meeting the resignation of Dr. Sommerfield was accepted and Messrs. Bilton, Woodworth, William Renner and Meck and Mrs. Renner were elected as members. McCann and Miller then resigned as members. The Code of Regulations was then amended to eliminate the requirement that Trustees be members, that Trustees cease to be members when they cease to be Trustees and to change the Board from thirty-six to not less than six nor more than thirty-six.

If we are correct in believing that Trustees automatically became members, then this meeting of the members was invalid as the Trustees did not have notice of it; consequently the election of Bilton, Meck, Woodworth, William Renner and Mrs. Renner was invalid and the change in the Regulations was invalid and of no effect.

Concerning the resignation of Messrs. McCann and Miller as members, it should be noted that they did not resign as Trustees. As stated earlier, under the Ohio law they could not remain Trustees when they resigned as members, and the same is true under the Code of Regulations of the hospital in effect at the time of their resignation. If they actually resigned as members, then they no longer were Trustees, and a change in the Code of Regulations to eliminate the necessity of Trustees being members even if valid would not reinstate them as Trustees.

On September 17, 1947, the Trustees' meeting accepted the resignations of Caine and Sommerfield and elected Trundle and Bissett.

At the meeting October 24, 1947, only three Trustees were present, which, obviously, did not constitute a quorum. However, the minutes show that Mr. Roudebush stated that Trustees McCann and Kroesen had authorized him to act in their stead. As a matter of law a Trustee cannot act by proxy at a meeting of Trustees, so that McCann and Kroesen were not properly in attendance at the meeting and no quorum resulted. The meeting proceeded as though it had a quorum and it elected Dr. Falls of Hiram College as a Trustee. As stated earlier, Trustees acting at a meeting where no quorum was present could not elect a new Trustee.

At the annual meeting of members February 28, 1948, a new Code of Regulations was adopted completely replacing the old Code. The new Code of Regulations provided for a governing Board of Members of not more than 15 with the members in office at the time the amended Code is adopted continuing to serve until their successors are elected and qualified. Vacancies on the governing Board of Members were to be filled by

vote of the remaining members, with the right in the members to increase the membership to 15. The new Code of Regulations provided also for a Board of Trustees of such number as the members from time to time shall determine, such Trustees to be elected by the members and to serve until their successors are elected and qualified. The Board of Trustees, however, had the right to fill vacancies for the unexpired term.

The minutes of the meeting at which the Code was adopted show Richard Renner, Bilton, Meck, Mrs. Renner and Silver present at the meeting. Apparently William Renner and Woodworth were absent. Also, there is nothing to show that notice was given to the Trustees of the Foundation in their capacity as members and nothing to show that they voted at such meeting. In the absence of such notice the conclusion seems reasonable that this meeting was improperly called and the action taken in adopting a new Code of Regulations invalid.

The minutes thereafter show various resignations and elections to the Board of Trustees but they do not show any treatment of these Trustees as members.

On November 1, 1950, the members met but no waiver of notice is incorporated. Mrs. Renner, R. R. Renner, William Renner, Bilton, Meck and Silver attended. Woodworth did not attend but gave a proxy. The proxy is not attached and it does not show who was the proxy. The meeting was adjourned to November 22, 1950, so as to enable R. R. Renner to compile a list of nominations for members to replace the Doctors who desired to resign.

The next meeting of members shown by the minutes was a continuation of the November 1, 1950, meeting to January 10, 1951. Woodworth and Silver were not present but William Renner held a proxy from Woodworth. There is nothing to show that Silver had notice of this meeting or that he waived. In the absence of a waiver by Silver or notice to Silver of the holding of this meeting, the meeting would be invalid. However, it could be cured by the execution of a waiver by Silver at this time. Obviously the Trustees were not given notice of this meeting. Gockel and Sturm were elected members by a vote of 4 to 2. If we are correct in believing that the Trustees automatically became members, then this meeting was no good and this election no good.

The meeting then proceeded to amend the Code of Regulations to require that a majority of the members must be present to constitute a quorum of the members and to inject a thirty-day waiting period for any change in the Code of Regulations. The minutes do not show the vote on

the changes in the Code. If Mrs. Renner and R. R. Renner voted against these changes, then the changes were not legally adopted because Gockel and Sturm were not present, and therefore a majority of the members did not vote in favor of the changes. If our conclusion is correct that Trustees were members automatically, the changes in the Regulations obviously were invalid.

The members at that meeting then proceeded to accept the resignation of R. C. Trundle and George T. Trundle, Jr. However, it is not the function of members to accept Trustees' resignations. Such resignations should be accepted, if acceptance is needed by virtue of the wording of the resignation, by the Board of Trustees. The Trundle resignations were not conditioned upon acceptance and therefore constituted resignations on the date received rather than on the date accepted. This portion of the minutes is therefore surplusage and of no effect.

From time to time throughout the minutes criticism is voiced by some of the Trustees concerning the organization of the Board of Members and the fact that the membership is so restricted. This seemed to be a bone of contention in several meetings and several suggestions were made that the Code of Regulations be changed to provide for a greater diversification among the membership.

STATE OF OHIO)
)SS.
COUNTY OF CUYAHOGA)

IN THE COURT OF COMMON PLEAS

No.

E.
DOCTORS CLINIC FOUNDATION
12900 Euclid Avenue
Cleveland, Ohio

Plaintiff,

vs.

PETITION FOR ACCOUNTING, RETURN
OF ASSETS AND EQUITABLE RELIEF

Asphalt
J. L. BILTON
4903 Anderson Road
Cleveland, Ohio

FLOYD S. MECK
3034 East Overlook Road
Cleveland Heights, Ohio

WILLIAM J. RENNER
2680 North Moreland Boulevard
Cleveland, Ohio

J. J. WOODWORTH
20150 Friday Avenue
Euclid, Ohio

R. RICHARD RENNER
1259 Oakridge Road
Cleveland Heights, Ohio

CHARLES E. SILVER
2481 Edgehill Road
Cleveland Heights, Ohio,

Defendants.

Plaintiff is a corporation duly organized and existing as a corporation not for profit under the laws of the State of Ohio. Defendants were at all times relevant the Trustees of plaintiff and certain of said Trustees were employees of plaintiff. Defendant R. Richard Renner was and is President of plaintiff; defendant J. L. Bilton was Vice-President of plaintiff; defendant Floyd S. Meck was Vice-President of plaintiff; defendant William J. Renner was Secretary of plaintiff, and defendant J. J. Woodworth was Treasurer of plaintiff.

Section 1 of Article VII of the Code of Regulations of plaintiff provides as follows:

"Section 1. - The members and/or trustees as such of the corporation shall have no right or interest in the property or assets of the corporation. In the event of the dissolution or liquidation of this corporation, any monies or other assets remaining after the payments of its debts or cost of liquidation shall be distributed to the Cleveland Memorial Medical Foundation or its successor or to an organization having a similar purpose. This provision is hereby made irrevocable."

Section 5 of Article V of the Code of Regulations of plaintiff provides as follows:

"Section 5. - The Treasurer shall have the custody of all the corporate funds, securities and like property, shall receive all moneys belonging to the Corporation and forthwith deposit the same to the credit of the Corporation in such financial institution as may be designated by the Board of Trustees, and shall, when and as directed by the Board of Trustees or Executive Committee, disburse the moneys of the Corporation taking proper vouchers therefor. He may be required to give bond with surety or sureties satisfactory to the Board, conditioned upon the faithful discharge of his duties and the return to the Corporation of all moneys, property, documents and books of account in his custody. The Treasurer shall keep regular books of account and vouchers of all moneys received and disbursed, which books shall be the property of the Corporation. He shall submit a statement of his accounts in such form as the Board of Trustees may from time to time direct."

Shorelyn Realty, Inc. is a corporation duly organized under the laws of the State of Ohio, having as its purpose the buying, leasing, and otherwise acquiring, owning, holding, selling and otherwise disposing of and generally dealing in and with real estate and to do any and all things necessary or incident thereto.

Shorelyn issued its shares in equal amounts to defendants Woodworth, Bilton, Meck, William Renner and R. Richard Renner for a total consideration of Five Hundred Dollars (\$500.00), but said Five Hundred Dollars (\$500.00) was paid to Shorelyn Realty, Inc. by plaintiff and not

by the said five defendants in whose name the shares were issued. ?

At the organization meeting of said Shorelyn Realty, Inc. defendants Bilton, Woodworth and R. Richard Renner were elected directors and said directors elected defendant Bilton President, defendant R. Richard Renner Vice-President, defendant Charles E. Silver Secretary and defendant J. J. Woodworth Treasurer. On October 18, 1948, defendant Silver resigned as Secretary and defendant William J. Renner was elected Secretary.

On or about July 19, 1948, defendant Woodworth who had made an offer to the Payne-Bingham Company, which was accepted by the Payne-Bingham Company, for the purchase of approximately thirty-three (33) acres of land located along Lake Shore Boulevard in the Village of Bratenahl, Ohio, assigned said contract to said Shorelyn Realty, Inc., and said Shorelyn Realty, Inc., by action of its Board of Directors, accepted said assignment and authorized the purchase of said property.

The purchase price of said property was Sixty-five Thousand Dollars (\$65,000.00). The purchase price was paid --- Seven Thousand Dollars (\$7,000.00) by defendant Silver, Eight Thousand Dollars (\$8,000.00) by defendant R. Richard Renner, Twenty Thousand Dollars (\$20,000.00) by plaintiff and Thirty Thousand Dollars (\$30,000.00) by mortgage executed by Shorelyn Realty, Inc. to Sunset Memorial Park Association, a corporation of which defendant Silver was President.

On or about August 20, 1948, defendants Bilton and Silver, purporting to act as President and Secretary, respectively, of Shorelyn Realty, Inc., but without authority from the Board of Directors of Shorelyn Realty, Inc., executed on behalf of Shorelyn Realty, Inc. a deed to defendant Silver for approximately ten (10) acres of said property. No consideration was received by Shorelyn Realty, Inc. for said land. Subsequently, defendant Silver sold portions of said ten (10) acre parcel

at prices unknown to this plaintiff but reputed to be quite large and has not accounted to plaintiff for the proceeds thereof.

Thereafter, the mortgage from Shorelyn Realty, Inc. to Sunset Memorial Park Association was paid off with funds of plaintiff, and additional funds of plaintiff were paid to Shorelyn Realty, Inc. or for the account of Shorelyn Realty, Inc., totaling Sixty-two Thousand Seven Hundred Seventy and 41/100 Dollars (\$62,770.41). Said payments of funds of plaintiff to Shorelyn Realty, Inc. or for its account were without proper authorization by plaintiff and were contrary to said Code of Regulations of plaintiff and particularly Section 5 of Article V, as set forth above.

On or about September 1, 1950, without due authorization and without a full and fair consideration, said defendants Bilton and William Renner, purporting to act as President and Secretary, respectively, of Shorelyn Realty, Inc., executed and delivered deeds to various portions of said land acquired by Shorelyn Realty, Inc. with the funds of plaintiff to defendants Bilton, William Renner and Meck.

On or about September 1, 1950, all of said defendants, purporting to act on behalf of plaintiff but not in conformity with the regulations of plaintiff and in direct violation of said regulations and particularly of Section 1 of Article VII thereof, assigned certain of the assets of plaintiff, to wit: certain accounts receivable belonging to plaintiff to defendants Meck, Bilton and William Renner. The exact amount and value of said assets so assigned is not known to plaintiff other than that the gross amount of the accounts receivable of plaintiff so wrongfully assigned to said defendant William Renner was in excess of Twenty-one Thousand Six Hundred Dollars (\$21,600.00). The exact amount of the assets so assigned wrongfully can be determined only through an accounting.

As a direct and proximate consequence of the aforementioned wrongful acts of said defendants, substantial portions of the assets of plaintiff have been dissipated and substantial portions of said assets have been diverted from plaintiff into the hands of certain of said defendants to their own use and benefit contrary to the Code of Regulations of plaintiff and to the material detriment of plaintiff.

WHEREFORE, plaintiff prays

1. That an accounting be had.
2. That defendants Meck, Bilton, William Renner, ~~Woodworth~~ and Silver be required to return to plaintiff the assets of plaintiff received by them, either directly or indirectly, and the proceeds of any of said assets disposed of by said defendants or the fair value of said assets to the extent that said assets were disposed of at less than fair value.
3. That judgment be granted against defendant Woodworth, the former Treasurer of plaintiff, for any deficiency accruing to plaintiff on account of disbursements made without regard to the regulations of plaintiff in excess of the amounts returned by the defendants under paragraph (2) of this prayer.
4. To the extent of any deficiency remaining, that judgment be granted against defendants J. L. Bilton, Floyd S. Meck, William J. Renner, J. J. Woodworth, R. Richard Renner and Charles E. Silver, jointly and severally.
5. For such other and further relief as shall be just in the premises.

STATE OF OHIO)
CUYAHOGA COUNTY)SS.

_____, being first duly sworn, says that he is the _____ of plaintiff herein and has read the foregoing petition; that the facts therein contained are within his personal knowledge and the statements and allegations therein contained are true as he verily believes.

SWORN TO before me and subscribed in my presence this ____ day of _____, 1951.

1717 UNION COMMERCE BUILDING
CLEVELAND 14, OHIO



Dr. R. R. Renner
12900 Euclid Avenue
East Cleveland 12, Ohio

PERSONAL

THE STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ARCHITECT

ISSUED BY THE AMERICAN INSTITUTE OF ARCHITECTS FOR USE WHEN A
PERCENTAGE OF THE COST OF THE WORK FORMS THE BASIS OF PAYMENT,
AND ENGINEERS' FEES ARE INCLUDED IN THE ARCHITECT'S FEE.

SIXTH EDITION—COPYRIGHT 1948-1951 BY THE AMERICAN INSTITUTE OF ARCHITECTS, WASHINGTON, D. C.

THIS AGREEMENT made the.....

day of.....in the year Nineteen Hundred and.....

by and between.....**The Doctors Clinic Foundation**.....

.....**12900 Euclid Ave., Cleveland, Ohio**.....

.....hereinafter called the Owner, and

Travis G. Walsh, A.I.A., Architect & Associates and Russell R. Peck,

Associated Architect, 2123 E. 9th St., hereinafter called the Architect,
Cleveland, Ohio

WITNESSETH, that whereas the Owner intends to ~~add~~ authorize the development of repetitive and/or modular plans and designs for a new hospital structure located on the north side of Mayfield Road, to the east of and adjoining the Village of Gates Mills westerly boundary line with the express stipulation that the Owner will determine the scope of the work authorized for competitive bidding and/or construction if authorized,

....., hereinafter called the Work,

NOW, THEREFORE, the Owner and the Architect, for the considerations hereinafter named, agree as follows:

The Architect agrees to perform, for the above-named Work, professional services as hereinafter set forth.

The Owner agrees to pay the Architect for such services a fee of.....**3.5%**..... per cent of the cost of the Work, with other payments and reimbursements as hereinafter provided, the said percentage being hereinafter called the Basic Rate.

~~basic rate 1/2 percent less than that prescribed by the A.S.O. for repetitive work; implementing the Architects' services described herein and as an essential factor in support of the reduced rate, - it is understood that the Owner agrees to provide additional and separate recompense to Ernest McGeorge, Professional Engineer, whose duties as Construction Consultant will be to co-ordinate through the Architect in all matters pertaining to the project- providing complete co-ordination relative to the site conditions, public bodies and services; checking Contractors' Certificates of Payment, Change Orders, and Shop Drawings for transmission to the Architect; - and field supervision. If the services of the Construction Consultant for any reason become unavailable the Architect will undertake his responsibilities for a recompense commensurate with the balance of work to be performed.~~ **Due to a**

A. I. A. Document B-121
(Formerly B-102)

The Owner and the Architect hereby agree to the full performance of the covenants contained herein.

IN WITNESS WHEREOF they have executed this agreement, the day and year first above written.

OWNER _____

The parties hereto further agree to the following conditions:

1. The Architect's Services.—The Architect's professional services consist of the necessary conferences, the preparation of preliminary studies, working drawings, specifications, large scale and full size detail drawings, for architectural, structural, plumbing, heating, electrical, and other mechanical work; assistance in the drafting of forms of proposals and contracts; the issuance of certificates of payment; the keeping of accounts, the general administration of the business and supervision of the Work.

2. Reimbursements.—The Owner is to reimburse the Architect the costs of transportation and living incurred by him and his assistants while traveling in discharge of duties connected with the Work, the cost of all reproductions of drawings, the cost of any special consultants other than for normal plumbing, heating, electrical, and other mechanical work, and other disbursements on his account approved by the Owner.

3. Separate Contracts.—The Basic Rate applies to work let under a single contract. For any portions of the Work let under separate contracts, on account of extra service thereby required, the rate shall be four per cent greater, and if substantially all the Work is so let the higher rate shall apply to the entire Work; but there shall be no such increase on the plumbing, heating, electrical and other mechanical work or on any contracts in connection with which the Owner reimburses special consultants' fees to the Architect, or for articles not designed by the Architect but purchased under his direction.

4. Extra Services and Special Cases.—If the Architect is caused extra drafting or other expense due to changes ordered by the Owner, or due to the delinquency or insolvency of the Owner or Contractor, or as a result of damage by fire, he shall be equitably paid for such extra expense and the service involved.

Work let on any cost-plus basis shall be the subject of a special charge in accord with the special service required.

If any work designed or specified by the Architect is abandoned or suspended, in whole or in part, the Architect is to be paid for the service rendered on account of it.

5. Payments.—Payments to the Architect on account of his fee shall be made as follows, subject to the provisions of Article 4:

~~Upon completion of the preliminary studies, a sum equal to 25% of the basic rate computed upon a reasonable estimated cost.~~

During the period of preparation of specifications and general working drawings monthly payments aggregating at the completion thereof a sum sufficient to increase payments to 75% of the rate or rates of commission arising from this agreement, computed upon a reasonable cost estimated on such completed specifications and drawings, or if bids have been received, then computed upon the lowest bona fide bid or bids.

From time to time during the execution of work

and in proportion to the amount of service rendered by the Architect, payments shall be made until the aggregate of all payments made on account of the fee under this Article, but not including any covered by the provisions of Article 4, shall be the sum equal to the rate or rates of commission arising from this agreement, computed upon the final cost of the Work.

Payments to the Architect, other than those on his fee, fall due from time to time as his work is done or as costs are incurred.

No deductions shall be made from the Architect's fee on account of penalty, liquidated damages, or other sums withheld from payments to contractors.

6. Information furnished by Owner.—The Owner shall, so far as the work under this agreement may require, furnish the Architect with the following information: A complete and accurate survey of the building site, giving the grades and lines of streets, pavements, and adjoining properties; the rights, restrictions, easements, boundaries, and contours of the building site, and full information as to sewer, water, gas and electrical service. The Owner is to pay for borings or test pits and for chemical, mechanical, or other tests when required.

The Owner shall provide all legal advice and services required for the operation.

7. Supervision of the Work.—The Architect will endeavor by general supervision to guard the Owner against defects and deficiencies in the work of contractors, but he does not guarantee the performance of their contracts. The general supervision of the Architect is to be distinguished from the continuous on-site inspection of a clerk-of-the-works.

When authorized by the Owner, a clerk-of-the-works acceptable to both Owner and Architect shall be engaged by the Architect at a salary satisfactory to the Owner and paid by the Owner, upon presentation of the Architect's monthly statements.

8. Preliminary Estimates.—When requested to do so the Architect will furnish preliminary estimates on the cost of the Work, but he does not guarantee such estimates.

9. Definition of the Cost of the Work.—The cost of the Work, as herein referred to, means the cost to the Owner, but such cost shall not include any Architect's or Special Consultants' fees or reimbursements or the cost of a clerk-of-the-works.

When labor or material is furnished by the Owner below its market cost the cost of the work shall be computed upon such market cost.

10. Ownership of Documents.—Drawings and specifications as instruments of service are the property of the Architect whether the work for which they are made be executed or not, and are not to be used on other work except by agreement with the Architect.

11. Successors and Assignments.—The Owner and the Architect, each binds himself, his

* See 2(a)

* See 5(a)

* See 5(b)

* See 5(c)

* See 9(a)

partners, successors, legal representatives, and assigns to the other party to this agreement, and to the partners, successors, legal representatives and assigns of such other party in respect of all covenants of this agreement.

Except as above, neither the Owner nor the Architect shall assign, sublet or transfer his interest

in this agreement without the written consent of the other.

12. Arbitration.—All questions in dispute under this agreement shall be submitted to arbitration at the choice of either party, in accordance with the provisions, then obtaining, of the Standard Form of Arbitration Procedure of The American Institute of Architects.

*

2(a) It is understood that the reference to "Transportation & Living Costs" applies only to special trips outside the county in connection with the work and that such expense together with those relating to "Any Special Consultants" shall not be incurred unless specifically requested by the Owner.

*

5(a) Due to the necessity of determining "The scope of work authorized for competitive bidding and/or construction if authorized" - the preliminary studies shall be developed for the complete building and shall be sufficiently adequate to provide a preliminary cost estimate from a reputable contractor experienced in hospital projects for the Owners' consideration. During the period of preparation of the preliminary studies, monthly payments aggregating at the completion thereof a sum sufficient to increase payments to 25% of 3.5% computed upon the preliminary estimated cost of the total project. Based upon the results of the preliminary cost estimate, the Owner at this point will determine the scope of the work to be considered for bidding purposes.

*

5(b) The Architect agrees to prepare the necessary specifications and general working drawings for the scope of the proposed construction program authorized by the Owner. It is agreed that the extent of the specifications and the number of working drawings prepared is to be consonant with the scope of the work considered by the Owner plus such additional drawings and specifications reflecting final conditions that become a necessity in developing those for any curtailed program, if the latter is a consideration. Compensation for this phase of the professional service will be 50% of 3.5% computed upon an estimated cost or the lowest bona fide bid based upon the amount of construction for which specifications and working drawings have been authorized by the Owner in writing.

*

5(c) Compensation for the supervision stage shall be 25% of the basic rate computed on the building contract cost with progressive payments consonant with those paid on the building contract until the aggregate of payments amount to 25% of 3.5% for this phase of the professional service.

*

9(a) Any payments during the specifications and general working drawing stage which relate to the completed project will be credited to the specification and working drawing fee stage (50% of 3.5%) at such time as the completion stage or stages are authorized by Owner - subject to any increases in Architects' direct costs for labor and overhead which may occur during the interim periods.

It is explicitly understood that the basic rate of fee (3.5%) relates to repetitive and/or modular planning and that any deviations therefrom shall be subject to the A.S.O. applicable fee rate for hospitals (Schedule B) for those areas where special planning is requested.

It is further understood that laboratory, dietary, or any other special types of hospital equipment - together with furnishings and landscaping; - are excluded from the terms of this Agreement and that any portion thereof is included by Owners' request shall be subject to an Architects' fee of 6% computed upon the actual cost or bona fide bids.

...sufficiently
...from a reputable contractor
...projects for the Owners' consideration. During the
period of preparation of the preliminary studies, monthly payments aggregating
at the completion thereof a sum sufficient to increase payments to 25% of 3.5%
computed upon the preliminary estimated cost of the total project. Based upon
the results of the preliminary cost estimate, the Owner at this point will de-
termine the scope of the work to be considered for bidding purposes.
*

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working drawings for the scope of the proposed construction program authorized
by the Owner. It is agreed that the extent of the specifications and the number
of working drawings prepared is to be consonant with the scope of the work con-
sidered by the Owner plus such additional drawings and specifications reflecting
final conditions that become a necessity in developing those for any curtailed
program, if the latter is a consideration. Compensation for this phase of the
professional service will be 50% of 3.5% computed upon an estimated cost or the
lowest bona fide bid based upon the amount of construction for which specifi-
cations and working drawings have been authorized by the Owner in writing.
*

5(c) Compensation for the supervision stage shall be 25% of the basic rate
computed on the building contract cost with progressive payments consonant with
those paid on the building contract until the aggregate of payments amount to
25% of 3.5% for this phase of the professional service.
*

9(a) Any payments during the specifications and general working drawing stage
which relate to the completed project will be credited to the specification
and working drawing fee stage (50% of 3.5%) at such time as the completion
stage or stages are authorized by Owner - subject to any increases in Archi-
tects' direct costs for labor and overhead which may occur during the interim
periods.

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repetitive and/or modular planning and that any deviations therefrom shall be
subject to the A.S.O. applicable fee rate for hospitals (Schedule B) for those
areas where special planning is requested.

It is further understood that laboratory, dietary, or any other special
types of hospital equipment - together with furnishings and landscaping; - are
excluded from the terms of this Agreement and that any portion thereof is in-
cluded by Owners' request shall be subject to an Architects' fee of 6% computed
upon the actual cost or bona fide bids.

The Owner and the Architect hereby agree to the full performance of the cove-
nants contained herein.

IN WITNESS WHEREOF they have executed this agreement, the day and year first
above written.

OWNER _____

ARCHITECT _____

STATE OF OHIO,)
CUYAHOGA COUNTY,) SS.
CITY OF CLEVELAND.)

IN THE MUNICIPAL COURT OF CLEVELAND.

No.

R. RICHARD RENNER,
1259 Oakridge Drive,
Cleveland Heights, Ohio,

and

JENNIE S. RENNER,
1259 Oakridge Drive,
Cleveland Heights, Ohio,

Plaintiffs,

vs.

SUNSET MEMORIAL PARK ASSOCIATION,
1720 Euclid Avenue,
Cleveland, Ohio,

Defendant.

P E T I T I O N

-----ooooo-----

Now come plaintiffs, R. Richard Renner and Jennie S. Renner, and for their cause of action against defendant, Sunset Memorial Park Association, an Ohio corporation, not for profit, say that on or about August 21, 1950, they paid to defendant the sum of \$16,000.00 for the purchase of a certain note and mortgage; that said purchase was never consummated, and defendant, on or about September 20, 1950, repaid the sum of \$15,278.22 to plaintiffs.

Plaintiffs say further that defendant has not repaid the balance of \$721.78 which is due and owing, and that defendant has refused and still refuses to repay said sum.

WHEREFORE, plaintiffs, R. Richard Renner and Jennie S. Renner, pray judgment against defendant, Sunset Memorial Park Association, in the sum of \$721.78, with interest at the rate of six per cent (6%) per annum from the 20th day of September, 1950, and the costs of this action.

/s/ Henderson, Quail, Schneider & Peirce

Attorneys for Plaintiffs
1525 National City Bank Building,
Cleveland 14, Ohio.
Telephone: MAIN 1-4947

STATE OF OHIO,)
) SS.
CUYAHOGA COUNTY.)

R. RICHARD RENNER, being first duly sworn, says that the several plaintiffs named in the title of this cause are united in interest in the subject of the action and plead together with this affiant, who says the facts stated and allegations contained in the foregoing petition are, as he believes, true.

/s/ R. Richard Renner

R. Richard Renner

Sworn to before me and subscribed in my presence, this 7th day
of April, 1952.

/s/ John E. Smeltz

Notary Public

(SEAL)

My Commission expires Jan. 7, 1955

THE
DOCTORS CLINIC FOUNDATION
12900 EUCLID AVE.
CLEVELAND 12, OHIO

Roudebush, Adrion, Sanborn,
Brown, and Corlett
Attorneys At Law
9th Floor Williamson Bldg.
Cleveland 14, Ohio

The
Cleveland
Trust Company

EUCLID - WINDERMERE OFFICE 2

6-68
410

NUMBER

5009

CLEVELAND, OHIO April 8, 1952 19

PAY TO THE ORDER OF Roudebush, Adrion, Sanborn, Brown & Corlett \$ 75.00

Seventy-five dollars and ⁰⁰/₁₀₀ ----- DOLLARS

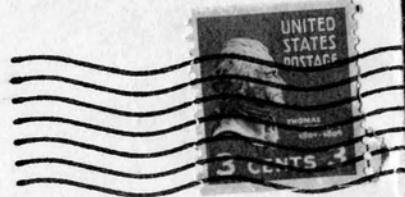
THE DOCTORS CLINIC FOUNDATION

Raymond Kimbrough, M.D.
A B AUTHORIZED SIGNATURE

Dr. R. Richard Runer
AUTHORIZED SIGNATURE

THE
DOCTORS CLINIC FOUNDATION
12900 EUCLID AVENUE

HENDERSON, QUAIL, SCHNEIDER & PEIRCE
1525 NATIONAL CITY BANK BUILDING
CLEVELAND 14, OHIO



Dr. R. Richard Renner,
1259 Oakridge Drive,
Cleveland Heights, Ohio.

LAW OFFICES OF
HENDERSON, QUAIL, SCHNEIDER & PEIRCE

1525 NATIONAL CITY BANK BUILDING

CLEVELAND 14, OHIO

JOHN M. HENDERSON
[1840-1934]
FRANK A. QUAIL
HUBERT H. SCHNEIDER
LOUIS S. PEIRCE
JOHN E. SMELTZ
JOHN V. FELS

April 9, 1952

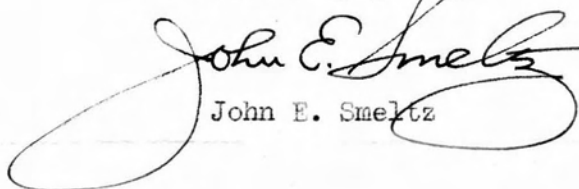
Dr. R. Richard Renner,
1259 Oakridge Drive,
Cleveland Heights, Ohio.

Renner vs. Sunset Memorial Park Association

Dear Dr. Renner:

I enclose herewith a copy of the petition in the above entitled action filed by me yesterday in the Municipal Court of Cleveland. I will keep you advised of any developments and if you receive any communications on the subject I would appreciate it if you will let me know.

Sincerely yours,



John E. Smeltz

JES:K.
Enc.

LAW OFFICES OF
HENDERSON, QUAIL, SCHNEIDER & PEIRCE

1525 NATIONAL CITY BANK BUILDING

CLEVELAND 14, OHIO

JOHN M. HENDERSON
(1840-1934)
FRANK A. QUAIL
HUBERT H. SCHNEIDER
LOUIS S. PEIRCE
JOHN E. SMELTZ
JOHN V. FELS

May 13, 1952

Dr. R. R. Renner,
1259 Oakridge Drive,
Cleveland Heights 18, Ohio.

Re: R. Richard Renner et al. vs. Sunset Memorial Park
Association - No. A-226,317.

Dear Dr. Renner:

I enclose herewith a copy of the Answer filed by the defendant in the above entitled action. As I told you by telephone today, you will notice that, among other things, it is alleged that you were individually liable as principal on the Shorelyn note. As you know, I went to Mr. Roudebush's office to examine the note, but I was not given an opportunity to study it carefully. Since we must either admit or deny your individual liability on the note, I believe it is important that the original note be procured at this time. This will have to be arranged by either you or John.

A reply to this Answer must be filed by next Monday unless we procure an extension from the defendant's attorneys or from the Court. I have sent a copy of the Petition and answer to Ken Resseger who agrees that the note should be carefully examined at this time.

Sincerely yours,


John E. Smeltz

JES:K.
Enc

C O P YSTATE OF OHIO)
) SS
CUYAHOGA COUNTY)

IN THE CLEVELAND MUNICIPAL COURT

No. A-226,317

R. RICHARD RENNER, et al :

Plaintiffs :

-vs- :

A N S W E R .

SUNSET MEMORIAL PARK ASSOCIATION, :

Defendant : :

Now comes the defendant, and for its Answer to the allegations of the petition denies that Jennie S. Renner did at any time pay funds to it, but admits that R. Richard Renner on or about Aug. 22, 1950, paid the sum of \$16,000.00 to the defendant to apply toward the purchase of a note and mortgage of Shorelyn Realty, Inc., an Ohio corporation, on which note the said R. Richard Renner was individually liable as principal; that said purchase was not consummated at the direction of the said R. Richard Renner.

Defendant further says that thereafter, on Sept. 13, 1950, Shorelyn Realty, Inc., or the plaintiff, R. Richard Renner, caused to be paid to the defendant the sum of \$25,149.84; that the said sum was insufficient by \$721.78 to pay in full the obligations of Shorelyn Realty, Inc. to the defendant; that thereafter the plaintiff, R. Richard Renner, authorized and directed the defendant to apply from his funds previously deposited the said sum of \$721.78; that in reliance thereon defendant applied the said sum to the obligations, marked the note paid, satisfied and recorded the satisfaction of said mortgage, and returned to the said R. Richard Renner the balance of his said deposit, to-wit, \$15,278.22.

Further answering, the defendant denies that it owes the plaintiffs, or either of them, any sum whatsoever, and denies each and every allegation in said petition contained except those herein expressly admitted to be true.

WHEREFORE, having fully answered, defendant prays that it may go hence, without day, and with its costs.

ROUDEBUSH, ADRION, SANBORN, BROWN & CORLETT
915 Williamson Building
Cleveland 14, Ohio
Main 1-4800
Attorneys for Defendant

STATE OF OHIO)
) SS
CUYAHOGA COUNTY)

WILBERT S. JUNGLAS, being first duly sworn, states he is
 Vice President of Sunset Memorial Park Association, defendant
herein; that he has read the foregoing Answer and that the statements
contained therein are true.

 /s/ Wilbert S. Junglas

SWORN TO before me and subscribed in my presence this 9
day of May, 1952.

 /s/ Myron W. Ulrich
 Notary Public

HENDERSON, QUAIL, SCHNEIDER & PEIRCE
1525 NATIONAL CITY BANK BUILDING
CLEVELAND 14, OHIO



Dr. R. R. Renner,
1259 Oakridge Drive,
Cleveland Heights 18, Ohio.

Calfee, Fogg, McChord and Halter
Attorneys at Law
Union Commerce Building
Cleveland 14, Ohio

ROBERT M. CALFEE
JOSEPH G. FOGG (1881-1948)
JOHN L. MCHORD (1897-1956)
EDWIN G. HALTER
KENNETH RESSEGER
JOHN B. CALFEE
ADDISON H. BRENNAN
CHARLES F. PENNINGTON
CARL G. SCHLUEDERBERG
THEODORE M. MANN
BRUCE GRISWOLD
A. A. SOMMER, JR.
DANIEL L. EKELMAN
JOHN L. NAYLOR, JR.
WILLIAM A. MINNICH

CABLE ADDRESS "CALFOG"
TELEPHONE SUPERIOR 1-2166

March 10, 1958.

Mr. John Renner,
1736 K Street, N. W.,
Washington, D. C.

Dear Sir:

I have reviewed our files and find no notation therein concerning an allocation of charges among the various parties for whom we rendered services and who were connected with your father. A complete review of our files for the period January 1, 1953 through December 31, 1956 shows that we rendered services for Doctors Clinic, Doctors Hospital, Shaker Lake Apartment, Dr. Richard Renner and Ora Mason. The aggregate hours of services during that period for all of these parties amounted to 1,474 hours. The aggregate charges made by us to all of these persons for that period amounted to \$27,850.00. This figures out at \$18.90 per hour. During the year 1957 we rendered services for Doctors Clinic in the amount of 915 hours, for which we have agreed to accept \$17,000.00. This figures out at \$18.68 per hour.

Frankly, under the circumstances I believe that all of the services have been billed at more than reasonable rates and that there is no question but that we are entitled to at least the amount that we have billed.

I hope that this information will enable you to clear up this matter.

Very truly yours,

E. G. Halter
dh.

Halter/dh

INDUSTRIAL ROOFING & SHEET METAL, INC.



October 20, 1959

Dear Richard,

The Committee which was appointed consisting of Harry W. Lees, Frank Buell with the writer as Chairman have investigated the situation in the Solon, Ohio area with respect to a suitable hospital site and concluded as follows:

1. There are three sites available which in the Committees opinion are favorably suited for such development.
2. All three of these sites are on Route 91, S. O. M. Road. Two are at the intersection of Cannon Road, which is slightly North of the center of Solon. The third site is the Solon Airport property, South of the center of Solon.
3. It is our understanding that all of these sites would be available and that current zoning restrictions would in all probability be waived in the interest of having a hospital in that area.
4. It is our further understanding that both city water and natural gas are available on Route 91 and that in all probability sewage will also be available on or before such time as the hospital building would be completed.

For the purpose of further instructions the writer would strongly urge that a meeting of the Doctors Clinic Foundation Trustees be held as quickly as possible. I am given to understand from Mr. Buell that funds in the neighborhood of \$100,000.00 are now available and have been for some time through the Ford Foundation Grant, which money could be used for the acquisition of this property by approval of the Trustees of Doctors Hospital. I am suggesting, however, the meeting of the Trustees of the Clinic to precede any consideration of this matter by the Hospital Board. What I am saying is that this leaves the matter in the hands of the Foundation first for decision as to whether or not the Clinic wishes to get the property irrespective of whether they

INDUSTRIAL ROOFING & SHEET METAL, INC.



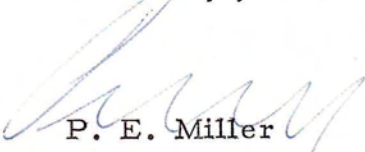
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October 20, 1959

turn it over to the Hospital or not.

It may well be that your Bob and John and perhaps others will want to look at these sites before any action is taken. The Committee would prefer it this way so that we may be in complete accord both as to location and cost. Please advise your wishes in this matter at the earliest time possible.

Sincerely yours,


P. E. Miller
16320 Miles Avenue,
Cleveland 28, Ohio

PEM/wb

cc: Mr. Frank Buell
Mr. Harry Lees

Dr. Richard R. Renner
1259 Oakridge Drive,
Cleveland, Ohio

DOCTORS CLINIC FOUNDATION

6760 MAYFIELD ROAD
MAYFIELD HEIGHTS 24, OHIO

May 29, 1961

William R. Pringle, President
c/o Cleveland Memorial Medical Foundation
East Ohio Gas Company
East 9th and Superior
Cleveland, Ohio

Dear Mr. Pringle:

Pursuant to the joint committee meeting held on May 22, 1961, our report has been submitted. It is believed better to expedite matters and bring them to a conclusion one way or the other by exchanging information between the committees so that separate committee meetings can weigh and act upon any individual committee determinations.

In order to expedite these negotiations, which we hope can be favorable, it was decided that our committee, which has authority to first negotiate the sale, secondly, a rental to the Cleveland Memorial Medical Foundation. If these negotiations were not concluded satisfactorily, that our committee should immediately press and pursue the sale of the building to others.

In order to cooperate in the fulfillment of these purposes, we want to provide to you and your committee these things for your consideration:

1. Under date of December 2, 1960, we offered a combination proposition for the sale of the building, including leasing of the first floor by Doctors Clinic Foundation. Thus far, that offer has not been absolutely accepted or rejected. It would appear proper, therefore, that your committee submit a proposition for the purchase of this building. If the two figures are anywhere within the bounds of reason, then we have the authority to pursue negotiations and each of the committees then report back to their Board of Trustees for final action.
2. In the event an offer of purchase is not submitted or cannot be negotiated, then the hospital should determine whether it wants to utilize the space in our building. If so, an offer to rent should be submitted, and if the offer to rent and the charges submitted for occupancy are not too far apart, our committee has authority to negotiate the rental program for reporting back to its Board of Trustees.

William R. Pringle

May 29, 1961

Page 2

3. Since this matter has been pending from the first of December, 1960 and we have waived rental charges up to April 1, 1961, it is felt that the rental charges should be paid, as our committee has offered to negotiate such payments either on the purchase price or on a mutually agreeable rental basis.
4. Our committee, at least, do not have authority to go beyond the above subject matter. Therefore, the suggestion that other matters be brought into consideration is outside the realm of our authority. If there are any matters wherein a moral or legal obligation exists, then those items should be established separately with appropriate committees appointed, as long as those obligations are the subject matter between the two non-profit corporations. If any such obligations exist with an individual, those are personal obligations over which Doctors Clinic Foundation has no jurisdiction, and it would be most improper for them to be discussed with anyone other than the proper parties involved.

It is hoped that the comments in this letter will serve to facilitate our respective committee activities and bring to a very early conclusion the proper subject matter. It is our understanding that there is to be a joint committee meeting at 12:00 noon on June 6 at the Hotel Carter. At that time it is hoped and expected that some of these matters can be definitely determined between the committees for appropriate subsequent action by the respective Board of Trustees. Since you acted as host at the meeting on May 22, we would like to assume that privilege at our next meeting.

It was a pleasure to meet you and Dr. Weaver, as I was already acquainted with the other members of your committee. I will look forward to seeing all of you at our next meeting.

Very sincerely,



M. A. Hanna
Executive Director

MAH/pgt

3342 E. Scarborough Rd.,
Cleveland Heights 18, O.

March 2, 1961.

Disciples Pavilion Association
C/O Doctors Clinic
6760 Mayfield Road
Mayfield Heights 24, Ohio.

Attention: Mr. Frank B. Buell, Secretary.

Dear Mr. Buell:

Agreeable to your letter of February 18, 1961, the following changes in the proposed code of Regulations and Resolution, enclosed with your letter, are suggested. It is my thought that these changes would provide desirable flexibility to meet changing situations.

CODE OF REGULATIONS

ARTICLE 11, Par. a.: Add "or from others sympathetic to the objectives of this association."

Par. c.: Insert after "To authorize Doctors Clinic Foundation", "subject to the reservation in paragraph d. below,".

Par. d.: Change, to read: "To create a Disciples Pavilion Association credit fund. This credit account shall be established by Doctors Clinic Foundation by reserving an amount equal to 5% per annum of the presently donated funds which are used for the purposes stated in paragraph c. above and 5% of all funds hereafter donated, whether or not expended."

Par. e.: Add "Under exceptional circumstances, and by unanimous vote of the benevolence committee, payment may be authorized to other hospitals or doctors."

ARTICLE 111, Par. b.: Revise to read - "Regular membership in the Association shall become automatic when an individual contributes a minimum of \$25.00 to the Disciples Pavilion Fund."

Par. c.: Revise to read - "Sustaining Members are those individuals or organizations who make an annual contribution to the fund of \$25.00 or more."

Par. e.: Revise to read - "Honorary members are those persons who the Executive Committee may determine have rendered invaluable service to the church or any affiliated organizations or, for other good reasons, to be an asset to the Association."

SUGGESTED RESOLUTION

Revise 3rd. Par. to read: - "WHEREAS, the Foundation is willing to reserve and set aside annually a credit amount equal to 5% per year of the donated funds now held, and used by the Foundation for these purposes, and 5% of all future contributions to the fund, whether or not so used, and

5th. Par. Insert after "not expended from said annual 5%" the words "and, in the judgment of the Executive and Benevolence Committees of the Pavilion Association, will not be required during the following year,"
12th. Par.: Omit the words "when used by Doctors Clinic Foundation for the purposes stated, said funds also"

Sincerely:

Chas. H. Wright

DOCTORS CLINIC FOUNDATION

6760 MAYFIELD ROAD
MAYFIELD HEIGHTS 24, OHIO

May 8, 1961

Mr. Frank B. Buell
Hiram College
Hiram, Ohio

Dear Frank:

The only suggestions for amendments to the Code of Regulations and the Resolution were submitted by Charles H. Wright. I am enclosing a copy of his letter. The items indicated by a parenthesis sign at the left are the ones that would completely change the character of Dr. Richard Renner's conception of this association. The clinic is not interested in issuing a credit on money received which they have not used. Neither are they interested in permitting somebody to go to a hospital that is not consistent with the Code of Regulations and the Resolution. I cannot see why the clinic should be forced to issue a credit of 5% on the money that the clinic itself has raised basically through personnel of the clinic who made the contributions. In order to be consistent, if we use any of the money, then the credit should be issued to the association.

In view of these things, I have prepared the notice to the members for their ballot accordingly. The other items incorporated in the suggestions for amendments to the Code will not in any way materially effect the operations of the clinic or the association. Please advise any corrections that you care to make on the notice to the members and the ballot. Copies are going to Dr. Richard and Dr. Robert, and I am asking for their comments the same as yours. The earliest that this can be handled, the better, since the motion only gave thirty days to have a ballot on these two items. Kindest regards.

Sincerely,

M. A. Hanna
Executive Director

MAH/pgt
Encl.

CC: Dr. R. Richard Renner ✓
CC: Dr. Robert R. Renner

May 8, 1961

TO: Members of the Disciples Pavilion Association
attending the Organizational Meeting on January 30, 1961.

At the organizational meeting, the Code of Regulations for the Association, as well as a Resolution, was submitted for adoption. The Code of Regulations and Resolution, by motion duly made, were adopted subject to amendment in each case as submitted by the members attending the organizational meeting. The motion further provided that the Code of Regulations and the Resolution would stand as adopted unless an affirmative vote of the members attending was in favor of any amendments to be submitted. There were twenty members in attendance, therefore, a majority to change the Code of Regulations and the Resolution must be eleven in number in favor of any amendment thereto. Only a few amendments were suggested as the majority of those replying indicated their approval of the Code of Regulations and Resolution as submitted and tentatively adopted.

BALLOT ON SUGGESTED AMENDMENTS TO CODE OF REGULATIONS

Please cast your vote either For or Against the amendments as submitted below:

Item 1 To add to the end of Paragraph a., Article II, the following words: "or from others sympathetic to the objectives of this association."

For _____ Against _____

Item 2 To amend Paragraph b., Article III, to read as follows: "Regular membership in the association shall become automatic when an individual contributes a minimum of \$25.00 to the Disciples Pavilion Fund."

For _____ Against _____

Item 3 To revise Paragraph c., Article III, to read as follows: "Sustaining members are those individuals or organizations who make an annual contribution to the Fund of \$25.00 or more."

For _____ Against _____

Item 4 To revise Paragraph e., Article III, to read as follows:
"Honorary members are those persons whom the Executive Committee may determine have rendered invaluable service to the church or any affiliated organizations or, for other good reasons, to be an asset to the Association."

For _____ Against _____

NOTE: There were two other suggestions submitted for amendments which would change the character of the association and be wholly inconsistent with the purposes of the association and the program outlined by Dr. R. Richard Renner on behalf of Doctors Clinic Foundation. These suggestions have been withheld from vote for this reason as they would nullify the purposes intended.

RESOLUTION

There were three suggestions for amendments to the Resolution. Those amendments are withheld for the reason above stated in regard to the Code of Regulations. Were these amendments submitted and adopted, there would be no objects and purposes left within the association.

In the event the members receiving this communication have objections to the amendments not included, then it will be essential for the association to meet again and establish objectives entirely different from those contained in the original Code of Regulations and Resolution. In that event, the association could not count on Doctors Clinic Foundation as its objectives have already been established in conjunction with this worthy purpose.

All ballots must be returned by May 31, 1961, in accordance with the action taken at the organizational meeting. The results will be given to each of the members attending the organizational meeting.

Respectfully submitted,

Frank B. Buell
Secretary

May 8, 1961

TO: Members of the Disciples Pavilion Association
attending the Organizational Meeting on January 30, 1961.

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All ballots must be returned by May 31, 1961, in accordance with the action taken at the organizational meeting. The results will be given to each of the members attending the organizational meeting.

Respectfully submitted,

Frank B. Buell

Frank B. Buell
Secretary

To members of
Disc. Panel Fund
Suggested Ballot
May 8, 1961

June 8, 1961

TO: Members of the Disciples Pavilion Association
attending the Organizational Meeting on January 30, 1961.

This is a report on the voting covering the suggested amendments to the Code of Regulations of the Disciples Pavilion Association. The four items covered by the Ballot dated May 8, 1961 were approved. Below you will find the new complete text of the items as finally amended. You may either correct your Code of Regulations which was enclosed in my letter of February 18, 1961, or append this notice to your copy, which will then be accurate and up to date. The Code of Regulations stands approved except as to the following items which will replace the original draft:

Item 1.

Article 11, Paragraph a.

"To establish an association for the purpose of raising money for Doctors Clinic Foundation Disciples Pavilion Fund from individuals and organizations affiliated with the church known generally as THE CHRISTIAN CHURCH, or THE CHURCH OF CHRIST, or the DISCIPLES OF CHRIST, or from others sympathetic to the objectives of this association."

Item 2.

Article 111, Paragraph b.

"Regular membership in the association shall become automatic when an individual contributes a minimum of \$25.00 to the Disciples Pavilion Fund."

Item 3.

Article 111, Paragraph c.

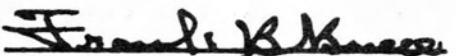
"Sustaining members are those individuals or organizations who make an annual contribution to the Fund of \$25.00 or more."

Item 4.

Article 111, Paragraph e.

"Honorary members are those persons whom the Executive Committee may determine have rendered invaluable service to the church or any affiliated organizations or, for other good reasons, to be an asset to the Association."

Respectfully submitted,


Frank B. Buell, Secretary

Report on voting on
Suggested Amendments
to Code of Regulations
Disc. Parson Fund

May 8, 1961

11

*K*ETCHUM, INC.

DIRECTION OF FUND-RAISING CAMPAIGNS
CHAMBER OF COMMERCE BUILDING
PITTSBURGH 19, PENNSYLVANIA

DAVID S. KETCHUM
VICE PRESIDENT

June 12, 1961

Mr. M. A. Hanna
Executive Director
Doctors Clinic
6760 Mayfield Road
Mayfield Heights 24, Ohio

Dear Mr. Hanna:

Once again, I am indebted to you and the Executive Committee of the Doctors Clinic Foundation for a very cordial meeting on June seventh. As you recognize, we received a somewhat different impression at that meeting than that upon which we had based our survey, since our survey had been conducted to determine whether a least a million dollars could be raised through a fund-raising campaign. Although we found that this objective would not be attainable and so stated in our survey report, we agree with your Executive Committee that it might well be possible to raise a smaller amount if you wish to conduct a more limited type of campaign.

We would deem it a privilege to provide our services in your forthcoming campaign provided certain preliminary activities are successfully completed as I outlined them at our meeting. They are:

First, approval by the Cleveland Hospital Council, which ought to open the doors of a number of corporation executives to your program. As we explained, this is an important preliminary to success in your campaign because of the effect the Cleveland Hospital Council can have on corporate giving, even outside of Cuyahoga County. As we understand it, Mr. Lees and Mr. Miller are already proceeding towards this objective.



June 12, 1961

Second, final agreement on the zoning arrangements in Twinsburg. Obviously, the whole case for your new hospital rests upon the fact that while the Twinsburg area is not a populous one, it will become one within the next few years.

Once these two vital matters have been accomplished, you then ought to be able to move ahead towards a campaign. Any estimate which we would give you at this time of the total objective of your campaign would have to be based on a guess as to the amount which can actually be raised among the very close friends of the Doctors Clinic Foundation. Following our survey, we estimated, for example, that there might be \$50,000 to be raised in the area and that corporations might be expected to produce \$100,000, with company employees giving approximately \$60,000. The rest would have to come from the Foundation Board, the medical staff and others who can be considered members of the "hospital family."

For this reason, it seems to us that the objective should be set at approximately \$200,000, plus the total amount which will be produced by the hospital family.

Because of the advantage of showing tangible evidence that the objective is realistic and attainable, we recommend that this campaign be conducted in phases. The first phase should involve the hospital family including trustees, doctors and others. This can take place during the summer.

In the fall, with the hospital family phase successfully behind us, we can then approach corporations. That might involve the months of September and October, following which the third phase at the end of the year (following the United Fund campaign), will reach into the plants for in-plant solicitation and into the community at large.

Under this plan, each phase will depend on the last one and the cumulative effect of showing each group the results of the one previously solicited ought to be very helpful in lifting standards of giving.

June 12, 1961

In order to conduct this program, we would be glad to schedule our staff on a phase-by-phase basis, so that both you and we would have to be satisfied with the progress made on each phase of the campaign before the next phase is authorized. The first phase for the solicitation of the hospital family, for example, will involve the preparation of a few general statements of the case for this campaign which can be brought to the attention of those who are already "insiders." It will also involve the enlistment and organization of a small group of men, largely from the Executive Committee and Board, to solicit the other Board members, doctors and others. This program might be conducted in July if a sufficient number of these persons plan to be in the area during that month.

The corporations phase could then be undertaken in September and October, and the public phase, including in-plant solicitation, in November and December. As previously pointed out, this will prevent competition with the United Fund campaign in the area which will undoubtedly reach its peak in October.

The fee for our services in providing a full-time director will be \$3,000 per month. Thus, our fee for the entire program would involve a fee for the months of July, September, October, November and December, or \$15,000. This fee, incidentally, includes the living expenses of our staff member. Additional expenses for printing, meetings, secretarial help, postage, telephones and similar items can be kept within approximately \$8,000 to \$10,000. None of this expense budget is payable to or through our firm, but we estimate the maximum amount of such funds which will be needed to pay for local services and supplies.

You will notice that the total fee for our services amounts to just a little over 4% of an objective of \$350,000. If the objective goes beyond that, there will be no increase in fee and the percentage cost of the campaign will be proportionately reduced.

As director, we can make available the services of Mr. James L. Renick whom you already know and who is now familiar with your plans and program. In making the survey, of course, he conducted

June 12, 1961

54 interviews with many of the corporate and community leaders who will be personally involved in your campaign. We will leave this matter entirely up to you. If you will notify us whether you would like to have us reserve Mr. Renick to direct your campaign, we will make him available to you. Otherwise, we can arrange our schedule to have another director work with you. This depends entirely on your personal feeling in the matter. I should add that it is possible that Mr. Renick will have to spend the first two weeks of November in Columbus on a previous commitment but if you decide to have him direct your campaign, we should be able to change our schedule in a satisfactory manner.

You will find enclosed two additional copies of this letter. Please keep me posted on your thinking in this matter since we will want to coordinate our plans with yours.

Cordially,

David S. Ketchum

DOCTORS CLINIC FOUNDATION

6760 MAYFIELD ROAD
MAYFIELD HEIGHTS 24, OHIO

June 21, 1961

Mr. David S. Ketchum
Ketchum, Inc.
1400 Chamber of Commerce Building
Pittsburgh 19, Pennsylvania

Dear Mr. Ketchum:

Thank you for your letter of June 12, 1961. Mr. Hanna is on vacation at the present time, and I will soon go on a ten day vacation and will return about the 6th of July. We plan to have an additional Executive Committee Meeting and perhaps a special full meeting of the Board at this time to consider the situation.

I agree with you that zoning arrangements in Twinsburg for housing developments should be completed before considering a campaign. This zoning is still somewhat questionable, and I understand that it will not be fully determined until perhaps late in July. Therefore, I would think that the campaign considerations that you have outlined are, perhaps, slightly premature and would have to be put back one or two months.

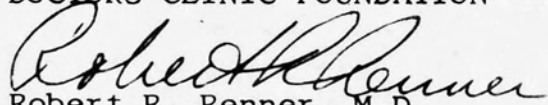
As for approval by the Cleveland Hospital Council, it was my understanding from the meeting that perhaps you, as well as Mr. Lees and Mr. Miller, would talk to Mr. John Mannix of Blue Cross. We are attempting to procure the letters from the physicians in that area as part of our documentation of the necessity of a campaign now. I really do not expect the Cleveland Hospital Council to approve of a campaign, and I would consider it a major victory if the Hospital Council would at least not disapprove of a campaign, but take a neutralstand. I would like to ascertain from you prior to these meetings of the Board of Trustees in July as to whether Ketchum, Inc. would be willing to undertake a campaign under the situation where the Cleveland Hospital Council did not give its approval, but agreed not to issue any disapproval or negative report.

Certainly, if and when a campaign is undertaken, Mr. Renick would appear to be the logical choice as a full time director. In addition, I hope that we can come up with a coordinator of the campaign from the Cleveland area who is a well-known industrialist.

I will be looking forward to hearing from you and we, by the same token, will keep in touch with your organization.

Very sincerely yours,

DOCTORS CLINIC FOUNDATION


Robert R. Renner, M.D.
Secretary

DOCTORS CLINIC FOUNDATION

6760 MAYFIELD ROAD
MAYFIELD HEIGHTS 24, OHIO

June 30, 1961

Mr. Carlton B. Schnell
Arter-Hadden-Wyckoff & Van Duzer
1144 Union Commerce Building
Cleveland 14, Ohio

Dear Carlton:

Confirming my telephone conversation, you will please find Summons, Resolution and Finding, and Plot Plan of the proposed easement covered by Law Suit #754173, wherein E. S. Preston, Director of Highways, has filed an application against Doctors Clinic Foundation for a 50 by 115 ft. easement over Foundation property on the north side of Mayfield Road in Mayfield Heights for a storm sewer. Nothing in the application or the drawing shows the size or diameter of the storm sewer nor the source from which the waters will originate.

This potential easement was discussed by Dr. Robert Renner and myself before he left on a vacation. It was discussed with Dr. Richard Renner today by telephone. All three of us are determined that we will fight this easement in every aspect possible.

It is not my privilege to be familiar with this type of proceedings, however, there are a few things that I would like to point out that may make this matter defective from a legal aspect without getting into any of the issues. These items are as follows:

1. The Summons gives the address of Doctors Clinic Foundation as 6760 Mayfield Road, Cleveland, Ohio, with myself as Executive Director. The Summons and service was made on Barbara Vapenik at our Cedar office, 12337 Cedar Road, Cleveland Heights, Ohio. The Deputy Sheriff stated he did not want to have to come clear out here, so would leave it there.
2. The copy of the Resolution and Finding, which was served on us, was not signed by E. S. Preston, Director of Highways.
3. There is no verification or oath on this Resolution and Finding.
4. In the preamble of this Resolution it states that they have been unable "to purchase certain hereinafter described property", and there has been no endeavors to purchase this property from any source, either with Dr. Richard, Dr. Robert, or myself. In other words, the preamble is a misstatement of fact.

Mr. Carlton B. Schnell

June 30, 1961

Page 2

5. The Resolution provides the value of the property to be \$64.00, damages to the residue of \$1.00, with a total deposit of \$65.00. This is a ridiculous sum of money to be deposited for a parcel of land which they state consists of 0.13 acres.
6. There is no drawing, map, or identification with any of the papers enclosed which would locate the point in our property where this easement is desired. A reference is made to Station 47 plus in three different instances, but it does not locate it in relationship to the approximate 450 ft. frontage that we own on the north side of Mayfield Road.

It is my personal opinion that if there is an opportunity to prove this action defective, that it should be handled accordingly and have the case dismissed. We are not so much interested in trying to obtain dollar damages as we are to preserve and protect the value of our property. If it is a fact, as we suspect, that this sewer is for the purposes of picking up surface waters at the interchange of the north-south throughway with Mayfield Road, plus picking up surface waters of various areas between that interchange and our property, the increased volume of water would seriously damage this property, as the real value lies in the frontage on Mayfield Road.

It is my thought that the Highway Department should continue the storm sewer eastward on Mayfield Road to the easterly property line of our premises and then go northward through our property with a covered sewer to the lowest point in the natural swale. Were they to do this, they could then use the surplus soil to fill the existing ravine and the damages to our property would be greatly less than would be true if they pursued the present course and plan.

After an opportunity to discuss this with our Executive Committee, we will communicate with you further on the subject. It is noted that we have thirty days from the date of service of this Summons before we are required to act. It is our hope to have an Executive Committee meeting in the evening of either the 10th or the 11th of July, at which time it would seem advisable for you to be present. It would be appreciated, also, if you would call me to acknowledge receipt of these documents, but I have reproduced two copies, including the plot plan, so that no serious difficulty would result.

Yours truly,

M. A. Hanna
Executive Director

MAH/pgt

CC: Dr. R. Richard Renner ✓

CC: Dr. Robert R. Renner

INDUSTRIAL APPRAISAL COMPAN

BUILDING OR UNIT	COST OF REPRODUCTION	
	TOTAL COLUMN 1	EXCLUSION COLUMN 2
DOCTORS HOSPITAL CLEVELAND HEIGHTS, OHIO		
VALUATION DATE 7/19/61		
HOSPITAL		
BASE WALLS BELOW GRADE	7 500 00	
BUILDING	1 454 545 00	26 050 00
ARCHITECT FEES	87 723 00	
PERMANENT FIXTURES	78 933 00	
TOTAL BUILDING	1 628 701 00	26 050 00
EQUIPMENT	362 388 00	
SURGICAL INSTRUMENTS	25 399 00	
TOTAL	2 016 488 00	26 050 00
STAIR TOWER		
BASE WALLS BELOW GRADE	285 00	
BUILDING	61 651 00	1 529 00
ARCHITECT FEES	3 607 00	
TOTAL BUILDING	65 543 00	1 529 00
TRANSFORMER VAULT		
WALLS BELOW GRADE	204 00	
BUILDING	2 720 00	380 00
ARCHITECT FEES	175 00	
TOTAL BUILDING	3 099 00	380 00
OXYGEN CONTAINER STORAGE HOUSE		
BUILDING	1 311 00	242 00
ARCHITECT FEES	79 00	
TOTAL BUILDING	1 390 00	242 00
PIPE TUNNEL		
WALLS BELOW GRADE	4 140 00	
STRUCTURE	40 126 00	2 043 00
ARCHITECT FEES	2 656 00	
TOTAL	46 922 00	2 043 00

NY — APPRAISAL SUMMARY

NEW	SOUND VALUES			
	INCLUSIONS COLUMN 3	TOTAL COLUMN 4	EXCLUSIONS COLUMN 5	INCLUSIONS COLUMN 6
7 500 00	5 475 00			5 475 00
1 428 495 00	1 062 339 00	19 538 00		1 042 801 00
87 723 00	64 038 00			64 038 00
78 933 00	50 357 00			50 357 00
602 651 00	1 182 209 00	19 538 00		1 162 671 00
162 388 00	250 448 00			250 448 00
25 399 00	21 589 00			21 589 00
1 990 438 00	1 454 246 00	19 538 00		1 434 708 00
285 00	257 00			257 00
60 122 00	55 532 00	1 422 00		54 110 00
3 607 00	3 246 00			3 246 00
64 014 00	59 035 00	1 422 00		57 613 00
204 00	184 00			184 00
2 340 00	2 456 00	350 00		2 106 00
175 00	158 00			158 00
2 719 00	2 798 00	350 00		2 448 00
1 069 00	1 198 00	225 00		973 00
79 00	72 00			72 00
1 148 00	1 270 00	225 00		1 045 00
4 140 00	3 064 00			3 064 00
38 083 00	29 754 00	1 573 00		28 181 00
2 656 00	1 965 00			1 965 00
44 879 00	34 783 00	1 573 00		33 210 00

INDUSTRIAL APPRAISAL COMPA

BUILDING OR UNIT	COST OF REPRODUCTION	
	TOTAL COLUMN 1	EXCLUSIONS COLUMN 2
POWER PLANT AND MAINTENANCE BUILDING		
BASE WALLS BELOW GRADE	5 213 00	
BUILDING	182 678 00	14 890 00
ARCHITECT FEES	11 268 00	
TOTAL BUILDING	199 159 00	14 890 00
EQUIPMENT	83 422 00	
TOTAL	282 581 00	14 890 00
LABORATORY		
BUILDING	101 998 00	6 363 00
ARCHITECT FEES	6 120 00	
PERMANENT FIXTURES	14 838 00	
TOTAL BUILDING	122 956 00	6 363 00
EQUIPMENT	69 093 00	
TOTAL	192 049 00	6 363 00
CLINIC BUILDING		
EQUIPMENT	57 619 00	
TOTAL	57 619 00	
HOSPITAL OWNED HOME		
STORED EQUIPMENT	770 00	
TOTAL	770 00	
COMMERCIAL STORAGE WAREHOUSE		
STORED EQUIPMENT	3 500 00	
TOTAL	3 500 00	
TOTAL BUILDING	2 067 770 00	51 497 00
TOTAL EQUIPMENT	602 191 00	
GRAND TOTAL	2 669 961 00	51 497 00

4724

NY — APPRAISAL SUMMARY

NEW	SOUND VALUES		
	INCLUSIONS COLUMN 3	TOTAL COLUMN 4	EXCLUSIONS COLUMN 5
5 213 00	3 441 00		3 441 00
167 788 00	120 716 00	9 976 00	110 740 00
11 268 00	7 437 00		7 437 00
184 269 00	131 594 00	9 976 00	121 618 00
83 422 00	52 794 00		52 794 00
267 691 00	184 388 00	9 976 00	174 412 00
95 635 00	86 889 00	5 599 00	81 290 00
6 120 00	5 202 00		5 202 00
14 838 00	9 730 00		9 730 00
116 593 00	101 821 00	5 599 00	96 222 00
69 093 00	51 847 00		51 847 00
185 686 00	153 668 00	5 599 00	148 069 00
57 619 00	45 284 00		45 284 00
57 619 00	45 284 00		45 284 00
770 00	481 00		481 00
770 00	481 00		481 00
3 500 00	3 500 00		3 500 00
3 500 00	3 500 00		3 500 00
616 273 00	1 513 510 00	38 683 00	1 474 827 00
602 191 00	425 943 00		425 943 00
618 464 00	1 939 453 00	38 683 00	1 900 770 00

INDUSTRIAL APPRAISAL COMPANY

EXECUTIVE OFFICES

222-24 BOULEVARD OF THE ALLIES, PITTSBURGH 22, PA.

Representatives in Principal Cities

EXTRA COPY

INTRODUCTORY EXPLANATION

In presenting this Appraisal Report, the Industrial Appraisal Company desires that maximum benefit be obtained from the service and to this end presents the following explanation.

The Report is based on a concise description of the property covered by our appraisal contract. It does not include land, supplies, intangible assets, and such other items excluded by the appraisal agreement.

The Report is arranged to well-defined property classifications and furnishes a disinterested and impartial statement of:

A. *Cost of Reproduction New*
B. *Total Accrued Depreciation*

C. *Sound Value*
D. *Sound Insurable Values*

The Report does not reflect sale or liquidation value.

The "Cost of Reproduction New" of the property is determined in accordance with market prices current at the date of the appraisal for labor, material and equipment, plus cost of freight, cartage and installation, and represents the cost to replace new the property in like kind. The Report does not include any allowance for overtime, bonuses, and premiums for labor or material.

The "Sound Value" is based upon the cost of reproduction new less an allowance for accrued depreciation resulting from its age and condition.

Where buildings have been appraised, the "Sound Insurable Value" is based on the sound value less exclusions.

The "Exclusions" set out in our summary represent items that are usually excluded by the fire policy and comprise the following items:

Excavation and filling.

Portions of foundations which are below the undersurface of the lowest basement floor, or, where there is no basement, which are below the surface of the ground.

Underground sewerage, piping and wiring.

The values have been determined on the basis of an operating unit and we do not assume any responsibility for matters of a legal nature and have not examined the title to or encumbrances on the properties included in the Report.

A summary immediately following this explanation shows the replacement values, sound values and sound insurable values segregated according to accounts established by the Industrial Appraisal Company.

Where an item in the Summary is designated by the letter "X", such item has not been appraised, but has been incorporated in the report and price trended from cost data furnished by the owner.

On receipt of this Report, we suggest that you call in your insurance agent or broker, and with him check the amount of insurance carried on the appraised property against the Inclusion Values shown in the summary.

If your fire insurance policy is based on sound values, use the figure in column No. 6 of the Sound (Depreciated) Value summary. If your fire insurance policy is based on replacement values, then use the figures shown in column No. 3 of the cost of Reproduction New summary. If the Foundation Exclusion Clause is deleted from your policy by endorsement, then use the figure shown in Column No. 1 of the Cost of Reproduction New summary.

If any change is made in the insurance rider form affecting items of "exclusion," it is important to have a new summary made. If you will send us a copy of the new rider form, we will prepare a new summary in accordance therewith.

(Please read your Appraisal Report)

August 10, 1961

Dear Mr. Pringle:

For your information I would like to submit the following report covering the CEI power failure of August 4th and its effects on Doctors Hospital:

At approximately 11:50 A.M. we experienced our first power failure. All of the hospital's electrical equipment was inoperable including x-ray machines, lab equipment, refrigeration, elevators, sterilizers, laundry and the many pieces of nursing equipment such as oxygen tanks, pumps, etc. All lights were out for about 10 minutes because of a mechanical failure of our emergency lighting system. (This system is tested routinely every other night and had always tested satisfactorily. The failure was in a power panel switch which has now been replaced.) Two surgeries were in process at the time of failure but surgery personnel switched to battery light until our emergency power came on. The emergency failure did not cause undue hardship for this short period of time.

During the failure our employees used excellent judgment and ingenuity in carrying on their normal functions. Nursing care was provided as usual with some patients being changed from oxygen tents to mask and some suction patients being done manually. Some of the personnel automatically checked elevators for possible trapped patients (there were none) and certain vital areas (i.e. blood bank refrigerator, dietary lighting) were given power by extension cord from the emergency system. Patient meals were served promptly by means of a human chain from the kitchen to the floors. Except for inconvenience all essential services were provided through the excellent cooperation of all employees who served where needed, irrespective of their normal duties.

Because of the loss of steam pressure we were not able to sterilize instruments and supplies or process laundry until 6:00 P.M. when the pressure was again up to normal. This meant double duty for the second shift personnel in central supply, surgery and OB departments in order to catch up on sterilizing. The laundry started its personnel earlier on Saturday in order to get out the necessary linen.

Fortunately, the CEI power came on long enough, around 2:00 P.M., to enable us to take newly admitted patients to the floors. This was a particularly lucky break in view of the fact that some of the patients were elderly and at least one a cardiac patient. It would have been impossible for them to negotiate the stairways.

This emergency served to point out the inadequacy of the equipment providing us emergency power. First of all, the 25 KVA single phase generator is just barely able to provide the necessary single phase current to give us adequate light and nursing equipment in the daylight hours. Even with the non-essential lights turned off for the day-time needs there were times when it appeared the system was overloaded. Without question, we need considerably more single phase output to serve the hospital during a night time power failure. Secondly, we have absolutely no three phase current to run elevators, refrigeration (kitchen) steam generators and the heating boilers. Had this emergency occurred during the winter months and lasted a few hours longer we would have had a cold building. Any extended general power failure such as one that might result from a tornado could put us in real difficulty in regard to steril supplies and linen. I feel that we must seriously consider a means of keeping

-2- Mr. William R. Pringle

August 10, 1961

the steam processing and heating boilers in operation as well as at least one large elevator.

Again I wish to point out that except for a little excitement the employees took this experience in their stride and to my knowledge, except for a little inconvenience, no patient suffered as a result of the power failure.

I sent a letter to all employees expressing our appreciation for their efficiency and cooperation.

Yours very truly,

s/ Robert Moss
Administrator

RM:dn;maf

DOCTORS CLINIC FOUNDATION PROGRAM

All of the property purchased in Summit County, Village of Twinsburg, was authorized by the Executive Committee and ratified and approved by the Board of Trustees. The purposes of acquiring this land was to transfer the center of activities from the Hillcrest area to the Twinsburg area, since there was insufficient land available in the Hillcrest area and because the Twinsburg area seemed most opportune in the development progress of population.

The actions taken by the Board covered

1. The construction of the R. Richard Renner Hospital;
2. The creation of a Twinsburg clinic;
3. The creation of a medical school;
4. The creation of a nursing school;
5. The establishment of a graduate university;
6. An industrial and other research center.

Since that time a trip was made to Washington and some considerations were given by individual Trustees without official Trustee action on the following subjects:

1. Housing for the elderly;
2. A nursing home.

Certain basic problems involved:

1. Change in the Zoning Ordinance of the clinic property in Twinsburg from individual residence to another zoning classification that would permit the construction of various buildings without individual application to the village of Twinsburg for special permits.
2. A permit was granted by the Zoning and Planning Board of Twinsburg to the existing residential zoning so that a zoning change is not essential for the construction of the hospital. Special permits would be required for the construction of any and all other buildings unless that zoning change has been passed by the Village Council.

3. The changing of the residential zoning requirements must be accomplished within one year, or by May 18, 1962, otherwise the note and mortgage to Mantua Development Company for \$37,372.50 will not be cancelled and invalidated. In order to conserve on the manpower and to alleviate strain on these resources, it should be determined the items that have the first priority and the potential target date on them.
4. Certain flexibility must be required in view of the Cleveland Hospital Council, the Hamilton Reports, and the bed capacity potential in the Twinsburg area under Hill-Burton funds. That flexibility is also required in view of our negotiations with Doctors Hospital regarding the sale of the clinic's building on Cedar Road or the rental of it to Doctors Hospital.
5. In order to accomplish the most results in the shortest period of time, it will be necessary to concentrate our energies upon the various projects in the order of their priority. When those with first priority have been developed to the point where others, such as architects or contractors or financing can carry on under the momentum started, then planning of next priority date projects should be developed under a similar purpose and plan.
6. The objective of this report is to familiarize all with the problems involved and to permit a concentrated effort to attain the most number of projects in the shortest period of time that is physically possible through financing, organization, and personnel. It is essential to do this, otherwise, so much energy will be concentrated on so many things that progress will seem too slow because of too vast a field to be accomplished at one time. After the main objectives to be accomplished are determined, details concerning what should be included in each project are a necessary adjunct before plans can be prepared accordingly.

M. A. Hanna

MAH/pgt

Minutes of Meeting of the Executive Committee

of DOCTORS CLINIC FOUNDATION

held at the Alcazar Hotel, Parlor B, Cleveland Heights, Ohio, at

1:00 P.M. November 25 19 61 upon written notice duly given.

The meeting was called to order by the President, Dr. R. Richard Renner. Others attending were:

Mr. David C. Lincoln, Mr. Harry W. Lees, Mr. Arthur Barr, Mr. Frank B. Buell, Mr. Perry E. Miller, Dr. Robert R. Renner, Mr. M. A. Hanna, Mr. Roland Fraier, Mr. Carlton Schnell, and Mr. Frank Burns.

The reading of the Minutes of the previous meeting was dispensed with on motion duly made and carried.

Upon request, Mr. Hanna submitted a written offer from Lester C. Chandler to purchase the two easterly Bratenahl lots at a price of \$100.00 per front foot on Lake Erie. He moved that the offer to purchase be accepted. The motion was seconded by Mr. Miller and on vote had carried.

Mr. Hanna submitted an offer from Dr. Robert R. Renner to purchase the most westerly Bratenahl lot. At this point, Dr. Robert Renner asked permission to leave the meeting and Dr. Richard Renner requested the Vice President, Mr. Perry Miller, to assume the duties as Chairman. Mr. Hanna then submitted an appraisal by Mr. Ben Beyer which showed the value of the lot to be \$6,000.00. After discussion, Mr. Harry Lees moved that the offer to purchase by Dr. Robert Renner be accepted. The motion was seconded by Mr. Hanna and after discussion and on vote had the motion carried accepting this \$7,000.00 offer.

Dr. R. Richard Renner and Dr. Robert R. Renner were then requested to return to the meeting. Mr. Miller advised the two that the offer submitted by Dr. Robert Renner had been approved. Dr. R. Richard Renner resumed the duties of the Chairmanship.

Upon request, Mr. Hanna gave a report on the cash situation of the Foundation. This report indicated that the Foundation was operating on an accrual basis and at a profit, however, there were drains on the cash reserves due to salaries, capital investments and other operating expenses which were unusually heavy in view of the new Hillcrest Clinic Building. Mr. Hanna stated that certain steps had been taken to reduce some of the operating expenses, such as the reduction in personnel and re-assigning of duties of others. His report indicated there were some additional things that the Board should consider, such as obtaining of rental from Doctors Hospital for the use of the Cedar Clinic building; suspending the retirement program until the cash situation improved; proceed with the sale or other utilization of the thirty acre tract in Mayfield Heights; consider the sale of the Cedar Clinic building to Doctors Hospital or others; the sale of seventy-five acres in Twinsburg, known as the Alexander and Freeman properties, which is not

contiguous to the main parcel.

Dr. Robert Renner stated that he had been investigating the possibility of the use of the thirty acre parcel as an investment program which would give the Foundation some cash at the present and provide for a future continuous income from the property. This entailed the creation of a motel franchise, high rise apartments, and other concepts to fulfill this purpose. Mr. Fraier attended the meeting and reported on his investigations for motel and high rise apartment program.

Mr. Hanna stated that the State Highway Department refused to change their original plans and would not run the 72" storm sewer over the Visconsi property nor along the west boundary of this thirty acre tract. Mr. Schnell, the Foundation attorney, reported on the legal ramifications.

Mr. Barr moved that Dr. Robert and those working with him on the thirty acre parcel, proceed with their investigations and obtain the best proposals possible and submit same to the Executive Committee for their further consideration and action.

The motion was seconded by Mr. Perry Miller and on vote had carried.

Mr. Harry Lees moved that a committee of Mr. Hanna, Dr. Robert Renner and Mr. Carlton Schnell, proceed with getting more complete data in regard to the damages to the thirty acre tract by reason of the Highway law suit for an easement, and that the committee use its judgment in determining what additional steps should be pursued in ascertaining the extent of damages and the prosecution of litigation or negotiating as they may deem to be for the best interest of the Foundation. The motion was seconded by Mr. Barr and on vote had carried.

Dr. R. Richard Renner stated that he felt that the dealings between the Foundation and Doctors Hospital for either the rental or the sale of the building should be handled between himself and Mr. William Pringle, who are the principals of the two respective organizations. He further stated that he felt that the present committee that was negotiating with the hospital on these subjects had completed their activities and that the clinic's best interests would be protected by this procedure. Dr. Robert R. Renner then moved that the program as outlined by Dr. R. Richard Renner be approved. The motion was seconded by Mr. Buell and after the vote was had, the motion carried. Dr. R. Richard Renner stated that he would call upon Mr. Harry Lees to assist him as conditions may require.

There was considerable discussion regarding the construction of a hospital in the Hillcrest area, as well as the Twinsburg area. It was the consensus of opinion that a small hospital in the Hillcrest area would be especially desirable to increase the practice of the doctors at that office, and also would be desirable since Mr. Miller and Mr. Lees had advised the members of the Cleveland Hospital Council of our plans to so act. It was also the consensus of opinion that an application should be re-filed for Hill-Burton Funds prior to the 15th of

May, 1962. It was the consensus of opinion that there be no construction of a hospital at Twinsburg until after the Hamilton report had been received by the Cleveland Hospital Council and until after the Foundation had pursued a policy of cooperation to obtain the good will of the Cleveland Hospital Council.

Dr. Robert Renner stated that he was agreeable to that procedure, however, if the Hamilton report did not favor a hospital in the Twinsburg area that he wanted the right reserved to pursue the construction of a small hospital if it was deemed advisable by the Executive Committee. There were no objections to this program.

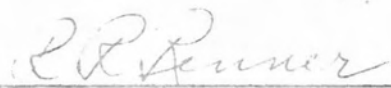
Dr. Richard Renner discussed the possibilities of housing for the elderly. He asked Mr. Hanna to discuss the brochure presented by a Mr. Guentzler. Mr. Hanna reported that it was a complex situation consisting of two corporations, one not for profit and the second, a service corporation for profit. He further stated that there were many ramifications that would require intimate study by those interested in the project. This report was given to Mr. Miller at the request of Dr. Richard, who asked Mr. Miller to study the matter and then give it to Mr. Buell, and then after his study there should be a meeting with Dr. Richard Renner, Dr. Robert Renner, Mr. Perry Miller, Mr. Frank Buell, Mr. M. A. Hanna and Mr. Frank Percy.

All present stated that any projects in the overall development program should be accomplished, insofar as possible, with the present personnel to prevent additional drains on the Foundation's cash situation.

Dr. Robert Renner moved that Minutes of all Executive Committee meetings be mailed to the full Board of Trustees and marked "Personal", and that such procedures would eliminate the need for the reading of the Minutes of the Executive Committee. The motion was seconded by Mr. Lincoln and on vote had carried.

Mr. Perry Miller reported that he had discussed with Vic Corbett the land that he owns at the northwest corner of State Route 91 and Glenwillow Drive. He said that Mr. Corbett had verbally promised to give Doctors Clinic Foundation the first option to purchase the premises when he was ready to sell.

During the general discussion Mr. Lees and others expressed opinions against suspending the retirement program. Other subjects of vital interest were considered. There being no further business to come before the meeting, the same was duly adjourned.


President

Attest


Secretary

January 26, 1962

MEMO TO: Dr. R. Richard Renner
FROM: M. A. Hanna
SUBJECT: The Disciples Pavilion Association

On January 30, 1961 the above association was created at a meeting held in the library conference room located in the Cedar clinic building.

The persons attending the meeting automatically became members of the association, with the exception of Mr. Charles H. Wright, who attended, but resigned. The Code of Regulations and the Resolution were adopted in accordance with the action taken at that meeting.

You acted as temporary Chairman, and after the adoption of the Code of Regulations, you were elected as the permanent Chairman of the association. Rev. Ray M. Wolford was elected Vice Chairman of the association.

Mr. Frank B. Buell was elected Secretary and Treasurer of the association. The Executive Committee, as defined by the Code of Regulations, was to consist of the Chairman, Vice Chairman, and Secretary, per se. The other four members were to be elected at the annual meeting. The other four members were not elected, as Mr. Meril May moved the adoption of a Resolution that a nominating committee solicit the names of the persons that should be members of the Executive Committee. As Chairman, you did not appoint the nominating committee and it is not within my knowledge whether this procedure under the Code of Regulations was conformed with.

The Code of Regulations provide for the annual meeting to be the last Monday in January each year. It would occur to me that your appropriate steps would be to appoint a nominating committee and when they have their report ready to submit, as to the other members of the Executive Committee, that you call a meeting at a time and place with notice duly given by the Secretary so that all members possible could attend. At that particular meeting, the Agenda should include the report of the nominating committee, along with other reports, so that there would be something of value to contribute at the meeting.

This is called to your attention for such action as you deem advisable in the matter.

M. A. Hanna

P.S.

I might suggest the conference room of Hillcrest Clinic as the place for the meeting, and suggest that it be held in the evening or a Saturday afternoon so that there will be no expense involved other than coffee and cookies.

January 22, 1962

Mr. William R. Pringle, Sec'y.,
East Ohio Gas Company,
Box 5759,
Cleveland 1, Ohio.

Subject: Suggested plan of insurance for
Buildings and Contents for
Doctors Hospital.

Dear Mr. Pringle:

Policy Type;

Public and Institutional Plan, issued on a blanket basis. This plan provides protection against the perils of fire, lightning, extended coverage and vandalism and malicious mischief. Insurance amount would be 90% of Stated Value, on an agreed amount basis. A deductible of \$100 per loss per building, including the contents, to all perils other than fire and lightning would apply.

Amount of Insurance;

Cost of Reproduction New, based on the values stated in Appraisal Summary, adjusted to policy exclusion conditions.

Enclosures;

- Exhibit #1 - Appraisal Summary
- " #2 - Recommended values to be insured.
- " #3 - Adjustments to Appraisal Summary
- " #4 - Detail of recommended values to be insured.

Term of Policy;

Three years, single premium.

Property located in Doctors Clinic Building;

This property is excluded from inclusion under the Public and Institutional Plan as they are located in a building not owned by the Hospital.

Recommendation;

Medical Library;

Value \$ 24,750.

Insure under a Valuable Papers policy.

Other contents;

Value \$ 32,869.

Insure under a standard contents form for the perils of fire, extended coverage and vandalism and malicious mischief, on a 90% co-insurance basis.

Consideration has been given to variances in the extent of coverages by various proposals. It is our opinion that the suggested program complies with prudent judgment and balances with insurance costs.

Respectfully Submitted,

EXHIBIT # 2

DOCTORS HOSPITAL

Values recommended for insurance on the Buildings and Contents

	<u>Building</u>	<u>Contents</u>
#1 - Hospital Building	\$ 1,692,857.00	\$ 407,887.00
#2 - Laundry, Maintenance, Power Plant & Storage	196,724.00	114,422.00
#3 - Laboratory	<u>116,593.00</u>	<u>72,093.00</u>
	\$ 2,006,174.00	\$ 594,402.00
TOTAL		\$ 2,600,576.00

Located in Doctors Clinic Building
12337 Cedar Ave.

Medical Library	\$ 24,750.00	
Other contents	<u>32,869.00</u>	
TOTAL		\$ 57,619.00

DOCTORS HOSPITAL

Industrial Appraisal Co., "Cost of Reproduction New", adjustments to value, for insurance.

Total values, Column # 3		\$ 2,618,464.00
Deduct:		
Equipment in Clinic Building		<u>57,619.00</u>
		\$ 2,560,845.00
Deduct:		
Equipment; Owned Home	770.00	
Equipment; Commercial		
Storage	<u>3500.00</u>	<u>4,270.00</u>
		\$ 2,556,575.00
Deduct:		
Pipe Tunnel allocated to		
Clinic Building:		
Total	\$ 44,879.00	
Allocated to Hospital	22,325.00	- 49.7%
" to Power &		
Maintenance	<u>12,455.00</u>	- 27.7%
Balance to Clinic Building		<u>10,099.00</u> - <i>ml</i>
		\$ 2,546,476.00
Supplies to be added:		
Hospital Bldg, contents;		
Pharmacy	7,000.00	
X-ray	600.00	
Dietary	3,500.00	
On floors	3,500.00	
Surgery	5,000.00	
Emergency	<u>500.00</u>	
		20,100.00
Laboratory		3,000.00
Power & Maintenance		
Storeroom	21,000.00	
Laundry	5,000.00	
Paint, Lumber		
Plumbing, etc.	<u>7,000.00</u>	
		<u>31,000.00</u>
		54,100.00
Total value for insurance		\$ 2,600,576.00

DOCTORS HOSPITAL.

Detail of recommended value for insurance of Buildings and Contents.

Buildings:

# 1 - Hospital;		
Base walls below grounds	\$	7,989.00
Building value		1,492,026.00
Pipe tunnel (allocated)		22,325.00
Architect's fees		91,584.00
Permanent fixtures		78,933.00
		<u>\$1,692,857.00</u>
# 2 - Laundry, Maintenance, Power Plant and Storage		
Base walls below ground		5,213.00
Building		167,788.00
Architect's fees		11,268.00
Pipe tunnel (allocated)		12,455.00
		<u>196,724.00</u>
#3 - Laboratory		
Building		95,635.00
Architect's fees		6,120.00
Permanent fixtures		14,838.00
		<u>116,593.00</u>
Grand Total Buildings		\$ 2,006,174.00

Contents

#1 - Hospital		
Equipment		362,388.00
Surgical Instruments		25,399.00
Supplies		20,100.00
		<u>407,887.00</u>
#2 - Laundry, Maintenance Power Plant & Storage		
Equipment		83,422.00
Supplies		31,000.00
		<u>114,422.00</u>
#3 - Laboratory		
Equipment		69,093.00
Supplies		3,000.00
		<u>72,093.00</u>
Grand Total Contents		<u>594,402.00</u>
Grand Total Building & Contents	\$	2,600,576.00

January 22, 1962

Mr. William R. Pringle, Sec'y.,
East Ohio Gas Company,
Box 5759,
Cleveland 1, Ohio.

Subject: Insurance protection for
Buildings and Contents of
Doctors Hospital.

Dear Mr. Pringle:

Industrial Appraisal Company, after approval, have inventoried and evaluated, all the Real and Personal property of Doctors Hospital. Their complete detailed report is on file with the Administrator and a duplicate copy is retained in their office.

A photostatic copy of the Appraisal Summary is attached. The summary states the values on two bases, namely;

Cost of Reproduction New,

Representing the cost to replace new the property in like kind.

Sound Value,

Representing the cost of reproduction new, less an allowance for depreciation.

Supplies are not included in the appraisal totals. The administration estimates the value of the supplies at \$54,100.

The values, so determined, are recognized as the most logical, as a basis for the amount of insurance protection. Insurance companies accept these values as a sound basis for settlement of claims.

Mr. Moss, Administrator, issued the following invitation for proposals;
Gentlemen:

The Cleveland Memorial Medical Foundation, operating Doctors Hospital, invites you to propose an insurance program, for the protection of our buildings and their contents.

Your proposal to reflect your judgment as regards the amounts of insurance, the form of policy and the exposures protected.

We enclose a photostatic copy of an Appraisal Summary prepared by Industrial Appraisal Company, for your guidance.

The request for proposals was mailed to the following;

Davis & Dissette, Inc.
Central Mutual Agency, Inc.
Lumberman's Mutual Insurance Agency, Inc.
J. A. Weiss and Associates
The Travelers Insurance Co.,

The replies were unanimous in recommending the Public and Institution-

January 22, 1962.

al Plan as the best for protection of the properties.

The plan requires that a notorized Statement of Values be filed with the Ohio Inspection Bureau, who in turn will inspect the property and determine the rate to apply. The amount of insurance under the Plan will be 90% of the Stated Value, on an agreed amount basis.

Protection under the Plan is subject to a deductible of \$100 per loss per building, including the contents, to all perils other than fire and lightning.

Proposals varied in total amount of insurance provided. Rates also varied, as estimated rates were used, except by Travelers who had filed the required Statement of Values and received a certified rate.

Recommended values of property to be insured was Cost of Reproduction New, in lieu of Sound Value.

The only method of obtaining quotations on a true comparative basis would be to request the same values be used by all companies.

A suggested plan for insurance will be submitted in a separate report.

Respectfully submitted,

April 30, 1962

MEMO TO: All Trustees of Doctors Clinic Foundation

FROM: Milton A. Hanna, Executive Director

RE: Semi-Annual Meeting of the Trustees

The Secretary has requested that I forward copies of the Minutes of the Semi-Annual Trustees Meeting to all members of the Board of Trustees. To those Trustees who were unable to attend the meeting on April 16, 1962, we are attaching copies of written reports presented at the meeting by the Medical Director and the Executive Director. It is sincerely hoped that the enclosures will keep you fully informed of the Foundation's developments and activity.

Minutes of the Semi-Annual Meeting of the Trustees of Doctors Clinic Foundation held in the Music Room of the Alcazar Hotel, Cleveland Heights, Ohio, at 7:00 P.M. on April 16, 1962, upon written notice duly given.

The President, Dr. R. Richard Renner, called the meeting to order and other Trustees in attendance were: Dr. Hollis Turley, Mr. Perry Miller, Mr. George Bissett, Jr., Dr. Robert Renner, Mr. Charles Standish, Mr. Richard Renkert, Dr. Daniel S. Renner, Mr. Arthur Barr, Mr. Stewart Anthony, Mr. Chalmer Lutz, Mr. Roland Fraier, Mr. John Renner, Mr. David Lincoln, Mr. Frank Buell, and Mr. M.A. Hanna.

The President declared a quorum present. Mr. Perry Miller moved that the reading of all of the Minutes of the previous meetings be dispensed with. Dr. Hollis Turley seconded the motion and on vote had, the same carried.

Mr. Frank Buell moved that the actions of the officers and Executive Committee since the annual meeting on October 16, 1961 be, and the same are hereby ratified, affirmed, and approved. The motion was seconded by Mr. Lutz and on vote had, carried.

The President suggested a brochure which he had in mind for the Hillcrest area hospital. He also mentioned his relationships with persons interested in elderly housing. Dr. Richard Renner spoke of the clinic's patients, particularly his own, as being substantial in the census of Doctors Hospital.

The Treasurer, Mr. Frank Buell, submitted the report of Ernst & Ernst covering the fiscal year ending November 30, 1961. All members present were given a copy of this audit report. After some explanations, he moved that the audit report be accepted and placed on file in the records of the Foundation. Mr. Hanna seconded the motion and after a question and answer period, the motion carried.

Dr. Robert R. Renner distributed to each Trustee a written report covering the medical activities of Doctors Clinic Foundation. He made further remarks on the program in regard to research, education and science, and a scientific publication. Questions were answered, with the report being well received.

The Executive Director distributed to each Trustee present a written report for the year ending November 30, 1961. He verbally reported on the Foundation's financial picture, the accounts payable, and what would have to be met by May 15. He enlarged upon the activities of the Women's Auxiliary.

Dr. Richard Renner then commented on the splendid dinner meeting at the Bethlehem Lutheran Church. He thought it would be appropriate to pass a commendatory resolution and transmit it to the Women's Auxiliary. Mr. Buell submitted and moved adoption of the following Resolution:

Be it Resolved that this Board of Trustees of Doctors Clinic Foundation congratulate and commend the Women's Auxiliary for all of their activities and invaluable contributions, both material and spiritual, in furthering the interest and the ideals of the Foundation, with special thanks for their educational and entertaining dinner meeting April 12th at the Bethlehem Lutheran Church, and

Be it Resolved that a copy of this Resolution be forwarded to the President of the Women's Auxiliary group.

The motion was seconded by Mr. David Lincoln and on vote had, unanimously carried.

Dr. Richard Renner asked Mr. Frank Buell to submit his report as Chairman of the Elderly Housing Committee. Mr. Buell waived, in favor of Mr. Perry Miller. The gist of Mr. Miller's comments were that any program on elderly housing should be deferred until after the construction of a hospital, which was the major and initial step in our development program. Mr. Buell affirmed these comments. It was the consensus of all Trustees present that an elderly housing project should be deferred until the future after primary objectives had been accomplished.

Dr. Robert Renner reported on the negotiations to sell the Cedar Clinic Building to Doctors Hospital. The gist was that the sale price of \$225,000.00 seemed reasonable. The rental amount to be paid by the hospital to the clinic would run around \$1,000.00 to \$1,200.00 a month since April 1, 1961. He further reported that the appraisal committee had established a \$3.00 per square foot rental value on the first floor but that was the point of differences between the two committees. The Clinic Foundation committee felt that their rent should be nominal, while the hospital committee felt that they should receive the same rental base of \$3.00 per square foot per month as they would pay to our Foundation. He further reported the only apparent way to break this deadlock was to have a re-survey made by the three appraisers.

Mr. Hanna stated that there was progress, but a spread still existed between the cash receipts and the cash demands. He moved that the proceeds from the fire adjustment on the contents, as well as the proceeds from the sale of the Euclid office land and building, be transferred to operating funds to alleviate this condition. The motion was seconded by Perry Miller and on vote had, carried.

Dr. Robert Renner moved that Mr. Hanna should start at once to negotiate with Mr. Bruder and Mr. O'Malley regarding the sale of the Euclid Avenue property, with the hopes that he might be in a position to obtain some added benefits before the May 1 \$13,000.00 purchase offer deadline. The motion was seconded by Frank Buell and on vote had, carried.

Mr. Renkert volunteered to check the tax valuation of the property immediately east of the Euclid Avenue clinic since it was sold recently. He also offered to check the documentary stamps to determine, if possible, what sales price was involved. Mr. Anthony stated that he would have a Cleveland Trust Company appraiser evaluate this property so Mr. Hanna would be better prepared in his negotiations on the sale.

Roland Fraier reported on the negotiations covering a motel, high rise apartments, or other structures on the 30 acre parcel on the north side of Mayfield Road. He had interviewed many persons who were interested. He reported others were interested in various parts of the 30 acre parcel for different purposes. Much discussion resulted from this report. The land value was recognized by all. It was the consensus of opinion that before anything positive should be acted upon, that a written proposition should be submitted to the Foundation for the Executive Committee's consideration and action. The committee was to pursue these investigations.

April 16, 1962

Page 3

Dr. Richard Renner mentioned that Mr. Buell and Dr. Turley has been discussing pension funds, sale of annuities and other items that could be applicable to our Foundation. He stated that unless there were objections, he would appoint a committee to investigate these possibilities. There being no objections, he appointed Frank Buell, Chairman; Dr. Hollis Turley, Vice Chairman; David Lincoln, Charles Standish and Harry Lees as members of this committee. He designated Mr. Hanna to act as Secretary, and stated that he would participate as President in an exofficio capacity.

Perry Miller, at the President's request, reported on his meetings with individual members of the Cleveland Hospital Council. His confidential report was that the Twinsburg land was an excellent hospital site. He further reported that the Hamilton Associates would not submit their survey until about June. He further stated that it was to the best interest of the Foundation that any activities for a Hillcrest Hospital should be subdued until after the Hamilton Associates' survey is filed.

There being no further business to come before the meeting, the same was duly adjourned.

President

Attest: _____
Secretary

DOCTORS CLINIC FOUNDATION

It is recommended that Doctors Clinic Foundation sell to a civic-sponsored Industrial Development Corporation (for profit) sufficient Twinsburg land to provide for buildings and parking areas for dividing into plots for some 30-50 Small Business Manufacturing and Research concerns.

Small Business Administration, Department of Commerce, will loan up to 80% of the estimated resale value of improved land and building for not over 20 years at 5½% interest. To qualify the project must be a Local Development Program Civic Sponsored and for profit, for the purpose of helping that community. The buildings must be for identifiable small business concerns with rents reasonable as required to payoff loans, interest, taxes, and show a fair but not exorbitant profit. The motive must be to help the community. Wilbur Grandle, who heads this work in Cleveland, will be glad to supply printed information or to meet with the committee. His telephone number is CH1-7900 extension 305. The small concern could be a research laboratory, an office building for a group of doctors, etc. as well as a manufacturing organization.

Under such a plan Doctors Clinic Foundation would be the sole owner of the Industrial Development Corporation without any investment other than the land, and in twenty years would have a valuable group of buildings free and clear which thereafter would return a good income to the Foundation. In the meantime this development should assist the Foundation in achieving as an endeavor independent of the Industrial Park, its objectives such as the hospital, clinic, nurses home, graduate school, etc.

Lewis Research Center of National Aeronautics & Space Administration is only 30 miles from this property and a source of much profitable business for Space-oriented manufacturers. It is suggested that the corporation be named SPACE-AGE SITES, Inc. and that DOCTORS RESEARCH INSTITUTE be established and located in one of the buildings as the scientific center of the group, and that the other buildings be rented to space-oriented small businesses, as non-competitive as possible. The Institute should contain a large data processing center with a primary orientation toward bio-medical research, and available for the group companies.

SPACE-AGE SITES, Inc. as attraction to prospective tenants could offer the following:

Buildings planned and built to tenants requirements, at reasonable rents, in a clean controlled area, with desirable homes nearby.

Each tenant selected for its Space-Age orientation-advanced technology, having employees capable of becoming professors in the new University and on the staff of the Institute.

Each tenant a Small Business and non-competitive which as a group would have resources, management and finances to jointly undertake sizable contracts, might even as Space-Age Sites Association do joint advertising and even selling.

Although the financing of equipment and working capital would be the problem of each individual company, the fact that the company is in a new building and a part of the group would be of assistance.

Respectfully submitted

Chas.H.Standish.

May 4, 1962



K E N W O O D B U I L D E R S . I N C .

June 21, 1962

Robert R. Renner, M. D.
Doctors Clinic Foundation
6760 Mayfield Road
Mayfield Heights 24, Ohio

Dear Dr. Renner:

We have recently been able to option until December 1, 1962, the six acres of land owned by John F. McGarry adjacent to property held by The Doctors Clinic Foundation located in Mayfield Heights, to the rear of Eastgate Shopping Center.

The terms of the Option allows us to purchase for cash the 6.11 acres for \$45,000. The purpose of the Option, rather than the outright purchase, is to give us an opportunity to apply for rezoning to erect Apartment Units on the site.

Present Mayfield Heights building codes will allow the erection of approximately 120 apartment suites on the property, subject to our ability to acquire rezoning.

The cost of the Land and Improvements in underground of Roads, Sewer, Water and Gas; is \$45,000 for Land, and \$102,000 for Roads and Underground. This total of approximately \$147,000 is higher than the desired top cost of \$1,000 per suite, and consequently will require a higher rental basis per suite.

We were forced to pay this high price to McGarry because he held the only available entrance from S.O.M. Center Road to the back property, by way of his 41.08 feet of right of way. We feel that an entrance to a quality apartment development requires entrance and exit other than through the Shopping Center.

It is our opinion that any residential development on Doctors Clinic land will have a severe handicap unless it has this entrance, or another, other than through the Shopping Center. On the other hand we would like to have property extending to the line of Eastgate Shopping Center, allowing us a second entrance and exit for convenience and emergency.

We would appreciate an expression of interest on the part of Doctors Clinic Foundation on the sale to us of three or five acres of land on the North of property held by The Foundation. Since the land is extremely difficult to develop due to its underlying shale content, the cost of underground will be expensive.

We are in a position to offer \$7,500 per acre, subject to rezoning, and an arrangement whereby the property retained by the Foundation, will be able to use our S.O.M. Center Road entrance as a method of ingress and egress.

It is our opinion that such an arrangement will be mutually beneficial to the Foundation and Kenwood Builders.

It is our intention to submit plans to The Mayfield Heights City Council shortly after the first of July; which plans now show only the 6.11 acres for rezoning. If the above offer is acceptable to the Foundation, we will change our plans to show the additional acreage.

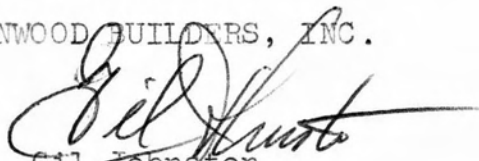
Since there is a strong likelihood that we will sell our buildings after erection, it is not practical for us to consider a Net Lease of the property.

I will call you Monday June 25th, for an expression of the interest by the Board, in our proposal.

Thanking you for your past courtesy and consideration, I am,

Sincerely,

KENWOOD BUILDERS, INC.



Gil Johnston
Vice President

GJ/g

PROPOSED PLAN FOR DETERMINATION OF SALARIES OF PROFESSIONAL PERSONNEL
OF THE DOCTORS CLINIC FOUNDATION

PREFACE

Over the last three years the Doctors Clinic Foundation has grown considerably, both in number of personnel and in the total assets of the Foundation. Prior to this time it has not been felt necessary to think in terms of a formal budget to the Board of Trustees for allocation of gross medical and surgical income within the group. However, with the growth of the organization, it is imperative from a business standpoint that full cost accounting and budgeting be done. The Board of Trustees has requested such budgeting and has asked the administration to prepare a plan for future budgeting of the Foundation.

Such budgeting of professional personnel can be done in several ways.

1. The administration could determine general clinic overhead and set a salary for each individual within the group based upon his or her income, considering certain other points of value;
2. Budgeting could be done by allocation of specific amounts to departments, instructing the chief of that department to allocate funds within the department;

3. A plan for remuneration of professional personnel based on gross income of the group using a definite system of division of income with certified figures available from the annual audit report advanced from the medical staff as a proposal for acceptance by the Board of Trustees. It is felt that this offers the best solution as budgeting will then automatically occur once a year and there will be no possibility of the group exceeding its gross income. It will also relieve the administration of making salary determinations and likewise, make it unnecessary for any department chief to decide what salary an individual in his department would receive. Such a program would result in salaries being determined on an annual basis at an open meeting with all salaries known to other individuals in the group based on a salary year from July 1st to July 1st of the following year.

It is the latter plan that is being proposed. Such an arrangement has been given the tentative sanction of our attorneys, providing the salaries are proposed by the medical staff and are given to the Board of Trustees for their actual determination. Such a system is now operating at the Cleveland Clinic and several other major clinics around the country.

DEFINITIONS

1. GROSS INCOME

Gross income is the gross medical, surgical and dental billings

of all physicians and dentists within the group.

2. CLINIC OVERHEAD

This is to include salaries of non-medical personnel other than the chief Executive Officer, interest, depreciation, operating expenses (such as supplies, light, water, etc), bad debts, and fringe benefits to non-medical personnel ~~(aside from the chief Executive Officer.)~~

3. CAPITAL EXPANSION FUND

This term is to mean the funds available to the clinic for payment of principal on loans and for allocation toward new facilities. The direction of these funds is solely at the discretion of the Board of Trustees.

4. SCIENTIFIC AND EDUCATION FUND

These are funds set aside for scientific and educational projects on the part of the group. Such things as a post-graduate course put on by the group, publishing of a scientific journal or hiring of personnel to assist in educational projects would be examples of what this fund might be used for. The allocations from this fund will be at the discretion of the Board of Trustees upon recommendation from the Medical Council.

5. RESEARCH FUND

This is a fund available for allocation within the group for

research projects. These funds are to be allocated at the discretion of the Board of Trustees, subject to recommendation from the Medical Council.

6. PHYSICIANS' OVERHEAD

This includes benefits accruing to physicians, dentists, ~~and the Chief Executive Officer~~, and such items of physicians' expenses as are paid by the Foundation above and beyond the individual salary. It shall also include salaries of those physicians and dentists prior to the time they go on the adjusted compensation program.

7. FUNDS AVAILABLE FOR SALARIES

These are the funds which will be allocated under the proposed adjusted compensation program.

8. MEDICAL COUNCIL

This is the governing body of the medical and dental staffs and shall consist of appointed chiefs of services and the Medical Director. It shall nominate to the Board of Trustees candidates for such appointment. It also shall promulgate from time to time such rules and regulations for the medical and dental staff as it deems necessary. It shall have charge of hiring and firing of physicians and dentists.

PLAN OF OPERATION

1. Physicians and dentists coming with the group will generally be under a negotiated salary ^{by the council} for up to the first three years. This will include a starting salary and annual increases of \$1,000.00 a year. Of course, the Medical Council will have the right to terminate the services of a physician or dentist at any time.

2. The physicians and dentists will have the option of entering into the adjusted compensation program at the end of their first year ~~and~~ or at the end of their second year, with approval of the Medical Council, but must enter into the adjusted compensation program at the end of the third year.

3. Physicians and dentists who join the group having established practices within the immediate area may at the discretion of the Medical Council be placed under the adjusted compensation program from the start. The Medical Council also has the option of permitting them to join the group and establish salary beyond the first year by having the individual receive a percentage of his billings during such first year instead of a salary.

4. In general, starting salary for a non-board certified physician who has just finished his residency program will be \$13,000.00 and for a board certified individual, it will be \$15,000.00. For a dentist who has just finished dental school, starting salary will generally be \$8,000.00. Variations from this will be possible with

the approval of the Medical Council. Any employment, of course, assumes that the physician or dentist will be licensed to practice in the State of Ohio.

ADJUSTED COMPENSATION PROGRAM

The adjusted compensation program will include all physicians and dentists who have been with the clinic group three years or longer, *And* those physicians and dentists who elect to participate in the program at the end of their first or second year, ~~and the Chief Executive Officer of the Foundation.~~

METHOD OF ADMINISTRATION

The salary year will be July 1st of any year to July 1st of the following year.

dentist
Gross, medical and surgical income. (This is to be projected for the year from the gross medical and surgical billings of the previous six months ending May 31st of any given year).

Subtract clinic overhead from gross medical and surgical billings. This will be a certified figure from the last previous audited fiscal year.

Take 10% of the remainder for capital expansion, 5% for the scientific

fund and 5% for research. These funds are allocated to the Foundation.

Subtract this 20% from gross income minus clinic overhead.

Subtract physicians' overhead. The remainder is what is available for division under the adjusted compensation program. Physicians' overhead will be projected for the salary year in regard to physicians' and dentists' salaries. Benefits and other expense items will be from the previous year's audited figures.

PROGRAM FOR DIVISION

1. Forty percent of the amount available for adjusted compensation would be divided evenly among the physicians, dentists, and ~~Chief Executive Officer of the group.~~
2. Forty percent would be divided according to that percentage of gross billings which the individual physician or dentist has produced. ~~The Chief Executive Officer would be credited with the average of billed incomes by the physicians and dentists participating under this plan.~~
3. Twenty percent would be divided by a point system to reflect in the work of the clinic such items as:
 - a. Length of service;
 - b. Research within the group;
 - c. Academic activity for Western Reserve University;
 - d. Administrative responsibility.

The points would be allocated as follows:

Points for Chief Executive Officer

- ~~2 Points for each 1% current (60 days and under) billings collected above 65%.~~
- ~~1 Point for each \$200.00 past due (over 60 days) account collected.~~

Points for Physicians and Dentists

- 1 Point for each year of service with the clinic (since the founding of the clinic in 1947. Maximum - 20 points.
- 5 Points for each scientific paper published during the previous year in a recognized scientific journal (this paper must in some way bear the name of Doctors Clinic Foundation).
- 2 Points for each non-scientific paper, scientific paper which does not bear the name of Doctors Clinic Foundation, or article for the non-professional public.
- 10 Points for being a member of the Medical Council.
- 10 Points for Medical Director so long as Medical Director is not Chief Executive Officer of the Foundation.
- 10 Points for being clinical professor at Western Reserve Univ.
- 8 Points for clinical associate professor at Western Reserve.
- 6 Points for clinical assistant professor at Western Reserve.
- 4 Points for clinical instructorship at Western Reserve.

2 Points for clinical demonstrator at Western Reserve.

5 Points for spending one afternoon or morning per week. at
Western Reserve University.

10 Points for certification by the American Specialty Boards.

This plan will start July 1, 1963 based on audited figures for the fiscal year December 1961 to November 31, 1962, with the exception of gross income which will be projected from non-audited figures for six months ending May 31, 1963. The salaries under physicians' overhead will be projected for the salary year involved.

In order to insure that no gross inequities result from the change-over period, the Foundation will guarantee 90% of each existing salary as of July 1, 1963 for the salary year 1963-1964, regardless of the projected salary under the adjusted compensation program. This guarantee will be for the 1963-1964 year only.

ADDITIONAL NOTES

This plan is to be reviewed once every two years by a committee appointed by the Medical Council. This committee shall not include members of the Medical Council.

It is contemplated that a chief of a service or Medical Director will retire from active chiefship or directorship at age sixty-two, but may practice with the group as emeritus chief for as long as he wishes.

It is contemplated that an individual may take longer vacations or practice part time as he becomes older, in which case the 40% allocated evenly to the physicians and dentists will be allocated to the individual only according to the number of months out of the year he will be active with the group. The other forms of compensation will take care of this situation automatically. This means that an individual wishing to practice certain months or part time only must declare how many months he will actively engage in practice.

Recommended salaries will be evened off to the nearest \$250.00.

Example: \$15,128.00 will become a salary of \$15,250.00.

~~The Board of Trustees reserves the right for any given salary year to elevate the percentage allocated to the capital expansion fund from 10% to 15%.~~

Example of budgeting under this plan:

Gross Income		\$1,000,000.00
Clinic Overhead		<u>400,000.00</u>
		\$ 600,000.00
10% of \$600,000.00 =	\$ 60,000.00	
5% of 600,000.00 =	30,000.00	
5% of 600,000.00 =	<u>30,000.00</u>	
	\$120,000.00	
		<u>120,000.00</u>
		\$ 480,000.00
Physicians' Overhead		<u>80,000.00</u>
Available for Division under Adjusted Compensation Program		\$ 400,000.00
\$160,000.00	split evenly.	
160,000.00	split according to billed income.	
80,000.00	split under point system.	

August 3, 1962

MEMO TO: Members of the Board of Trustees of
 DOCTORS CLINIC FOUNDATION

FROM: Milton A. Hanna, Executive Director

RE: Executive Committee Meeting - June 22, 1962

Inadvertently, two important items were omitted from the copies of the Minutes sent to the Board members under memo dated July 10, 1962. In order to correct these Minutes, we ask you to destroy pages 3 and 4 and substitute pages 3 and 4 enclosed. Naturally, this omission is regretted, but it is a pleasure to correct it.

Mr. Hanna reported the burning of the buildings on the Nimick and Rodgers properties and stated that the Village Manager indicated it would be a good will gesture if we were to make a contribution to both the firemen and the police departments. Mr. Lees moved that \$125.00 be sent to the firemen's pension fund and and \$50.00 to the police department's fund. The motion was seconded by Dr. Robert Renner and on vote had, carried.

Dr. Robert Renner, after reporting on the contract for the sale of the Cedar Clinic Building, submitted and moved the adoption of the following Resolution:

Be it Resolved that the 12337 Cedar Road Clinic Building be sold to the Cleveland Memorial Medical Foundation for \$225,000.00 and from said funds pay any unpaid mortgage encumbrances; that the Clinic accept \$1,000.00 per month as rent from April 1, 1961 until the filing of the deed for record, and that the Clinic pay rental thereafter to Doctors Hospital at \$3.00 per sq. ft. for the Clinic's space in said building, in accordance with the Arbitration Rental Committee's report; and that any two of the officers be and are hereby authorized and directed to do any and all acts necessary or incidental to fulfill the purposes of this Resolution.

The motion was seconded by Mr. Lees and on vote had, unanimously carried.

Mr. Hanna reported on the contract with Cleveland Memorial Medical Foundation to sell to them the Foundation building at 12337 Cedar Road, Cleveland Heights, Ohio, for a net of \$125,000.00 after paying off a \$100,000.00 note and mortgage. Dr. Robert Renner moved that \$15,000.00 of that net figure be transferred to operating funds and that \$110,000.00 be temporarily transferred to saving accounts. The motion was seconded by Mr. Lees and on vote had, carried.

Mr. Barr moved that a committee consisting of Mr. Lees, Dr. Robert Renner and Dave Lincoln make recommendations as to investment possibilities and final determinations concerning this \$110,000.00. The motion was seconded by Mr. Buell and on vote had, carried.

Dr. Robert Renner stated that much confusion existed in the minds of the public between the names of Doctors Clinic Foundation and Doctors Hospital. It was his opinion that this confusion was undesirable from the standpoint of the medical practice of the group. Many individuals knew of the over-crowded conditions at Doctors Hospital and desired potential hospitalization to be elsewhere. Several of the Board members acknowledged the difficulties involved in private patient care at Doctors Hospital and it was the feeling of the Executive Committee that a change of name might be desirable. It was also discussed that the name change should reflect the name of the founder of the group, Dr. R. Richard Renner. Mr. Arthur Barr then moved that the Executive Committee recommend to the full Board at the regular annual meeting that the name of Doctors Clinic Foundation be changed to Renner Clinic Foundation. The motion was seconded by Mr. Miller and unanimously adopted.

Dr. Robert Renner reported on the negotiations conducted with various persons concerning the thirty acre parcel on the north side of Mayfield Road in Mayfield Heights, Ohio. He made specific reference to Kenwood Builders, who were anxious to acquire a three to five acre parcel of the ten acre tract at the rear, presently zoned for residence, at a price of \$7500.00 per acre. Dr. Robert Renner further reported that Kenwood Builders wanted this access route from a parcel they have under option directly into Eastgate Shopping Center.

Mr. Buell moved that Dr. Robert Renner and Dr. R. Richard Renner continue their negotiations, giving the Visconsi interest prior preference to the thirty acre parcel and that they pursue such other course as they deem to be advisable in regard to this matter. The motion was seconded by Mr. Lees and on vote had, carried.

Dr. R. Richard Renner brought up the activity in the Larchmere sub-division at the rear of the Hillcrest Clinic parcel. He felt it desirable to acquire one or two lots in that sub-division to have ingress and egress on a new street that is being cut through the sub-division to S.O.M. Center Road. Mr. Lees moved that we start negotiations to try to acquire one or two lots in that sub-division, providing they could be obtained at a reasonable figure. The motion was seconded by Mr. Miller and on vote had, the motion carried.

Mr. Hanna then submitted a purchase offer from the Lutheran Church to acquire approximately five acres of the Nimick land having a frontage on Glenwood Drive. It was the consensus of opinion of the Trustees that the request for this land covered too much frontage and while it was desirable to have one or more churches in the over-all program, that any action of sale be rejected for the present and until such time as an over-all site plan had been completed. Dr. Robert Renner moved that the offer be politely rejected and that the Executive Director write them to that effect but also include our interest in a future church development. The motion was seconded by Mr. Miller and on vote had, carried.

Dr. Robert Renner submitted a proposed program covering salaries of the professional staff. After discussion, Mr. Miller moved that the general concept of the professional staff salary program be approved with the idea that it would be submitted to the Board of Trustees at the annual meeting for their final action. The motion was seconded by Mr. Lees and on vote had, carried.

A suggestion was introduced that Dr. Robert R. Renner and M.A. Hanna should receive an increase in salary. At this point, Dr. Robert Renner and Mr. Hanna excused themselves during this consideration. With the others present and constituting a quorum, Mr. Buell moved that an increase in salary for the two mentioned parties be granted and that Dr. R. Richard Renner make the suggestion as to the amount of each increase, but subject to the approval of Mr. Harry Lees and himself. The motion was seconded by Mr. Lees and on vote had carried. The President requested Mr. Buell to inform the Executive Director of the action taken.

The President opened the meeting for general discussion, and there being none, the meeting was duly adjourned. ROBERT R. RENNER, SECRETARY

2423 Derbyshire Road,
Cleveland Heights 6, Ohio,
June 30, 1962.

R. Richard Renner, M.D.,
1259 Oakridge Drive,
Cleveland Heights 21, Ohio.

Dear Doctor Renner,

It is with genuine and sincere regret that after a more than ten year association with Doctors Clinic, I find it desirable now to make a change.

Accordingly, please accept my resignation effective 31 August, 1962.

As you know, my wife has a very ill relative in Western Canada and is most desirous that we all have a farewell visit with him. I should therefore appreciate it if I could take the six weeks' vacation due me in the final phase of my employment by the clinic -- namely from Friday, 20 July, onwards.

Very sincerely yours,

Harold B. Jackson, M.D.
Harold B. Jackson, M.D.

DOCTORS HOSPITAL

12345 CEDAR ROAD
CLEVELAND HEIGHTS 6, OHIO
SWEETBRIAR 5-5000

ROBERT MOSS
ADMINISTRATOR

JOSEPH R. McFERRON
ASSISTANT ADMINISTRATOR

July 13, 1962

R. Richard Renner, M. D.,
12345 Cedar Rd.,
Cleveland Heights 6, Ohio.

Dear Dr. Renner:

At the June 4th Quarterly Board meeting of Doctors Hospital the board authorized the purchase of the Clinic Building from the Doctors Clinic Foundation for \$225,000. in cash. It has subsequently been determined that the hospital will benefit financially if a mortgage is placed on the building but board action will be required to change the original motion to purchase for cash.

A special dinner meeting is being called for July 25th at 6:30 p.m. in the Aviation Room of the Carter Hotel for the purpose of considering this matter. It is necessary that a quorum be present and every effort should be made to attend. Please notify Mr. Robert Moss, Administrator, promptly whether or not you can be present.

Sincerely,

Robert Moss,
Administrator.

RM: dn

Will attend _____

Unable to attend _____

DOCTORS CLINIC FOUNDATION

6760 MAYFIELD ROAD
MAYFIELD HEIGHTS 24, OHIO

July 23, 1962

Mr. Charles H. Standish
23276 Wimbledon
Shaker Heights 22, Ohio

Dear Charles:

Our attorneys now have the information to form the new research corporation. Mr. Carlton Schnell, who has been doing our work, has just returned from vacation and I am not sure just how soon he will be completing this. Also, we have almost completed our list of credentials. I have not had time to sit down with doctors outside our group and ask them if they would be interested in being consultants, and consequently, I will not be able to include these physicians on the list at this time. I am holding up a little on this list of credentials in order to see if we will be having additional associates within our group in the near future. There is a possibility that one or two physicians may be joining us soon.

I am pleased that the East Ohio Gas Company is interested in the project in Twinsburg, but am most concerned about your anticipated date for a brochure of the end of August. I think it would be a mistake to publish any brochure concerning other plans in that area prior to the time that an announcement can be made concerning hospital construction. The Executive Committee of the Board has reviewed the situation out there and has taken preliminary steps to insure that the services of our former architect, Trav Walsh, have been cancelled. Following this, it is contemplated that another architect will be hired to do both the hospital and probably also to lay out proposed future buildings. This, of course, can not be done overnight and I anticipate that it will be sometime this fall before this really gets under way.

The Cleveland Hospital Council, whose support we must have for the Twinsburg hospital project, have asked us not to release any information or plans for construction of hospital facilities in that area until the Hamilton Report has been made public. The Hamilton Report will not be made public, according to our present information, until the first of October of this year. It will also be about the first of October that we will hear from the State as to whether we will receive Hill-Burton funds for hospital construction at Twinsburg. I feel that it is essential from the standpoint of our orderly progress in that area that the hospital plans be announced first or that at least all plans be announced at the

same time. I believe it would be a serious mistake to announce plans for a research park and institute before the hospital plans can be announced.

As of this time, we have no funds to loan the new research institute. This is because the sale of the red brick building has not cleared the hospital finally. It is anticipated that the meeting this coming Wednesday will clear the path for the final sale. Of course, before any funds can be loaned to the new research institute, action of the Board of Trustees will have to be taken. This can probably be done by an Executive Committee meeting, but we will check on this point with Mr. Hanna when he returns from vacation.

In thinking about this research institute, I am wondering whether we are proceeding too soon and too rapidly with this idea. Our group, for the most part, is not accustomed to evaluation of medical instruments or to formal methods of research evaluation in any field. Moreover, their time is, to a very great extent, devoted to clinical practice, which is necessary until such time as the income of the group can be elevated and additional associates obtained. I am wondering whether our small group is going to be able to carry the burdens of contract research and whether this will be a financially successful operation. I would certainly feel much better about the situation if our group were larger, covered more specialties, and the hospital in Twinsburg were a complete reality. My father has indicated that he is willing to risk \$12,000.00 for one year's operation, however, and so am I. I do think that a close review of the finances of the research institute from time to time is in order and that the clinic should not put in any additional funds over \$12,000.00 if the research institute is not fully on its feet at the end of a year.

My father has your proposed financing plans and is studying them. I have reviewed them rather hurriedly and will study them further as soon as he is through with them.

My own status in regard to administration of the proposed research institute is that I could not take on additional duties unless an additional Radiologist for the group is found. I believe that our office girls could take on the accounting, sending out of brochures and letters, etc., if this burden does not become too time consuming.

Very sincerely yours,

Robert R. Renner, M.D.
Medical Director

RRR/pgt

CC: R. Richard Renner, M.D. ✓

DOCTORS CLINIC

6760 MAYFIELD ROAD

MAYFIELD HEIGHTS 24, OHIO

August 16, 1962

R. Richard Renner, M.D.
Doctors Clinic Foundation
6760 Mayfield Road
Mayfield Heights 24, Ohio

Dear Dad:

Mr. Burns has provided me with a detail of the billings, which are accounts receivable, for the individual doctors. Please retain this report covering your billings as we will add to it as occasion permits without the need of further duplication. Your billings as receivables are as follows:

December 1961	\$ 4,621.49
January 1962	4,811.75
February 1962	8,565.10
March 1962	8,305.00
April 1962	10,703.00
May 1962	6,822.00
June 1962	5,184.50
July 1962	<u>11,306.00</u>

Total to Date \$60,318.84

I know that you are very pleased with this report, which is only a continuance of your usual successful endeavors, and please be assured that all of us are very grateful for this special contribution to the Foundation, as well as the many others that you give all the time.

Very sincerely,

Bob
(by: Pearl)

RRR/pgt

July 10, 1962

MEMO TO: Members of the Board of Trustees of
DOCTORS CLINIC FOUNDATION

FROM: Milton A. Hanna, Executive Director

RE: Executive Committee Meeting - June 22, 1962

The Secretary has requested that copies of all Minutes of all meetings of the Board of Trustees be forwarded to each member. It is hoped that through this program all members of the Board of Trustees of Doctors Clinic Foundation will be kept fully informed of the developments and activities.

Minutes of a Meeting of the Executive Committee of Doctors Clinic Foundation held at the Shaker Country Club, Shaker Heights, Ohio, at 7:00 P.M., June 22, 1962, upon written notice duly given.

The meeting was called to order by the President, Dr. R. Richard Renner. Also present were Perry Miller, Dr. Robert R. Renner, Harry Lees, Arthur Barr, Frank Buell and M. A. Hanna.

It was moved by Mr. Miller and seconded by Mr. Lees that the reading of the minutes of the previous meeting be dispensed with. The motion carried.

Upon request, Mr. Miller and Mr. Lees reported on their conferences with various members of the Cleveland Hospital Council. The digest of this report is: that the Hamilton Survey report will be filed with the Hospital Council about October, 1962; Twinsburg area appears desirable for about 200 beds at the start and ultimately 800 beds; no action on a hospital should be taken by Doctors Clinic Foundation nor any public announcement made nor any literature issued until the hospital announcement has first been presented to the Cleveland Hospital Council; a hospital in the Hillcrest area, not to exceed 200 beds, also appears to be a possibility; the attitude of the Cleveland Hospital Council members was that if we follow their recommendations, they would cooperate with our plans; that they could not stop others from constructing a hospital in these areas, but if it were done, such hospital would not receive the official sanction of the Cleveland Hospital Council.

Mr. Barr moved to accept and approve the report of Mr. Miller and Mr. Lees and to adhere to the policy of full cooperation with the Cleveland Hospital Council. The motion was seconded by Mr. Buell and on vote had unanimously carried.

Mr. Lees and Mr. Miller reported that in view of the last motion passed they thought it would be wise to develop plans for the hospital at Twinsburg on a modular basis so that an increase in capacity could follow at the least possible cost.

Mr. Barr moved that the Board proceed with arranging for architectural plans for the Twinsburg hospital with the target date for their completion to correspond approximately with the filing date of the Hamilton Hospital Survey Report. Mr. Lees seconded the motion and on vote had, it unanimously carried.

Dr. Robert Renner stated that there were two more parcels desired in order to complete the land requirements at Twinsburg. These two were the Corbett parcel at the intersection of Glenwood Drive and Rt. 91 and the Austin Powder Company parcel in Summit County, which would make the so-called Freeman parcel of 75 acres contiguous to all other Foundation land. Mr. Miller stated that he would like to continue his negotiations with Vic Corbett on a personal basis, if possible.

June 22, 1962

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Mr. Barr moved that Perry Miller, Dr. Robert Renner, and Mr. Hanna be instructed to try to obtain a legal option on the Vic Corbett parcel, also on the Austin Powder Company parcel in Summit County. The motion was seconded by Mr. Buell and on vote had, unanimously carried.

Mr. Barrthen moved that after the plans for the hospital were complete, that a general site plan be prepared to incorporate the various projects; that after these two programs were approved, that a brochure be prepared to emphasize first the hospital, but also to include the future plans of a University and such other items as approved by the Board of Trustees, however the hospital announcement should be submitted first to the Cleveland Hospital Council. Mr. Miller seconded the motion and on vote had, unanimously carried.

Mr. Buell suggested that the above mentioned programs should be submitted to the Trustees at the annual meeting. All approved this suggestion.

In view of the action taken to obtain architectural plans on the Twinsburg hospital, Mr. Miller expressed his dissatisfaction with the work of Trav Walsh for a hospital. He further stated that all items should be closed with Trav Walsh so there could be no possibility of a suit against the Foundation originating from any old or new plans.

After discussion, Mr. Barr moved that Mr. Hanna confer with the Foundation's attorneys as to the best procedure in accomplishing a final settlement with Trav Walsh; also, if possible, at a nominal figure, to obtain a release for the use of those plans, other than on the 30 acre Hillcrest Hospital site, that he be authorized to do so. Mr. Miller seconded the motion and on vote had, the same carried.

Dr. R. Richard Renner brought up the question of creating an emergency room at the Hillcrest Clinic to be open 24 hours a day and operated in conjunction with Doctors Hospital. Since the consensus of opinion was to the effect that this action should be held for now but Dr. Richard Renner could further explore those possibilities, Mr. Miller moved that we pursue such a course. Mr. Lees seconded the motion and on vote had carried.

Mr. Hanna reported on the demolition of the condemned buildings on the Rodgers and Nimick properties at Twinsburg and the filling of the basements at a cost of \$125.00. The Trustees felt that this procedure was proper and the cost of bulldozing reasonable. Without motion, the Executive Director was authorized to follow these plans.

June 22, 1962

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Mr. Hanna reported the burning of the buildings on the Nimick and Rodgers properties and stated that the Village Manager indicated it would be a good will gesture if we were to make a contribution to both the firemen and the police departments. Mr. Lees moved that \$125.00 be sent to the firemen's pension fund and \$50.00 to the police department's fund. The motion was seconded by Dr. Robert Renner and on vote had, carried.

Mr. Hanna reported on the contract with Cleveland Memorial Medical Foundation to sell to them the Foundation building at 12337 Cedar Road, Cleveland Heights, Ohio, for a net of \$125,000.00 after paying off a \$100,000.00 note and mortgage. Dr. Robert Renner moved that \$15,000.00 of the net figure be transferred to operating funds and that \$110,000.00 be temporarily transferred to savings accounts. The motion was seconded by Mr. Lees and on vote had carried.

Mr. Barr moved that a committee consisting of Mr. Lees, Dr. Robert Renner and Dave Lincoln make recommendations as to investment possibilities and final determinations concerning this \$110,000.00. The motion was seconded by Mr. Buell and on vote had, carried.

Dr. Robert Renner reported on the negotiations conducted with various persons concerning the thirty acre parcel on the north side of Mayfield Road in Mayfield Heights, Ohio. He made specific reference to Kenwood Builders, who were anxious to acquire a three to five acre parcel of the ten acre tract at the rear, presently zoned for residence, at a price of \$7500.00 per acre. Dr. Robert Renner further reported that Kenwood Builders wanted this access route from a parcel they have under option directly into Eastgate Shopping Center.

Mr. Buell moved that Dr. Robert Renner and Dr. R. Richard Renner continue their negotiations, giving the Visconsi interests prior preference to the thirty acre parcel and that they pursue such other course as they deem to be advisable in regard to this matter. The motion was seconded by Mr. Lees and on vote had, carried.

Dr. R. Richard Renner brought up the activity in the Larchmere sub-division at the rear of the Hillcrest Clinic parcel. He felt it desirable to acquire one or two lots in that sub-division to have ingress and egress on a new street that is being cut through the sub-division to S.O.M. Center Road. Mr. Lees moved that we start negotiations to try to acquire one or two lots in that sub-division, providing they could be obtained at a reasonable figure. The motion was seconded by Mr. Miller and on vote had, the motion carried.

June 22, 1962

4

Mr. Hanna then submitted a purchase offer from the Lutheran Church to acquire approximately five acres of the Nimick land having a frontage on Glenwood Drive. It was the consensus of opinion of the Trustees that the request for this land covered too much frontage and while it was desirable to have one or more churches in the over-all program, that any action of sale be rejected for the present and until such time as an over-all site plan had been completed.

Dr. Robert Renner moved that the offer be politely rejected and that the Executive Director write them to that effect but also include our interest in a future church development. The motion was seconded by Mr. Miller and on vote had carried.

Mr. Robert Renner submitted a proposed program covering salaries of the professional staff. After discussion, Mr. Miller moved that the general concept of the professional staff salary program be approved with the idea that it would be submitted to the Board of Trustees at the annual meeting for their final action. The motion was seconded by Mr. Lees and on vote had carried.

A suggestion was introduced that Dr. Robert R. Renner and M. A. Hanna should receive an increase in salary. At this point, Dr. Robert Renner and Mr. Hanna excused themselves during this consideration. With the others present and constituting a quorum, Mr. Buell moved that an increase in salary for the two mentioned parties be granted and that Dr. R. Richard Renner make the suggestion as to the amount of each increase but subject to the approval of Mr. Harry Lees and himself. The motion was seconded by Mr. Lees and on vote had carried. The President requested Mr. Buell to inform the Executive Director of the action taken.

The President opened the meeting for general discussion, and there being none, the meeting was duly adjourned.

Signed: Robert R. Renner, M.D.
Robert R. Renner, Sec.

Minutes of a Meeting of the Executive Committee of Doctors Clinic Foundation held at the Alcazar Hotel, in Parlor B, Cleveland Heights, Ohio, at 7:00 P.M. on Friday, September 14, 1962, upon written notice duly given.

The meeting was called to order by the President, Dr. R. Richard Renner. Present were: Harry Lees, Perry Miller, Frank Buell, Dave Lincoln, Dr. Robert R. Renner, M.A. Hanna and, by special invitation, Trustee, Jay Standish, to make a presentation. Arthur Barr was absent from the city.

It was moved by Mr. Miller and seconded by Mr. Buell that the reading of the Minutes of the previous meeting be dispensed with. The motion carried.

Mr. Hanna reported on the closing out of the Euclid office as follows:

Building fire loss adjustment	\$33,498.29
Personal Property Contents fire loss adjustment	15,760.01
Sale of land and destroyed building	13,000.00
	<u>\$62,258.30</u>

He further reported that outside of the x-ray films, practically all personal property has been cleaned and put in usable order.

Mr. Hanna reported on the sale of the Cedar Clinic Building to the effect that the hospital had executed the note and mortgage and it was in escrow. The escrow agent expects to file when the survey has been completed for the Central National Bank.

Mr. Hanna reported that the State of Ohio suit against the Clinic Foundation for an easement was set for trial to ascertain the clinic's damages. The case was postponed for two weeks since Mr. Lucas, our Engineer witness, was confined to the hospital with a heart attack. Consent was granted by the State Attorneys to postpone it for an additional two weeks for settlement purposes, however, the court had not ruled on this motion as yet. He further reported that our attorneys were afraid of having large damages as the State might condemn the creek bed by paying \$1.00 under a special statute. No minimum settlement figure was established, but the consensus of opinion was that a settlement should be left to the judgment of Attorney Carlton Schnell and Mr. Hanna.

Mr. Jay Standish submitted an extensive report covering a Research Institute program by utilizing an existing foundation with approximately \$11,000.00 net assets and a contribution of \$12,000.00 from Doctors Clinic Foundation. The discussion developed some questions. The consensus of opinion was that should it interfere with or delay the construction of a hospital, that the research should give way to the hospital. Mr. Standish requested some action on the part of the Executive Committee and Mr. Lees moved that since the Executive Committee was interested in a research program and looked with favor upon this report, that Jay Standish be asked to submit his report to the full board of Trustees at their annual meeting to be held on October 15, 1962. The motion was seconded by Mr. Miller and on vote had, carried, with Mr. Lincoln abstaining.

Although invited to remain, Mr. Standish asked to be excused.

Mr. Miller and Mr. Lees submitted a digested report as follows: Subsequent to various meetings with Cleveland Hospital Council members and because of circumstances which took place, it has become obvious that there is no opportunity for a marriage with Doctors Hospital at the present due to a wide divergence

of objectives of the two organizations, and that they should report this to the members of the Cleveland Hospital Council. They further indicated that by collaboration with the Cleveland Hospital Council and its membership, that active cooperation would undoubtedly be given in our efforts to secure Hill-Burton funds for a Twinsburg hospital. Such a program would be expected to require two or three years and should be handled only by our Foundation.

This discussion brought up the urgent need of a hospital back of the Hillcrest Clinic. Dr. Robert Renner explained this urgency, not only for public need, but for the Hillcrest Medical practise. All looked with favor upon this program provided the necessary funds could be obtained. All persons present favored the construction of a hospital at Hillcrest and Twinsburg to be constructed only by Doctors Clinic Foundation.

Mr. Hanna reported that the Twinsburg Zoning and Planning Commission rejected the Forest City plot plan of lots with a 60 ft. frontage and 150 ft. depth. This rejection meant that the clinic would be required to pay the mortgage to the Forest City of over \$37,000.00. The question arose as to whether Mr. Hanna should appear at a public meeting at Twinsburg to obtain their cooperation in approving the Forest City plot plan. After considerable discussion, the Executive Committee deferred action until Mr. Miller and Mr. Lees could have a further discussion with The Cleveland Hospital Council members and then consider the matter at the next Executive Committee meeting, which would occur prior to the Annual Trustees meeting on October 15, 1962.

The meeting was opened for general discussion, there being no further business for consideration, the meeting was duly adjourned.

Robert R. Renner, Secretary

AGENDA

ANNUAL BOARD OF TRUSTEES MEETING

Dinner meeting to be held in the Music Room, Alcazar Hotel, Cleveland Heights, Ohio, at 7:00 P.M., Monday, October 15, 1962.

1. Call meeting to order.
2. Read Minutes of last Executive Committee Meeting (or digest them or distribute copies).
3. Ask for motion to ratify, affirm, and approve the actions taken by the Executive Committee since the Semi-Annual Meeting of the Board of Trustees.
4. Ask Chairman of Nominating Committee for his report.
5. Elect the Officers for the ensuing year.
 - a. Honorary Chairman
 - b. Chairman
 - c. Vice Chairman
 - d. Secretary
 - e. Treasurer
 - f. Executive Director
 - g. Non-officer members of Executive Committee.
6. Induction of new Officers to assume their duties.
7. State that Standing Committees are desirable to eliminate cross purposes. Ask for motion to appoint a committee to designate these standing committees, with duties detailed, subject to approval by the Executive Committee.
8. Receive report of the retiring President for the past year, if any.
9. Receive brief report from the Executive Director on present operations.
10. Accept motion to employ Ernst & Ernst to audit present fiscal year records.
11. Refer to Executive Director's written report. Ask if any questions.
12. Refer to Medical Director's written report. Ask if any questions.
13. Call for consideration and action on Executive Committee's recommendation to change the name of Doctors Clinic Foundation.
14. Obtain report from Perry Miller and Harry Lees on their discussions with the Cleveland Hospital Council.

15. Receive report from Jay Standish on a Research Institute and existing foundation available, per motion of the Executive Committee.
16. Discuss whether the Foundation should consider a hospital or a research institute, or both.
17. If a hospital is planned, ask for motion to appoint a committee to cover site, size, and other items such as methods of financing and operating it and the employment of an architect for plans. Subject to Executive Committee approval.
18. Open the meeting for general discussion.
19. Adjournment.

125,000
25,000
200,000
350,000
500,000
500,000
1,350,000
3,000,000
4,350,000

September 27, 1962

DOCTORS CLINIC FOUNDATION
EXECUTIVE DIRECTOR'S REPORT
Period Ending September 25, 1962

This report will be brief since the Trustees have been receiving copies of the Minutes.

The authorization for investigation of the Corbet and Austin Powder real estate parcels in Twinsburg, as well as the lot in the Larchmere Investment sub-division, are incomplete at the present.

The sale of the Cedar clinic building at 12337 Cedar Road, Cleveland Heights, Ohio, was concluded at a sale price of \$225,000.00. Certain details remain to be adjusted between the Foundation and Doctors Hospital.

During the year the three lots owned by the Foundation in Bratenahl were sold and resulted in a capital gain of approximately \$14,000.00 subject to certain charges and adjustments.

The law suit by the Ohio Highway Department to obtain an easement for a storm sewer on our thirty acre parcel in Mayfield Heights is pending. The case has been set for trial for October 8, 1962. There was a two weeks postponement on account of the illness of our engineering witness. A new engineering witness was required and an additional two weeks was obtained to negotiate a settlement of the Foundation's damages. At the present, it does not appear that the case can be settled without trial. If there is a disposition of the case prior to the Board of Trustees Meeting on October 15, 1962, it will be reported verbally.

The State of Ohio Hospital Plan for 1962-63, which covers the allocation of Hill-Burton Funds for a hospital, was approved and it contained a statement to the effect that a hospital at Twinsburg did not seem appropriate for the current year. This action has created a dilemma necessitating constructive Trustee action, since the basic program of the Foundation provided for a hospital construction on our Twinsburg property.

Negotiations were instituted and are nearing completion to conclude the architectural services of Travis Gower Walsh for the Hillcrest Hospital on the thirty acre parcel.

The Women's Auxiliary conducted several programs and are planning others to raise funds to pay for the drapes at Hillcrest Clinic. The Auxiliary has contributed part payment and it is their plan to pay the entire cost. I have been advised that they are contemplating other Foundation projects upon the completion of this one.

Respectfully submitted,

(Signed) M. A. Hanna

M.A.Hanna, Executive Director

MAH/pgt/b

DOCTORS CLINIC FOUNDATION

MEDICAL DIRECTOR'S REPORT
September 25, 1962

During the last six months some of the problems confronting the medical staff have become much more clearly defined in terms of need. These are:

1. A sound plan of determining professional salaries within the Foundation, and at the same time, budgeting the professional income of the Foundation, This plan would have to result in annual salaries in order to meet legal requirements, provide incentive and desire to see all specialties of the medical and dental staffs better themselves, and provide funds for capital expansion, education and research. This plan was developed about six months ago by a committee of the physicians. It has undergone considerable change in revision and has caused some protest from those physicians who have failed to pay their way after three or more years of practice with the group. It is presently being voted on by the staff. If the staff approves the plan, it will be submitted as a recommendation for budgeting of the Foundation to the Board of Trustees.
2. The need of the practice at Hillcrest Clinic for more modern hospital facilities than those offered by Doctors Hospital is a continuing and pressing need. The growth of the practice at Hillcrest has been much slower than anticipated and hoped for. It is the feeling of the staff that a Foundation controlled hospital at Hillcrest providing good private and semiprivate facilities would double or triple the practice within a year after the hospital opens.
3. A need for greater general coverage at Hillcrest Clinic has developed because of the large number of patients who walk in during the day for minor medical problems. The staff is strongly considering obtaining one or possibly two general practitioners to provide coverage at Hillcrest Clinic only. The staff still feels that it wishes to maintain itself as far as possible as a specialty group practice of medicine.

At the last Board of Trustees Meeting in April 1962, I stated that a program for corporate re-organization would be submitted at this meeting. This is not forthcoming because the lack of available Hill-Burton Funds for hospital construction in Twinsburg has made such a re-organization less pressing. Nevertheless, a university corporation, staffed by a separate board of trustees, but having the same board of members as the Doctors Clinic Foundation, could play a vital role in future thinking. In this way, a new board of

trustees, which might consist of several influential and wealthy men in the Akron area as well as the Cleveland area, could be developed. The assets of the Doctors Clinic Foundation could be turned over to the University corporation. The Clinic Foundation could then lease space from the University corporation, thereby, financially helping the University and at the same time establishing a set overhead for the group practice. Without major assets in the Clinic Foundation, it might be possible to develop a program of rotating physicians on the medical staff through the Board of Trustees in order that they might obtain a sense of responsibility in the financial and other business considerations that confront the Foundation. A new university corporation, using hospital income and income from lease of space to the Doctors Clinic Foundation, could, in turn, hire a President who would be a man of considerable local and national reputation to spend two or more years, perhaps, in organization and fund raising before actually proceeding with construction of educational facilities on the Twinsburg land.

Efforts have been made to find a proper purchaser or develop a proper lease arrangement for the thirty acres north of Mayfield Road, in Mayfield Heights, Ohio. To date, three proposals have been submitted to the administration and the Executive Committee for portions of the thirty acres. All three were objectionable in some respect. It is hoped that the thirty acres can be sold or leased for development as a whole to a responsible individual.

Respectfully submitted,

(Signed) Robert R. Renner, M.D.

Robert R. Renner, M.D.
Medical Director

RRR/pgt/b

November 13, 1962

MEMO TO: Members of the Board of Trustees of
DOCTORS CLINIC FOUNDATION

FROM: Milton A. Hanna, Executive Director

RE: Executive Committee and Board of Trustees Minutes

The Secretary has requested that copies of the Executive Committee meeting held on October 12th and the Board of Trustees meeting held on October 15th be forwarded to each member of the Board of Trustees. You will please find these copies enclosed to complete your records.

Minutes of a Meeting of the Executive Committee of Doctors Clinic Foundation held in Parlor B of the Alcazar Hotel, Cleveland Heights, Ohio, at 7:00 P.M. on Friday, October 12, 1962, upon written notice duly given.

The meeting was called to order by President, Dr. R. Richard Renner. Others present were Harry Lees, Perry Miller, Arthur Barr, Dr. Robert R. Renner and M.A. Hanna. David Lincoln and Frank Buell were absent.

Mr. Lees moved that we dispense with reading of the Minutes of the previous meeting, It was seconded by Mr. Hanna and on vote had, carried.

Dr. Robert Renner submitted and moved adoption of the following Resolution:

BE IT RESOLVED that Doctors Clinic Foundation abandon the program for the construction of a hospital on the 30 acre parcel located on the north side of Mayfield Road, in the city of Mayfield Heights, which property is adjacent to the Gates Mills village line, and

Be it further Resolved that immediate steps be taken to terminate the architectural contract with Travis Gower Walsh for the plans and specifications for the aforesaid hospital and to do any and all acts that may be necessary or incidental to conclude all matters between Doctors Clinic Foundation and the aforesaid Travis Gower Walsh.

The motion was seconded by Mr. Hanna and on vote had, unanimously carried.

Mr. Miller made a motion authorizing and directing Mr. Hanna to secure a survey including a contour drawing of the six acre parcel on the south side of Mayfield Road in Mayfield Heights and that this be accomplished as expeditiously as possible. Mr. Lees seconded the motion and on vote had it unanimously carried.

Mr. Barr submitted and moved adoption of the following Resolution:

Whereas it appears to be for the best interest of Doctors Clinic Foundation that a hospital be constructed on the six acre parcel on the south side of Mayfield Road, somewhere behind the existing Hillcrest Clinic building,

NOW, THEREFORE, be it Resolved, that a study plan be made of the land having in mind the construction of a hospital of at least 50 beds with provision for further expansion of bed facilities on the aforesaid six acre parcel on the south side of Mayfield Road, and that this plan be completed before any architectural contracts shall be entered into.

The motion was seconded by Mr. Miller and on vote had, carried.

Dr. Richard Renner moved that a price of \$500,000.00 be quoted at this time to any prospective purchasers for the thirty acre parcel of land on the north side of Mayfield Road in the city of Mayfield Heights. The motion was seconded by Dr. Robert Renner and on vote had, carried.

Mr. Perry Miller and Mr. Harry Lees reported on their further talks with various members of the Cleveland Hospital Council. According to information given to them, the report on hospital facilities by Hamilton Associates is presently considered for delivery to the Cleveland Hospital Council on November 5th and a general meeting by the members of the Cleveland Hospital Association will be held to consider this report on November 12th, 1962.

An extended discussion was held covering the Twinsburg Hospital site and all the facts and circumstances which make it necessary to postpone any hospital construction until more favorable conditions exist. Mr. Miller moved that this determination be forwarded by letter to Village Manager of Twinsburg with copies to the Village Council and Planning Commission. The motion was seconded by Mr. Lees and on vote had, carried.

The meeting was opened for general discussion. There being none, the meeting was duly adjourned.

Robert R. Renner, M.D.
Secretary

Minutes of the Annual Meeting of the Board of Trustees of Doctors Clinic Foundation held in the Music Room of the Alcazar Hotel, Cleveland Heights, Ohio, at 7:00 P.M., Monday, October 15, 1962 upon written notice duly given.

The meeting was called to order by the President, Dr. R. Richard Renner. Others present were Richard Renkert, William E. Hanna, Robert Steindorf, Harry W. Lees, Orrin F. Lau, John W. Renner, Charles Standish, George Bissett, Jr., M.A. Hanna, Robert R. Renner, M.D., Frank Buell, Dr. Hollis Turley, Stewart Anthony, Jay Standish, Perry Miller and Roland Fraier. The President declared that seventeen of the twenty-seven Trustees were present and a quorum existed.

The Executive Director digested the Minutes of the Executive Committee Meeting held on October 12, 1962. Mr. Hanna then moved that all actions by the Executive Committee be ratified, affirmed, and approved. The motion was seconded by Mr. Miller and on vote had, carried.

William E. Hanna, Chairman of the Nominating Committee, reported that the Code of Regulations had been amended by providing for the office of Honorary Chairman and other appropriate minor changes. Based upon the changed Code of Regulations, he submitted the report as follows:

Honorary Chairman	Dr. R. Richard Renner
President	Harry W. Lees
Vice President	Perry E. Miller
Executive Director	Milton A. Hanna
Secretary	Dr. Robert R. Renner
Treasurer	Frank B. Buell
Non-Officer Members of the Executive Committee	Stewart Anthony Arthur Barr David C Lincoln

William E. Hanna then moved that the report of the Nominating Committee be accepted, that the nominations be closed, and the Secretary be instructed to cast by written ballot the affirmative vote of all Trustees present in favor of each of the above designated nominees for their respective offices and positions. The motion was seconded by Mr. Renkert and on vote had, carried.

The President instructed the Secretary to cast the vote in accordance with the motion, after which the President declared each of the persons duly elected to the respective offices for the ensuing year as reported by the Nominating Committee.

The retiring President and newly elected Honorary Chairman relinquished his duties to the newly elected officers. Appropriate comments were made by each of the officers as they were introduced.

The President stated the need for Standing Committees with their duties and responsibilities. Dr. Robert Renner moved that the President appoint three members of the Board of Trustees who were not members of the Executive Committee for the purpose of determining what Standing Committees were required, with their duties, and report to the Executive Committee for their final action. The motion was seconded by M.A. Hanna and on vote had, carried.

The retiring President, Dr. R. Richard Renner, gave his annual report. This covered his interest in advancement of medical science, hospital facilities and research, some of which he had been conducting recently on arthritis and of artery deposits. He re-affirmed his interest in the hospital, cancer research, nurses' training school, and other educational facilities.

The Medical Director enlarged upon his written report and stated that it was a combination report as Medical Director and Secretary of the Foundation.

The Executive Director referred to his written report and the Minutes that were provided to the Trustees and stated that through July, the Foundation had operated at a loss of around \$13,700.00, subject to end of fiscal year audit and adjustments.

Mr. Anthony moved that Ernst & Ernst be employed to audit the records of the Foundation for the current fiscal year. The motion was seconded by Mr. Buell and on vote had, carried.

M.A. Hanna read from the Minutes of an Executive Committee Meeting held on June 22, 1962 that a motion submitted by Mr. Barr recommended to the Board of Trustees and the Members that the name of Doctors Clinic Foundation be changed to "Renner Clinic Foundation!" Mr. Hanna moved that the action of the Members for the change in name be ratified, affirmed and approved and the Attorneys be instructed to take the necessary steps to accomplish this purpose. The motion was seconded by Jay Standish and on vote had, carried.

Mr. Miller and Mr. Lees gave a detailed report of their various meetings with certain members of the Cleveland Hospital Council and answered many pertinent questions. They further reported that the Hamilton Associates report on hospital facilities, ordered by the Cleveland Hospital Council, was expected to be filed on November 5th, with a general meeting of the members of the Cleveland Hospital Association to be held about November 12th, 1962.

Mr. Jay Standish gave a presentation concerning the need of a research foundation for the purposes of evaluating equipment in the medical field as well as developing new equipment, and that the Standish Research Foundation had been established since 1944, was income tax exempt, and had assets of approximately \$13,000.00. After the presentation, he stated that this foundation and its funds were available, providing

the clinic would provide a sum of \$12,000.00 to get this research operation started. He also stated that there were facilities in the basement of the Hillcrest Clinic necessary to house this operation.

Mr. Charles Standish reported on his investigations in New York and Washington, and other places to determine what the prospects would be for research along this line. He reported that it was very favorable.

After an extended discussion, Dr. Robert Renner moved that the Renner Clinic Foundation establish a maximum budget of \$12,000.00 to be allocated for use by the Standish Research Foundation for next year's operation, but that all requests for funds must be approved by and paid only at the discretion of the Executive Committee, and that all other important preliminary details shall be worked out first by the legal representatives to prevent any potential misunderstanding. The motion was seconded by Mr. Renkert and after further discussion, on vote had, carried.

President Lees stated a hospital was vital to the Hillcrest Clinic operations and since a site and plan, sizing, financing, and other relative subjects, including the employment of an architect, were vital, he felt that a committee should be appointed for such purposes. Mr. John Renner then moved that the Chairman appoint a committee for said purposes and report their determinations for consideration and action by the Executive Committee. Jay Standish seconded the motion and on vote had, carried.

There being no further action under general discussion, the meeting was duly adjourned.

Robert R. Renner, M.D.
Secretary

TO: ALL MEMBERS OF DOCTORS CLINIC FOUNDATION

FROM: M. A. Hanna, Executive Director

RE: Amendments to the Code of Regulations

Previously you were furnished a copy of the Code of Regulations. On October 15, 1962, the Members amended ARTICLE 111, Officers. Please insert this ARTICLE 111 in your copy so it will be up to date.

ARTICLE 111

Officers

Section 1. The officers of the corporation shall be an Honorary Chairman, a President, a Vice President, a Secretary, a Treasurer, an Executive Director, and such other officers as the Board or the Executive Committee shall from time to time designate and appoint. The Honorary Chairman, President, and Vice President shall be Members of the corporation and of the Board of Trustees. No other officer need be a Member or Trustee. The Honorary Chairman, President, and Vice President shall not hold any other office, but any of the other offices may be held by the same person. No officer may act in more than one capacity in executing, acknowledging, or verifying any contract or other written document. The officers shall be chosen by an affirmative vote of a majority of the Trustees present, providing a quorum exists, at the regular Annual Meeting of the Board of Trustees or at any special meeting called for such purpose, and shall hold their respective offices for one year or until their respective successors have been duly chosen and qualified.

Any officer may be removed at any time with or without cause by the vote of a majority of the Board present and constituting a quorum at a meeting of the Board of Trustees, providing proper notice has been given.

Section 2. Honorary Chairman. The Honorary Chairman shall be eligible for this office providing he or she has served as President for a minimum of three years. The Honorary Chairman shall be a Member of the Executive Committee and shall serve as adviser to any standing or special committees. If the President and the Vice President are not present at a corporate meeting, then he or she shall preside over said meeting. The Honorary Chairman shall have such other powers and duties as may be assigned to such office by the Members or the Board of Trustees.

Section 3. President. The President shall preside at all meetings of the Members and Trustees of this corporation. The President shall have such other duties and powers as may be assigned to such office by the Members or by the Board of Trustees.

Section 4. Vice President. The Vice President shall perform all of the duties of the President in the case of the absence or disability of the latter and shall assist the President whenever called upon. The Vice President shall have such other duties and powers as may be assigned to such office by the Members or by the Board of Trustees. In case the President, Vice President and the Honorary Chairman are absent or unable to perform their duties, the Members or Trustees, as the case may be, may appoint a Chairman pro tempore.

Section 5. Secretary. The Secretary shall keep Minutes of all of the proceedings of the Members and Trustees of the corporation and shall make a proper record of the same, which shall be signed by him. The Secretary shall cause to be kept such books as may be required by the Board of Trustees and generally perform such duties as may be required of this office by the Members or the Board of Trustees. In case of the absence of the Secretary, the Members or Trustees, as the case may be, may appoint a Secretary pro tempore.

Section 6. Treasurer. The Treasurer shall, subject to such conditions and limitations as may be imposed by the Members or the Board of Trustees, have the custody of all moneys and securities of the corporation and shall keep adequate and correct accounts of the corporation's business transactions including accounts of its assets, liabilities, receipts, disbursements, expenses, gains and losses, shall prepare the data referred to in Section 8 of ARTICLE 11 hereof, and may present such data before the Members' meetings. The funds of the corporation shall be deposited in the name of the corporation by the Treasurer or his delegated representative in such depositories as the Board of Trustees shall from time to time designate. The Treasurer shall have such other powers and perform such other duties as may be assigned to such office by the Members or Board of Trustees.

Section 7. Executive Director. The Executive Director shall be the chief administrative officer of the corporation. The Executive Director shall perform such other duties as are assigned to such office by the Members, the Executive Committee, or the Board of Trustees, or specially requested by the Honorary Chairman, President, Vice President, Secretary or Treasurer.

Section 8. Other Officers of the Corporation. Other officers of the corporation shall have such powers and perform such duties as may be assigned to or vested in them by the Members or the Board of Trustees.

November 28, 1962

REPORT FROM: M. A. Hanna, Executive Director
TO: Robert R. Renner, M.D.
SUBJECT: Gil Johnston Conference on behalf of Kenwood Builders.
COPY TO: R. Richard Renner, M.D.

Mr. Johnston kept an appointment at my office at 9:30 A.M., Nov. 26, 1962. He advised that the back ten acres presently zoned for residential purposes on the north side of Mayfield Road had been approved for zoning change to U-3 and that the first reading of the ordinance had taken place. The public hearing on this ordinance was set for 7:30 P.M., January 14, 1963 in the Council chambers at Mayfield Heights. At that time, the plot plans must be available for final approval by the Council with the passing of this ordinance. He further stated it would be advisable for us to avoid extended delays if the plot plan that they presented would include the balance of our ten acre parcel, showing thereon the streets and layout for apartment house construction. He readily admitted to me that this aspect on the balance of our ten acres was not essential, but was desirable to prevent potential delay.

My comments on this, not expressed to Mr. Johnston, are that if we were to include on their plot plan our program for apartment house construction, we might have extreme difficulty in getting it revised by the Zoning and Planning Board and the Council.

Additional data secured from Mr. Johnston was that Dr. Richard had mentioned that possibly Kenwood Builders could construct for the Foundation apartments on the balance of the ten acre parcel, which would roughly be seven acres. If so, their standard apartment house construction agreement provided for 10% of the cost for profit and 5% of the cost for overhead.

Mr. Johnston stated that under the population density program, Mayfield Heights would grant the construction of twenty suites per acre where acreage was involved, but where it was restricted to one small parcel, the requirements were 2200 sq. ft. per apartment unit.

Upon inquiry, Mr. Johnston also stated that the requirement was a 35 ft. set back from the street based upon a 50 ft. dedicated street.

Members of the Zoning and Planning Board, as well as the Council, inquired of Mr. Johnston as to what our Foundation was going to do by way of extending the street from the dedication by plot plan of Kenwood Builders southward to Mayfield Road. Mr. Johnston told them he was sure that the Foundation would dedicate a street based upon the appropriate

utilization of our parcel of land for such purposes as the Foundation intended to use the land, but he could not speak for our Foundation.

Mr. Johnston left a plot plan which included the McGary parcel and the approximate 3.3 acres of our land, as well as a preliminary set of drawings of the elevations, plot plans, etc. of the proposed apartment buildings. These were left for the purposes of our study and consideration.

Upon inquiry, Mr. Johnston stated that they had paid \$10.00 for a 12 ft. strip of land running eastward from Mayfield Road straight through with a slight bend to the easterly limits of the McGary property with a dead end. His plot plan further showed a 50 ft. street running southward from that street running in an easterly direction over the top of the sanitary sewer easement. In conversation, the sale of the land to Kenwood Builders would be to the center line of the sanitary sewer easement only. This would give them and us tie-in privileges to the sanitary sewer without the need of obtaining additional easements from each other. Apparently, they have a desire to dedicate this street, which would mean that we would have to join in the plot of dedicating ten feet of our land east of the easterly line of the sanitary sewer easement. This suggested 50 ft. street running southward would come to a point north of the Coliseum, but also back of it, and end there. Previously, I referred to the Planning and Zoning Board, and Council Members wanting to know our plans covering the extension of this street over our land and that of Visconsi's.

The plot plan presented by Gil Johnston also provided for a strip of land along the northerly border beyond the 30 ft. sewer easement which runs in an easterly direction. The purpose is to dedicate a street over that sanitary sewer in a straight line.

Before accepting or rejecting our cooperation based on dedicating these extra strips along the sanitary sewer on our land, the dedication of these streets could tremendously increase the value of our land. This would give us two outlets over the so-called McGary parcel and the 3.3 acre parcel of the back ten acres to S.O.M. Center. In my opinion, this should be considered very seriously if all can see the merits to the present proposed layout.

Kenwood Builders are paying McGary \$45,000.00 for his approximate 6½ acre parcel of land. They had to buy the Benson house and two acres which cost them \$20,000.00. The balance of our back ten acres are also included in the ordinance to transfer to U-3 zoning. Before the public hearing, Mr. Johnston wants a sales agreement executed so that he is in a position to make firm representations to the Council and the public at the hearing.

Mr. Johnston and I agreed that the sales agreement should include the following:

- (a) A survey and proper description so the accurate acreage would be known. The survey would include up to the center line of the sanitary sewer.
- (b) The price per acre would be as previously agreed, \$7500.00 with 10% down at the time of the execution of the sales agreement and the balance as agreed upon.
- (c) That if easements are required from either of the parties that they will be provided for in the sales agreement.
- (d) That the Foundation would have access over the newly dedicated roadways, as well as use prior to dedication.
- (e) An appropriate decorative sign would be permitted by Kenwood Builders at S.O.M. Center if we desired to advertise any structures on the remainder of our ten acres, providing there was no prohibition by the city of Mayfield Heights.
- (f) Tie-in to the sanitary sewer would be granted to both parties at various points subject to each of the respective parties making payment of their pro rata tie-in charges.
- (g) Kenwood Builders would be the Grantees in the sales agreement.
- (h) If any of the streets were not dedicated on the land owned or to be owned by Kenwood Builders, that a permanent easement would be granted to the Foundation running with the land covering all of the remainder of the 30 acre parcels.
- (i) There would be a time limit provision for completion of the escrow.

After study of the above report in conjunction with the drawings left, further conferences must be had with Mr. Johnston in order to work out these details. Prior to the next conference, Mr. Johnston was going to contact Mr. Visconsi to see if he would grant Kenwood Builders an easement over the service roadway north of the buildings near the north end of Eastgate properties. If unsuccessful, then Mr. Johnston was going to cause a search to be made to ascertain the type and kind of easement granted by Visconsi to our Foundation to see if there would be any way for them to obtain such an easement over Eastgate based upon the easement granted to our Foundation by Visconsi.

M. A. Hanna

DOCTORS CLINIC FOUNDATION

6760 MAYFIELD ROAD
MAYFIELD HEIGHTS 24, OHIO

December 18, 1962

Mr. Harry W. Lees, President
Kenner Clinic Foundation
6616 Park Avenue
Cleveland, Ohio

Dear Harry:

Since I have received a copy of the Hamilton Report and have had the opportunity to study its recommendations, I thought that I would like to send you some of my thinking on this matter. The Hamilton Report basically recommends that Doctors Hospital, Polyclinic Hospital, Bedford Hospital, Ingleside Psychiatric Hospital, and Windsor Psychiatric Hospital discontinue operation at their present sites within one or one and a half decades and that these hospitals form the nucleus for new hospitals in other areas. The report also recommends that a hospital in the northeastern part of the county be established by 1975 and that a hospital in the southeastern part of the county be established by 1980.

The Renner Clinic Foundation owns two excellent sites for such hospitals to be established in the northeast and southeast parts of the county. It seems to me that perhaps, now that the Hamilton Report is out, there would be some merit in proposing to the Board of Doctors Hospital and also to these other hospitals, that all of these units pool their resources to accomplish hospitals both at Hillcrest and at Twinsburg. They could do this by forming a university corporation and by placing all members and trustees of the present institutions on the new board of members of the university corporation. Then this large board of members could select a nominating committee representing all former institutions and this nominating committee could propose and the Board of Members could elect a new and outstanding Board of Trustees. Hopefully, it might even be possible to arrange an agreement with the Cleveland Hospital Council that if the hospital institutions joining with us in this venture would close their present facilities by, let us say, 1967 or 1970, that the Cleveland Hospital Council would see to it that Hill-Burton Funds were obtained for construction in both of the previously mentioned sites.

From the standpoint of the clinic foundation, there would be only two conditions that would concern me in such an undertaking. The first is that there should be a full time teaching, research, and

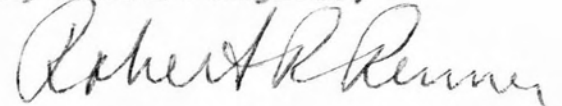
clinical medical and dental staff, which would be the active and voting staff of the hospitals and would form the clinic medical staff. I have no qualms about throwing open the visiting staff to both hospitals to qualified individuals in the area. To forget about the necessity of an active full time teaching, research and clinical staff, however, would be the antithesis of dad's and my thinking and would result in simply another community hospital instead of an outstanding institution. The second point is that I do want to see dad's name retained by the new organization. Perhaps it could be the R. Richard Renner University, and the hospital and other component facilities could be named after various individuals who have given large sums to the undertaking.

Until such time as this undertaking can be established, however, I do feel that we should push forward with plans and construction of a hospital at Hillcrest. Even though it will not be 200 beds in its inception, as the Hamilton Report requests, still we can plan definite stages leading to a 200 bed hospital by the time the Hamilton Report says a hospital should be established in the north-east part of the county. I would hope that construction on this could start next summer. I would also, of course, like to see established an emergency hospital in Twinsburg next year or the year after, which could serve as the nucleus for hospital construction which would develop in the 400 to 600 bed range within the next fifteen years.

An approach to the Doctors Hospital building might be to make it a specialty hospital with only a few beds. It could take only referred cases in the field of interest plus creating many research facilities involving these patients. Such a field of interest could be cancer, arthritis, neurological diseases, urological disorders, or many others.

These are some personal thoughts of mine, Harry, and I would appreciate any comments on my comments that you or Perry or any other member of the Board of Trustees might care to make.

My kindest regards,



Robert R. Renner, M.D.

RRR/pgt

CC: Mr. Perry Miller
CC: Mr. Frank Buell
CC: Mr. M. A. Hanna
CC: Dr. R. Richard Renner ✓

MEMO TO: Members of the Board of Trustees of RENNER CLINIC FOUNDATION

FROM: Milton A. Hanna, Executive Director

RE: Executive Committee Minutes

The secretary has requested that copies of the Executive Committee Meeting held on December 20, 1962 be forwarded to each member of the Board of Trustees. Enclosed is copy to complete your records.

Minutes of a Meeting of the Executive Committee of RENNER CLINIC FOUNDATION held at the Alcazar Hotel, Parlor B, at 7:00 P.M. on Thursday, December 20, 1962 upon telephone notice duly given.

The meeting was called to order by President Harry Lees. Other present were Mr. David Lincoln, Mr. Stewart Anthony, Dr. R. Richard Renner, Mr. Frank Buell, Dr. Robert R. Renner, Mr. M.A. Hanna, and by special invitation, Mr. William Gray.

Mr. Lincoln moved that we dispense with reading the Minutes. It was seconded by Dr. Robert Renner and on motion, carried.

In view of the absence of Mr. Miller, Mr. Lees gave a brief report on their meetings with the Cleveland Hospital Council members and a brief digest of the Hamilton Survey Report.

The Chairman, in the absence of Mr. Perry Miller, asked Mr. William Gray if he would submit his proposed sketch for the hospital back of the Hillcrest Clinic. This was very enlightening and was based upon a 200 bed construction. It brought forth many questions and discussion, and Mr. Gray offered to prepare some new preliminary plans incorporating the suggestions of the Executive Committee. This will be submitted at a future date.

Dr. Robert Renner reported in regard to purchase of x-ray equipment on behalf of Renner Clinic Foundation and felt that it was a desirable step. He then submitted and moved adoption of the following Resolution:

Whereas it seems to be for the best interests of the Foundation for the acquisition of x-ray equipment of Doctors Hauser, Morell & Klamm and to continue their operation in the same suite in the Physicians and Surgeons Building at 10300 Carnegie Avenue, Cleveland, Ohio,

NOW, THEREFORE, be it Resolved that the action of the officers acquiring the office equipment of every nature and the execution of a lease with the owners of the premises be and the same are hereby ratified, affirmed and approved.

The motion was seconded by Mr. Lincoln and on vote had, unanimously carried.

Mr. Hanna reported that Dr. Robert Renner and he had a meeting with Mr. Albert Ratner of Forest City Materials Company in regard to the mortgage note given to Mantua Development Company as a part of the purchase price in their one-half undivided interests in the Rodgers parcel consisting of approximately 183 acres. Mr. Hanna moved that the officers of the Foundation be authorized and directed to remove from capital assets savings account a sum sufficient to pay the mortgage note in the sum of \$37,372.50. The motion was seconded by Dr. Robert Renner and on vote had, carried.

Mr. Hanna reported on the letter received from Travis Gower Walsh dated December 12, 1962 in which he was claiming the sum of approximately \$13,000.00 as money due him instead of the approximate \$8,300.00 by his letter and bill dated December 18, 1962. After some discussion it was the consensus of opinion of all present that this matter should be left to the judgment of Dr. Robert Renner, Carlton Schnell and Mr. Hanna. Mr. Hanna stated that they would report to the Executive Committee for authority to settle should it be possible.

Mr. Hanna reported on the proposed change in zoning of the ten acre parcel at the rear of the twenty acre parcel on the north side of Mayfield Road in Mayfield Heights. He further reported on the desires of Mr. Johnson, representing Kenwood Builders, to purchase approximately three and three-tenths acres of land at the westerly end of the ten acre parcel, which would give their property access to the Eastgate Shopping Center and give us access over their land to any private or dedicated streets which would have an outlet on SCM Center Road. Dr. Robert Renner submitted and moved adoption of the following Resolution:

Whereas Kenwood Builders, Inc. have acquired the McGary property back of our thirty acre parcel on the north side of Mayfield Road and have applied for zoning changes to permit multiple family dwellings, and,

Whereas Kenwood Builders are interested in acquiring approximately three and three-tenths acres at the westerly end of the ten acre parcel to the center line of the sanitary sewer easement transversing this ten acres from the south to the north, at a price of \$7500.00 per acre, and

Whereas Kenwood Builders are willing to make a deposit of 10% of the purchased price of the said approximate three and three-tenths acres with the right to reject the fulfillment of the contract providing Mayfield Heights refuses to re-zone the McGary property and our ten acres to U-3 for multiple housing, but if so, the 10% paid to the Foundation shall be retained if the purchase of the aforesaid is not consummated, and,

Whereas Kenwood Builders as additional consideration are ready and willing to grant an easement to us over their land to and on any private or dedicated street on their adjacent property and are further willing, if public officials approve, to permit us to erect a dignified sign to be placed at SCM Center Road,

NOW, THEREFORE, be it Resolved that the officers be and are hereby authorized to do any and all acts, execute any and all instruments that may be necessary or incidental to fulfill the purposes set forth in the Preamble and as arranged verbally between the parties.

Mr. Lincoln seconded the motion and on vote had, the foregoing Resolution was unanimously adopted.

Dr. Robert Renner stated there were several parties still interested in the thirty acre parcel from a standpoint of leasing and purchasing. Dr. Robert Renner stated that he would prefer to retain the parcel on a lease basis, but if it became essential to sell the land in order to construct a hospital back of the Hillcrest Clinic, he was willing to make that sacrifice in order to obtain the hospital.

Dr. Robert Renner, after stating the need for an established salary program to obtain a quality medical staff, submitted a proposed plan for medical staff salaries and asked all present to study it, and that further action would be taken at the next or some future meeting.

Dr. Robert Renner related the difficulties encountered by the dental staff with the State Board of Dental Examiners. He stated that he thought it would be for the best interests of the Foundation if a letter were written by our attorney to the State Board of Dental Examiners which would indicate our interest as well as our attorneys, since they represent others who are in a similar situation. This letter would request an opportunity to present data establishing this Foundation as a charitable institution with the hopes that their decisions would not be carried out against Doctors Tucker and Gattozzi. The consensus of opinion of the committee was that this was the appropriate step to take.

Mr. Hanna reported that the Federal Insurance Corporation for savings and loan companies specifically stated that the funds of any one "saver" in an institution could not be insured for more than \$10,000.00 and therefore it would be necessary to withdraw funds from certain savings and loan associations and deposit such withdrawn money in other institutions.

Mr. Lees stated that he was authorized to appoint a committee to determine what Standing Committees were desirable for the Foundation, as well as to determine their respective duties. He designated Mr. Richard Renkert as Chairman, with Roland Strasshofer and George Bissett as other members of the committee.

A general discussion resulted on the urgent need for a hospital on the Hillcrest Clinic site, covering preparation of plans, size, funds, etc. The opinion was that a special committee should be appointed to coordinate this hospital program. Mr. Lees appointed the following as members of this committee: Perry Miller, Dr. Robert Renner, David Lincoln, and Mr. Stewart Anthony.

There being no further business to come before the meeting, the same was duly adjourned.

Robert R. Renner, M.D.
Secretary

standish research foundation

INCORPORATED NOT-FOR-PROFIT • OCTOBER 25, 1944
6760 MAYFIELD RD., CLEVELAND 24, OHIO • HI 2-4884, AREA CODE 216
December 20, 1962

Dr. R. Richard Renner, Honorary Ch.
Renner Clinic Foundation
12337 Cedar Road
Cleveland, Ohio

Dear Dr. Renner:

We are proud to enclose a copy of our new brochure on the medical research foundation. It will be a pleasure working with you and you may be sure that the activities of the foundation will be aimed to making a significant contribution to the health and welfare of our society.

Sincerely,



Jay C. Standish
Executive Director

JCS: jr

Encl.

HIGHLAND PARK CLUB

LAKE WALES, FLORIDA

January 10, 1963

Dr. Robert R. Renner
% Doctors Clinic Foundation
6760 Mayfield Road
Mayfield Heights 24, Ohio

Dear Bob:

I have delayed in answering your letter of December 18th because I wanted to go over the matter very thoroughly and secure as much outside information as possible before giving my views. To begin with, I agree with you that we should take prompt action as was agreed upon at the Executive Board meeting. I find in talking with other doctors before I left Cleveland that some of the individual hospitals are not pleased with the political attitude shown by the University Hospital Group. I also understand that Cleveland Clinic agrees that there should be another University type organization which would permit some of the individual hospitals to have a worthwhile connection with the University. Therefore, I am convinced that your Father's ideas of eventually having a University group setup at Twinsburg should be our ultimate goal.

*Doctors
Hospital
Board*

I believe that the clinic is now in the driver's seat. Previous to the public report of the Hamilton Organization, they seemed to be doing the leading, and we are convinced that they were going to build a hospital where they are. Now, since this report is out, as you know they have changed their thinking and are all hot and bothered to build at Hillcrest or Twinsburg. I therefore feel that the fact that the clinic owns the property, we should dictate the terms of the amalgamation of the two groups. This would give you and your Father an opportunity to insist upon the clinic being responsible for the medical staff. My personal feeling is that if we allow them to take the leadership the clinic would lose its identity. I also think we should proceed with definite plans along the line of those presented by Bill Gray; that is, the H-type construction, and we should get the first unit underway as quickly as possible. I personally feel that you and your Father should have the leadership in bringing about the consummation of this Hillcrest Hospital and arrange for the hospital to join us in the building of same.

HIGHLAND PARK CLUB
LAKE WALES, FLORIDA

Mr. Robert R. Renner

Page 2

January 10, 1963

I believe that my arguments are fortified by Mr. Moss' letter of December 24th. I am sure that if we did this, the Cleveland Hospital Council would back us up. It is my own personal feeling, and I am sure Perry Miller will agree^d, that they showed more kind^{er} feeling to the Clinic Foundation than they did to the Doctors Hospital Group when we were talking to them. Please keep me advised of any new developments.

Yours very truly


Harry W. Lees

HWL/mkd

C.C.: Mr. Perry Miller
Mr. Frank Buell
Mr. M. A. Hanna
Dr. R. Richard Renner

Introducing

**STANDISH
RESEARCH FOUNDATION**

INCORPORATED NOT-FOR-PROFIT • OCT. 25, 1944

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- TO ENGAGE IN RESEARCH AND EDUCATIONAL ACTIVITIES IN BIOMEDICAL INSTRUMENTATION
 - OPERATED IN CONJUNCTION WITH LEADING MEDICAL INSTITUTIONS AND LABORATORIES
 - COMBINING IN ONE FACILITY THE PHYSICIAN AND MEDICAL RESEARCHER WITH THE ENGINEER,
PHYSICIST AND CHEMIST
-

**STANDISH RESEARCH FOUNDATION, MEDICAL ELECTRONICS CENTER
6760 MAYFIELD ROAD, CLEVELAND 24, OHIO • HI 2-4884, AREA CODE 216**

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DR. ROBERT R. RENNER, Medical Director
MARVIN A. BUFFINGTON, Program Director

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Standish Research Foundation was formed by Charles H. Standish in 1944, to conduct scientific endeavors and to aid technical education. Mr. Standish is a pioneer in formalized industrial research, founding Designers for Industry, Inc. in 1935. Dr. Matthew Luckiesh, President of the Foundation has devoted his life to science and was formerly Director of Research, Nela Park, General Electric Company.

AN INTRODUCTION

The Board wishes to concentrate the efforts of the Foundation in the field of biomedical instrumentation, believing its performance can be more meaningful. It has joined with prominent medical associates and will work with institutional medical staffs and consultant specialists from industry and medicine.

The foundation offices are located in the Hillcrest Clinic of the Renner Clinic Foundation. The building includes approximately 15,000 sq. ft. of modern laboratories. Other outstanding laboratory and hospital facilities are available for research and testing evaluation.

AN ENTIRELY FRESH APPROACH TO MEDICAL ELECTRONICS

By using the Foundation, one can have products tested and developed in some of the finest hospitals and medical research centers, where noted specialists in various fields of medicine assist our staff. This permits prompt and authoritative evaluation of a new concept and can lead to short cuts in development and can minimize the period of time required for clinical endorsement.

We are able to cut across institutional boundaries to evaluate and develop medical equipment. This is done by utilizing staff and personnel from several institutions and universities, rather than being tied to a single facility. Our technical engineering associates are known and respected in the medical field and are welcomed by the medical profession.

TYPICAL AREAS OF INTEREST:

- Measurement, Monitoring and Recording of Reactions and characteristics of living systems, 'based on' methods not presently available.
- Information Retrieval and Computer Applications, to perfect medical analysis and simulation.
- Prognostic Equipment Development, to enable the physician to predict ailments in advance, by developing devices which will search out significant phases, pick-up and warn before a change occurs.
- Biochemical Analysis of: body fluids, as sites for diagnostic indicators; reactions of drugs and medicines upon animals and humans.
- New Analysis and New Instrumentation Design, by combining clinical knowledge with such technological advances as solid state physics and microelectronics, or providing new materials and new chemical advances.



**SERVICES TO | INDUSTRY
GOVERNMENT AGENCIES
INSTITUTIONS**

FEASIBILITY STUDIES,

of new medical instrumentation, to establish the parameters and use factors. By using experienced technicians and staff physicians and by drawing upon outstanding biomedical consultants, (men from many different institutions or medical centers), we are able to provide the finest critical analysis. This world-wide knowledge of new devices, systems and techniques is invaluable to the manufacturer.

CLINICAL TESTING OF BIOMEDICAL APPARATUS,

providing hospital and clinical facilities, so that actual in-use testing and monitoring can be accomplished by our experienced technicians, under the supervision of attending physicians.

**REDESIGN OF BIOELECTRONIC MEASUREMENT,
DIAGNOSTIC AND THERAPY UNITS,**

to improve patient care and to standardize equipment for wide hospital and clinical acceptance. To assure simplified operation, to reduce maintenance, size and weight, by introducing advanced technology and materials into the design.

**DEVELOPMENT OF MEDICALLY COMPATIBLE
INSTRUMENTATION,**

to retrieve, store and analyze the condition of a living system. Performed by analyzing the relationships of body functions or cells in many forms, including the pressure, movement, flow rate, temperature, and electrical potential; to identify, distinguish, compare and correlate with speed and accuracy.

standish research foundation

INCORPORATED NOT-FOR-PROFIT • OCTOBER 25, 1944
6340 MAYFIELD RD., CLEVELAND 24, OHIO • N.Y.S. REG. AREA CODE 216

Gentlemen:

You now have the opportunity to discuss biomedical instrumentation with a trained medical-technical organization. If you are interested in new ideas and fresh creative thinking in this area, our group can be of value to you.

The attached folder indicates that you can have an exclusive team of industrial and medical researchers who are particularly experienced in bioelectronics to supplement your activities. You can gain entree to vitally necessary hospital treatment and research environs on a broad base, so that you may make basic medical tests and secure ultimate clinical evaluation. This is essential to the development and marketing of biomedical products.

This impartial, non profit institution can make significant contributions to your research and development activities. You can arrange a meeting by using the attached card - and please in any case acknowledge receipt of this brochure, so you may continue to follow our progress.

Sincerely

STANDISH RESEARCH FOUNDATION
Jay C. Standish
Jay C. Standish
Executive Director

JCS/al
Encl.

January 23, 1963

MEMO TO: R. Richard Renner, M.D.
FROM: M. A. Hanna, Executive Director
SUBJECT: EXPENSE REPORTS

The income tax division have formulated drastic revisions in expense reports. In view of these new regulations, it is necessary that all persons with Renner Clinic Foundation submit expense reports before reimbursement can be made. The new regulations require

1. The amount expended, the time and place of the expenditure, the names of the persons present and the business purposes involved. Failure to detail the report in this manner will result in the money paid being considered personal income to that party.
2. In addition, failure to make this report would be in violation of the Income Tax rules and regulations. In view of this situation, it could seriously impair Internal Revenue's attitude toward our Foundation as an income tax exempt institution.
3. The regulations require each person to prepare and maintain for investigation either a diary or log, which is systematically kept which contains all the data required to be placed on the expense report for reimbursement.
4. Attached is a copy of a suggested expense report and entertainment expense record which is to be submitted to the Foundation at the time the expense report is delivered for reimbursement.
5. The maximum allowable expenses per diem when traveling, but exclusive of transportation expenses, is \$25.00 per day, and it must be substantiated in accordance with the above provisions.

Since this is very vital to you, personally, as well as the Foundation, I wanted to give you an opportunity of studying this and then if you desired, to discuss it with me on Friday morning, January 25th, I would make myself available.

The regulations have instructed the income tax reviewers to be reasonably tolerant during the month of January, 1963. They insist upon absolute compliance by the end of March, otherwise, all of their regulations will be enforced against the Foundation as well as the respective

individuals. Although these new regulations have created a furor everywhere, there is obviously nothing that can be done but comply, otherwise suffer the consequences. To audit each firm, each expense account as reported, as well as the individual records retained by the persons reporting is quite a task, but they indicate that they will follow such procedures.

M. A. HANNA

MAH/pgt

ENTERTAINMENT EXPENSE RECORD

(NAME OF COMPANY)

NAME _____

DEPARTMENT _____

DATE OF ENTERTAINMENT _____

DESCRIPTION (ATTACH RECEIPTS FOR ALL EXPENDITURES OF \$25 OR MORE)

AMOUNT

\$ _____

TOTAL \$ _____

NAME, ADDRESS, OR LOCATION OF PLACE OF ENTERTAINMENT

BUSINESS RELATIONSHIP TO THE COMPANY OF EACH PERSON ENTERTAINED FOR WHOM A DEDUCTION IS CLAIMED, INCLUDING HIS NAME, TITLE, AND THE NATURE OF HIS ACTIVITIES AS THEY RELATE TO THE COMPANY'S BUSINESS. ALSO, GIVE TOTAL NUMBER OF PERSONS ENTERTAINED, INCLUDING OTHER EMPLOYEES OF THE COMPANY. IF APPLICABLE, DESIGNATE ALL PERSONS WHO TOOK PART IN BUSINESS DISCUSSIONS BEFORE OR AFTER ENTERTAINMENT.

NATURE OF BUSINESS BENEFIT EXPECTED TO BE DERIVED BY THE COMPANY AS A RESULT OF THE ENTERTAINMENT.

DATE, DURATION, PLACE, AND NATURE OF BUSINESS DISCUSSION (IF ANY) WHICH PRECEDED OR FOLLOWED ENTERTAINMENT.

TRAVEL EXPENSE REPORT

(NAME OF COMPANY)

CASH SUMMARY

NAME _____

WEEK ENDING _____

BEGINNING BALANCE

DEPARTMENT _____

APPROVED BY _____

CASH ADVANCES

TOTAL TO ACCOUNT FOR

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	TOTALS
CITY TRAVELED TO								
LODGING (ATTACH RECEIPT)								
BREAKFAST								
LUNCH								
DINNER								
TRANSPORTATION								
FROM _____ TO _____ VIA _____								
LOCAL TRANSPORTATION (TAXI, ETC.)								
AUTO RENTAL								
W/OTOMOBILE MILEAGE								
MILES @ _____ ¢								
MILES @ _____ ¢								
MILES @ _____ ¢								
ENTERTAINMENT (ATTACH STATEMENTS)								
TELEPHONE - TELEGRAPH - POSTAGE								
BAGGAGE AND TIPS								
TOTALS								

REASON OR REASONS FOR INCURRING EXPENSES INCLUDED IN THIS REPORT	CASH RETURNED ENDING BALANCE
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Minutes of a Meeting of the Executive Committee of RENNER CLINIC FOUNDATION held at the Shaker Country Club, at 6:30 P.M., Friday, May 10, 1963 upon telephone and written notice duly given.

The meeting was called to order by President Harry Lees, with all members of the Executive Committee present.

Mr. Buell moved that the reading of the Minutes of the last Executive Committee meeting and the Semi-Annual Trustees Meeting be dispensed with. The motion was duly seconded and on vote had, carried.

President Harry Lees stated that the purpose of this meeting was to receive a report from Mr. Miller in regard to his conversations with various persons of The Cleveland Hospital Council and to consider and act upon the question of whether this Foundation should file an application for Hill-Burton Funds before the 15th of May since The Cleveland Memorial Medical Foundation were filing for Hill-Burton Funds for a new hospital at the Hillcrest Clinic site.

Mr. Miller then reported on his conversations with Mr. Tom Griffiths, Executive Secretary of the Cleveland Hospital Council. The gist of the conversation was that he did not think that an application by the Renner Clinic Foundation would in any way prejudice the application by Cleveland Memorial Medical Foundation for Hill-Burton Funds for construction on the Hillcrest Clinic site. Mr. Miller further stated that Mr. Griffiths was in favor of our filing for Hill-Burton Funds for the Twinsburg location as it was a separate organization from that of the Cleveland Memorial Medical Foundation and was covering a site in the southeast portion of Cuyahoga County where Hamilton Associates recommended the construction of a hospital.

A general discussion resulted which brought many angles to light. All members of the Executive Committee participated in the discussions, either by way of answers or questions. Upon the conclusion of these discussions, Perry Miller moved that Renner Clinic Foundation file the preliminary application with the State Department of Health for Hill-Burton Funds for the current year ending June 30, 1964 for a 200 bed hospital. The motion was seconded by Mr. Harry Lees. After extended discussions of the benefits and potential problems involved, upon vote had, the motion carried. The President thereupon requested the Executive Director to make a special trip to Columbus on Tuesday, May 14th, to personally present the application in its proper form to the Department of Hospital Facilities, headed by Dr. Margaret DuBois, before the deadline, which is prior to May 15, 1963.

There being no further business for consideration at this meeting, on motion duly made and seconded, the meeting adjourned.

Robert R. Renner, M.D.
Secretary

May 15, 1963

MEMO TO: Robert R. Renner, M.D.
FROM: M. A. Hanna, Executive Director
SUBJECT: Hill-Burton Application

Attached is copy of a report covering my personal appearance at a conference with Dr. DuBois and William Wolfe yesterday. The report conveys the impressions which I received.

At the Executive Committee Meeting on the 10th of May, I got the impression that as soon as our application had been filed, that Perry Miller would convey this data to Tom Griffiths. I also got the impression that Perry Miller suggested that you and he go to Washington and discuss this situation with Joe Venturi. In view of these impressions, if they are accurate, it would appear proper that copies of my report and this memo go to all members of the Executive Committee and that we proceed with the program as I understand it, which was determined at the Executive Committee Meeting on the 10th of May. I leave this determination in your hands as Medical Director.

M. A. Hanna

May 15, 1963

MEMO FROM M. A. HANNA

SUBJECT: HILL-BURTON APPLICATION

On May 14, 1963, I drove to Columbus and delivered the application, including the narrative and the transmittal letter to Dr. Margaret DuBois in the presence of Mr. William S. Wolfe, her assistant, about 12:00 noon eastern daylight savings time or 11:00 A.M. Columbus time.

Dr. DuBois said "This is an interesting thing", excused herself to look for something. Mr. Wolfe finally went to her assistance and on their return she had the Hill-Burton application of Doctors Hospital with her. Her first concern was that she thought the two applications were for a hospital in the same area. I pointed out, after casually looking at the Doctors Hospital application, that it was for the Mayfield Heights area, while ours was for the Twinsburg area. I informed her there was a distance of about twenty miles between the two sites. She immediately stated that our estimate of the cost of a hospital at \$3,600,000.00 was way low, that it should be nearer \$5,000,000.00. I asked her why and she said that modern hospitals are costing between \$32,000.00 and \$35,000.00 per bed. We discussed the financial status submitted and I pointed out that the value of the land, \$475,000.00, and the \$150,000.00 cash we hoped to use as operating funds. I had observed that Doctors Hospital had estimated the cost of the 200 bed hospital to be \$3,500,000.00, but made no comment to Dr. DuBois. She stated that the Mayfield Heights area was a highly populated district, which I agreed. I also stated that the development of Twinsburg and all the surrounding communities was very rapid and the population increase had been very perceptible. I mentioned the apartments at Twinsburg, which she denied existed. I then became specific about those on Route 14, as well as at 91. She stated she always came to Cleveland that way, crossing 82 and going north on 91 and never saw such apartments, so I more definitely located them for her. From the remarks made, it was apparent to me that she was more than interested in Doctors Hospital application. It seemed that her inclinations were that an application for 200 beds in the Twinsburg area appeared to be on the high side as the population was much less than the requirements of a 200 bed hospital in the Mayfield Heights area. We discussed generalities and the Ohio State Plan for 1963 and 1964, which was being revised by Dr. DuBois and Mr. Wolfe when I was seen by them. Mr. Wolfe stated that the Ohio State Plan may not be printed this year since an economy move prevailed in the State. Mr. Wolfe suggested a letter requesting a copy so it would be on file in the event it was printed. Dr. DuBois stated that consideration of all Hill-Burton applications would begin next week. If our application was seriously considered, they would require a great deal more information and data. The conference being concluded, I left.

M. A. Hanna

May 22, 1963

TRUSTEES OF RENNER CLINIC FOUNDATION

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MINUTES OF THE JOINT MEETING
OF THE EXECUTIVE COMMITTEES
OF THE CLEVELAND MEMORIAL MEDICAL FOUNDATION
AND THE RENNER CLINIC FOUNDATION
TOGETHER WITH THE MERGER COMMITTEES OF BOTH FOUNDATIONS
HELD MONDAY, MAY 4, 1964
WADE PARK MANOR, CLEVELAND, OHIO
6:30 P. M.

Present: Mr. Anthony, Mr. M. A. Hanna, Mr. Lees, Dr. R. R. Renner, Dr. Robert Renner, Dr. Daniel Renner, Mr. Barr, Judge Silbert, Mr. Lincoln, Mr. Buell, and Mr. John Renner, Trustees; Messrs. Moss, Hall and Roth of the Hospital Administration; and Mr. Birch of the Clinic Foundation.

Invocation by Mr. Harry Lees.

Judge Silbert, chairman of the Merger Committee for the Hospital, presided. He thanked the members for their attendance and announced that there were only two members absent. Mr. Perry Miller, who had a previous engagement, and Mr. Charles Standish, who is out of the country.

The Chairman reviewed the previous discussions concerning the merger of the two organizations, and referred to a letter from Baker, Hostetler and Patterson, dated April 17, 1964, who had been retained to study all phases of a possible merger. He also reviewed a letter, dated April 29, from Reuel Lang, attorney for the Hospital, concerning the situation. Judge Silbert pointed out the various possibilities and problems involved. He then opened the meeting for discussion.

It was unanimously agreed that the objectives of the two foundations are identical, and after a careful review of the whole situation,

MOTION was made by Dr. Robert Renner and seconded by Mr. Stewart Anthony that a subcommittee be appointed by the chairman of the Merger Committee consisting of one member of each Board, the administrator of the Hospital, and the executive director of Renner Clinic to formulate, with the advise and approval of counsel, plans to merge the two boards of trustees so that joint meetings can be held, and committees merged; and further, to suggest changes in the by-laws in order to conform to these arrangements. The committee was also instructed to work out, with the advice of counsel, the transfer of the property, presently owned by the Clinic Foundation, to the Cleveland Memorial Medical Foundation at the Hillcrest location

MOTION PASSED.

The Chairman appointed Dr. Robert Renner, Mr. Stewart Anthony, Mr. Moss and Mr. Hanna as the committee. By general agreement Judge Silbert was made an ex-officio member of the committee.

The meeting was then turned over to Mr. Barr, chairman of the Executive Committee of the Cleveland Memorial Medical Foundation, who convened that committee.

He called on Mr. Moss for his report.

ONE AND ONE-EIGHTH ACRES ON WILSMERE ROAD

Mr. Moss stated that the property on Wilsmere Road could be purchased for around \$60,000. The chairman referred to the minutes of the Hospital Board meeting of February 17, 1964, at which the following motion was passed:

"MOTION was made by Dr. Robert Renner and seconded by John Renner that the Site Committee be authorized to secure options, if possible, on all of the Newman property and the lots on Wilsmere Road; said options to purchase all of the Newman property and the lots on Wilsmere Road for a total cost of not over \$200,000; and further, if said options are secured to submit them to the Board of Trustees for further action."

Mr. Moss was requested to have the Site Committee secure an option on the Wilsmere Road property and all or part of the Newman property, if possible, and submit the terms of said option or options to the Board of Trustees in accordance with the motion of February 17, 1964.

SWIFT PROPERTY

Mr. Moss stated that he thought the property on Cedar Road, which joins the hospital property, might be secured at a price of approximately \$30,000, and that said property would be of great advantage to the hospital for parking purposes.

MOTION was made by Mr. Lees and seconded by Judge Silbert that the Site Committee attempt to obtain, at the best terms possible, an option on the Swift property and submit said option to the Board of Trustees of the Cleveland Memorial Medical Foundation for action.

MOTION PASSED.

MEETING ADJOURNED.

Frank B. Buell, Secretary

Minutes of a meeting of the Executive Committee of Renner Clinic Foundation held in the Manor Room of Wade Park Manor, Monday, May 4, 1964, per written notice given.

The meeting was held in conjunction with a meeting of the Executive Committee of the Cleveland Memorial Medical Foundation to receive and take necessary action on a report from the joint merger committee consisting of Judge Joseph H. Silbert, John Renner, Stewart Anthony, Perry Miller, Dr. Robert R. Renner and Milton A. Hanna. Mr. Miller was absent due to prior commitments.

The invocation was given by Mr. Harry Lees.

Judge Silbert, in submitting his report, referred to a letter from Baker, Hostetler and Patterson dated April 17, 1964 and a letter from Mr. Reuel Lang dated April 29, 1964. The merger committee favored a form of merger consistent with the interests of both institutions. The report showed that the objectives of the two foundations were nearly identical. Judge Silbert suggested the creation of a sub-committee which would have the purpose of preparing a plan of merger including an early conveyance of the Hillcrest Clinic property to the Cleveland Memorial Medical Foundation.

An extended discussion followed the report of Judge Silbert, after which Dr. Robert R. Renner moved that the joint merger committee chairman appoint a sub-committee in accordance with his recommendations and that the sub-committee proceed with working out all details at the earliest opportunity to transfer the title of the Hillcrest Clinic property to the Cleveland Memorial Medical Foundation. The motion was seconded by Mr. Anthony and on vote had, unanimously carried.

Dr. Robert R. Renner then moved that the sub-committee proceed with a program to prepare new or revised Codes of Regulations with the intent to bring the two Boards of Trustees together with approximately the same membership and include in the plan other matters deemed pertinent to the welfare of both foundations. The motion was seconded by Mr. Lees and on vote had, was unanimously carried.

Judge Silbert appointed Dr. Robert R. Renner, Stewart Anthony, Robert Moss and Milton Hanna to this committee with Judge Silbert serving in an ex officio capacity.

President Harry Lees then presided over this Executive Committee Meeting. Other members present were: Dr. R. Richard Renner, Arthur Barr, Frank Buell, David Lincoln, Stewart Anthony, Dr. Robert Renner and Milton A. Hanna. Also attending by invitation were Dr. Daniel S. Renner, Carlton Schnell, clinic attorney, and James Birch, clinic controller.

A motion was made by Dr. Robert Renner and seconded by Harry Lees that the action taken by the joint merger committee as above outlined be, and is, hereby ratified, approved and confirmed.

Mr. Buell then moved that when the joint merger committee and the sub-committee had formulated their programs in accordance with the previous motions passed, that they report back to the Executive Committee for its consideration and further action. The motion was seconded by Mr. Lincoln and on vote had, unanimously carried.

No further action was taken, but a general discussion resulted concerning the objectives of the two institutions in their merger program. After the conclusion, there being no further business to come before the meeting, the same was duly adjourned.

Robert R. Renner, M.D.
Secretary

MINUTES OF THE MEETING
OF THE EXECUTIVE COMMITTEE
OF THE CLEVELAND MEMORIAL MEDICAL FOUNDATION
OPERATING DOCTORS HOSPITAL
HELD SATURDAY, AUGUST 22, 1964
CANTERBURY GOLF CLUB, CLEVELAND, OHIO
12:30 P. M.

Present: Messrs. Barr, Buell, Lees, Miller, Judge Silbert, Dr. R. R. Renner and Standish of the Board; and Messrs. Moss and Hall of the Administration.

MERGER COMMITTEE

Judge Silbert, chairman, reported that his committee had held several meetings, some of them with legal counsel. He advised that his committee had reached an agreement with the Merger Committee of the Renner Clinic concerning terms of the merger, and after a final meeting to be held in the near future he would bring their report to the Executive Committee. He further stated that he had consulted with officials of the Blue Cross and had been informed by them that they already considered the two organizations as one; thus formalization of the arrangement was no longer of interest to them.

FINANCIAL REPORT

The Administrator advised that for the first six months of the calendar year the Hospital had operated in the black even though the census during the summer months was down.

ACCREDITATION

Mr. Moss called attention to a letter to the Trustees dated August 19, 1964 as follows:

"We have just been advised by Dr. Kenneth B. Babcock, Director of the Joint Commission on Accreditation of Hospitals, that Doctors Hospital has been accredited again for a full three years. We were surveyed on July 6th by Dr. Hammond, a field representative of the Commission.

We were given a list of eleven recommendations to be carried out prior to the next inspection but none of them are of serious nature. The appropriate persons will be informed of the recommendations so that they can be taken care of promptly."

STAFF APPOINTMENTS

Mr. Moss submitted the following applications for privileges at the Hospital

and stated that the applications had been approved by the Credential Committee and the Executive Committee of the Medical Staff:

Dr. Joel Gordon Wachtel, courtesy privileges in Ophthalmology

Dr. Melvin Shafron, courtesy privileges in Neurosurgery

Dr. Alfio Vieni, courtesy privileges in Anesthesiology

MOTION was made by Mr. Miller and seconded by Judge Silbert approving the recommendations of the Credential Committee and the Executive Committee of the Medical Staff for the applications of the above doctors.

MOTION PASSED.

REPORT OF THE CHIEF OF STAFF

Dr. R. R. Renner advised that a considerable amount of surgery was being done at the Hospital and that the training program was going very well. He remarked that the morale at the Hospital was good.

BUILDING COMMITTEE

Dr. R. R. Renner, chairman, stated that there had been several meetings with the consultants and the architects for the new hospital, and he hoped to have a brochure in the near future showing pictures and layouts of the new hospital.

It was pointed out that the schedule for the plans for the new hospital was over sixty days behind schedule, and one of the reasons for this is that the Building Committee is unable to agree with the architects and the consultants on the exact location, size, layout, and cost of the new hospital.

After considerable discussion,

MOTION was made by Mr. Lees and seconded by Judge Silbert that the Building Committee and architects make every effort to come to an agreement on all matters in question, and that they report back within two weeks to the Executive Committee.

MOTION PASSED.

COMMUNITY RELATIONS COMMITTEE

Mr. Standish had prepared a letter concerning the activities of the Community Relations Committee. The Chairman will present it to the members of the Executive Committee for discussion at its next meeting.

X-RAY PAYMENTS TO RENNER CLINIC

MOTION was made by Mr. Miller and seconded by Mr. Lees instructing the Administrator not to pay to various doctors or the Renner Clinic Foundation more funds than are received from the Blue Cross for X-rays under the new Blue Cross contract. Said authorization to become effective September 1, 1964.

MOTION PASSED.

KETCHUM & COMPANY

The Administrator reported a representative of Ketchum & Company would start working September 1, 1964 to prepare literature and plans for the forthcoming campaign, and that he would work closely with the Community Relations Committee.

NEXT EXECUTIVE COMMITTEE MEETING

It was agreed that the next meeting of the Executive Committee would be held Thursday, September 10, at 6:30 p.m. at the Wade Park Manor, and that it would be a dinner meeting.

NEXT MEETING OF THE BOARD OF TRUSTEES

It was decided to hold the next meeting of the Board of Trustees of Cleveland Memorial Medical Foundation, operating Doctors Hospital, at the Shaker Heights Country Club Wednesday, September 16 at 6:30 p.m., 3300 Courtland Boulevard, Shaker Heights, Ohio.

MEETING ADJOURNED.

Frank B. Buell
Secretary

RENNER CLINIC FOUNDATION
BOARD OF TRUSTEES
March, 1965

EXECUTIVE COMMITTEE

<u>NAME</u>	<u>BUSINESS ADDRESS & PHONE</u>	<u>RESIDENCE ADDRESS & PHONE</u>
Renner, Dr. R. Richard Honorary Chairman	12337 Cedar Road Cleveland Hts., Ohio 44106 CE 1-4880	1259 Oakridge Drive * Cleveland Hts., Ohio 44121 EV 2-1611
Lees, Harry W. President	Vice President F.C. Thornton Co. 6116 Park Avenue Cleveland, Ohio 44105 MI 1-1492	3450 Green Road * Cleveland, Ohio 44122 WY 1-6529
Miller, Perry E. Vice President	Chairman of Board * Industrial Roofing & Sheet Metal, Inc. 16320 Miles Avenue Cleveland, Ohio 44128 WY 1-8600	9693 Darrow Twinsburg, Ohio HA 5-4681
Hanna, Milton A. Executive Director	Executive Director * Renner Clinic Foundation 6760 Mayfield Road Mayfield Hts., Ohio 44124 442-4880	33960 Country View Lane Solon, Ohio 44139 248-6288
Renner, Dr. Robert R. Secretary	Medical Director Renner Clinic Foundation 6760 Mayfield Road Mayfield Hts., Ohio 44124 442-4880	Fox Hollow Drive * Novelty, Ohio 1-ED 8-1041
Buell, Franklin B. Treasurer	Treasurer, Hiram College * Hiram, Ohio 44234 569-3211, Ext. 16	7949 State Street Garrettsville, Ohio 44231 527-2937
Anthony, Stewart	Vice Pres. & Secretary The Cleveland Trust Co. Euclid Ave. & East 9th St. Cleveland, Ohio 44101 MA 1-1600	2966 Eaton Road * Shaker Heights, Ohio 44122 LO 1-5429
Barr, Arthur C.	Mgr., Product Planning * and Application - Large Lamp Dept., General Electric Co. Nela Park Cleveland, Ohio 44112 266-2170	3699 Strathavon Road Shaker Heights, Ohio 44120 WA 1-2383
Lincoln, David C.	Baker-Hostetler & Patterson Union Commerce Building Cleveland, Ohio 44114 MA 1-0200	22826 Holmwood, SE * Shaker Heights, Ohio 44122 SK 2-0337

BOARD OF TRUSTEES

<u>NAME</u>	<u>BUSINESS ADDRESS & PHONE</u>	<u>RESIDENCE ADDRESS & PHONE</u>
Binder, George P.		1315 Forest Hills Cleveland Hts., Ohio 44118 FA 1-7605
Bissett, Jr., George	President * Bissett Steel Co. 945 East 67th Street Cleveland, Ohio 44103 EX 1-2000	2731 North Park Blvd. Cleveland Hts., Ohio 44118 YE 2-2333
Fiers, Rev. A. Dale	President, United Christian * Missionary Society 221 Ohmer Avenue - P.O. Box 19136 Indianapolis, Indiana 46219 FL 9-9568	5452 University Avenue Indianapolis, Indiana 46219 FL 6-4093
Fraier, Roland	President * Eagle Laundry & Cleaning Co. 1292 East 20th Street Cleveland, Ohio 44114 861-0356	957 Belwood Highland Heights, Ohio 44124 442-2497
Gresham, Dr. Perry	President, Bethany College * Bethany, West Virginia 26032 829-4321	Pendleton Heights Bethany, West Virginia 26032 829-4406
Hanna, William E.	Secretary * Cleveland Automobile Club 2605 Euclid Avenue Cleveland, Ohio 44115 861-4800	2199 Kerrwood Road Cleveland Heights, Ohio 44118 FA 1-5910
Hoffmann, Rev. Kenneth R.	Grace Lutheran Church * 13001 Cedar Road Cleveland Heights, Ohio 44118 FA 1-2790	3368 Rumson Road Cleveland Hts., Ohio 44118 FA 1-8953
Jones, Dr. Willis R.	President, Disciples of * Christ Historical Society 1101 Nineteenth Ave., South Nashville, Tennessee 37212 CY 1-1771	4024 Outer Drive Nashville, Tennessee CY 2-3204
Lau, Orrin F.	President * Industrial Roofing & Sheet Metal, Inc. 16320 Miles Avenue Cleveland, Ohio 44128 991-8600	5846 Briar Hill Drive Solon, Ohio 44139 248-5979

BOARD OF TRUSTEES

<u>NAME</u>	<u>BUSINESS ADDRESS & PHONE</u>	<u>RESIDENCE ADDRESS & PHONE</u>
Lawrence, Jack	Glasfab * Box 244 Twinsburg, Ohio 44087 425-7889	9744 Darrow Twinsburg, Ohio 425-4871
Loegler, Rev. David	Dean, Trinity Cathedral * Euclid - East 22nd St. Cleveland, Ohio 44115 PR 1-3630	25 Old Farm Road Moreland Hills, Ohio CH 8-6445
Lutz, Chalmer F.	General Agent * Equitable Life Assurance Co. 100 Erieview Plaza Cleveland, Ohio 44114 621-7715	2480 Wellington Road Cleveland Hts., Ohio 44118 YE 2-6684
May, Meril A.	Vice President * Dun & Bradstreet, Inc. 99 Church Street New York, New York 10008 DI 9-3300	Grace Towers 180 East End Avenue New York, New York
Pringle, William R.	Senior Vice President Shaker Savings Association 1010 Euclid Avenue Cleveland, Ohio 44115 241-6750	23640 Bryden Road * Beachwood, Ohio 44122 IN 4-9624
Renkert, Richard C.	Attorney * Sayre, Vail & Steele 767 Union Commerce Bldg. Cleveland, Ohio 44115 MA 1-4870	2225 Cummington Road Cleveland, Ohio 44106 GA 1-3678
Renner, Dr. Daniel S.	Renner Clinic Foundation 6760 Mayfield Road Mayfield Hts., Ohio 44124 442-4880	30850 Park Lane * Cleveland, Ohio 831-8132
Renner, John W.	Oberlin, Maky & Donnelly 601 Rockwell Avenue Cleveland, Ohio 44114 MA 1-1113	29942 Bolingbrook Road * Pepper Pike, Ohio 44124 831-1680
Silbert, Judge Joseph H.	Judge, Court of Appeals * Lakeside Courthouse One Lakeside Avenue Cleveland, Ohio 44113 621-3285	2718 Green Road Shaker Heights, Ohio 44122 464-0126

BOARD OF TRUSTEES

<u>NAME</u>	<u>BUSINESS ADDRESS & PHONE</u>	<u>RESIDENCE ADDRESS & PHONE</u>
Standish, Jay C.	President Cooperative Leasing, Inc. 5041 Pearl Road Cleveland 9, Ohio 661-9900	6727 Walnut Drive * Gates Mills, Ohio 44040 442-5211
Steindorf, Robert T.	Rex Chainbelt, Inc. * P.O. Box 2022 Milwaukee, Wisconsin 53201 384-3000	8344 North Greenvale Road Milwaukee, Wisconsin 53217 352-4531
Strasshofer, Jr., Roland H.	Attorney * Brown & Strasshofer 1255 Terminal Tower Cleveland, Ohio 44113 771-5755	22211 Westchester Road Shaker Hts., Ohio 44122 SK 1-1831
Turley, Dr. Hollis L.	President, Disciples of Christ Pension Fund 700 Test Building Indianapolis, Indiana 46204 ME 4-4504	5924 Lieber Road * Indianapolis, Indiana 46208 CL 3-0355
Vilas, Jr., Malcolm B.	Malcolm B. Vilas, Jr. & * Associates, 2124 Keith Bldg. Cleveland, Ohio 44115 CH 1-2340	County Line Road Gates Mills, Ohio HA 3-4563
Weaver, Dr. Paul	President * Lake Erie College 391 Washington Street Painesville, Ohio 44077 EL 2-4224	The Manor House Morley Road Mentor, Ohio 44060 EL 2-0717

NOTE: Preferred mailing address is indicated by an asterisk following the address.

CLEVELAND MEMORIAL MEDICAL FOUNDATION
OPERATING

DOCTORS HOSPITAL

12345 CEDAR ROAD
CLEVELAND HEIGHTS 6, OHIO

SWEETBRIAR 5-5000

ARTHUR C. BARR
PRESIDENT

FRANKLIN B. BUELL
SECRETARY

November 19, 1964

TRUSTEES OF DOCTORS HOSPITAL

Dear Trustee:

Since communicating with you on September 11th, work on many phases of the planning for the new hospital has been continuing at an ever-accelerating pace. There has been much activity in the Building Committee, by the architects and by the Hospital Consultants we engaged. In addition, the Community Relations Committee has sponsored over 16 meetings at which plans for the new hospital were presented to over 190 community leaders. And the Merger Committee has substantially completed its work and reported its findings.

Not all of our problems have been solved, however, and the architectural plans have not yet been completed and approved.

Thus, it has seemed to your Executive Committee that a further postponement of a full Board Meeting might be judicious in the hope that matters will soon have progressed to the point that a very useful and productive meeting can be held.

Our current estimate is that this point will have been reached by mid-January.

Accordingly, we are planning on a meeting at that time - very probably a joint meeting with the Board of the Renner Clinic Foundation. It is expected that the following subjects will be on the agenda:

Merger with the Renner Clinic Foundation
Plans for Hillcrest Hospital
Election of Officers and Trustees
By-Laws for a Merged Organization

Our Secretary will notify you when the date is finalized. I look forward to seeing each of you at that time.

Very truly yours,



A. C. Barr, President

ACB:ets

cc: Exec.Com.
R.Moss

DOCTORS HOSPITAL

12345 CEDAR ROAD

CLEVELAND HEIGHTS 6, OHIO

SWEETBRIAR 5-5000

ROBERT MOSS
ADMINISTRATOR

EDWARD A. HALL
ASSISTANT ADMINISTRATOR

November 12, 1964

Dr. R. Richard Renner
1259 Oakridge Drive
Cleveland Heights, Ohio - 44121

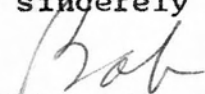
Dear Dr. Renner:

The next Quarterly Meeting of the Medical Staff of Doctors Hospital is scheduled for Thursday, December 10 at 6:30 P.M., at the Academy of Medicine, 10525 Carnegie Avenue. There will be an initial cocktail period, followed by a buffet dinner. The program for the evening will be a presentation of plans for Hillcrest Hospital and a program presentation to the Medical Staff for a pledge of \$300,000 as the Medical Staff's contribution.

We are inviting the Executive Committee of the Board of Trustees to be our guests for the evening. Two other Trustees, Mr. Stewart Anthony and Mr. David Lincoln, will also be invited.

We hope that you can arrange your schedule to be able to attend this meeting.

Very sincerely yours,



Dr. Robert R. Renner
Vice President, Medical Staff

RRR:ef

MINUTES OF AN EXECUTIVE COMMITTEE MEETING OF RENNER CLINIC FOUNDATION HELD
AT THE SHAKER COUNTRY CLUB AT 6:30 P.M., APRIL 29, 1965 PURSUANT TO TELEPHONE
NOTICE GIVEN

The meeting was called to order by President Lees with Perry Miller, Frank Buell, Stewart Anthony, Dave Lincoln, M.A. Hanna and Drs. R. Richard Renner and Robert R. Renner present. Mr. Barr was absent due to previous commitments.

Mr. Buell then moved that we dispense with the reading of the Minutes of the last meeting. The motion was seconded by Mr. Miller and on vote had, carried.

President Lees stated that the purpose of this meeting was to consider matters of great importance in regard to the new Hillcrest Hospital. He said that the pledges were coming in satisfactorily but a number of pledges were contemplated, however, they would not be available until the end of the current year when many people and companies determine what charitable contributions would be made for the fiscal year. A general discussion resulted.

Mr. Anthony then moved that Renner Clinic Foundation utilize the Twinsburg property in Summit County, consisting of approximately 283 acres, or the 26 acres on the north side of Mayfield Road in Mayfield Heights, or both properties, to guarantee that the pledges for the new Hillcrest Hospital will aggregate \$850,000 and that when the pledges total that amount that this guarantee shall be automatically terminated and cancelled. The motion was duly seconded by Dr. Robert Renner, and on vote had, unanimously carried.

Mr. Miller then moved that the secretary submit to all Trustees the above-designated motion. He included in the motion that this action was authorized under the laws of the State of Ohio, as well as in our Code of Regulations under Article 11, Section 4, entitled "Action Without a Meeting".

The motion was seconded by Mr. Anthony, and on vote had, unanimously carried. The president directed the secretary to so act and request the individual vote of the Trustees as soon as possible or in any event no later than one week after the date of its submission to the individual Trustees.

No further business was presented to the meeting but a general discussion was held on various matters.

There being no further business to come before the meeting, the same was duly adjourned.

ATTEST: _____

Secretary

RENNER CLINIC FOUNDATION

FORMERLY DOCTORS CLINIC FOUNDATION

A FOUNDATION NOT FOR PROFIT

6760 MAYFIELD ROAD

MAYFIELD HEIGHTS 24, OHIO

May 5, 1965

Dr. R. Richard Renner
1259 Oakridge Drive
Cleveland Hts., Ohio 44121

Dear Dr. Richard:

Ketchum, Inc., directing the fund campaign, reported as of April 23, 1965, that pledges had been received in excess of \$528,000. They anticipate an absolute additional minimum of \$350,000 with a potential of \$700,000 or \$800,000. The time limit set by the State Department of Health for assurance of the Hill-Burton grant requires some action to protect this 1-2/3 million-dollar grant. In view of this critical situation, it became evident that the clinic should take some steps in order to assist the Cleveland Memorial Medical Foundation in the preservation of this grant.

The above necessitated the calling of an emergency meeting of the Executive Committee and we quote below the comments and action taken:

"President Lees stated that the purpose of this meeting was to consider matters of great importance in regard to the new Hillcrest Hospital. He said that the pledges were coming in satisfactorily and although a number of pledges are contemplated, they will not be available until the end of the current year when many people and companies determine what charitable contributions are to be made for the fiscal year. A general discussion resulted.

Mr. Anthony then moved that Renner Clinic Foundation utilize the Twinsburg property in Summit County, consisting of approximately 283 acres, or the 26 acres on the north side of Mayfield Road in Mayfield Heights, or both properties, to guarantee that the pledges for the new Hillcrest Hospital will aggregate \$850,000 and that when the pledges total that amount, that this guarantee shall be automatically terminated and cancelled. The motion was duly seconded by Dr. Robert Renner, and on vote had, unanimously carried.

May 5, 1965

Mr. Miller then moved that the secretary submit to all Trustees the above-designated motion. He included in the motion that this action was authorized under the laws of the State of Ohio, as well as in our Code of Regulations under Article II, Section 4, entitled "Action Without a Meeting".

The motion was seconded by Mr. Anthony, and on vote had, unanimously carried. The president directed the secretary to so act and request the individual vote of the Trustees as soon as possible or in any event no later than one week after the date of its submission to the individual Trustees."

The Executive Committee feels that the action taken as quoted should be ratified by the Board of Trustees. We kindly ask that each Trustee use one copy of this letter and cast his ballot, returning it in the enclosed, stamped envelope within one week from the date of this letter. The urgency is obvious, and your cooperation will be appreciated.

Sincerely,


Secretary

Encl--Envelope

RRR:ipk

TO: Robert R. Renner, M.D., Secretary

I, the undersigned Trustee, vote For _____ or
Against _____ the above action taken.

Date: May ____, 1965 Signature: _____

RENNER CLINIC FOUNDATION

FORMERLY DOCTORS CLINIC FOUNDATION

A FOUNDATION NOT FOR PROFIT

6760 MAYFIELD ROAD

MAYFIELD HEIGHTS 24, OHIO

May 5, 1965

Dr. R. Richard Renner
1259 Oakridge Drive
Cleveland Hts., Ohio 44121

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The above necessitated the calling of an emergency meeting of the Executive Committee and we quote below the comments and action taken:

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Mr. Anthony then moved that Renner Clinic Foundation utilize the Twinsburg property in Summit County, consisting of approximately 283 acres, or the 26 acres on the north side of Mayfield Road in Mayfield Heights, or both properties, to guarantee that the pledges for the new Hillcrest Hospital will aggregate \$850,000 and that when the pledges total that amount, that this guarantee shall be automatically terminated and cancelled. The motion was duly seconded by Dr. Robert Renner, and on vote had, unanimously carried.

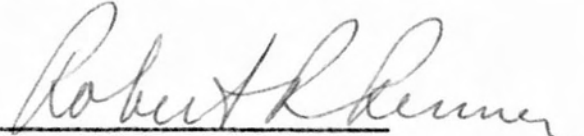
May 5, 1965

Mr. Miller then moved that the secretary submit to all Trustees the above-designated motion. He included in the motion that this action was authorized under the laws of the State of Ohio, as well as in our Code of Regulations under Article II, Section 4, entitled "Action Without a Meeting".

The motion was seconded by Mr. Anthony, and on vote had, unanimously carried. The president directed the secretary to so act and request the individual vote of the Trustees as soon as possible or in any event no later than one week after the date of its submission to the individual Trustees."

The Executive Committee feels that the action taken as quoted should be ratified by the Board of Trustees. We kindly ask that each Trustee use one copy of this letter and cast his ballot, returning it in the enclosed, stamped envelope within one week from the date of this letter. The urgency is obvious, and your cooperation will be appreciated.

Sincerely,


Secretary

Encl--Envelope

RRR:ipk

TO: Robert R. Renner, M.D., Secretary

I, the undersigned Trustee, vote For _____ or
Against _____ the above action taken.

Date: May ____, 1965 Signature: _____

MINUTES OF AN EXECUTIVE COMMITTEE MEETING OF RENNER CLINIC FOUNDATION
HELD AT THE SHAKER COUNTRY CLUB, AT 6:30 P.M., ON WEDNESDAY, NOVEMBER
2, 1966, PER VERBAL NOTICE GIVEN

The meeting was called to order by Chairman, Perry Miller, with Frank Buell, Roland Strasshofer, Jr., Dr. Robert Renner and Milton A. Hanna of the Executive Committee present, and, by invitation, Dr. D. Bruce Sodee and Mr. James Birch.

The Chairman stated the meeting was to consider action on the Nuclear Medicine Institute, based upon additional information and financial data to be submitted and prepared by Dr. Sodee and Mr. Birch.

Dr. Sodee, at the request of the Chair, gave additional data concerning the equipment and its cost and the contemplated program of the Institute and its personnel. He further reported on the response and inquiries received and stated that he had not signed any commitment in regard to the needed equipment desired from Picker X-ray. The factual data was supported by a financial report by Mr. Birch, distributed to all members present, and some items were explained. A general and extended discussion resulted after which Mr. Buell introduced and moved the adoption of a motion as follows:

1. That the Picker equipment, at a cost of \$18,355, be purchased by a three-year lease, under the most favorable terms that the Clinic can obtain, with the option to pay the lease in full after one year without penalty, with unearned interest and all other credits deducted from the total payment due upon which the title to the equipment would pass to the Renner Clinic Foundation.
2. That the officers of the Foundation be authorized and directed to execute such lease and other instruments as may be required for the purpose of acquiring this equipment, and that they endeavor to obtain this three-year lease with the lowest interest rate and down payment acceptable to the vendor and that the terms contained therein conform to the provisions in 1 above.
3. That no indebtedness of the Nuclear Medicine Institute shall be created beyond the total of all funds in the Nuclear Medicine Institute bank account including all money from every source.
4. That a monthly financial report will be prepared for the members of the Executive Committee incorporating all financial data necessary to conform with the intent and all provisions and conditions contained in this motion.

Executive Committee Meeting (Continued)
November 2, 1966

5. That no indebtedness shall be created except that which is authorized by duly elected officers of the Renner Clinic Foundation, and that those officers' authority be limited to the terms and conditions expressed and contained herein.
6. That the officers be directed to establish a reserve for any indebtedness by lease or otherwise so funds will be available for the accelerated payment of materials purchased under a lease agreement, a conditional sale, or other obligations and that the officers be authorized to open a savings account in proper financial institutions or acquire certificates of deposit, or both, in order to have the money available at all times to pay off all lease or other obligations now existing or that may be created in the future.

The motion was duly seconded by Mr. Strasshofer, and after an extended discussion, on vote had, the motion unanimously carried.

There being no further business to come before the meeting, the same was duly adjourned.

(Sgd) M. A. Hanna
Secretary

MINUTES OF AN EXECUTIVE COMMITTEE MEETING OF RENNER CLINIC FOUNDATION
HELD AT THE SHAKER COUNTRY CLUB, AT 12:30 P.M., ON TUESDAY, NOVEMBER
22, 1966, PER NOTICE GIVEN

The meeting was called to order with all members of the Executive Committee present. Mr. Miller presided at President Lees' request.

Mr. Lees moved that we dispense with reading the Minutes. The motion was seconded by Mr. Fraier, and on vote had, carried.

Mr. Hanna stated that he had received a letter from Dr. Sodee enclosing a copy of a letter from Dr. Konneker of Mallinckrodt to the effect that the \$1,500 per month would be continued during the year, 1967, if required.

Mr. Miller brought up the urgency of the Hospital's need for the balance of the funds from the sale of the 26 acres. An extended discussion resulted, after which Mr. Fraier moved that the officers and personnel of this Foundation be authorized and directed to do any and all acts and execute any and all checks or other instruments necessary to cooperate with the Hospital in accordance with the program for sale of the land. The motion was seconded by Mr. Lees, and on vote had, unanimously carried.

Mr. Buell moved that M.A. Hanna be duly appointed Administrator for the ensuing year. The motion was seconded by Roland Strasshofer, and on vote had, unanimously carried.

Mr. Lees moved that Dr. Robert Renner be appointed as Medical Director for the ensuing year. The motion was seconded by Mr. Buell, and on vote had, unanimously carried.

Mr. Miller referred to a letter, dated November 22, 1966, that he had received from Mr. Moss stating that the Hospital had advanced \$3,100 to pay certain salaries and expenses of Nuclear Medicine Institute personnel, and this reimbursement was needed now.

Mr. Miller then further reported that the Hospital would like an advance of \$5,000 in addition to the \$3,100 which would guarantee repayment by the Clinic to the Nuclear Medicine Institute funds. A thorough discussion resulted, after which Dr. Robert Renner moved that the officers and personnel of the Clinic be authorized and directed to refund to the Hospital the sum of \$3,100 from the Nuclear Medicine Institute account, and that they also be authorized and directed to advance to the Hospital the sum of \$5,000 which shall bear interest at the rate of 5% per annum, and be repaid by the Hospital when the loan on the Cedar property is consummated, or at any time earlier thereto, from other funds of the Hospital, and the Clinic would guarantee this repayment to Nuclear Medicine Institute. The motion was duly seconded by Mr. Lees, and on vote had, unanimously carried.

Dr. Robert Renner brought up the subject of the sign at Hillcrest Clinic. Considerable discussion resulted after which Mr. Harry Lees moved that the words "Renner Clinic Foundation" be above, and "Hillcrest Clinic" words be below, both of which would be of equal size, and that this constitute the facings on both sides of the electric sign at 6760 Mayfield Road. The motion was seconded by Mr. Strasshofer, and on vote had, unanimously carried.

There being no further business to come before the meeting, the same was duly adjourned.

(Sgd) M.A. Hanna (Secretary)

Dr. Richard Renner

MINUTES OF A MEDICAL STAFF MEETING OF THE RENNER CLINIC FOUNDATION
HELD IN THE LIBRARY OF DOCTORS HOSPITAL AT 12:00 NOON, ON JANUARY
19, 1967.

The meeting was called to order by Chairman Pro Tempore, Dr. Rafael Dominguez. Present were Drs. Dominguez, Nickel, Patt, Perez, Daniel Renner, Richard Renner, Robert Renner, Reulbach, Sodee, Tuason, Turek and Vieni, and Mr. Birch of the Administrative Staff.

It was moved and seconded that the reading of the Minutes of the previous meeting be dispensed with since they had been distributed.

Dr. Dominguez, Chairman of the Nominating Committee, presented the following slate:

President. Stewart N. Nickel, M.D.
Vice President D. Bruce Sodee, M.D.
Secretary-Treasurer. Franklin Reulbach, M.D.

Motion was duly made and seconded that the nominations be closed. Motion carried. Motion was duly made, seconded, and on vote had, the slate was unanimously elected. The newly-elected officers immediately assumed their duties.

The meeting subsequently was presided over by Dr. Nickel.

Dr. Nickel suggested that more publicity be obtained for the Renner Clinic Foundation as a possible inducement to attract additional patients. It was suggested that news items be inserted in suburban newspapers such as the Sun-Press.

Dr. Robert Renner suggested that possibly a liaison could be established between the Renner Clinic Foundation and the Curtis Clinic since it might be mutually advantageous to both Clinics. For example, Curtis Clinic has specialty branches which are not available at the Renner Clinic, and the same is true in the reverse.

The topic of the possible addition of a General Practice Department was again discussed, and it was decided to table this subject for further discussion at the next meeting.

There being no further business to come before the meeting, the same was duly adjourned at 1:15 p.m.

Franklin Reulbach, M.D.
Secretary

October 10, 1967

Executive Committee of the Board of Trustees
Cleveland Memorial Medical Foundation
Cleveland, Ohio

Gentlemen:

Pursuant to your authorization at the meeting held on October 2, 1967 I have made a survey of the minutes of both the Executive Committee meetings and the Trustee meetings of the Cleveland Memorial Medical Foundation and the counterpart minutes of the Renner Clinic Foundation (formerly Doctors Clinic Foundation) appearing in the records of the corporations since January 1, 1960.

The purpose of the survey is essentially two-fold. One objective is to call the attention of the Executive Committee to various items of business referred to in the minutes but which appear not to have been concluded insofar as the official records are concerned. No effort is made in this report to indicate whether certain incomplete items may have been disposed of without recording the same in the corporate minutes. The second purpose of the survey is to summarize material appearing in the minutes with respect to certain specific matters which are of particular concern to the Foundation at this time. It is hoped that this effort will simplify the deliberations of the Board of Trustees, both in resolving present problems and in charting future action.

You will find the attached report organized as follows:

- Part 1: Concise summary of matters appearing upon the minutes as incomplete or unrecorded.
- Part 2: Survey of minutes respecting construction of Hillcrest Hospital and sale of Doctors Hospital (inter-related).
- Part 3: Survey of minutes respecting purchase and reconveyance of Hillcrest Clinic.
- Part 4: Survey of minutes respecting Medical Council and Medical Director.

Part 5: Survey of minutes respecting X-Ray Contract.

Part 6: Survey of minutes respecting Cedar Road
Building.

You will also find attached to the report as Appendixes 1, 2, 3 and 4, a listing of all minutes which have been reviewed. Throughout this survey, any quotations are from the minutes, and do not necessarily indicate exact words of any individual.

Very truly yours,

R. H. Straschofer, Jr.

RHS/dn
Enclosure

CLEVELAND MEMORIAL MEDICAL FOUNDATION

Matters Incomplete or Unrecorded

The items set forth in this Part I of the survey are listed in chronological order as they appear in the minutes surveyed.

- February 3, 1965 - The purchase and lease-back of Hillcrest Clinic was proposed and the recommendations of the "affiliation committee" were accepted. However, there is nothing further in the minutes to indicate whether those recommendations were executed.
- April 19, 1965 - The Trustees accepted the funds of the Disciples Pavilion Association and agreed to a 5% credit payable to the Renner Clinic Foundation for certain stated purposes. There is nothing in the minutes to indicate whether or in what manner the said credit is being provided for.
- There is nothing in the minutes respecting the conclusion of the proposed sale and lease-back of the Hillcrest Clinic and the documents are not attached to the minutes.
- June 30, 1965 - The Executive Committee referred the matter of x-ray contract to the Renner Clinic Foundation for study and recommendation but there is nothing in the hospital minutes to indicate any reply.
- February 16, 1966 - The Administrator was authorized to proceed with arrangements for financing a nursing home on the hospital's Wilsmere Blvd. property. Nothing appears in the minutes as to the disposition of that program.
- April 4, 1966 - The Trustees authorized the Executive Committee to sell any or all securities in the Endowment Fund of the hospital. No report appears in the minutes as to the actions taken pursuant to that authorization.
- The sale of the Cedar Road property to Messrs. Daniel, Robert and John Renner authorized of this date was not consummated but nothing appears in the minutes as to the time or reason for such default.
- December 6, 1966 - The Executive Committee passed a motion approving agreements with two approved nursing homes and "any other nursing homes that may later be approved by the Medical Staff and Executive Committee". It would seem appropriate to call attention to the requirement for Executive

Committee approval of any other nursing homes with which agreements are negotiated.

- January 6, 1967 - A letter from the Director of Medical Education was submitted and filed for further consideration. To date it has not received consideration.
- January 23, 1967 - The Executive Committee passed a motion calling for a joint meeting of the Executive Committee and the Executive Committee of the Medical Staff to discuss appointments of Chiefs of the various departments and divisions in the Hospital. Although a meeting between these committees was held, it did not pertain to this subject matter.

At the same meeting, Messrs. Miller, Barr and Silbert were appointed to meet with representatives of the Cleveland Hospital Council to discuss the possibility of cancelling the restriction against use of Doctors Hospital. The minutes do not reflect a report by that Committee.

- September 11, 1967 - The Hospital entered into an agreement with Blue Cross requiring the hospital to establish a review program respecting cost of the professional component of services of radiology, pathology, cardiography and electroencephalography. It would be appropriate to receive a report verifying that such a program has been put into effect.

Other incomplete minutes are referred to in the remaining portions of this report respecting the specific matters therein discussed.

In addition, I point out three matters that were in past years acted on by the Trustees, but have not been in recent years:

- 1) The by-laws of the Medical Staff have not been reviewed since our new Code was adopted. There may be conflicts between the two.
- 2) No write-offs of bad debts have been made for several years.
- 3) No annual budgets have been presented or approved.

CLEVELAND MEMORIAL MEDICAL FOUNDATION

Summary of Recorded Action Respecting Construction of Hillcrest Hospital and Sale of Doctors Hospital

The minutes are replete with entries concerning plans for a new hospital and/or an expansion of Doctors Hospital. The first meeting reviewed (January 25, 1960) mentions gifts from John Renner, the Shaker Lakes Land Company, and Dr. Arthur Roth "for the building fund of the Hillcrest Hospital". At the same time, and for several years, the Trustees explored possibilities of expanding Doctors Hospital without success. It would not be feasible, for the purposes of this Survey, to summarize each and every item in the minutes on this subject. Suffice it say that the minutes reflect a tremendous expenditure of time and effort by the Trustees, which culminated in the following:

- December 16, 1963 - President Barr reported that the Cleveland Memorial Medical Foundation had been granted one and two-thirds million dollars in Hill-Burton funds for construction of a new hospital in the Hillcrest area; and that one condition under which support had been given was that Doctors Hospital be closed and if sold, that a deed restriction be included to preclude its use as a general hospital. Ketchum & Co. was retained to raise funds. X
- February 17, 1964 - Further action was taken by the Trustees respecting land acquisition. The hiring of Dalton & Dalton was affirmed. The Renner Clinic building and adjacent property on Mayfield (South) was given to the Hospital.
- April 18, 1964 - The previous minutes of December 16, 1963 respecting discontinuance of Doctors Hospital were re-stated as a result of a conversation between President Barr and the Regional Hospital Planning Board. The re-statement provided for a deed restriction of ten years, to "be lifted only with the specific permission" of said Board.
- February 3, 1965 - The Trustees considered a detailed report of the Building Committee, the gist of which was that preliminary drawings by Dalton & Dalton were approved. Motion was made by Judge

Silbert and seconded by Dr. Robert Renner to instruct the architects to proceed, and to authorize all other actions necessary to carry out the construction of the new hospital. The motion was passed.

A motion was also passed authorizing Ketchum, Inc. to continue its fund-raising program.

- March 1, 1965 - The Trustees passed a motion made by Dr. Dan Renner and seconded by Mr. Binder to withdraw up to \$220,000 for expenses related to the new hospital.

A Fund-Raising Campaign report was given by Mr. Vilas.
- April 19, 1965 - Mr. Binder reported to the Trustees that plans for the new hospital were proceeding in an orderly manner. Mr. Vilas reported on the Fund-Raising Campaign.
- April 23, 1965 - The Executive Committee passed a motion by Mr. John Renner and seconded by Mr. Renkert to extend the Ketchum contract to June 1, 1965. Because a deadline with Hill-Burton as to the public solicitation portion of the financing was near, it was also agreed to determine whether "additional assets from that Foundation (Renner Clinic) could be pledged, if necessary".
- June 2, 1965 - Fund-Raising Campaign and Building Committee reports were given to the Executive Committee.
- June 30, 1965 - The Executive Committee passed a motion made by Mr. Miller and seconded by Mr. Lees to withdraw an additional \$100,000 for the new hospital.
- July 19, 1965 - Mr. Lau reported to the Trustees that his Committee, consisting of himself, Dr. Robert Renner and Mr. Moss, were exploring "various ultimate dispositions or uses of Doctors Hospital which would be most helpful in the financing of the new hospital".

Building Committee and Fund-Raising reports were received.

- August 18, 1965 - The Executive Committee passed a motion by Mr. Miller, seconded by Mr. Binder, that the plans be submitted for bids as soon as ready.
- October 28, 1965 - Mr. Lau reported to the Executive Committee that his Committee had met with the Mayor of Cleveland Heights who said the City would be interested in buying Doctors Hospital. His Committee was instructed to investigate all other means of raising "approximately \$1,250,000" needed to construct Hillcrest Hospital.
- February 26, 1966 - Mr. Lau reported to a meeting of the Joint Executive Committees that he had talked to several parties interested in the Cedar Road property. He expected to talk with Mayor Nash on February 28th. An application for a mortgage loan of \$700,000 less existing mortgage of \$115,000 was to be filed with Jay F. Zook.
- Financing was discussed generally, including possible sale of the Mayfield (North) property. Mr. Lau was authorized to offer that property at \$500,000.
- March 7, 1966 - The Trustees authorized a letter of intent with Roediger Construction Co. upon motion by Mr. Miller, seconded by Mr. Strasshofer.
- April 4, 1966 - Upon motion by Mr. Lau, seconded by Mr. Binder, the Trustees approved a proposed sale of all the Cedar Road property to Messrs. John, Robert & Daniel Renner for \$175,000 above the then current principal balance of the first mortgage.
- The contract with Roediger Construction Co. was authorized by the Trustees upon motion by Mr. Miller, seconded by Mr. Fraier, with certain conditions.
- May 18, 1966 - At this special meeting of Trustees, final action was taken on the Roediger contract, and Mr. Milton Hanna was authorized to offer the Mayfield (North) property at \$480,000.
- December 15, 1966 - Mr. Miller reported to the Executive Committee that all efforts to obtain a mortgage loan on the Cedar Road property had failed; and that it was imperative

to obtain \$500,000 in the immediate future. Messrs. Miller, Strasshofer, and Moss were asked to discuss the situation with The Cleveland Trust Co.

- January 16, 1967 - Dr. Richard Renner stated that he hoped Doctors Hospital would not have to be closed, and that there would be a demand for its continued use.
- January 23, 1967 - At this meeting of the Executive Committee, it was observed that one reason for the inability to obtain a mortgage loan was the restriction against continued use of Doctors Hospital which had been agreed upon with the Cleveland Hospital Council. Messrs. Miller, Barr, and Silbert were appointed as a committee to meet with representatives of the Council and seek a release from the prior commitment.
- February 22, 1967 - A joint meeting of the Executive Committee and Medical Staff was held. Mr. Miller explained the need for sale of Doctors Hospital, read a letter he had written to Mr. Harry Jackson of Chamber of Commerce's solicitations committee, and answered questions by the doctors.
- April 17, 1967 - Doctor Richard Renner submitted to this meeting of Trustees an unsigned list of ten reasons why Doctors Hospital should be kept open and said that it had been approved by a majority of the Medical Staff. Chairman Miller stated that a sale to the City of Cleveland Heights was in process.
- May 23, 1967 - A detailed written proposal dated May 22, 1967 from the City for purchase of the Cedar Road property was presented to the Executive Committee. A committee was appointed to work out final details. Its members were Messrs. John Renner, Lau and Moss.
- June 26, 1967 - A letter signed by Dr. Richard Renner was presented to the Executive Committee stating that he and "the entire medical staff" were offering \$700,000 for Doctors Hospital. He was asked to submit more definite data concerning the offer, and to ascertain whether the restriction against the continued use of the hospital could be lifted. He was advised that funds were urgently

needed to continue construction of Hillcrest Hospital.

July 17, 1967

- Upon motion by Mr. Vilas, seconded by Mr. Binder, a formal resolution was passed authorizing sale to the City of Cleveland Heights on the terms of its letter of July 11, 1967. Dr. Dan Renner, Dr. Richard Renner and Mr. John Renner voted against the motion, and Dr. Weaver abstained.

A motion was passed to have a joint meeting with the Medical Staff to explain the Board's position.

July 21, 1967

- The aforesaid joint meeting was held.

RENNER CLINIC FOUNDATION

Summary of Recorded Action
Respecting Construction of
Hillcrest Hospital

- December 13, 1960 - Dr. Richard Renner reported to the Annual Meeting of Trustees on a possible change in the site of a hospital for "the Hillcrest area".
- (For some time before and after that date, the Clinic Foundation has also given serious consideration to the possible construction of a hospital in the Solon or Twinsburg areas but no attempt is made to summarize those matters in this Survey. Further, no attempt is made to summarize the actions respecting possible location of Hillcrest Hospital on the north side of Mayfield Road.)
- November 25, 1961 - The Executive Committee discussed the Hillcrest area, and generally agreed that a hospital in that area would be desirable.
- June 22, 1962 - The Executive Committee passed a motion by Mr. Barr that in making plans for location of a new hospital, the Foundation adhere to a policy of "full cooperation with the Cleveland Hospital Council".
- September 14, 1962 - All members of the Executive Committee present "favored the construction of a hospital at Hillcrest and Twinsburg to be constructed only by Doctors Clinic Foundation".
- October 12, 1962 - Motion passed for a study plan for a hospital on the south side of Mayfield.
- October 15, 1962 - The Trustees authorized a committee to plan the Mayfield (south) Hospital.
- December 20, 1962 - Messrs. Miller, Robert Renner, Lincoln and Anthony were appointed as said committee. Mr. Wm. Gray presented his sketch of the proposed hospital "back of the Hillcrest Clinic".
- April 15, 1963 - Upon motion made by Mr. Strasshofer and seconded by Mr. Standish, this semi-annual meeting of Trustees agreed to cooperate with the Hospital in the development of the Hillcrest Hospital plan.

- October 8, 1963 - Mr. Miller reported to the Executive Committee that the Cleveland Hospital Council would support a joint effort by the Clinic and Hospital to construct one hospital, but could not support both organizations in efforts to build two hospitals. It was decided to recommend to the Trustees some form of merger.
- October 21, 1963 - The Trustees approved exploration of a merger; and passed a motion made by Mr. John Renner and seconded by Mr. Lincoln to make available to the Hospital without charge, the Clinic's land on the south side of Mayfield for construction of Hillcrest Hospital.
- April 20, 1964 - Mr. Barr reported to the Trustees that the Hill-Burton grant had been obtained, architects hired, land acquired, fund raisers employed and committees appointed.
- October 8, 1964 - Messrs. Lincoln and Barr reported on the new hospital developments.

(At several ensuing meetings, various reports were given concerning progress being made toward a merger.)

- April 19, 1965 - Sale of the Mayfield (south) property to the Hospital in accordance with Judge Silbert's report was authorized.
- April 29, 1965 - The Executive Committee unanimously voted to pledge the Twinsburg property and/or the Mayfield (north) property to guarantee pledges of \$850,000 for Hillcrest Hospital. This action was ratified by the Trustees by written consent.
- March 7, 1966 and
March 9, 1966 - In order to assist in financing Hillcrest Hospital, the Trustees voted to sell the Mayfield (north) property, subject to several conditions. (See Part 3 concerning reconveyance of Hillcrest Clinic, and Part 4 concerning Medical Council, in this report.)

- June 15, 1966 - A final report by Mr. M. Hanna respecting terms of sale of the Mayfield (north) property was approved by the Executive Committee; and on July 13, 1966, by the Board of Trustees.
- October 24, 1966 - The Trustees authorized transfer of the initial payment to the Hillcrest Hospital construction fund.
- November 22, 1966 - The Executive Committee passed a motion directing the officers to do everything necessary "to co-operate with the Hospital in accordance with the program for sale of the land".

CLEVELAND MEMORIAL MEDICAL FOUNDATION

Summary of Recorded Action
Respecting Purchase and
Re-conveyance of Hillcrest Clinic

- September 5, 1963 - The Trustees agreed to form a joint committee to consider merger.
- December 16, 1963 - The joint committee was authorized to obtain legal advice.
- February 17, 1964 - Dr. R. R. Renner offered to give the "Renner Clinic Building" and surrounding land to the Hospital. The offer was accepted with the understanding that the period of a rent-free lease and "other considerations shall be subject to the mutual agreement of both foundations".
- May 4, 1964 - At a joint meeting of the Executive Committees of both Foundations it was agreed to merge. A sub-committee was appointed to work out the transfer of the Clinic's Hillcrest property to the Hospital and do other things incident to the merger.
- October 21, 1964 - The Executive Committee approved reports of the Merger Committees, which included terms of a sale of the Clinic's Hillcrest property to the Hospital.
- February 3, 1965 - Upon motion by Judge Silbert, seconded by Mr. Binder, the recommendations of the Affiliation Committee were accepted by the Trustees. In essence, the Hospital Trustees agreed to purchase the Clinic property on the South side of Mayfield for \$687,773, with a lease back to Renner Clinic Foundation for ten (10) years at \$51,000 per year.
- April 19, 1965 - The Trustees passed a motion by Judge Silbert, seconded by Dr. Dan Renner, that the purchase of the Clinic property be completed at the earliest possible date.
- October 24, 1966 - Following a lengthy discussion, the Trustees passed a motion by Dr. Weaver, seconded by Mr. Lees, that the Hospital accept from the Clinic the proceeds derived from the sale of the Clinic's property on the North side of Mayfield Road. At the same time, it was agreed that the Hospital would convey to the Clinic the land on

the South side of Mayfield Road "presently occupied by said Clinic" plus "Additional land, lying south of the present Hillcrest Clinic and extending to the proposed west wing of the present location of the new Hillcrest Hospital...", with the Hospital to pay off the balance on the existing mortgage loan.

- April 17, 1967 - Messrs. Strasshofer, Brydle and Anthony were appointed to work out the details of the re-conveyance.
- May 23, 1967 - A written report by the re-conveyance committee was submitted to the Executive Committee. Mr. Miller moved that the re-conveyance be made in accordance with the terms of the report. Mr. Lees seconded the motion and it was passed.
- June 26, 1967 - Mr. Strasshofer reported to the Executive Committee that the re-conveyance was proceeding according to the plan.
- July 17, 1967 - The Trustees passed a motion by Mr. Anthony and seconded by Judge Silbert that the re-conveyance "be concluded at the earliest possible date".
- September 11, 1967 - The Administrator reported that problems existed in connection with the re-conveyance which merited further consideration.

Note: A contract to carry out the re-conveyance as previously agreed upon was executed by the Presidents and Secretaries of the two corporations under date of August 29, 1967.

A brief summary of the principal provisions of the said contract appears on the following page.

SYNOPSIS OF THE "RE-CONVEYANCE CONTRACT"

The contract provides, inter alia, for sale of The Hillcrest Clinic, including land fronting 327 feet on Mayfield Road to a depth of 307 feet (all dimensions approximate), for the proceeds from the sale of the Mayfield(North)property, of which \$100,000.00 was received by the Hospital some time ago.

The total proceeds can vary, depending upon the manner in which the purchasers of the Mayfield (North) property exercise their rights, but the basic price was \$480,000.00. The Hospital retains perpetual easements over 20 feet on the easterly side, 59 feet on the westerly side, and 8 feet on the southerly side of the parcel sold to the Clinic. The Clinic pays all real estate taxes on the entire parcel, and the Hospital maintains the easements.

The Hospital has a first right of refusal in the event of any subsequent sale of the Clinic property. The Clinic is given a non-transferable, exclusive license to attach a corridor, in such form as is agreed to by both parties, not more than 10 feet wide, to the west wing of the Hospital. This license expires upon any transfer of the premises by the Clinic.

RENNER CLINIC FOUNDATION

Summary of Recorded Action
Respecting Purchase and
Re-conveyance of Hillcrest Clinic

- December 13, 1960 - The Trustees passed a formal resolution authorizing a construction loan of \$250,000 from the Cleveland Trust Co., said amount being reported at the previous meeting as 60% of the appraised value.
- February 4, 1964 - The Executive Committee authorized Dr. Richard Renner to sign and mail a letter to the Hospital offering to convey the Clinic's property on the south side of Mayfield.
- May 4, 1964 - The Executive Committee passed a motion by Dr. Robert Renner that a sub-committee of the Merger Committee be appointed to work out the details of transferring the Hillcrest Clinic property to the Hospital.
- November 11, 1964 - The Executive Committee approved the Merger Committee's report, including provision that the two codes be made as identical as possible and that the Hillcrest Clinic property be transferred to the Hospital.
- February 1, 1965 - The Trustees authorized the officers to carry out the aforesaid actions.
- April 19, 1965 - Following a report by Judge Silbert, the Trustees approved the final report respecting the sale of the Hillcrest Clinic property to the Hospital, and again authorized the officers to consummate the sale expeditiously.
- March 7, 1966 - At a special meeting of Trustees, the combined matters of Medical Staff appointments and exchange of the Hillcrest Clinic for the Clinic's property on the north side of Mayfield were discussed at length.

"...it was the consensus of opinion that a trade for the 26-acre parcel might be arranged to return the land and buildings which the Clinic formerly owned from Mayfield Road to the present proposed west wing of the new Hospital so an additional building could be constructed between the present Clinic Building and the Hospital to house radiation therapy facilities, additional physicians' offices,

research and educational space. It was acknowledged that the proposed site of the new Hospital had been set back in order to provide construction area for the Clinic to expand the present building."

- April 19, 1966 - At this adjourned annual meeting of Trustees, Mr. George Binder was appointed to negotiate with Mr. Meril May to work out details of the property transfer and report back to the Executive Committee.
- October 17, 1966 - Mr. Miller stated that "the Hospital has to pass a resolution to the effect the Hospital agrees to conform to the terms of the motion passed by the Trustees of the Clinic at their meeting held on the 7th day of March, 1966". The Executive Committee agreed that a letter be written to the Hospital's officers to the effect that as soon as that is done, the initial payment would be turned over.
- October 24, 1966 - The Trustees passed a motion turning over the initial payment from the sale of the Mayfield (north) property to the Hospital.
- November 22, 1966 - Upon motion by Mr. Fraier, seconded by Mr. Lees, the Executive Committee authorized the officers to do anything necessary "to cooperate with the Hospital in accordance with the program for sale of the land".
- March 27, 1967 - The Executive Committee authorized Mr. M. Hanna to obtain an engineers drawing to show "the location of the two easements to the Hospital".
- July 11, 1967 - The Executive Committee agreed that the reconveyance should be completed at "the earliest opportunity".

CLEVELAND MEMORIAL MEDICAL FOUNDATION

Summary of Recorded Action Respecting
Medical Council and Medical Director

April 19, 1965 - Following a detailed report by Judge Silbert, the Trustees adopted a new Code of Regulations which included the following sections:

"Section 2. Medical Director. The Executive Committee shall recommend to the Board of Trustees the appointment of a Medical Director who shall be a physician and shall delegate to him, subject to their supervision such specific duties and functions as shall from time to time be determined by the Executive Committee."

"Section 4. Medical Council. The Executive Committee shall establish departments and divisions of medical services within the Hospital and shall appoint physicians qualified to be Chiefs of these respective departments or divisions. These Chiefs, together with the Medical Director (and the Chief of Staff, if this position shall be held by someone other than the Medical Director), shall meet as a Medical Council whose duty it shall be to advise the Executive Committee and the Trustees in all matters that affect the medical functioning of the Hospital. The Medical Council shall review the medical staff on an annual basis and make recommendations to the Executive Committee for its nominations for the election and re-election of members of the Medical Staff."

October 24, 1966 - The matter of appointment of a medical director and organization of a medical council was referred by the Trustees to the Executive Committee for early action.

At the same meeting, a committee was appointed to consider "any discrepancies that may exist between the Code of Regulations and the terms for the transfer of the Renner Clinic Building and the adjacent property now owned by the Hospital....". The terms included an agreement that the Clinic Medical Staff or Council should recommend all appointments to the Medical Staff of Doctors and the new Hillcrest Hospitals.

December 6, 1966 - Judge Silbert reported for the aforesaid committee to the Executive Committee that it would have a report without recommendation at the next meeting.

- January 23, 1967 - Dr. Richard Renner presented a list of recommendations for the post of Medical Director and Chiefs of various departments. Upon motion by Mr. Barr, seconded by Judge Silbert, it was agreed to seek a joint meeting between our Executive Committee and its Medical Staff counterpart to discuss appointments as provided for in the Trustees' Code of Regulations.
- April 17, 1967 - Messrs. Strasshofer, Hales & May were appointed to recommend Medical Staff selections to the Executive Committee for Hillcrest Hospital. In the interim, present Medical Staff appointments were renewed.
- May 23, 1967 - Mr. Strasshofer reported that no action had been taken by the Medical Staff Selection Committee.

Note: Throughout the period and to date, various staff appointments have been recorded in the minutes following the procedures in effect prior to adoption of the new Code of Regulations.

RENNER CLINIC FOUNDATION

**Summary of Recorded Action Respecting
Medical Council and Medical Director**

- April 20, 1964 - Dr. Robert Renner reported to a semi-annual meeting of Trustees that he was engaged in a program "to secure heads of the various departments for Doctors Hospital with these heads being members of the clinic staff".
- April 19, 1965 - The members adopted a new Code of Regulations containing the clauses quoted on a previous page of this Survey.
- March 7, 1966 and March 9, 1966 - The Trustees passed a motion with several aspects, one of which was that the Clinic Medical Staff or its Medical Council should recommend all appointments to the Medical Staff of Doctors and the new Hillcrest Hospitals. Attorney Carlton Schnell advised that this did not compromise the ultimate authority of the Trustees.
- June 15, 1966 - The Executive Committee appointed Dr. Robert Renner as Medical Director, but decided to seek a joint meeting with the Hospital's Executive Committee to consider appointment of department heads.
- August 25, 1966 - The Executive Committee was reminded that the proposed joint meeting had not yet been held.
- October 24, 1966 - The Trustees rescinded that portion of the motion passed in March, 1966, respecting the Clinic recommending appointments to the Medical Staffs of the Hospitals. In lieu thereof, a motion was passed that the Hospital be informed that it was the policy of the Clinic that the Clinic make all recommendations for appointments to the Medical Staff, and that the Hospital be asked to take such action as may be required to give effect to said policy.
- November 22, 1966 - The Executive Committee appointed Dr. Robert Renner to be Medical Director "for the ensuing year".
- July 11, 1967 - The Executive Committee gave consideration to the matter of appointing a new Medical Director, to replace Dr. Robert Renner who had indicated his intention to resign.

CLEVELAND MEMORIAL MEDICAL FOUNDATION

Summary of Recorded Action
Respecting Financial Arrangements
Between Hospital and
Clinic for Cedar Road Clinic
Building

- June 4, 1962 - The Trustees passed a motion to purchase the Cedar Road Clinic from Doctors Clinic Foundation for \$225,000, with a lease back to the Clinic for one year, with an option to renew for an additional year, at \$3.00 per sq. ft. per year for the first floor space used by the Clinic, as determined by Messrs. Moss and M. Hanna.
- July 5, 1962 - The Executive Committee authorized the officers to complete the purchase and sign all necessary documents.
- July 25, 1962 - The Trustees ratified and approved the purchase and authorized a first mortgage loan of \$125,000.
- October 23, 1962 - Mr. Moss reported to the Executive Committee that the sale was complete and "all debts due to or from each foundation had been settled".
- December 16, 1963- The Trustees passed a motion that the rental agreement between Hospital and Clinic be suspended as of December 16, 1963.

RENNER CLINIC FOUNDATION

Summary of Recorded Action Respecting
Cedar Road Clinic Building

- December 1, 1960 - The Executive Committee voted to offer Cedar Clinic to the Hospital for \$300,000, with a lease back of the first floor at \$1.50 per ft.
- (There followed the appointment of a committee to negotiate with a Hospital committee. The committee was later given authority to negotiate on a rental or sale basis. The committee was disbanded in November, 1961, without having accomplished a meeting of the minds between Clinic and Hospital.)
- March 19, 1962 - Dr. Robert Renner reported to the Executive Committee that the Hospital looked favorably on a price of \$225,000, would pay rent from April 1, 1961, and would allow the Clinic to continue use of its premises "at a nominal rent".
- April 16, 1962 - Dr. Robert Renner reported to the Trustees that a deadlock existed as to rental asked by the Hospital at \$3.00 per ft.
- June 22, 1962 - Mr. Hanna reported to the Executive Committee on the contract of sale which had been negotiated. Price: \$225,000; Rental: \$3.00.

CLEVELAND MEMORIAL MEDICAL FOUNDATION

Minutes of Trustees Meetings

March 7, 1960	- Carter Hotel
June 7, 1960	- " "
September 6, 1960	- " "
December 5, 1960	- " "
March 6, 1961	- " "
June 5, 1961	- Doctors Hospital
September 5, 1961	- Carter Hotel
December 4, 1961	- " "
December 29, 1961	- " "
March 5, 1962	- " "
June 4, 1962	- " "
July 25, 1962	- " "
September 4, 1962	- " "
December 3, 1962	- Shaker House Motel
March 4, 1963	- " " "
May 27, 1963	- " " "
September 5, 1963	- Canterbury Country Club
December 16, 1963	- Wade Park Manor
February 17, 1964	- " " "
April 18, 1964	- " " "
February 3, 1965	- Alcazar Hotel
March 1, 1965	- " "
April 19, 1965	- " "
July 19, 1965	- " "
March 7, 1966	- " "
April 19, 1966	- " "
May 18, 1966	- " "
June 9, 1966	- " "
July 13, 1966	- " "
October 24, 1966	- " "
January 16, 1967	- " "
April 17, 1967	- Red Fox Inn
July 17, 1967	- " " "

CLEVELAND MEMORIAL MEDICAL FOUNDATIONMinutes of Executive Committee Meetings

January 25, 1960	-	Carter Hotel
February 16, 1960	-	" "
March 17, 1960	-	" "
March 31, 1960	-	Doctors Clinic
April 18, 1960	-	Carter Hotel
April 26, 1960	-	" "
April 29, 1960	-	" "
May 9, 1960	-	" "
May 16, 1960	-	" "
May 25, 1960	-	Doctors Clinic
June 7, 1960	-	Carter Hotel
June 15, 1960	-	" "
June 16, 1960	-	" "
June 26, 1960	-	Four hospitals in Michigan
June 28, 1960	-	Carter Hotel
July 11, 1960	-	" "
July 26, 1960	-	" "
July 27, 1960	-	" "
August 2, 1960	-	" "
August 18, 1960	-	" "
October 5, 1960	-	" "
October 21, 1960	-	" "
November 7, 1960	-	" "
December 19, 1960	-	" "
January 10, 1961	-	" "
January 31, 1961	-	" "
February 23, 1961	-	" "
March 3, 1961	-	" "
March 15, 1961	-	" "
March 21, 1961	-	" "
April 21, 1961	-	" "
May 31, 1961	-	" "
June 5, 1961	-	Doctors Hospital
June 14, 1961	-	Carter Hotel
June 23, 1961	-	" "
August 16, 1961	-	" "
October 19, 1961	-	" "
October 23, 1961	-	" "
November 9, 1961	-	" "
January 24, 1962	-	" "
February 26, 1962	-	" "
March 27, 1962	-	" "
April 16, 1962	-	" "
April 30, 1962	-	Alcazar Hotel
May 21, 1962	-	Carter Hotel
May 28, 1962	-	" "
June 13, 1962	-	" "
July 5, 1962	-	" "
July 19, 1962	-	" "
October 23, 1962	-	" "

October 25, 1962	-	Carter Hotel
November 19, 1962	-	" "
December 3, 1962	-	Statler Hotel
January 25, 1963	-	" "
February 11, 1963	-	" "
March 4, 1963	-	" "
April 8, 1963	-	" "
May 2, 1963	-	" "
July 15, 1963	-	" "
August 15, 1963	-	Canterbury Golf Club
October 20, 1963	-	" " "
January 14, 1964	-	Alcazar Hotel
January 24, 1964	-	Statler Hotel
March 12, 1964	-	Alcazar Hotel
April 8, 1964	-	Statler Hotel
May 4, 1964	-	Wade Park Manor
June 26, 1964	-	Alcazar Hotel
August 22, 1964	-	Canterbury Golf Club
September 10, 1964	-	Wade Park Manor
October 9, 1964	-	Alcazar Hotel
October 21, 1964	-	Doctors Clinic
December 4, 1964	-	Alcazar Hotel
January 29, 1965	-	" "
April 23, 1965	-	Mid-Day Club
May 4, 1965	-	Location not stated.
June 2, 1965	-	Shaker Country Club
June 8, 1965	-	Alcazar Hotel
June 30, 1965	-	" "
August 18, 1965	-	" "
October 28, 1965	-	Mayfield Country Club
January 7, 1966	-	Mid-Day Club
February 16, 1966	-	Mayfield Country Club
June 9, 1966	-	Alcazar Hotel
August 18, 1966	-	" "
December 6, 1966	-	Union Club
December 15, 1966	-	" "
January 16, 1967	-	Alcazar Hotel
January 23, 1967	-	" "
February 22, 1967	-	" "
May 23, 1967	-	" "
June 26, 1967	-	" "
September 11, 1967	-	" "
October 2, 1967	-	" "

DOCTORS CLINIC FOUNDATION

Minutes of Trustees and/or Members Meetings

December 13, 1960	- Alcazar Hotel
April 17, 1961	- " "
October 16, 1961	- " "
April 16, 1962	- " "
October 15, 1962	- " "
April 15, 1963	- Wade Park Manor
October 21, 1963	- Shaker House Motel
April 20, 1964	- Wade Park Manor
October 19, 1964	- Alcazar Hotel
February 1, 1965	- " "
February 3, 1965	- " "
April 19, 1965	- " "
May 5, 1965	- Action of Trustees without meeting, affirming April 19, 1965
July 19, 1965	- Alcazar Hotel
March 7, 1966	- " "
April 19, 1966	- " "
May 18, 1966	- " "
July 13, 1966	- " "
October 17, 1966	- Hillcrest Clinic
October 24, 1966	- Alcazar Hotel
January 16, 1967	- " "
April 17, 1967	- Red Fox Inn
July 17, 1967	- " " "

DOCTORS CLINIC FOUNDATIONMinutes of Executive Committee Meetings

December 1, 1960	- Alcazar Hotel
March 7, 1961	- " "
April 5, 1961	- " "
June 1, 1961	- " "
June 7, 1961	- " "
July 10, 1961	- " "
November 25, 1961	- " "
March 19, 1962	- " "
June 22, 1962	- Shaker Country Club
August 3, 1962	- Correction of above
September 14, 1962	- Alcazar Hotel
October 12, 1962	- " "

RENNER CLINIC

December 20, 1962	- Alcazar Hotel
April 9, 1963	- Shaker Country Club
May 10, 1963	- " " "
June 18, 1963	- " " "
July 19, 1963	- " " "
October 8, 1963	- " " "
December 6, 1963	- " " "
February 4, 1964	- " " "
May 4, 1964	- " " "
October 8, 1964	- " " "
November 11, 1964	- " " "
April 29, 1965	- " " "
October 13, 1965	- " " "
December 7, 1965	- " " "
January 7, 1966	- Mid-Day Club
February 16, 1966	- Mayfield Country Club
June 15, 1966	- Lion and the Lamb Inn
July 20, 1966	- Alcazar Hotel
August 25, 1966	- " "
October 17, 1966	- Union Club
November 2, 1966	- Shaker Country Club
November 22, 1966	- " " "
March 27, 1967	- Alcazar Hotel
April 24, 1967	- " "
July 11, 1967	- Shaker Country Club

ADOPTED 11-13-67

COPY & LETTER TO
CARLTON SCHNEH 5/20/86

BENNER CLINIC FOUNDATION
CODE OF REGULATIONS

RENNER CLINIC FOUNDATION

CODE OF REGULATIONS

ARTICLE I

Members

Section 1 - Qualifications

Any person who is 21 years of age, a citizen of the United States, and not legally disqualified in any aspect shall be eligible to become a Member. No Member shall be required to pay any dues, membership fees or similar payments to the corporation.

Section 2 - Members

The corporation shall have not less than three nor more than 15 voting Members. The Members at any meeting at which a quorum is present may increase the number of Members from the above-designated limits by amendments to this Code of Regulations. They may decrease the number of Members but never under three, but the decrease shall not shorten the term of any duly-elected Member.

When this Code of Regulations has been adopted, all persons duly elected and who have not resigned or become incapacitated to serve as a Member shall serve for their full unexpired term. Thereafter approximately one-half of the Members shall be elected for one year and the remaining half for two years. After the first election of new Members, they shall be elected for a term of two years. In any event, the Members shall serve until their respective successors are duly elected and qualified. The right to resign at any time by a Member prevails.

Section 3 - Authority

The Members, providing a quorum is present at any regular or special meeting, have authority to elect Members, Trustees, adopt or amend this Code of Regulations and to perform any other duties expressly authorized by law.

Section 4 - Meetings

The Annual Meeting of the Members shall be held in Cuyahoga County, Ohio, on the first Monday in October of each year at such place and hour as designated by the President or contained in the notice. Special meetings of the Members may be called by the President or any two Members and the Members can transact any business that could be transacted at the Annual Meeting providing due notice is given of all matters to be considered and the Code of Regulations is otherwise complied with.

Code of Regulations (Continued)

The Minutes of any meeting of the Members shall be separately prepared and placed in the records of the Corporation.

Section 5 - Quorum

A quorum shall be composed of one-third of the Members of the Corporation, but in the event there are only three Members, two Members present will be required to constitute a quorum. When a quorum is present, a majority of the quorum shall constitute an action by all of the Members.

Section 6 - Voting

Each Member shall have one vote, and the majority of the quorum shall constitute action by the Members.

Section 7 - Notice

Notice of all Members' Meetings shall be given to the Members and said notice may be deposited in the ordinary mail no less than seven days nor more than 21 days prior to the designated date for the meeting.

Section 8 - Elections

The Annual Meeting shall be the designated regular time for any elections provided for and authorized by this Code of Regulations. The elections shall be based upon a report from the Nominating Committee, and any two Members may add to the Nominating Committee's report providing same are submitted to the presiding officer or the Secretary prior to the close of nominations. An affirmative vote by a majority of the quorum shall constitute an election.

Section 9 - Property Rights and Liabilities

No Member shall have or claim any right, title or interest in any assets of the Foundation nor shall they be personally responsible for any indebtedness or obligation of this Foundation.

Section 10 - Corporate Records

The corporate records required to be maintained by the Foundation including all financial statements, accounts and records of any nature whatsoever, shall be subject to inspection by any Member during a reasonable business hour.

Section 11 - Vacancies

If a Member resigns or becomes otherwise disqualified as a Member of the Corporation, the other qualified Member or Members may fill such vacancy at any regular or special meeting but are not required to do so.

ARTICLE II Trustees

Section 1 - Qualifications

Any person who is 21 years of age, a citizen of the United States

Code of Regulations (Continued)

and not legally disqualified in any aspect shall be eligible to become a Trustee. No Trustee shall be required to pay any dues, membership fees or similar payments to the Corporation.

Section 2 - Number, Duties and Term

All corporate powers, assets, properties and business affairs of the Corporation, except as otherwise provided by law or prohibited by these articles, shall be assumed by and vested in the Board of Trustees who shall have all of said matters under their jurisdiction and control. The Board of Trustees shall be composed of not less than three nor more than 15, the number of which shall be determined from time to time by the corporate Members. The term of each Trustee shall be one year, and they shall be elected at the Annual Meeting.

Section 3 - Property Rights and Liabilities

No Trustee shall have any right or interest or claimed interest in and to any of the assets of this Corporation, and no Trustee shall be personally liable for any debt or obligation of this Foundation. There shall be no compensation paid to any Trustee for the services that they render in such capacity.

Section 4 - Meetings

A. Annual Meeting

The Annual Meeting shall be held immediately following the meeting of the Members on the first Monday in October of each year at which time the Trustees will elect their officers for the ensuing year.

B. Special Meetings

Other meetings may be called from time to time as required by the President or any other officer for the purpose of transacting any business that may properly come before the meeting.

C. Action Without a Meeting

Where a special action is required that may properly come before a regularly-designated meeting, the Trustees may act without a formal meeting providing a majority designate their favorable vote in writing. The Minute records shall show such action taken.

Section 5 - Quorum

One-third of the duly-elected Trustees shall constitute a quorum, but in the event there are only three Trustees, two Trustees present will be required to constitute a quorum. When a quorum is present, a majority of the quorum shall constitute an action by all of the Trustees.

Section 6 - Voting

Each Trustee shall have one vote, and the majority of the quorum shall constitute action by the Trustees.

Code of Regulations (Continued)

Section 7 - Notice

Notice of all Trustees' Meetings shall be given to the Trustees by an officer of the Corporation, and said notice may be deposited in the ordinary mail no less than seven days nor more than 21 days prior to the designated date for the meeting.

Section 8 - Elections

The Annual Meeting shall be the designated regular time for any elections provided for and authorized by this Code of Regulations. The elections shall be based upon a report from the Nominating Committee, and any two Trustees may add to the Nominating Committee's report providing same are submitted to the presiding officer or the Secretary prior to the close of nominations. An affirmative vote by a majority of the quorum shall constitute an election.

Section 9 - Vacancies

Any vacancy created on the Board of Trustees by reason of resignation or incompetency shall be filled for the unexpired term by action of the remaining Member or Members.

Section 10 - Executive Committee

The Board of Trustees shall elect an Executive Committee at the Annual Meeting which shall consist of the Trustee officers of the Corporation and such other additional members as the Board of Trustees may determine. The duties of the Executive Committee are to act for the Board of Trustees in the interim between meetings. They shall have full power generally to discharge the duties of the Board of Trustees except for capital investments. They shall also have power to make purchases and incur debts and obligations for current expenses, necessary supplies, minor equipment and repairs in the usual course of the operations of the Foundation. They shall at all times act under the direction and control of the Board of Trustees and shall report their acts which shall form a part of the records of the corporation. Such action shall be recorded in the Minutes and made available for inspection by the Corporate Members and Trustees at any time during regular business hours. Notice for the Executive Committee may or may not be in writing but shall be given to each member at least 24 hours prior to the date and time of the meeting.

Section 11 - Committees

A. Nominating Committee

At least three weeks prior to the Annual Meeting of the Members and the Annual Meeting of the Board of Trustees, the President or presiding officer shall appoint a Nominating Committee consisting of not less than three members of the Corporation who shall meet and submit their respective reports

- (1) To the Members' Meeting
- (2) To the Trustees' Meeting

B. Other Committees

The Board of Trustees may from time to time appoint such other committees as may be pertinent to or proper for the Foundation. Each committee shall submit a report in writing at any meeting of the Trustees or the Executive Committee which shall then be incorporated in the Official Minute Records of the appropriate meeting.

Section 12 - Honorary Trustees

Honorary Trustees may be elected by the Board of Trustees. These Honorary Trustees shall receive notices of all meetings of the Trustees and shall have the right to attend and participate in any discussions but shall not have the right to vote at meetings.

**ARTICLE III
Officers**

Section 1 - Offices

The Corporation shall elect a President, a Vice President, a Secretary, a Treasurer and such other additional officers as the Board of Trustees may feel appropriate and these additional officers may be changed from time to time to meet existing conditions.

An officer may be removed by a majority vote of the Board of Trustees at any meeting thereof providing a quorum is present and providing written reasons for such removal have been presented to the officer and the Board of Trustees at least 10 days prior to the date of the meeting.

Section 2 - President

The President shall preside at all meetings of the Members, Trustees and Executive Committee. The President shall have such other duties and powers as may be assigned to such office by the Members or by the Board of Trustees.

Section 3 - Vice President

The Vice President shall perform all of the duties of the President in the case of the absence or disability of the latter and shall assist the President whenever called upon. The Vice President shall have such other duties and powers as may be assigned to such office by the Members or by the Board of Trustees. In case the President and Vice President are absent or unable to perform their duties, the Members or Trustees, as the case may be, may appoint a Chairman pro tempore.

Section 4 - Secretary

The Secretary shall keep separate Minute records of all of the proceedings of the Members, Trustees and Executive Committee of the

corporation and shall make a proper record of the same, which shall be signed by him. The Secretary shall cause to be kept such books and minutes as may be required by the Board of Trustees and generally perform such duties as may be required of this office by the Members or the Board of Trustees. In case of the absence of the Secretary, the Members, Trustees, or the Executive Committee, as the case may be, shall appoint a Secretary pro tempore.

Section 5 - Treasurer

The Treasurer shall, subject to such conditions and limitations as may be imposed by the Members or the Board of Trustees, have the custody of all moneys and securities of the corporation and shall keep adequate and correct accounts of the corporation's business transactions including accounts of its assets, liabilities, receipts, disbursements, expenses, gains and losses. The funds of the corporation shall be deposited in the name of the corporation by the Treasurer or his delegated representative in such depositories as the Board of Trustees shall from time to time designate. The Treasurer shall have such other power and perform such other duties as may be assigned to such office by the Members or Board of Trustees.

Section 6 - Other Officers

Other officers of the corporation shall have such powers and perform such duties as may be assigned or delegated to them by the Board of Trustees or the Executive Committee.

Section 7 - Officer Vacancies

In the event of any resignation or disqualification of any person as an officer, the Trustees shall have full authority to elect the successor for the unexpired term.

ARTICLE IV
Administration

Section 1 - Director

The Executive Committee shall appoint the Director of the Foundation who shall manage, operate, conduct and administer the business of the Foundation and carry out the policies established under and subject to the direction of the Board of Trustees. The Director may have additional duties assigned to him by the Executive Committee or the Board of Trustees as conditions may require.

Section 2 - Administrative Assistants

The Executive Committee may appoint administrative assistants for the Director to cover any business, medical or other field, that would assist the Director in furthering the interests of the Foundation.

Section 3 - Medical Council

The Board of Trustees shall establish departments and divisions of medical services within the Foundation and shall appoint physicians

Code of Regulations (Continued)

qualified to be Chiefs of these respective departments or divisions. These Chiefs, together with the Director, shall meet as a Medical Council whose duty it shall be to advise the Executive Committee and the Board of Trustees in all matters that affect the medical program of the Foundation. The Medical Council shall review the medical staff on an annual basis and make recommendations to the Board of Trustees for its nominations for the election and re-election of members of the Medical Staff. The Director shall preside at all meetings of the Medical Council.

Section 4 - Medical Staff

A Medical Staff composed of reputable physicians duly qualified to practice their profession in the State of Ohio shall be elected by the Trustees at any meeting to serve until the next Annual Meeting of the Board of Trustees or until their successors are duly chosen. Such elections shall be only upon and from nominations made by the Medical Council. In all such elections and appointments extreme care shall be exercised so as to assure the highest quality of professional service for the patients and to promote the continuing purposes of the Foundation which include furtherance of medical education and research. The Board of Trustees may also remove any of the Medical Staff for reasons which in the judgment of the Board of Trustees serve the best interests of the corporation, after giving due notice and an opportunity to be heard.

ARTICLE V
Salaries

The compensation of the Director, Medical Staff and other administrative assistants shall be established and set by the Board of Trustees or its Executive Committee. The salary of other assistants and employees shall be set and established by the Director who shall keep the Executive Committee informed concerning such matters.

ARTICLE VI
Miscellaneous

Section 1 - Corporate Dissolution

Since neither the Members nor the Trustees have any interest in the assets of the corporation, in the event of dissolution or liquidation of this corporation, any remaining assets shall be distributed to a non-profit, charitable organization which then qualifies as being exempt from federal income tax under Section 501-(C) of the Internal Revenue Code as is then in effect or any law that has been passed as a substitute therefor, and if none is in existence, the requirement of exempt classification can be eliminated.

Code of Regulations (Continued)

Section 2 - Record of Members and Trustees

The Secretary of the corporation shall keep or cause to be kept a record of the names of all Members and of all Trustees, together with the last known residence address and business address of each.

ARTICLE VII

Amendment of Code of Regulations

Section 1 - Amendments

This Code of Regulations may be amended or repealed only by the vote of not less than a majority of all of the members of the corporation present at a meeting called for such purpose providing a quorum is present.

Section 2 - New Code

A new Code of Regulations may be adopted by a majority vote of the Members of the corporation at a meeting specifically called for such purpose with notice duly given providing a quorum is present.

Section 3 - Previous Code Regulations

Any regulations heretofore adopted or amended by the Members of the corporation are hereby repealed.

ARTER, HADDEN, WYKOFF & VAN DUZER

JOHN A. HADDEN
CLINTON M. HORN
LEROY B. DAVENPORT
LEWARD C. WYKOFF
ASHLEY M. VAN DUZER
FRED J. PERKINS
MSALISTER MARSHALL
PETER REED
GEORGE P. BICKFORD
THOMAS V. KOYKKA
JOHN S. BEARD
SHELDON S. REYNOLDS
JAMES R. STEWART
EDWARD S. MERRICK
CLYDE COMSTOCK
ROBERT M. WEH
SUMNER CANARY
R. CRAWFORD MORRIS
EDWARD D. CROCKER
SMITH WARDER
RICHARD INGLIS, JR.
JAMES C. WEIR
LATHAM W. MURFEY, JR.
RICHARD C. WEISS
WILLIAM S. BURTON
QUENTIN ALEXANDER
DANIEL C. SCHIFFER
THOMAS A. QUINTRELL

1144 UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

AREA CODE 216
621-5050

CABLE ADDRESS: MERTLAW

January 4, 1968

ROBERT G. MCREARY, JR.
WALTER A. BATES
FRED D. KIDDER
ROBERT S. BURTON
JAMES H. WILKINSON
ROBERT B. PRESTON
ROBERT C. MCFADDEN
CLAY MOCK
CARLTON B. SCHNELL
MARK H. MFCORMACK
JOSEPH A. ROTOLO
WILLIAM H. CARPENTER
WILLIAM W. TAFT
RUSSELL W. MEYER, JR.
STANLEY A. WILLIAMS
DAVID G. DAVIES
SAMUEL E. HENES
JOHN E. MARTINDALE
HARVEY O. MIERKE, JR.
ROBERT E. GLASER
DAVID G. COLEMAN
DAVID H. MILLER
JAMES A. LAURENSEN
JOHN D. LEECH
WILLIAM A. KYLER
HARRY T. QUICK
F. DAVID TRICKEY
ROBERT G. TUNNELL, JR.

Mr. Roland Strasshofer, President
Cleveland Memorial Medical Foundation
790 Union Commerce Building
Cleveland, Ohio 44115

Dear Rollie:

The purpose of this letter is to place in writing the thoughts that I conveyed to you orally on Thursday, December 28, 1967, so that you might discuss the matter with the Executive Committee and/or the Trustees of the Hospital.

At the meeting of the Trustees of Renner Clinic Foundation on Wednesday, December 27, 1967, the past and proposed future transactions between the Clinic and the Hospital were reviewed in some detail. The action taken by the Trustees at the meeting on December 18, 1967, in adopting the so-called "May" proposal on separation was the springboard for this discussion. It was the Trustees' judgment, and this judgment was confirmed by counsel, that the action of the Trustees did not represent the best interests of the Clinic and that in adopting the "May" proposal, the Trustees were not acting in a fiduciary capacity as Trustees of the Clinic, but were acting solely in the best interests of the Hospital and thus as Hospital Trustees alone.

This feeling is substantiated by a very simple analysis of the respective positions of the two institutions if the proposed transaction were completed. The Hospital would own 182,139 square feet of land which would have an assumed value of \$214,924.00 (based upon a value of \$1.18 per square foot, which was the price paid for the Negrelli property). In addition, the Hospital would receive the cash from the sale of the north side of Mayfield property, which would not be less than \$435,000.00 (it could be more). Thus, the Hospital would have land and cash, using the values assumed, of about \$650,000.00.

January 4, 1968

On the other hand, the Clinic would have a mortgage liability paid in the amount of \$300,610.00, would have had three years of free rental at \$51,000 a year, or \$153,000, and would be released from any controlled entity claims by the Hospital up to \$29,000 (which the Clinic denies would be owing in any event). The total of these items would be \$482,610.00. The simple step of subtraction results in the conclusion that after the proposed transaction the Hospital is about \$167,000 better off than the Clinic. This does not include the value of the easements which the Clinic would be giving the Hospital. At our discussion, you indicated that there were some additional claims by the Hospital against the Clinic, but even allowing for those, it still seems to me quite clear that the Hospital is no less than \$110,000 ahead. I find it hard to see how a Trustee of the Clinic could vote for such a proposition. On the other hand, it is quite easy to see why a Trustee of the Hospital would have favored the proposal.

A number of alternative proposals for action to be taken by the Clinic were discussed at the December 27, 1967 meeting. The result of this discussion was that two alternatives were decided upon as being "acceptable" to the Clinic Trustees. I was instructed to discuss these two alternatives with you and/or other representatives of the Hospital at the earliest opportunity. This I have done.

The alternatives are:

(a) Go forward with the "May" proposal, modified, however, so as to give the Clinic the right to buy the Wilsmere property from the Hospital and the right to buy the entire Newman property without Hospital competition.

(b) Have the respective institutions stay in exactly the same position that they are at the present time, i.e., the Hospital keeps all of the land, the Clinic stays rent-free for the additional term of the lease, the Clinic keeps the \$435,000 and the Hospital retains the Wilsmere property.

Personally, I feel that alternative (a) is one that should provide a mutually satisfactory solution to both parties. It would give the Hospital the land and the cash which it needs to complete the current construction project and would give the Clinic the protection it needs for future expansion. I cannot imagine that the Hospital would ever need the Wilsmere or Newman properties, even if they expanded to 500 beds. The Clinic would, of course, be willing to make whatever arrangements would be necessary for easements and for parking on all properties involved.

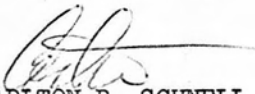
Mr. Roland Strasshofer
Page 3

January 4, 1968

In conveying this proposal to the Hospital Executive Committee and/or Trustees, I would urge you to make it clear to them that the Clinic Trustees are most interested in the success of the Hospital. Personally, I am convinced that ultimately the future of both institutions will depend to a very great extent upon the services which each can provide for the other.

We hope that you will take this up with your people as soon as possible. I would be glad to meet with you at any time to try to iron out any details.

Sincerely yours,


CARLTON B. SCHNELL

CBS/ep

B548 -1316

RECEIPT AND CERTIFICATE N^o 19833

RENNER CLINIC FOUNDATION

NAME

203966

NUMBER

DOMESTIC CORPORATIONS

- ARTICLES OF INCORPORATION
- ✓ AMENDMENT \$25
- MERGER/CONSOLIDATION
- DISSOLUTION
- ✓ AGENT \$1
- RE-INSTATEMENT
- ✓ CERTIFICATES OF CONTINUED EXISTENCE \$1
- MISCELLANEOUS

FOREIGN CORPORATIONS

- LICENSE
- AMENDMENT
- SURRENDER OF LICENSE
- APPOINTMENT OF AGENT
- CHANGE OF ADDRESS OF AGENT
- CHANGE OF PRINCIPAL OFFICE
- RE-INSTATEMENT
- FORM 7
- PENALTY

MISCELLANEOUS FILINGS

- ANNEXATION/INCORPORATION—CITY OR VILLAGE
- RESERVATION OF CORPORATE NAMES
- REGISTRATION OF NAME
- REGISTRATION OF NAME RENEWALS
- REGISTRATION OF NAME—CHANGE OF REGISTRANTS ADDRESS
- TRADE MARK
- TRADE MARK RENEWAL
- SERVICE MARK
- SERVICE MARK RENEWAL
- MARK OF OWNERSHIP
- MARK OF OWNERSHIP RENEWAL
- EQUIPMENT CONTRACT/CHATTEL MORTGAGE
- POWER OF ATTORNEY
- SERVICE OF PROCESS
- MISCELLANEOUS
- ASSIGNMENT—TRADE MARK, MARK OF OWNERSHIP, SERVICE MARK, REGISTRATION OF NAME

I certify that the attached document was received and filed in the office of TED W. BROWN, Secretary of State, at Columbus, Ohio, on the 19th day of March A. D. 19⁶⁸, and recorded on Roll B548 at Frame 1316 of the RECORDS OF INCORPORATION and MISCELLANEOUS FILINGS.

Ted W. Brown

TED W. BROWN,
Secretary of State

Filed by and Returned To: Arter, Hadden, Wykoff & Van Duzer
1144 Union Commerce Bldg.
Cleveland, Ohio 44115 Att: Carlton B. Schnell

FEE RECEIVED: \$ 27.00

NAME: RENNER CLINIC FOUNDATION

59-74

B548 -1317

Number 203966
Approved By [Signature]
Date 3-19-1968
Fee 25.00
FOR OFFICIAL USE ONLY
59-74

CERTIFICATE OF AMENDMENT

TO ARTICLES OF

RENNER CLINIC FOUNDATION

Richard R. Renner, President, and Robert R. Renner, Secretary, of Renner Clinic Foundation, an Ohio corporation,

organized not for profit, do hereby certify that *(at a meeting of the members of said corporation duly called and held on the 13 day of March, 19 68, at 5:00 o'clock, P. M., at which meeting a quorum of such members were present, and that by the affirmative vote of all of the members present thereat), * (in a writing signed

~~by all the members who would be entitled to notice of a meeting or such other proportion not less than a majority as the articles or regulations permit~~), the following resolution of amendment was adopted.:

RESOLVED: That the location of the principal office of the Corporation is changed from Cleveland Heights, Ohio to Mayfield Heights, Ohio, and that the address of the Statutory Agent shall hereafter be 6760 Mayfield Road, Mayfield Heights, Ohio 44124.

IN WITNESS WHEREOF, said Richard R. Renner, President, and Robert R. Renner, Secretary, of Renner Clinic Foundation, acting for and on behalf of said corporation, have hereunto subscribed their names and caused the seal of said corporation to be hereunto affixed this 13 day of March, 19 68.

By [Signature: Richard R. Renner] President
By [Signature: Robert R. Renner] Secretary

Prescribed by Ted W. Brown
Secretary of State

C-119

Corporation Number _____

203966
#

Approved _____

Date _____

3-19-1968

Fee _____

1.00

FOR OFFICIAL USE ONLY

59-74

Statement of Continued Existence

RENNER CLINIC FOUNDATION

(Name of Corporation)

_____, a corporation not for profit organized under the provisions of Chapter 1702 of the Revised Code, (or previous laws, or under special provisions of the Revised Code, or created prior to September 1, 1851 and having elected to be governed by subsequent laws and whose articles or other documents are filed with the Secretary of State), and not specifically exempted by this section, makes the following verified statement to the Secretary of State:

1. Corporation name RENNER CLINIC FOUNDATION
2. Location of principal office 6760 Mayfield Rd., Mayfield Heights, Ohio 44124
(City, Village or Township & County)
3. Date of incorporation September 13, 1947
4. The corporation is still **actively engaged** in exercising its corporate privileges.
5. a. Name of statutory agent Dr. Robert R. Renner
- b. Address of agent 6760 Mayfield Rd., Mayfield Heights, Ohio 44124

IN WITNESS WHEREOF, said RENNER CLINIC FOUNDATION
has caused this statement to be executed by an officer (~~trustee, three members in good standing~~) duly
authorized in the premises, this 13 day of March, 1968.

RENNER CLINIC FOUNDATION
(Name of Corporation)
By Robert Richard Renner
(Title) Secretary



B548 -1319

Change of Address of Statutory Agent of Domestic Corporation

203966
APPROVED
By: *[Signature]*
Date: 3-19-1968
Amount: \$100
59-74

KNOW ALL MEN BY THESE PRESENTS, That the address of _____

Dr. Robert R. Renner

heretofore appointed as statutory agent to accept service of process, tax notices and

demands against Renner Clinic Foundation
(Name of Corporation)

has been changed from 12337 Cedar Road
(Street Address)

in Cleveland Heights, Cuyahoga County to
(City or Village)

6760 Mayfield Road in Mayfield Heights 44124
(Street Address) (City or Village)

, Cuyahoga County,

which new address is in the county in which the principal office of _____

Renner Clinic Foundation

(Name of Corporation)

is located.

RENNER CLINIC FOUNDATION

(Name of Corporation)

By: *Robert Richard Renner*
(President, Vice-President or Secretary)

Filing Fee \$1.00

MINUTES OF A SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE RENNER CLINIC FOUNDATION HELD AT THE HILLCREST CLINIC ON WEDNESDAY, JANUARY 24, 1968, AT 5:00 P.M.

* * * * *

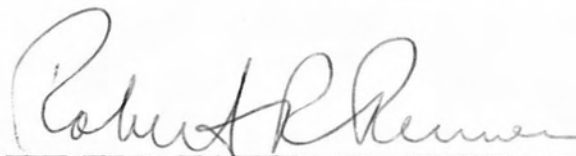
Present were Drs. R. Richard Renner, Robert Renner and Dan Renner, Mr. Frank Percy and Mr. Carlton Schnell. The meeting was called to order by Dr. R. Richard Renner, President. The Minutes of the previous meeting were approved as mailed out.

The letter from Mr. Roland Strasshofer, President of the Cleveland Memorial Medical Foundation, was passed around and read by all Trustees. A copy of this letter is appended to the Minutes. After discussion, it was moved by Mr. Carlton Schnell, and seconded by Mr. Frank Percy, that the position of the Renner Clinic Foundation remain unchanged and that since the Cleveland Memorial Medical Foundation appears to have rejected Alternative (a) in the letter that was sent from Mr. Schnell to Mr. Strasshofer, the position that was outlined as Alternative (b), namely that the Clinic Foundation will keep the proceeds from the sale of the property on the north side of Mayfield Road and will continue to exercise the present lease arrangement for the Hillcrest Clinic Building, will be followed. A copy of Mr. Schnell's letter to Mr. Strasshofer is also appended to the Minutes. This motion was unanimously carried.

Mr. Carlton Schnell was again authorized to negotiate with the Cleveland Memorial Medical Foundation in all matters pertaining to the separation of the two Foundations.

There was discussion over potential new Trustees but no action was taken at this time.

There was no further business to come before the meeting and the meeting was adjourned.



Robert R. Renner, M.D.
Secretary

January 12, 1968

Mr. Carlton Schnell
Arter, Madden, Wykoff & Van Duzer
1144 Union Commerce Building
Cleveland, Ohio 44115

Dear Carlton:

The Executive Committee has discussed your letter of January 4, 1968, and is pleased to note that the Clinic Trustees remain interested in the success of the Hospital. We also remain interested in the success of the Clinic.

Naturally, we do not accept the thesis that at the meeting on December 18, 1967, the Trustees were acting solely in the best interests of the Hospital. We consider the action of that date to have been completely proper in every respect. As you know, the general movement of the organizations for several years was toward a merger in legal fact as well as in spirit, which made many of the transactions between the two organizations seem to be essentially fictitious. However, when our difficulty with Blue Cross of Northeast Ohio made it imperative for us to effect a complete legal separation of these two entities in order to avoid the extremely adverse financial result which the Blue Cross Contract was imposing upon us, the Trustees felt that it was necessary to review past transactions in connection with the financial settlement between the two groups. Thus, the analysis which you set forth concerning the proposed transaction is an over-simplification of the numerous factors which the Trustees considered. We also take an entirely different view as to the demonstrable expansion needs of the two organizations.



U. S. TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

DISTRICT DIRECTOR

P. O. Box 6901

Cleveland, Ohio 44101

SEP 20 1968

IN REPLY REFER TO
FORM 2953
440:PEO:WAW:MFA

Renner Clinic Foundation
f.k.a. Doctors Clinic Foundation
6760 Mayfield Road
Mayfield Heights, Ohio 44124

DATE OF EXEMPTION June 17, 1949
INTERNAL REVENUE CODE SECTION 501(C)(3)
MATERIAL Amendment to Articles of Incorporation

Gentlemen:

We appreciate your cooperation in submitting the above mentioned material, which we have noted on our records and made a part of our files.

In accordance with the requirements for retaining an exempt status any future changes in your character, purposes, method of operation, name or address should also be brought to our attention.

Very truly yours,

F. S. Turbett, Jr.
District Director

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF TRUSTEES OF RENNER CLINIC FOUNDATION HELD IN THE DUTCH ROOM OF THE COUNTRY CLUB ON FRIDAY, NOVEMBER 15, 1968. THIS MEETING HAD BEEN POSTPONED FROM OCTOBER 7, 1968.

* * * * *

The meeting was called to order by the President, Dr. R. Richard Renner. Present also were Dr. William Stumpe, Dr. Daniel S. Renner, Mr. Frank Percy, Dr. Robert R. Renner, Mr. Carlton Schnell and Mr. James Birch, by invitation.

Dr. R. Richard Renner called for a financial report by Mr. James Birch, Treasurer. Mr. Birch stated that he sent reports of the Annual Audit by Ernst and Ernst, ending May 31, 1968, to the Trustees. Mr. Birch noted that the present financial picture was sound and that the finances would remain sound barring any major changes in Hospital-Clinic contracts or a significant down-turn in patient volume. He noted that hiring of new physicians always entails an initial loss period and that the Clinic should put on an active expansion program since the new Hospital is opening. Mr. Birch informed the Trustees that the tax-exempt status of the Clinic was again approved, this time through the taxable year of 1966. He also noted that he had completed negotiations with some physicians recently to provide more of an incentive program and that other incentive programs may be developed.

Dr. Stumpe discussed incentive programs and suggested making available an amount from cash reserves for a prompt attempt to secure the services of additional physicians to round out the Clinic Medical Staff in order that it might provide more teaching and research programs and better service to the community. It was moved by Dr. Robert R. Renner and seconded by Dr. Daniel S. Renner that Dr. Stumpe may deplete existing cash reserves up to \$75,000 to acquire the services of additional physicians. Upon vote, this motion was unanimously approved. It was indicated that if additional cash is needed, that a special meeting of the Board of Trustees be called.

Mr. Carlton Schnell advised the Trustees that the Hospital now desired to retain title to the Clinic building and land adjacent to the Hospital in Mayfield Heights. The Hospital would pay back to the Clinic those proceeds from the sale of its former property on the north side of Mayfield Road which the Clinic had loaned to the Hospital in order that the Hospital could proceed with its building program. Mr. Schnell noted that the Clinic could continue to exercise a lease on its present structure into 1973 and that should the Clinic move in the meantime, the Hospital would owe the Clinic such remaining rentals from the amount of purchase price credited to the Clinic for rent from the sale of Clinic land to the Hospital. He

Trustees' Meeting (Continued)
November 15, 1968

also noted that the Hospital might not renew the lease to the Clinic in 1973 and that the Clinic may have to seek another site. While he noted that these possibilities left the Clinic in an uncertain position, he advised that the Hospital was apparently within its legal rights.

Dr. Robert R. Renner discussed the situation and then moved the adoption of the following program:

1. Acceptance of all sums owed by Hospital to Clinic, with appropriate interest.
2. Investment and re-investment of these sums at the discretion of the officers to seek long-term growth with reasonable protection of the principal. These sums would become Clinic endowments.
3. That attempts be made to acquire, at this time, other land in the area, specifically that the officers attempt to negotiate purchase of the Neuman, U.S. Realty and the former Clinic properties. If any of these sites could be acquired, a re-evaluation of the situation with the thought of building on and moving to the new site would be entertained.
4. That within the next year the officers develop preliminary plans at a cost not to exceed \$5,000 and hold preliminary informal talks with the Cleveland Hospital Council concerning development of a 50-100 bed hospital on the site in Twinsburg which the Clinic owns.

The motion was seconded by Mr. Frank Percy. After considerable discussion, upon vote, the motion unanimously carried.

Dr. Stumpe and Mr. Birch reviewed the proposed new retirement program. Dr. Stumpe noted that this would be a switch from the present individual annuities to a qualified pension trust. Dr. Stumpe moved acceptance of the new program subject to periodic financial and legal review. This was unanimously adopted.

Dr. Stumpe requested authority to formulate a program designed to have the physicians on the medical staff have a larger voice in the internal operations of the group. Dr. Robert Renner moved that Dr. Stumpe be given full authority to direct the Clinic operation except for major financial, legal, real estate or policy decisions which will remain with the Trustees, and that he could delegate any portion of his authority that he so desired. This was seconded by Dr. Daniel Renner and was unanimously passed.

Mr. Birch asked that Dr. Stumpe be given authority to sign Clinic checks. This was moved by Dr. R. Richard Renner, seconded by Mr.

Trustees' Meeting (Continued)
November 15, 1968

Schnell and unanimously approved.


Dr. R. Richard Renner called for the election of officers, and Mr. Percy moved election of the following men for their respective offices:

Dr. R. Richard Renner	President
Mr. Carlton Schnell	Vice President
Dr. Robert R. Renner	Secretary
Mr. James Birch	Treasurer
Dr. William Stumpe	Director

There were no other nominations. These nominations were seconded by Dr. Daniel Renner and unanimously approved.

There was discussion as to whether there should be a special meeting at six months, and it was the consensus of opinion that there should be.

There was no further business to come before the meeting, and Dr. R. Richard Renner declared the meeting adjourned.



Robert R. Renner, M.D.
Secretary

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF MEMBERS OF RENNER CLINIC FOUNDATION HELD IN THE DUTCH ROOM OF THE COUNTRY CLUB ON FRIDAY, NOVEMBER 15, 1968. THIS MEETING HAD BEEN POSTPONED FROM OCTOBER 7, 1968.

* * * * *

The meeting was called to order by Dr. Richard Renner, President. Present were Mr. Frank Percy, Dr. Daniel S. Renner, Dr. Robert R. Renner and Dr. R. Richard Renner.

The President asked for nominations as Member for the ensuing year. Mr. Frank Percy moved that the following individuals be nominated for membership until the next Annual Meeting:

1. Mr. Carlton Schnell
2. Dr. Robert R. Renner
3. Dr. Daniel S. Renner
4. Mr. John W. Renner
5. Dr. R. Richard Renner
6. Mr. Frank Percy

The nominations were seconded by Dr. Robert R. Renner. There were no further nominations and upon vote, all were unanimously elected.

The President then asked for nominations as Trustee until the next Annual Meeting. Dr. Robert R. Renner nominated the following as Trustees:

1. Dr. William Stumpe
2. Dr. R. Richard Renner
3. Dr. Daniel S. Renner
4. Mr. Carlton Schnell
5. Mr. Frank Percy
6. Dr. Robert R. Renner

There were no other nominations. Mr. Carlton Schnell seconded these nominations and upon vote, each was unanimously elected.

Dr. Robert R. Renner moved for adjournment of the Meeting of the Board of Members. This was seconded by Mr. Percy and unanimously approved. The President declared the meeting adjourned.



Robert R. Renner, M.D.
Secretary

MINUTES OF A SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE RENNER CLINIC FOUNDATION HELD IN THE DUTCH ROOM OF THE COUNTRY CLUB ON MAY 9, 1968, AT 7:00 P.M., PER WRITTEN NOTICE.

* * * * *

Present were Mr. Frank Percy, Mr. Carlton Schnell, Drs. Dan Renner, R. Richard Renner, Robert Renner and Mr. Jim Birch by invitation.

The meeting was called to order by Dr. Richard Renner who then asked Mr. Carlton Schnell for a report on the present status of the Hospital-Clinic negotiations. Mr. Schnell told of receiving the Hospital motion made by Mr. Stanard and seconded by Mr. Lutz, as follows:

"That the Clinic be advised that the proposal outlined in Mr. Schnell's letter of April 25, 1968, is acceptable in principle, that this Board approves the concept of joint development and use of the properties mentioned but disapproves the suggested method of joint legal ownership as a means of effecting the stated objective, that this Board will promptly appoint a committee of three to meet with Clinic representatives and complete the arrangement of a mutually satisfactory agreement along the lines suggested; provided, however, that the Clinic shall agree that remaining funds derived from the sale of the Mayfield Road (North) property will be made available as needed for Hillcrest Hospital construction payments without further conditions."

A further discussion of the Hospital-Clinic relationship ensued after which Mr. Frank Percy made the following motion:

"That the Clinic is hopeful that through negotiations an adequate program can be worked out for long-term cooperation which would of necessity include adequate lands for the future development of both organizations, but that the Clinic feels that such a program must be developed without undue delay and that, therefore, unless the joint committees have agreed upon a plan of action and received approval therefore and all legal documents have been signed to accomplish this plan of action, the Clinic should take judgment on its note as of July 1, 1968."

Mr. Frank Percy also moved:

"That the Hospital be asked, through its President or Chairman of the Board, to personally and in writing notify Miss Emilie Neuman that the Hospital has no interest in the purchase of her property and suggests that she continue her negotiations with the Clinic."

Dr. Robert Renner seconded these motions, and they were unanimously carried.

Trustees' Meeting (Continued)
May 9, 1968

Dr. Robert Renner then moved that if and when the Clinic received back title to its property, the officers of the Clinic initiate a study to plan future construction on its land on the Hillcrest site and that this include a corridor between the Hospital and Clinic and the possibility of reversing the Clinic building to face on the entrance driveway of the Hospital. This motion was seconded by Dr. Dan Renner and was carried. Mr. Carlton Schnell abstained.

Dr. Robert Renner then asked the Board that he be given permission to re-study the Twinsburg land and bring together as many facts and figures concerning the potential of the site as possible with a proposed program of construction by stages. This report would be presented to the Annual Meeting of the Board in the fall for more definitive action. Dr. Dan Renner moved that Dr. Robert Renner be given authority to do so provided no publicity be attached to this effort, and he further volunteered his help. Mr. Frank Percy seconded and the motion was carried.

Mr. Schnell reported on the meeting of himself and Dr. Robert Renner with Dr. Douglas Moore, and Dr. Robert Renner reported on his meeting with Dr. Theodore Howell, Director of Henry Ford Hospital in Detroit. The matter of obtaining a qualified Director of the Clinic was discussed, and it was moved by Dr. Richard Renner, seconded by Mr. Schnell, that the officers be authorized to seek out and contract with the individual whom they deem best qualified for the position of Director. This motion was unanimously carried.

There was no further business to come before the meeting, and the meeting was adjourned.



Robert R. Renner, M.D.
Secretary

MINUTES OF A SPECIAL MEETING OF THE BOARD OF MEMBERS OF THE RENNER CLINIC FOUNDATION HELD IN THE DUTCH ROOM OF THE COUNTRY CLUB ON MAY 9, 1968, AT 7:00 P.M., PER WRITTEN NOTICE.

* * * * *


This meeting was called for the purpose of electing additional Trustees.

The meeting was called to order by Dr. Richard Renner, President. Present were Mr. Frank Percy, Mr. John Renner, Mr. Carlton Schnell, Drs. Dan Renner, R. Richard Renner, Robert Renner and Mr. Jim Birch by invitation.

There was a discussion of possible new Trustees for the Renner Clinic Foundation. It was moved by Dr. Robert Renner and seconded by Mr. Schnell that Dr. David Weir be elected to the Board of Trustees for the remainder of the one-year term until the Annual Meeting and that Dr. Theodore Howell, if he indicates his availability to serve be elected as a Trustee for the remainder of a one-year term until the next Annual Meeting. This motion was unanimously approved.

Dr. Robert Renner advised that Dr. Theodore Howell would be talking to his Executive Committee on May 23 and would let us know after that date whether he would be available to serve.

There were no further nominations and the meeting of the Board of Members was declared adjourned.


Robert R. Renner, M.D.
Secretary

MINUTES OF AN EMERGENCY SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE RENNER CLINIC FOUNDATION, 7:00 P.M., AT THE COUNTRY CLUB, APRIL 23, 1968.

* * * * *

Present were Drs. Daniel Renner, R. Richard Renner, Robert Renner, Mr. Frank Percy, Mr. Carlton Schnell and Mr. Jim Birch by invitation.

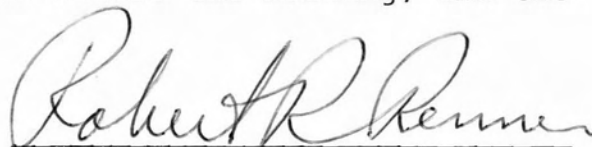
Dr. Richard Renner called the meeting to order, and Mr. Carlton Schnell discussed the request by the Hospital for additional funds. A thorough discussion of the situation involving the Clinic and Hospital then ensued. A proposal submitted by Mr. John Renner to Mr. Miller and Mr. Strasshofer of the Hospital Board, which consisted of adding joint ownership of the remainder of the Neuman property and the Wilsmere property to the proposal recommended earlier by Mr. May with appointment of a joint committee to work out all future land development and to acquire additional land might be an acceptable way to resolve any differences.

After discussion, no action was taken. It was generally agreed that Mr. Schnell should continue negotiations with the Hospital officers and that funds might be transferred under certain circumstances. It was also noted that any note received by the Clinic for funds should include the earlier amount of approximately \$96,000 that had previously been transferred to the Hospital.

It was moved by Dr. Robert Renner and seconded by Mr. Frank Percy that Mrs. Alberta Nordquist, Officer Manager, be authorized to sign checks on behalf of the Clinic and that previous action by the officers' having her sign such checks be ratified and approved. There was no discussion, and this motion unanimously carried.

Dr. Richard Renner then made a motion that the investment and re-investment of the proceeds from the sale of the 26 acres on the north side of Mayfield Road be carried out according to the best judgment of the Officers of the Corporation and that previous investment and re-investment be ratified and approved. Mr. Schnell seconded this motion, and it was unanimously approved.

There was no further business to come before the meeting, and the meeting was adjourned.


Robert R. Renner, M.D.
Secretary

STATE OF OHIO)
) SS.
COUNTY OF CUYAHOGA)

IN THE COURT OF COMMON PLEAS
NO.

873446

MEDICAL STAFF OF HILLCREST HOSPITAL)
OF THE CLEVELAND MEMORIAL MEDICAL)
FOUNDATION OF MAYFIELD HEIGHTS, OHIO)
6780 Mayfield Road)
Mayfield Heights, Ohio 44124)

Plaintiff)

vs.)

CLEVELAND MEMORIAL MEDICAL FOUNDATION,)
a corporation)
6780 Mayfield Road)
Mayfield Heights, Ohio 44124)

RENNER CLINIC FOUNDATION,)
a corporation)
6760 Mayfield Road)
Mayfield Heights, Ohio 44124)

PERRY S. MILLER)
9693 Darrow Road)
Twinsburg, Ohio 44087)

ROLAND H. STRASSHOFER, JR.)
22211 Westchester Road)
Shaker Heights, Ohio 44122)

JOSEPH H. SILBERT)
2718 Green Road)
Shaker Heights, Ohio 44122)

FRANKLIN B. BUELL)
7949 State Street)
Garrettsville, Ohio 44231)

JOHN W. RENNER)
29942 Bolingbrook Road)
Pepper Pike, Ohio 44124)

ARTHUR C. BARR)
3699 Strathavon Road)
Shaker Heights, Ohio 44120)

HARRY W. LEES)
3450 Green Road)
Cleveland, Ohio 44122)

PETITION

MERIL A. MAY
Route 1, Box 27
Garrettsville, Ohio 44231

MALCOLM B. VILAS, JR.
County Line Road
Gates Mills, Ohio 44040

STEWART ANTHONY
2966 Eaton Road
Shaker Heights, Ohio 44122

GEORGE P. BINDER
1315 Forest Hills
Cleveland Heights, Ohio 44118

GEORGE BISSETT, JR.
2731 North Park Boulevard
Cleveland Heights, Ohio 44118

ROBERT F. BRYDLE
Roundwood Road
R.F.D. #3
Chagrin Falls, Ohio 44022

GORDON F. EATON
1537 Kew Road
Cleveland Heights, Ohio 44118

REV. A. DALE FIERS
5452 University Avenue
Indianapolis, Indiana

ROLAND J. FRAIER
957 Belwood
Highland Heights, Ohio 44124

DR. PERRY GRESHAM
Pendleton Heights
Bethany, West Virginia

FELIX S. HALES
3571 Lytle Road
Shaker Heights, Ohio 44122

M. A. HANNA
33960 Country View Lane
Solon, Ohio 44139

WILLIAM E. HANNA
2199 Kerrwood Road
Cleveland Heights, Ohio 44118

REV. KENNETH R. HOFFMANN
3368 Rumson Road
Cleveland Heights, Ohio 44118

ELMER JAGOW
Buckingham Place
P. O. Box 7
Hiram, Ohio 44234

DR. WILLIS R. JONES
4024 Outer Drive
Nashville, Tennessee

ORRIN F. LAU
5846 Briar Hill Drive
Solon, Ohio 44135

JACK LAWRENCE
200 Wilmar Drive
Fox Chapel
Pittsburgh, Pennsylvania 15238

CHALMER F. LUTZ
2480 Wellington Road
Cleveland Heights, Ohio 44118

ALBERT W. MARTEN
6759 Walnut Drive
Gates Mills, Ohio 44040

WILLIAM R. PRINGLE
23640 Bryden Road
Beachwood, Ohio 44122

RICHARD C. RENKERT
14325 Drexmore
Shaker Heights, Ohio 44120

R. RICHARD RENNER
1259 Oakridge Drive
Cleveland Heights, Ohio 44121

P. DONALD SCHNELLER
1884 South Belvoir
South Euclid, Ohio 44121

JOHN E. SMELTZ
3102 Warrington Road
Shaker Heights, Ohio 44120

DONALD R. SPOTZ
28399 Gates Mills Boulevard
Pepper Pike, Ohio 44124

JAMES J. STANARD
Echo Drive
Mayfield Village
Gates Mills, Ohio 44040

JAY C. STANDISH
6727 Walnut Drive
Gates Mills, Ohio 44040

ROBERT T. STEINDORF
8344 North Greenvale Road
Fox Point, Wisconsin 53217

DR. HOLLIS L. TURLEY
5924 Lieber Road
Indianapolis, Indiana 46208

DR. PAUL S. WEAVER)
The Manor House)
Morley Road)
Mentor, Ohio, 44060)

ROBERT MOSS)
1385 Villa Drive)
South Euclid, Ohio, 44121)

RICHARD C. F. WEBB)
1450 Golden Gate Boulevard,)
Apt. 5D)
Cleveland, Ohio, 44124)

JOHN W. MARTIN, M.D.)
10515 Carnegie Avenue)
Cleveland, Ohio 44106)

DANIEL S. RENNER, M.D.)
6760 Mayfield Road,)
Mayfield Heights, Ohio 44124)

MICHAEL KLEIN, M.D.)
10900 Carnegie Avenue)
Cleveland, Ohio 44106)

CHARLES J. PROCHASKA, M.D.)
1492 South Green Road)
South Euclid, Ohio 44124)

LOUIS D. GREEN, M.D.)
3000 Van Aken Boulevard)
Shaker Heights, Ohio 44120)

ROBERT TUREK, M.D.)
15644 Madison Avenue)
Lakewood, Ohio 44107)

HONORABLE PAUL W. BROWN,)
ATTORNEY GENERAL OF OHIO,)
Columbus, Ohio)

Defendants)

The plaintiff, the Medical Staff of Hillcrest Hospital of the Cleveland Memorial Medical Foundation of Mayfield Heights, Ohio, is an unincorporated association, organized to include all physicians who are privileged to attend patients, directly or indirectly, at Hillcrest Hospital, which institution is a community general hospital located at 6780 Mayfield Road, Mayfield Heights, Ohio; plaintiff is organized and exists under and by virtue of the Medical Staff By-Laws, Rules and Regulations which have been approved by the Board of Trustees of defendant Cleveland Memorial Medical Foundation, which owns and operates said Hillcrest Hospital, sometimes hereinafter referred to as "Hillcrest"; and this action is brought on behalf of the members of the plaintiff association and on its behalf.

The defendant Cleveland Memorial Medical Foundation, hereinafter sometimes referred to as "Memorial Foundation", is a corporation not for profit organized under and existing by virtue of the laws of Ohio; that it is governed by members and a Board of Trustees, which Board is sometimes hereinafter referred to as "Governing Body"; that said corporation formerly owned and operated Doctors Hospital which was located at 12345 Cedar Road, Cleveland Heights, Ohio, and which had been originally acquired with money solicited from physicians, some of whom are now members of the plaintiff association; that in 1964 said corporation determined to relocate Doctors Hospital to the site of Hillcrest Hospital; the acquisition of the site and cost of construction of Hillcrest Hospital involved a contemplated cost in excess of \$6,000,000.00; that prior to the purchase of the land, said corporation made application for a Federal assistance grant under the Hill-Burton Act and subsequently employed a fund raising agency to conduct a professional solicitation campaign for funds needed for construction and that the members

of plaintiff association contributed and signed pledges in such campaign and public subscriptions of \$813,000.00 were received toward payment of the cost of construction of such relocated hospital; that later Doctors Hospital was sold and the proceeds of such sale contributed to payment of a portion of the cost of Hillcrest Hospital.

The defendants Arthur C. Barr, Harry W. Lees, Rev. A. Dale Fiers, Dr. Perry Gresham, M. A. Hanna, William E. Hanna, Rev. Kenneth R. Hoffmann, Elmer Jagow, Dr. Willis R. Jones, Orrin F. Lau, Jack Lawrence, Chalmer F. Lutz, Albert W. Marten, William R. Pringle, Richard C. Renkert, R. Richard Renner, M.D., P. Donald Schneller, John E. Smeltz, Donald R. Spatz, James J. Stanard, Jay C. Standish, Robert T. Steindorf, Dr. Hollis L. Turley, Dr. Paul S. Weaver, Stewart Anthony, George P. Binder, George Bissett, Jr., Robert F. Brydle and Gordon F. Eaton are members and Trustees of the defendant Cleveland Memorial Medical Foundation.

The defendants Perry S. Miller, Roland H. Strasshofer, Jr., Hon. Joseph H. Silbert, Franklin B. Buell, John W. Renner, Roland J. Fraier, Felix S. Hales, Meril A. May and Malcolm B. Vilas, Jr. are members of the Executive Committee of the Board of Trustees of Memorial Foundation, of which defendant Strasshofer is President and defendant Perry S. Miller is Chairman of the Board of Trustees; that defendant Buell is Secretary; that defendant Robert Moss is Administrator and defendant Richard C. F. Webb is Assistant Administrator of Hillcrest Hospital and officers of Memorial Foundation.

Defendants Marten, Daniel S. Renner, Klein, Prochaska, Green and Turek are members of the Medical Council of Memorial Foundation, having been appointed by the Executive Committee of the Governing Body and defendant Moss is Secretary of said Medical Council.

Defendant Renner Clinic Foundation, sometimes hereinafter called "Renner Clinic", is a corporation not for profit, organized and existing under the laws of the State of Ohio; that said corporation was formerly Doctors Clinic Foundation and is also known as "Hillcrest Clinic"; that said corporation has its offices at 6760 Mayfield Road, abutting Hillcrest Hospital and with connecting driveway and walks; that the earnings of said corporation inure to the benefit of the members and the physicians under contract with it.

FIRST CAUSE OF ACTION

For its First Cause of Action, plaintiff incorporates and makes a part of such cause all of the allegations heretofore made as if set forth at length and further avers defendant Cleveland Memorial Medical Foundation is a non-profit corporation organized under and existing by virtue of the laws of the State of Ohio; that such corporation was not formed for pecuniary gain or profit and the net earnings of the corporation, or any part thereof, cannot be distributed to its members, Trustees, officers or other private persons as provided by Section 1702.01 (C) of the Ohio Revised Code and that said corporation in the conduct and management of its affairs is governed by the Ohio statutes enacted for the purpose of controlling and directing activities of the corporation and prohibiting actions and activities which are contrary thereto.

Plaintiff further avers that the defendant Renner Clinic Foundation is a corporation carrying on the practice of medicine and has been closely identified with and has dominated the said hospital corporation; that members of the hospital corporation have been selected on the recommendation of the Renner Clinic and its officers; that the Boards of Trustees of the two corporations

have been interlocking, having the same persons as members of each board; that finances of the hospitals have been managed by Renner Clinic; that physicians employed by Renner Clinic have been granted privileges at Hillcrest Hospital, and formerly at Doctors Hospital, in some instances without any recommendation from the appropriate committee of the Medical Staff as required by the Medical Staff By-Laws; that in some instances these physicians have not been licensed to practice medicine in the State of Ohio; that Renner Clinic Foundation was incorporated in September 1947 and for years was operated near Doctors Hospital, having changed its name to Doctors Clinic Foundation, which name it used until October 1962 when it again changed its name to Renner Clinic Foundation; that the Renner Clinic has enjoyed and held exclusive agreements with Doctors and Hillcrest Hospitals for the special services of anesthesiology, radiology and pathology; and that under the terms of said agreements the Renner Clinic has profited, and the earnings thereof have inured to the benefit of its owners.

In furtherance of the policy of the Governing Body at Hillcrest to advance the interests of the Renner Clinic, on February 28, 1969, each physician of its Medical Staff was advised by letter, signed by the President and Chairman of the Board, that a so-called Medical Council of six physicians had been created which, if permitted, would be the sole executive body of the Medical Staff and responsible for all medical functions of the Medical Staff of Hillcrest Hospital; that four of the physicians appointed to such Council by the Governing Body are employees of the Renner Clinic and a fifth physician is closely identified with such clinic in its practice; that contrary to the standards of the Joint Commission on Accreditation of Hospitals, the Board further stated that such Council would be

the sole liaison between the Medical Staff and the Board; that since such letter, the officers of the Medical Staff have been attempting to meet with the Governing Body and have been told that no meeting could be held; that the Chairman of the Medical Staff Joint Conference Committee made several oral requests for a conference and further made a written request for a joint conference and meeting, which requests were refused by the President and Chairman of the Governing Body.

Plaintiff further avers that the annual elections of officers of the Medical Staff, under its By-Laws, were held in January, 1969; that a slate of physicians friendly to or controlled by the Renner Clinic was placed in nomination and that in said elections such candidates were defeated and the Active Medical Staff, in accordance with the By-Laws, elected physicians of their choice so that the Executive Committee of the Medical Staff, as now legally composed, has as members physicians who are not identified with the Renner Clinic and are qualified to represent all of the physician members whether employed by the Renner Clinic or practice independently; that the proscribing and attempted ousting of the duly elected officers and committees of the Medical Staff and the appointment of physicians, because of their employment by the Renner Clinic, is unlawful, constitutes a breach of the contractual relationship between the physician members and the Governing Body and violates the Medical Staff By-Laws approved by the Governing Body; that procedural fairness requires the hospital corporation to adhere to its By-Laws, Rules and Regulations.

Plaintiff further avers that physicians on the Medical Staff, as a result, have been unable to secure the special services for their patients on a fee-for-service basis but have been required to accept for their patients the exclusive services of specialists connected with the Renner Clinic.

Plaintiff further avers that in the summer of 1968, for a period, Doctors Hospital was without anesthetists; that Renner Clinic could not supply such special services and the Administrator advised admitting some anesthesiologists to the Staff; later if a member of the Medical Staff, having a patient in the hospital, used the services of a specialist on a fee-for-service basis for his patient, such physician was told by the appointed authority of the Governing Body that such services were to be provided by the Renner Clinic under its exclusive contract, even though the specialist had been approved for privileges at Hillcrest, so that a plan was in force and effect whereby specialists in these fields would be barred from practice at Hillcrest because of the domination of the Renner Clinic and the arbitrary policy of the Governing Body in maintaining such plan for furnishing the special services; that although competent specialists are available to become members of the Medical Staff, the management of the hospital, in support of the policy of the Governing Body, intends to exclude such specialists from practice in the hospital; that the X-ray and pathology services have been contracted with Renner Clinic; that electrocardiograms are interpreted exclusively by such Clinic, which is operated as a commercial venture for profit, even though equipment used is owned by Hillcrest Hospital.

Plaintiff further avers that the Governing Body of Hillcrest applied for and received a grant of so-called Hill-Burton Funds for the construction of Hillcrest; that such funds are public moneys appropriated by the Congress of the United States under the Hospital Survey and Construction Act, Section 622 (f), 42 U.S.C.A. Section 291 (e) and (f), and are distributed to the various states for financial assistance in the construction

of hospitals and their facilities; that in Ohio such funds are allocated and distributed by and through the State Department of Health; that the Governing Body benefited by such state action in the receipt of such Hill-Burton Funds; that the discrimination practiced by the Governing Body, as dominated by the Renner Clinic, is unlawful; that the members of the Medical Staff who are not physicians employed by the Renner Clinic Foundation are being denied equal protection and are being denied due process of law contrary to the Fifth and Fourteenth Amendments to the Constitution of the United States; that such funds were used for the purpose of construction of a hospital which is now being managed to secure private gain by the Renner Clinic.

Plaintiff further avers that by reason of the interlocking association and self-perpetuating nature of the members of the Governing Body and members of the Renner Clinic, the Governing Body has contrived methods of creating positions on the hospital Staff and appointing to such positions physicians who are associated with the Renner Clinic Foundation; that in some cases such physicians are paid compensation directly by the hospital; that the hospital in turn is reimbursed, for the salaries so paid, by Blue Cross of Northeast Ohio, the hospital claiming that such salaries are a necessary cost in its operation.

Plaintiff further avers that before relocating to Hillcrest Hospital a plan was presented to the Medical Staff under which a physician member, having a patient in Hillcrest Hospital, is taxed for procedures and treatments of his patients and also for the occupancy of a bed in the hospital by the patient; that physicians are taxed on the basis of \$1.00 per patient per day together with charges for various procedures and that the physician is requested to deposit the sum of \$200.00 per year with the hospital; that if the aforesaid bed taxes are

greater annually than the \$200.00, then the physician is required to pay the greater sum in cash but that if at the end of the year the amount is less than \$200.00, the unused balance is forfeited.

Plaintiff further avers that in October 1968, the President of the Governing Body by letter advised the Executive Committee of the Medical Staff that at Hillcrest Hospital it was its intention to abandon the Division of General Practice, created under the Staff By-Laws, as the need and function of such division were not clear; that at that time there was a residency training program in general practice authorized by the Joint Commission on Accreditation of Hospitals; that such decision was unilateral and arbitrary and without conference with the officers and committees of the Staff and constituted a breach of the approved Staff By-Laws which had created the division; that in said letter it was stated by the President, defendant Roland Strasshofer, that a recommendation would be made to the Governing Body for appointment of four physicians as chiefs of four departments and all four physicians were employed by the Renner Clinic.

Plaintiff further avers that in April 1965 defendant Cleveland Memorial Medical Foundation, as lessor, demised to defendant Renner Clinic Foundation certain premises owned by lessor, and a part of the Hillcrest Hospital property, for a period of 10 years at an annual rental of \$51,000.00 and the said lessor acknowledged in said lease that the total rental of \$510,000.00 was fully paid; that in addition the lessor, hospital corporation, covenants to furnish, at its sole expense, the water, heat and air-conditioning to the building on the premises let; that the actions of the Governing Body of the hospital corporation made it a creditor of the Renner Clinic; that the principals in such clinic, having dominated and controlled the hospital

corporation were able to obtain and occupy a valuable parcel of property adjacent to Hillcrest and which had an unearned increment as a clinic, by the construction and operation of Hillcrest on the adjoining property; that the location and site of the hospital was selected by the officers of the clinic so that it could profit from the construction and operation of Hillcrest; that the actions of the Governing Body of Hillcrest have been dominated by Renner Clinic and have been planned and directed by it with a view to enriching itself from the hospital operations.

Plaintiff avers that the construction of Hillcrest Hospital was made possible by the grant of Federal funds under the Hill-Burton Act and pledges from the public in the solicitation campaign conducted on behalf of the hospital; that despite such public response the Governing Body of the hospital did not exercise sound business judgment in awarding contracts for the hospital; that instead of awarding the work on a competitive basis, or to the lowest responsible bidder, contracts were arbitrarily awarded; that during the construction of the hospital the opinions and suggestions of the committees of the Active Medical Staff were not sought and that it was necessary for physician members of plaintiff association to petition the Governing Body to obtain recognition of the status of the members as to privileges when at the same time such Governing Body was accepting direction by physicians associated with the Renner Clinic in the design and construction of Hillcrest and the Governing Body placed great reliance upon the directions of such physicians and wholly failed to secure the recommendations of physicians on the Medical Staff who are not employed by the Renner Clinic.

Plaintiff further avers the actions of the Governing Body and Executive Committee of defendant Cleveland Memorial

Medical Foundation, heretofore set forth, constitute bad faith, breaches of trust and gross mismanagement of said corporation and require the prompt intervention of the court to the end that the aforesaid continued courses of conduct by its Governing Body and Executive Committee may be restrained and that the court may declare such actions unlawful and in derogation of its purpose as a corporation not for profit and a charitable institution and community hospital; that the court may decree that Hillcrest Hospital be operated as a community hospital, released from the control and domination of the officers, Trustees, members and associates of Renner Clinic to the end that the assets of Hillcrest Hospital be used exclusively for charitable purposes and not for personal gain by persons in association at said Renner Clinic.

SECOND CAUSE OF ACTION

For its Second Cause of Action, plaintiff incorporates and makes a part of such cause all of the allegations heretofore made, as if set forth at length, and including the allegations of the First Cause of Action, and further avers that the members of plaintiff association enjoy privileges to practice medicine and to admit patients at Hillcrest Hospital; that such members formerly enjoyed privileges to practice medicine and admit patients at Doctors Hospital; that said Doctors Hospital was owned and operated by Memorial Foundation and was by it relocated to become Hillcrest Hospital and that the same Board of Trustees or Governing Body, Administrative Staff and Medical Staff relocated to Hillcrest Hospital which was opened to receive patients in November 1968, and has been operating thereafter and receiving patients who have been and are treated by physicians who are members of the plaintiff association.

Plaintiff avers that its association is governed by Medical Staff By-Laws, Rules and Regulations which were first adopted and approved by the Governing Body of Doctors Hospital in 1951 and that such By-Laws, Rules and Regulations were revised and amended on March 11, 1957, in October 1964, in June 1965, in May 1967 and December 1968, all of which revisions were approved by the said Governing Body and, as amended, have been in force and effect from and after 1951; that the said By-Laws, Rules and Regulations of the Medical Staff, or members of the plaintiff association, constitute a contract between the members of plaintiff association and the said Governing Body.

Plaintiff avers that the purposes of the Medical Staff By-Laws are set forth in Article II of the By-Laws as follows:

- "1. To insure that all patients admitted to the hospital, or treated in the out-patient department, receive the best possible care.
- "2. To stimulate and assist in the education and training of physicians, nurses, and others, to the end that all services to the sick and the injured may be of the highest quality attainable.
- "3. To assist with the education of the public in matters of health.
- "4. To promote medical research into the problems of disease.
- "5. To provide a means whereby problems of a medico-administrative nature may be discussed by the Medical Staff with the Governing Body and Administration.
- "6. To initiate and maintain self-government.
- "7. To promote confidence in the institution as a community enterprise in which residents of Cleveland Heights and vicinity may receive adequate medical care."

Plaintiff further avers that such By-Laws, Rules and Regulations were adopted and have been in full force and effect also for the purpose of fixing standards for the rendering of

medical services at Hillcrest Hospital as is stated in the Preamble as follows:

"The fact is recognized that it is the desire and purpose of those responsible for the conduct of the Hospital that the professional and administrative standards of the American Hospital Association, The American College of Surgeons, The American College of Hospital Administrators, The American Medical Association, and the various Specialty Boards shall be adhered to."

Plaintiff avers that Article III of such By-Laws sets forth qualifications for membership on the Medical Staff and sets forth a procedure whereby a physician may apply for privileges at Hillcrest Hospital and obtain such privileges to practice in and admit patients to the hospital; that it is required that an application for membership on the Medical Staff shall be presented in writing on a prescribed form stating the qualifications and references of the applicant and that he

". . . shall also signify his or her agreement to abide by the By-Laws, Rules and Regulations of the Medical Staff and the Governing Body."

Plaintiff avers that the application is then investigated by the Credentials Committee of the plaintiff association, who reports to its Executive Committee, who in turn recommends that the applicant be accepted, deferred or rejected; that the report of the Executive Committee is then forwarded to the Governing Body who either approves, rejects or defers decision on the application; that if accepted by final action by the Governing Body, the Administrative Director of Hillcrest Hospital transmits this decision to the applicant and said By-Law then provides:

". . . who, if accepted, shall have already agreed over his signature on the application blank to be governed by the By-Laws, Rules and Regulations of the Medical Staff of the Governing Body and changes thereto that may be made from time to time."

Plaintiff avers that provision is made for amendments to the By-Laws, Rules and Regulations but that such amendments only become effective when approved by the Governing Body and require mutual action; that said By-Laws have been amended by mutual action as heretofore averred.

Plaintiff avers Article IV of such By-Laws provides for Staff classifications including an Active Medical Staff consisting of physicians who have been selected to transact all business of the Medical Staff and to attend free patients in the hospital and that the physician members treat indigent patients until discharged without fees; that only members of the Active Medical Staff are eligible to vote and hold office.

Plaintiff further avers that Article V of the Medical Staff By-Laws is entitled "Clinical Organization"; that Section 2 of Article V provides as follows:

"2. Division. The Medical Staff shall be organized as five divisions, namely, Medicine, Surgery, General Practice, Radiology, and Pathology. Each division shall have as its head a Director elected by the active members of the division at the end of the hospital fiscal year for the ensuing year. He shall be responsible for the organization, administration, and function of his division and its special components."

Plaintiff further avers that Section 4 of Article V provides for the composition of the five divisions of the Medical Staff.

Plaintiff further avers that Article VI of the said By-Laws provides for the organization of the Medical Staff; that provision is made for the election of a President, a Vice President, a Secretary and a Treasurer, whose duties are prescribed therein; that in addition the various permanent committees of the Medical Staff are prescribed including Executive Committee, Program Committee, Medical Records Committee,

Intern Committee, Library Committee, Credentials Committee, Joint Conference Committee and other permanent committees; that the duties of such committees are set forth and that the members thereof are appointed by the President who, together with the other officers, is elected by secret ballot from a slate presented by a Nominating Committee at the annual meeting of the Medical Staff; that provision is also made in said By-Laws for the holding of regular divisional meetings and regular meetings of the entire Staff and an agenda is provided for such meetings.

Plaintiff further avers that the duties of its Executive Committee are set forth in Section 2 of Article VI as follows:

"(a) Executive Committee. The Executive Committee shall consist of the Chief of Staff, the Directors of the Staff Divisions, the Officers of the Medical Staff, and sufficient other active staff members appointed by the officers of the staff to constitute a total of twelve persons. Fifty percent of the members of the Executive Committee shall constitute a quorum. The Director of the Hospital shall be invited to attend meetings.

"The duties of the Executive Committee shall be to consider carefully and act on all matters which are not of a clinical nature. It is to be expected that all such business of the Medical Staff shall be transacted by the Executive Committee in order that the time of the regular meetings of the Medical Staff may be devoted to matters pertaining to the professional care of the patients.

"It shall be the duty of the Executive Committee to advise the Governing Body and the Administrative Director in matters pertaining to the professional concerns of the Hospital, including the granting of privileges to practice therein, to organize, supervise, and regulate the work of the Medical Staff, and to make suitable and proper recommendations for the improvement of the staff within the hospital.

"The Executive Committee shall meet at least monthly and shall maintain a permanent record of its proceedings and actions. It shall receive and act upon reports of the Medical Records, Tissue, Credentials, and other committees of the staff. The Executive Committee shall report on the medical work of the hospital at the regular meetings of the staff."

Plaintiff further avers that rules and regulations governing the practice of medicine and surgery in Hillcrest Hospital are set forth and that Rule 28 provides as follows:

"28. For non-compliance with Staff By-Laws, Rules, and Regulations, the Executive Committee shall apply, and may at its discretion remove, the following sanctions:

"a. Active Staff members shall be transferred to the Courtesy Staff.

"b. Other than active members shall have their privileges suspended."

Plaintiff further avers that prior to the opening of Hillcrest Hospital and with the acquiescence and approval of the Governing Body of Hillcrest Hospital, the Renner Clinic Foundation opened a clinic office adjoining the hospital and commenced the operation of Hillcrest Clinic at said address; that following the opening of the hospital and in its operation the Governing Body and the Administrative Staff of Hillcrest Hospital have not impartially operated such hospital but have favored physicians employed by said clinic; that physicians so employed were admitted to practice at Hillcrest Hospital without recommendation as to their qualifications from the Credentials or Executive Committee of the Medical Staff as required by the Medical Staff By-Laws and, as a result, physicians who were not licensed to practice medicine at Hillcrest, as required by the laws of Ohio, have been permitted to practice, all of which were violations of the Medical Staff By-Laws and constituted a breach of the agreement between the Governing Body and the members of

the Medical Staff; that such physicians have been permitted to practice at the hospital without investigation by the Credentials Committee as required by the Staff By-Laws.

Plaintiff further avers that in accordance with the standards of the Joint Commission on Accreditation of Hospitals, to which Hillcrest Hospital aspires, there must be close liaison between the Medical Staff and the Governing Body as recommended by such Commission; there has been in effect at Hillcrest Hospital a Joint Conference Committee made up of members of the Medical Staff and the Board of Trustees; that during the past several months the chairman member of the Medical Staff made contact on occasions with the President, the Chairman of the Board of Trustees and the Administrator of the hospital and requested conferences to discuss problems affecting the hospital and the Medical Staff but such member, in response to the requests, was refused conferences and told that the Trustees would not hold meetings for such purposes; that for the welfare and safety of patients it was required that such conferences be held; that primarily the refusals by the Trustees were arbitrary and constituted violations of the Medical Staff By-Laws.

Plaintiff further avers that in November 1968 the Administrator of the hospital advised that the Medical Services Committee of the Board of Trustees desired the opinion of the Medical Staff and its evaluation of the professional services being provided to patients at Hillcrest Hospital in the areas of pathology, radiology and anesthesiology and that such committee desired the Medical Staff's recommendations for future provision of these services; that a meeting of the Active Medical Staff was called for discussion concerning this request and that a vote was taken by secret ballot whereby the physicians on the Active Staff voted 38 to 4 to replace the Renner Clinic Foundation who had

been furnishing the aforesaid special services under contracts, and to require in the interest of the patient's welfare that the special services be furnished by physicians who were specialists and who could be admitted to Staff membership and serve patients on a fee-for-service basis; that such opinion was duly certified to the Board of Trustees but that such Board, in furtherance of their policy to favor the Renner Clinic has ignored the opinion of the Active Medical Staff as requested in November 1968.

Plaintiff further avers that in Section 2 of Article V of the Staff By-Laws it is provided:

"Each division shall have as its head a Director elected by the active members of the division at the end of the hospital fiscal year for the ensuing year."

Plaintiff avers that in violation of such provision the Governing Body advised the members of the Medical Staff that the Trustees did not consider themselves in any way bound to the election of division heads or chiefs and advised the members of the Medical Staff that the Board would not be bound by the By-Laws, including the aforesaid provision; that the President of the Board of Trustees on said date forwarded a letter to the members of the Medical Staff stating that such By-Laws could not conflict with the official Code of Regulations of the Board of Trustees; that on October 10, 1968, the President of the Board of Trustees wrote to the Executive Committee of the Medical Staff advising that the Board had appointed chiefs of the Divisions of Medicine, Surgery, Radiology and Pathology and that it was the intention of said Board not to act on the Division of General Practice, as set up in the Staff By-Laws, stating that the need for and function of the Division was not clear to the Board; that again the Board President requested the views of the members of the Active Staff with respect to the radiology and anesthesiology services; that

the duly elected and acting officers of the Medical Staff, in furtherance of their responsibility to the members, proceeded to arrange for the holding of the division elections in accordance with the Staff By-Laws; that on November 26, 1968, the President of the Board of Trustees wrote to the President of the Medical Staff stating that a meeting to be held December 5, 1968, for the purpose of election of directors was illegal and that it would not be honored by the Board of Trustees for the reason that the election of chiefs would be directly opposed to the Code of Regulations and the policy of the Board of Trustees; that said President also stated in said letter that if physicians were elected and embarked upon the duties of the various directors, it would be reasonable for the Board to conclude that such physicians were not interested in retaining Staff privileges; that by reason thereof the elections at the December 5th meeting were canceled; that later the hospital Administrator requested that elections be held and the physicians elected to be certified to the Board prior to February 1, 1969; that elections were held as requested and the physicians elected were certified to the Board of Trustees in accordance with the request of the hospital Administrator, but that the Governing Body has ignored such elections.

Plaintiff further avers that on February 28, 1969, a letter over the signatures of the President and Chairman of the Board of Trustees of Cleveland Memorial Medical Foundation was forwarded to each member of the Medical Staff; that in said letter the members were advised that the Executive Committee of the Board of Trustees had designated six divisions of the Medical Staff and had appointed to serve as Directors of each division certain physicians, including Dr. Daniel S. Renner as Director of Surgery, although such physician had been defeated in the

election held in the Division of Surgery, and another physician had been selected by the active members of the division, who had been certified as aforesaid; that in addition the said officers of the Board of Trustees advised that the appointed directors would comprise a so-called "Medical Council" who would elect a Chairman on a rotating basis and further stated in said letter:

" . . . The Medical Council will be the sole executive body of the Medical Staff granted authority by the Board and to be responsible to the Board for all medical functions of the Medical Staff of Hillcrest Hospital. The Administrator, or his designee, will serve as Secretary of the Council and will furnish all feasible assistance to the Council in the performance of its duties. Effective March 1, 1969, the Medical Council will have exclusive responsibility for the appointment of all committees which it considers necessary for the proper medical functioning of the Hospital, and all such committees shall report directly to the Medical Council."

Plaintiff further avers that in said letter the members of the Medical Staff were advised that the Executive Committee of the Board of Trustees and the Medical Council were preparing new Medical Staff By-Laws and Regulations which were to be mailed in the near future.

Plaintiff avers that the foregoing actions constitute violations of the Medical Staff By-Laws, Rules and Regulations which formed the basis for an agreement between the Medical Staff of Hillcrest Hospital and the Board of Trustees of defendant Cleveland Memorial Medical Foundation and constitute breaches of the said agreements.

Plaintiff further avers that all of the officers of its organization have been duly elected and qualified and that all of the permanent committees set forth in the By-Laws have been appointed and have been functioning in the performance of their duties and that all of the officers and such committees have been

available for the government of the Medical Staff of Hillcrest Hospital in accordance with the Staff By-Laws; that the so-called "Medical Council" is proceeding to meet in violation of the Medical Staff By-Laws and to govern the members of the Medical Staff contrary to the Staff By-Laws and agreements existing between the members and the Governing Body; that unless the court restrains the defendants from proceeding as aforesaid and continuing to breach the said agreements, the plaintiff and its members will suffer irreparable injury for which it and they have no adequate remedy at law.

Plaintiff avers that the defendant members of the Medical Council have been appointed to serve contrary to the provisions of Medical Staff By-Laws and that said individual members are attempting to oust the duly elected officers of the Medical Staff and the duly appointed and acting committees of the Medical Staff from the performance of their duties in governing the Medical Staff and are usurping the legal and lawful authority of such officers and committees, all of which is in violation of the Medical Staff By-Laws, Rules and Regulations in full force and effect; that said individual members have no lawful authority to act as a Medical Council, to appoint committees or to prepare new Medical Staff By-Laws, Rules and Regulations and that said individual members are themselves in violation of their own agreements which they signed at the time of making their applications for Medical Staff privileges.

Plaintiff further avers that unless a temporary order is granted by the court, restraining the defendants, and each of them, from violating or superseding the Medical Staff By-Laws, Rules and Regulations of Hillcrest Hospital, great and irreparable injury shall result to the plaintiff and its members for the

reason that the defendants threaten and will oust the officers and committees, duly constituted under the Staff By-Laws, which acts are in violation of the rights of the plaintiff and its members respecting the subject of this action and tend to render any judgment ineffectual, for the reason that the defendants usurp the authority of the legal officers and committees of the Medical Staff and would oust them from the performance of their duties and functions.

Plaintiff further avers that the arbitrary actions of the defendant corporation through its Board of Trustees and Hillcrest Hospital Administrator, in attempting to dissolve the Medical Staff government, in violating agreements with physician members of the Medical Staff, in proscribing the legal officers and committees of the Medical Staff and in unilaterally changing, or threatening to change, the Medical Staff By-Laws, Rules and Regulations without notice, or use of the amending process, can result in a loss of accreditation by the Joint Commission on Accreditation of Hospitals, and will do irretrievable harm to the hospital, whereby the hospital will lose its house staff physicians, which program can only be carried on by an accredited hospital; further, such violations, if not restrained, can result in loss of Blue Cross coverage, all of which would result from failure to enforce the Medical Staff By-Laws, Rules and Regulations, which were in full force and effect at the times mentioned in this Petition, and would be in derogation of the welfare of patients.

Plaintiff further avers that the management and administrator of Hillcrest Hospital have never reported the relocation of Doctors Hospital to the Joint Commission on Accreditation of Hospitals; that no request has been made for the inspection of Hillcrest by the Commission; that the court,

in the interest of the welfare of patients, should direct and order that the defendant Moss request an immediate inspection of Hillcrest by representatives of the Commission; that although constructed as a community hospital in Mayfield Heights, no citizen within such area has been invited to become a member of Memorial Foundation and the same Board of Trustees and Executive Committee, dominated by and interlocked with Renner Clinic, as operated Doctors Hospital, continues in office and is the Governing Body of Hillcrest; that in failing to attract or elect new members and Trustees within the area of Hillcrest, the Hillcrest management will continue a course of action destroying the community character of Hillcrest which, together with the proscribing of the Medical Staff By-Laws, violates the rules and principles of the Joint Commission on Accreditation, which is dedicated to the improvement of patient care.

WHEREFORE, plaintiff prays on its First Cause of Action:

1. That the court may determine and declare the rights, duties, obligations and liability, if any, under the agreements and contractual relationship between the physician members of plaintiff association and defendant Cleveland Memorial Medical Foundation;
2. That the court may determine and declare whether under the Medical Staff By-Laws, in force in February 1969, as approved by the Governing Body of Hillcrest Hospital, it may lawfully enter into contracts with the defendant Renner Clinic Foundation for the furnishing by it of medical services and whether such contracts are in violation of statutory prohibitions, particularly Section 1702.01 (C) Revised Code of Ohio and related sections;
3. That the court may determine and declare whether the contracts, or any of them, between the defendant Cleveland Memorial Medical Foundation and defendant Renner Clinic Foundation for the furnishing of medical services constitute the practice of medicine by said hospital corporation and that the court may declare the rights, duties, obligations and liability, if any, under said contracts;

4. That the court may determine the true meaning and construction of Article II of the lease entered into between defendant Cleveland Memorial Medical Foundation and defendant Renner Clinic Foundation, dated April 29, 1964, and may declare the rights, obligations and duties of the parties as to said lease and the occupancy of the hospital premises;
5. That the court may determine and declare whether the acts of defendant Cleveland Memorial Medical Foundation and the other defendants, set forth in the Petition, violate the provisions of the Medical Staff By-Laws, Rules and Regulations in force and effect in February 1969.

Plaintiff prays on its Second Cause of Action:

1. For a temporary restraining order, with or without notice, against the defendants, singularly and in concert, enjoining the defendants from violations of the By-Laws, Rules and Regulations of the Medical Staff of Hillcrest Hospital in force in February 1969 and particularly from promulgating new and different By-Laws, appointing new Staff committees, and attempting to oust the duly elected officers and appointed committees of the Medical Staff under such By-Laws in force and effect in February 1969, and from interfering with such duly elected officers and appointed committees in the performance of their duties and functions;
2. That on final hearing a permanent injunction may be granted against all of the defendants, singularly and in concert, from doing or performing any act in violation of the Medical Staff By-Laws, Rules and Regulations in force in February 1969 at Hillcrest Hospital and particularly those acts heretofore set forth in Paragraph 1 of this prayer.

Plaintiff further prays for such other and further relief as plaintiff may be entitled to in the premises and that it may recover its costs herein.

Jamison, Ulrich, Johnson Burkhalter & Hesser
JAMISON, ULRICH, JOHNSON, BURKHALTER & HESSER
1425 National City Bank Building
Cleveland, Ohio 44114 621-4333
Attorneys for Plaintiff

STATE OF OHIO)
) SS.
COUNTY OF CUYAHOGA)

IN THE COURT OF COMMON PLEAS
NO.

MEDICAL STAFF OF HILLCREST HOSPITAL)
OF THE CLEVELAND MEMORIAL MEDICAL)
FOUNDATION OF MAYFIELD HEIGHTS, OHIO)
)
Plaintiff)

vs.)

PRECIPE

CLEVELAND MEMORIAL MEDICAL FOUNDATION,)
a corporation, et al.)
)
Defendants)

TO THE CLERK:

Please issue summons on the defendants directed to the Sheriff of Lake County for service on the defendant Weaver; to the Sheriff of Portage County for service on the defendant Jagow; Buell and to the Sheriff of Portage County for service on the defendants May; and to the Sheriff of Cuyahoga County for service on all other defendants and make same returnable according to law; also forward to the respective Sheriffs copies of the Motion for Temporary Injunction, with Affidavit attached. Kindly endorse the summons: Action for Declaratory Judgment, Injunction, Equitable Relief and Costs.

JAMISON, ULRICH, JOHNSON, BURKHALTER & HESSER

By: _____



Of Counsel

Attorneys for Plaintiff

STATE OF OHIO)
) SS.
COUNTY OF CUYAHOGA)

IN THE COURT OF COMMON PLEAS

NO. 873446

MEDICAL STAFF OF HILLCREST HOSPITAL)
OF THE CLEVELAND MEMORIAL MEDICAL)
FOUNDATION OF MAYFIELD HEIGHTS, OHIO)

Plaintiff

vs.

CLEVELAND MEMORIAL MEDICAL FOUNDATION,)
a corporation, et al.)

Defendants)

HEARING ON APPLICATION FOR
TEMPORARY RESTRAINING ORDER
SET FOR April 9, 1969
at 2:00 P.M. o'clock in Court
Room No. One.

Frank N. Celebrezze
JUDGE
MOTION FOR TEMPORARY

INJUNCTION

Plaintiff respectfully represents to the Court that in February 1969 there were By-Laws, Rules and Regulations in force at Hillcrest Hospital governing the Medical Staff, which had been approved by the Board of Trustees of defendant Cleveland Memorial Medical Foundation, owner of Hillcrest, and the physician members of the Medical Staff, having privileges at Hillcrest and being members of the plaintiff association; that said Board, through its Executive Committee, is acting in violation thereof by appointing a so-called Medical Council, the members of which are defendants herein, to oust the duly elected officers and appointed committees of the Medical Staff under the By-Laws in full force and effect and to unlawfully promulgate new By-Laws, all as described in the Petition in this action, incorporated herein, and the attached Affidavit. Such unlawful acts of the defendants will cause the plaintiff, and its members, great and irreparable injury and a continued course of such conduct will render a judgment in favor of plaintiff ineffectual and plaintiff

has no adequate remedy at law; that the Governing Body of the hospital, and its Executive Committee, have refused requests to meet with the Medical Staff, or its constituted committees, since commencing the actions in violation of the said By-Laws.

PLAINTIFF THEREFORE MOVES THE COURT for an order enjoining the defendants, singularly and in concert, from acts or continuing any course of conduct in violation of or contrary to the said Medical Staff By-Laws, Rules and Regulations in force at Hillcrest Hospital in February 1969, pending final hearing and disposition of this action.

JAMISON, ULRICH, JOHNSON, BURKHALTER & HESSER

By: 

Of Counsel
1425 National City Bank Building
Cleveland, Ohio 44114 621-4333
Attorneys for Plaintiff

NOTICE OF MOTION

Defendants will take notice that on the _____ day of April, 1969, at ___ o'clock __.M. plaintiff will apply to the Court in Courtroom No. 1 of the Cuyahoga County Common Pleas Court for a temporary restraining order enjoining the defendants, singularly and in concert, from acts or continuing any course of conduct in violation of or contrary to the Medical Staff By-Laws, Rules and Regulations in force at Hillcrest Hospital in February 1969. Affidavits may be used in support of the plaintiff's Motion.

JAMISON, ULRICH, JOHNSON, BURKHALTER & HESSER

By: 

Of Counsel
Attorneys for Plaintiff

STATE OF OHIO)
) SS.
COUNTY OF CUYAHOGA)

Edgar F. Ryan, M.D., being first duly sworn, states:

1. That he is a member of the plaintiff association and is the duly elected, qualified and acting President of the Medical Staff of Hillcrest Hospital, an unincorporated association;
2. That such Medical Staff has functioned and been governed by a code of By-Laws, Rules and Regulations approved by the Governing Body of defendant Cleveland Memorial Medical Foundation, owner of Hillcrest Hospital, and agreed to by the physicians who are members of plaintiff association at the time of their initial privileges so that a contractual relationship exists between such physicians and the hospital corporation, and said code of By-Laws, Rules and Regulations has been in force and effect and governed the said Medical Staff for a long period of time and was so recognized by the said Governing Body;
3. That the Medical Staff has faithfully followed such By-Laws, Rules and Regulations but that on or about February 28, 1969, the President and Chairman of the Board of Trustees of defendant Cleveland Memorial Medical Foundation advised by letter the physician members of plaintiff association that the said hospital corporation would no longer adhere to such By-Laws, Rules and Regulations; that a new Medical Council had been created, and the members appointed, which was the sole liaison between the Medical Staff and the Governing Body and would be the sole executive body of the Medical Staff, thereby breaching the agreements existing between the physician members and the hospital corporation and violating the contractual relationship;
4. That unless a restraining order is immediately granted, enjoining the defendants from putting into effect such unlawful plan, ousting the duly constituted officers and committees of the said Medical Staff, the defendants will pursue such unlawful course of conduct arbitrarily and usurp and destroy the authority of the officers and committees



LEVELAND MEMORIAL HOSPITAL ASSOCIATION
OPERATING

HILLCREST HOSPITAL

6780 MAYFIELD ROAD  MAYFIELD HEIGHTS, OHIO 44124  PHONE 449-4500

April 30, 1969

ROBERT MOSS
ADMINISTRATOR

RICHARD C.F. WEBB
ASSISTANT ADMINISTRATOR

William Stumpe, M. D.,
Medical Director,
Hillcrest Clinic,
Mayfield Heights, Ohio 44124

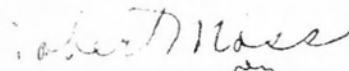
Dear Dr. Stumpe:

At a meeting of the Board of Trustees held on April 21st the Trustees approved action to terminate the existing contracts with the Hillcrest Clinic covering Anesthesia and Radiological Services to Hillcrest Hospital. This will serve as notice of the Hospital's intention to terminate these contracts, effective July 1, 1969.

At this time we see no problems in effecting the smooth transfer of these services by the date designated. It is, of course, essential that the flow of services to the Hospital's patients continue uninterrupted and that the cancellation causes as little interruption in the function of the Clinic as is possible.

If you foresee that any unusual and serious problems will be created for the Clinic please let us know as soon as possible and we may be able to alleviate them by a cooperative effort between the two organizations.

Sincerely,



Robert Moss,
Administrator.

RM:dn

PROJECTION OF SEPARATE FOUNDATION FUNDS

Available Cash for Investment	\$ 500,000
Proceeds from Unused Rent	200,000
Proceeds from Twinsburg	<u>300,000</u>
Potential Funds for Investment	\$ 1,500,000
Projected Rate of Return	<u>10%</u>
Total Investment Income	\$ 150,000
Estimate 80% of Income Use Available for Foundation Use	\$ 120,000

Carlton B. Schnell

CHARLES K. ARTER (1875-1957)
JOHN A. HADDEN (RET)
ASHLEY M. VAN DUZER (RET)

ARTER & HADDEN
ATTORNEYS AT LAW

SUMNER CANARY
RAYMOND G. HENGST
OF COUNSEL

CLINTON M. HORN
FRED J. PERKINS
MCALISTER MARSHALL
PETER REED
GEORGE P. BICKFORD
THOMAS V. KOYKKA
JOHN S. BEARD
SHELDON S. REYNOLDS
JAMES R. STEWART
CLYDE COMSTOCK
M. R. SCHLESINGER
ROBERT M. WEH
R. CRAWFORD MORRIS
EDWARD CROCKER
SMITH WARDER
RICHARD INGLIS, JR.
HAROLD GALVIN
LATHAM W. MURFEY, JR.
RICHARD C. WEISS

JOHN H. RITTER
WILLIAM S. BURTON
QUENTIN ALEXANDER
DANIEL C. SCHIFFER
THOMAS A. QUINTRILL
HOWARD M. KOHN
ROBERT G. MCCREARY, JR.
WALTER A. BATES
FRED D. KIDDER
ROBERT S. BURTON
EDWARD C. CROUCH
JAMES H. WILKINSON
ROBERT B. PRESTON
CHARLES W. LANDEFELD
ROBERT C. MCFADDEN
CLAY MOCK
CARLTON B. SCHNELL
MARK H. MCCORMACK
JOSEPH A. ROTOLO

1144 UNION COMMERCE BUILDING
CLEVELAND, OHIO 44115

AREA CODE 216 • 696-1144
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BYRON D. FAIR
CHARLES P. DURRA
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STANLEY A. WILLIAMS
DAVID G. DAVIES
SAMUEL E. HENES
JOHN E. MARTINDALE
JEROME D. NEIFACH
HARVEY O. MIERKE, JR.
ROBERT E. GLASER
LESLIE L. KNOWLTON
DAVID G. COLEMAN
JAMES A. LAURENSEN
JOHN D. LEECH
ROBERT E. GARFIELD
HARRY T. QUICK
LAURENCE E. GLAZER

EDWARD R. BROWN
WILLIAM J. MILLER
JOEL J. MORRIS
BARBARA J. BRATTIN
ALAN L. BRIGGS
GEORGE F. GORE
MICHAEL J. KUCHA
BYRON L. TREASTER
CHRISTOPHER Q. BRITTON
RICHARD W. PARKER
LESTER L. COLEMAN
WILLIAM J. DAVIS
M. NEAL RAINS
ROBERT I. FREY
EDWARD C. BARAN
JERRALD A. BROWN

May 8, 1969

TO: BOARD OF TRUSTEES
RENNER CLINIC FOUNDATION

Gentlemen:

At the time of our last meeting in April, it was suggested that I prepare and submit to the Trustees prior to the meeting scheduled for May 24, 1969, an outline of (1) what the Renner Clinic Foundation could and could not do if the operating income generated by medical services were removed from the Foundation, and (2) what the physicians could and could not do in terms of organizing a new entity for medical group practice. This memorandum attempts to cover these subjects in very general terms.

If the medical practice activities were removed from the Foundation, it would then become a typical private charitable foundation. I use the word "private" to denote a foundation which is funded and financed principally by a small group of interested individuals (such as the Ford Foundation, Carnegie Foundation, etc.) as distinguished from a public foundation which is supported by the public at large (such as the United Fund of Greater Cleveland, The Cleveland Development Foundation, etc.). Such foundation must be "operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals" and "no part of the net earnings" must inure to the "benefit of any private shareholder or individual" and "no substantial part of the activities" of the foundation may be referable to "carrying on propaganda, or otherwise attempting, to influence legislation" and finally, it must not "participate in, or intervene in * * * any political campaign on behalf of any candidate for public office."

Contributions to the foundation would continue to be tax deductible by the donors, and the income earned by the foundation on investments would be tax exempt (so long as it did not constitute "unrelated business income"). The foundation would use all of its income, after the payment of any necessary overhead expenses, in furtherance of its charitable objectives. These objectives could include the financing of research available to the public, aiding other worthwhile charitable organizations or institutions, or any other activity which falls within the classification set forth above. However, it would be advisable to establish a fairly definite set of guidelines and objectives.

May 8, 1969

The physicians would no longer be employed by the foundation. If they desired to carry on a group practice of medicine, they could do so through an entirely separate and new corporation which I shall hereafter refer to as a Professional Corporation. Ohio Revised Code §§ 1785.01 to 1785.08 provide for such Professional Corporations in the State of Ohio. Such a corporation is organized to be a "taxable" corporation. The Internal Revenue Service has, since the origination of such corporations some six years ago, contended that they are not in fact corporations for tax purposes. To date, the I.R.S. has lost every case in court on this issue. Nevertheless, the issue still has not been finally resolved, since the I.R.S. has not conceded and probably will not concede until the Supreme Court decides one of these cases. One of the leading cases arose in Cleveland. The O'Neill case, which was decided in favor of the taxpayer by the United States District Court for the Northern District of Ohio, is currently pending on appeal in the Sixth Circuit Court of Appeals. A decision is anticipated rather soon.

The advantages to the physicians of operating through corporate form are principally:

1. The availability of qualified pension and profit-sharing plans, as compared with the limited benefits available under the so-called self-employed retirement or H.R. 10 plans.
2. Accident and health plans and sick pay.
3. Group life insurance plans.
4. Non-qualified deferred compensation arrangements.
5. The \$5,000 income tax exclusion for death benefits.

As with all good things, however, there are some possible disadvantages to the use of such a Professional Corporation. Depending upon the makeup of the employees, it may be difficult to qualify a retirement plan for a small group and provide maximum benefits to the top people. Depending upon the number of physicians involved, there also may be personal holding company problems. Finally, there are all of the other tax problems familiar to so-called "close" corporations such as the reasonableness of compensation, accumulations of earnings, allocation of income and deductions, and tax problems occurring at the time of incorporation and liquidation. I do not believe it would serve a useful purpose to go into all these matters in detail at this time.

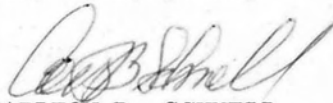
May 8, 1969

The alternative to the Professional Corporation approach would of course be the traditional medical partnership, with which I believe everyone is familiar.

As I indicated at our last meeting, I am strongly of the opinion that unless the Foundation as presently constituted immediately engages in or lays firm plans for engaging in concrete charitable activities (such as research, education, hospital construction, etc.), it will undoubtedly lose its exempt status in the near future. The result of this would be that all of its net income would then be subject to ordinary income taxes. This would include not only the operating income, but the investment income as well. In addition, the corporation would have sizable amounts of undistributed "earnings." At the last meeting, I raised the possibility that the I.R.S. could also subject the corporation to the so-called accumulated earnings tax. Upon further reflection, I doubt that they could make this claim stick. However, even though the risk may be small, the consequences would be disastrous if they did make such a claim and it were upheld. The accumulated earnings tax amounts to 70%.

Thus, in my judgment, the choice is clear: (1) Either split the medical services operation into a separate entity or group, or (2) embark immediately upon a program of substantial charitable activity in the Foundation as it exists.

Very truly yours,



CARLTON B. SCHNELL



CLEVELAND MEMORIAL MEDICAL FOUNDATION
OPERATING

HILLCREST HOSPITAL

6780 MAYFIELD ROAD  MAYFIELD HEIGHTS, OHIO 44124  PHONE 449-4500

May 20, 1969

Dear Doctor:

Friday, May 16, 1969 the lawsuit filed purportedly in behalf of the Medical Staff against the Hospital was withdrawn by the plaintiff. It seems apparent that the suit was obviously ill considered and conceived and filed primarily for harassment of the Board of Trustees.

A number of your Medical Staff colleagues feel that a majority of the Medical Staff members are not in agreement with and do not condone the actions of a small minority of the Medical Staff who have worked actively in support of harassing and disrupting legal maneuvers as have taken place. This opinion has been reached after personal conversations with many members of the Staff, analysis of the results of various opinion polls taken, and having received voluntary expressions of disgust over the filing of this lawsuit from many other members.

Your colleagues are of the opinion that the majority of the Medical Staff members did not understand fully nor intend that their votes for a motion passed at a Medical Staff meeting held March 7, 1969 at the Academy of Medicine was meant to in any manner approve the filing of a lawsuit and/or to approve the expenditure of Medical Staff funds for hiring legal counsel for the Medical Staff.

Several other factors disturb us:

1. No properly constituted meeting of the then existing Executive Committee was held to consider the possibility of legal action being taken. Despite this fact, legal counsel was hired and the lawsuit was filed.
2. No report has been given to the Medical Staff regarding the allegations of the original petition filed or the ammended petition subsequently filed in the courts.
3. No report has been given to the Medical Staff by the elected officers as to whether funds have been taken from our staff treasury and if so in what amounts for hiring legal counsel and filing suit against our Hospital. Neither has any report been given to the Medical Staff as to the elected officers plans for future expenditures of Medical Staff funds. Actually, it has been learned unofficially that several thousands of dollars of Medical Staff treasury funds have been expended and dissipated in this series of unauthorized, highly suspect legal maneuvers.

4. The original legal counsel hired by the elected officers of the Medical Staff has been summarily discharged and new legal counsel has been retained without specific authorization of the Medical Staff or its former Executive Committee. This action, as was the other actions of originally hiring legal counsel and filing lawsuit against the hospital, was carried out arbitrarily.
5. Since February 27, 1969 no minutes of meetings held by the former Executive Committee has been available or distributed to its constituted members, including the minutes of an alleged meeting of the former Executive Committee in which it has been said that the then existing Executive Committee approved expending Medical Staff funds for purposes of hiring legal counsel and entering suit against the hospital.

In view of the above factors and many other perturbing machinations of a small disgruntled minority of our Medical Staff, we the undersigned are taking action to prevent any further expenditure of Medical Staff funds without the Medical Staff's knowledge and approval.

We also propose to ask for a full meeting of the Medical Staff (both Active members and Courtesy members) on Tuesday, May 27, 1969 at Hillcrest Hospital at 8:00 P.M. wherein the following business shall be brought before the Staff:

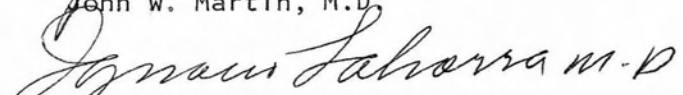
1. A report of all elected officers to include a complete and current accounting of Medical Staff treasury funds.
2. A full and unlimited discussion of all recent actions as it may relate to the filing of suit, hiring legal counsel, and any other pertinent matters.
3. A report by the Medical Council.
4. A message from the Hospital Directors.

We believe that our above plans are necessary so that we as physicians may get back to work and help our Hospital become great through the only manner in which we can help - namely, practicing not law but good medicine.

Please give us the benefit of your views by return card as to whether you agree with our plans to resolve our problems along with any comments you may care to make.

Sincerely,


John W. Martin, M.D.


Ignacio Lahorra, M.D.

Samuel J. Bishko M.D.
Samuel J. Bishko, M.D.

John E. Coletta M.D.
John E. Coletta, M.D.

Franklin P. Reulbach M.D.
Franklin P. Reulbach, M.D.

Samuel Beckerman
Samuel Beckerman, M.D.

Maurice J. Bishko M.D.
Maurice J. Bishko, M.D.

Frank M. Freimann M.D.
Frank M. Freimann, M.D.

Herman C. Weinberg M.D.
Herman C. Weinberg, M.D.

Leonard C. Tucker M.D.
Leonard C. Tucker, M.D.

Donald Pensiero M.D.
Donald Pensiero, M.D.

A. Carl Maier M.D.
A. Carl Maier, M.D.

Joseph J. Fink M.D.
Joseph J. Fink, M.D.

Walter Fanelli M.D.
Walter Fanelli, M.D.

William M. Stumpe M.D.
William M. Stumpe, M.D.

Saul P. Baker M.D.
Saul P. Baker, M.D.

Louis Green M.D.
Louis Green, M.D.

Floyd S. Meek M.D.
Floyd S. Meek, M.D.

A. J. Hart M.D.
A. J. Hart, M.D.

Ralph O. Patt M.D.
Ralph O. Patt, M.D.

Nikola Zakov M.D.
Nikola Zakov, M.D.

Ernest J. Simak, M.D.
Ernest J. Simak, M.D.

Charles J. Prochaska M.D.
Charles J. Prochaska, M.D.

Ramon L. Marquez M.D.
Ramon L. Marquez, M.D.

Robert O. Turek M.D.
Robert O. Turek, M.D.

Otto Wellner M.D.
Otto Wellner, M.D.

Harry S. Tucker M.D.
Harry S. Tucker, M.D.

E. A. Ferreri M.D.
E. A. Ferreri, M.D.

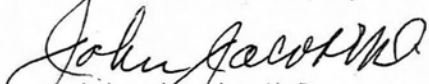
F. J. Roemer M.D.
F. J. Roemer, M.D.

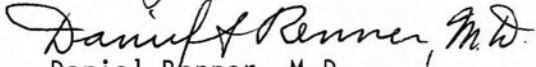
Stewart Nickel M.D.
Stewart Nickel, M.D.

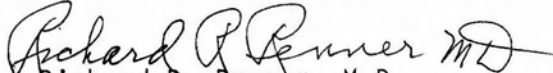
Alfio Vieni M.D.
Alfio Vieni, M.D.

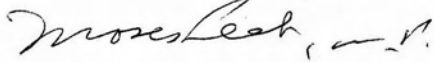
Michael Klein M.D.
Michael Klein, M.D.


Richard Fratianne, M.D.

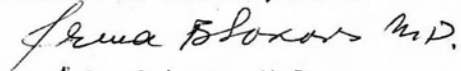

John Jacob, M.D.

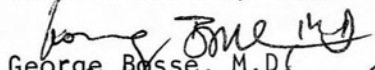

Daniel Renner, M.D.

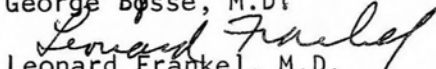

Richard R. Renner, M.D.

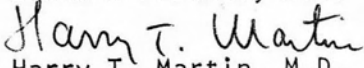

Moses Leeb, M.D.

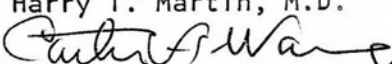

Donald K. Herman, M. D.

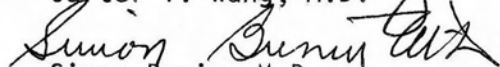

Irma B. Sokovs, M.D.

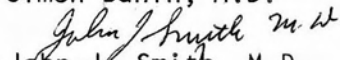

George Bosse, M.D.

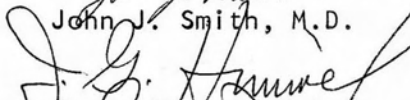

Leonard Frankel, M.D.

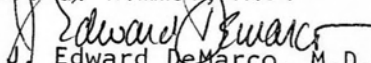

Harry T. Martin, M.D.

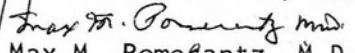

Carter T. Wang, M.D.

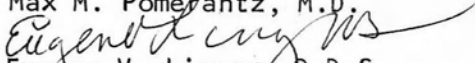

Simon Bunin, M.D.


John J. Smith, M.D.


J. G. Himmel, M.D.


J. Edward DeMarco, M.D.


Max M. Pomefantz, M.D.


Eugene V. Linsey, D.D.S.

DETAILS OF MARKETABLE SECURITIES

RENNER CLINIC FOUNDATION

May 31, 1970

<u>DESCRIPTION</u>	<u>NUMBER OF SHARES OR PRINCIPAL AMOUNT</u>	<u>COST</u>	<u>APPROXIMATE MARKET</u>
COMMON STOCKS			
Carolina Power & Light Company	500	\$ 15,925	\$ 12,625
Connecticut General Insurance Corporation	200	14,250	11,400
Fuqua Industries, Inc.	663	25,462	6,544
Gray Drug Stores, Inc.	800	25,500	16,104
Lincoln National Corporation	360	25,260	21,780
Nationwide Corporation	100	763	925
TOTAL COMMON STOCKS		<u>107,160</u>	<u>69,378</u>
PREFERRED STOCKS			
Reynolds Metals Company	300	25,175	20,400
Textron, Inc.	400	2,625	7,452
TOTAL PREFERRED STOCKS		<u>27,800</u>	<u>27,852</u>
BONDS			
Crown Zellerbach Corporation	50,000	50,125	49,750
EDP Resources, Inc. (with 200 warrants to purchase common stock)	10,000	5,850	5,000
The Standard Oil Company (Ohio)	50,000	49,875	48,000
TOTAL BONDS		<u>105,850</u>	<u>102,750</u>
MUTUAL FUNDS			
Affiliated Funds	214	529	1,408
The Eberstadt Fund, Inc.	1,831	25,996	21,203
TOTAL MUTUAL FUNDS		<u>26,525</u>	<u>22,611</u>
TOTALS		<u>\$267,335</u>	<u>\$222,591</u>

RENNER CLINIC FOUNDATION

A FOUNDATION NOT FOR PROFIT
6760 MAYFIELD ROAD
MAYFIELD HEIGHTS, OHIO 44124

July 13, 1970

Mr. Robert Moss
Administrator
Hillcrest Hospital

Dear Bob:

This letter is written as a result of your request to assure you that the Foundation does not plan to act upon the eviction clause pertaining to lack of payment in the sublease dated July 13, 1970.

The Foundation realizes that Hillcrest Hospital has extremely tight cash flow problems at this time and that the hospital agrees to pay to the Foundation all past rents due to assume a current rent posture at the earliest reasonable time.

The Foundation has no desire to force the Hospital into an unreasonable cash drain position but strives to maintain the cooperative spirit that exists between the two organizations.

Very sincerely,

James A. Birch
Secretary-Treasurer

JNB:mc

Recap Nuclear Medicine Institute

May 1968 thru April 1969

1	<u>Income</u>	
2	Medical Dr Tuition	33150.00
3	Mallinckrodt Support	15000.00
4	Grant (Amer. Cancer)	36000.00
5	Technicians Tuition	10875.00
6	Sale of Books	790.80
7	Para Medical Tuition	22000.00
8	NMIMINI Symposia	4500.00
9	Refund on Equipment	1000.00
10	Receipts for Luncheons	56050.00
11	Misc	11734.00
12	Refund Travel Expense	7698.00
13	<u>Total Income</u>	<u>668306.22</u>

16	<u>Expenses</u>	
17	Medical Drs Salaries	1216630.00
18	Technicians Salaries	886537.00
19	Secretary's Salaries	725401.00
20	Physicist Salary	1376208.00
21	Chemist Salary	952572.00
22	Lectures Fees & Expenses	107007.00
23	Telephone	109671.00
24	Office Supplies	174741.00
25	Postage	76722.00
26	Books, Periodicals - PRT	269509.00
27	Equipment	796638.00
28	Travel & Entertainment	209127.00
29	Teaching Supplies	246613.00
30	Research	20448.00
31	Misc	38485.00
32	Advertising	178500.00
33	Repairs & Maintenance	42185.00
34	Luncheon Expenses	73501.00
35	Supplies & Drugs	23294.00
36	Refund medical Tuition	20000.00
37	Refund Technicians Tuition	15000.00
38	Equipment Leasing	28152.00
39	<u>Total Expense</u>	<u>7644911.00</u>

6	Sale of Books	79080	
7	Para medical Tuition	220000	
8	NMIMINI Symposium	45000	
9	Refund on Equipment	1000	
10	Receipts for Lecturers	56050	
11	MISC	11734	
12	Refund Travel Expense	7698	
13	Total Income	6683062	

Expenses

17	Medical Drs. Salaries		1216620
18	Technicians Salaries		886527
19	Secretary's Salaries		725401
20	Physicist Salary		1376208
21	Chemist Salary		952572
22	Lecturers Fees & Expenses		107007
23	Telephone		109671
24	Office Supplies		174741
25	Postage		76722
26	Books, Periodicals - ART		269509
27	Equipment		796628
28	Travel & Entertainment		209127
29	Teaching Supplies		246613
30	Research		20448
31	Misc		38485
32	Advertising		178500
33	Repairs & maintenance		42125
34	Luncheon Expenses		93501
35	Supplies & Drugs		22294
36	Refund medical Tuition		20000
37	Refund Technician Tuition		15000
38	Equipment Leasing		28152
39	Total Expense		7644911

Net Loss

961849

PROJECTION OF GROUP PRACTICE
ANNUAL

DIRECT MEDICAL INCOME AND EXPENSE (SALARIES + FRINGES)

	INCOME	EXPENSE
R.R.Renner	\$ 72,000.00	\$ 30,000.00
R.O.Patt	42,000.00	24,000.00
D.S.Renner	72,000.00	35,000.00
S.N.Nickel	50,000.00	37,000.00
C.Handel	24,000.00	12,000.00
H.B.Jackson	40,000.00	30,000.00
E.K.G., Radar, etc.(net)	10,000.00	
	\$310,000.00	\$168,000.00
Less Bad Debt		
7%	22,000.00	
	\$288,000.00	

PROJECTED EXPENDITURES

Business Office Personnel	\$ 30,000.00	
Nursing Personnel	26,000.00	
Payroll Taxes	1,500.00	
Telephone	3,500.00	
Light	3,000.00	
Insurance (General Liability)	500.00	
Taxes (Personal Property)	500.00	
Call Service	1,000.00	
Miscellaneous (Postage, supplies, etc.)	5,000.00	
Furniture and Equipment \$30,000.00 @ 10 years	3,000.00	
Bed Taxes \$200.00 per man @ 5 men	12,500.00	
Rent	26,000.00	
TOTAL OPERATING EXPENSE		\$112,500.00
TOTAL EXPENSES		\$280,500.00
NET OPERATING INCOME		\$ 7,500.00

RENNER CLINIC FOUNDATION

A G E N D A

Dutch Room of The Country Club - 12:00 noon - Saturday,
May 24, 1969

1. NMI support.
2. Hospital contracts.
3. Land acquisition.
4. Future Direction of Clinic.
 - a. Projection of Private Group Practice
 - b. Projection of Separate Foundation
5. Signature authorization for all bank accounts.
6. Consideration of funds for two research projects
(Dr. Stewart B. Nickel).

PROJECTION OF SEPARATE FOUNDATION FUNDS

Available Cash for Investment	\$ 500,000
Proceeds from Unused Rent	200,000
Proceeds from Twinsburg	<u>800,000</u>
Potential Funds for Investment	\$ 1,500,000
Projected Rate of Return	<u>10%</u>
Total Investment Income	\$ 150,000
Estimate 80% of Income Use Available for Foundation Use	\$ 120,000

MINUTES OF A SPECIAL MEETING OF THE BOARD OF TRUSTEES OF RENNER CLINIC FOUNDATION HELD AT THE COUNTRY CLUB, PEPPER PIKE, OHIO, ON SATURDAY, MAY 24, 1969.

* * * * *

Trustees present were Mr. Frank Percy, Dr. Daniel S. Renner, Dr. R. Richard Renner, Dr. Robert R. Renner, Mr. Carlton Schnell, Dr. William Stumpe and Mr. James Birch, by invitation.

The meeting was called to order at 12:30 p.m. by Dr. R. Richard Renner, President. Since the Minutes of the previous meeting were mailed to the Trustees, it was moved by Mr. Carlton Schnell and seconded by Mr. Frank Percy that the reading of the Minutes be dispensed with and that the Minutes be approved as mailed. This motion carried unanimously.

Mr. Carlton Schnell reported on the lawsuit by the dissident physicians at Hillcrest Hospital against the Hospital, the Renner Clinic Foundation and others. The original lawsuit has been dismissed but another suit is expected.

The President noted that this meeting had been called specifically to discuss the future roll of the Clinic in the Hillcrest area and asked for reports from Mr. Schnell, Attorney for the Foundation, and Mr. Birch, Treasurer of the Foundation. Mr. Schnell had previously mailed out a statement of the legal positions concerning a non-operating foundation which he discussed. Mr. Birch then discussed the financial aspects of a conversion to a non-operation foundation from the standpoint of:

- a. Continued present type clinic operation
- b. What the presently employed physicians could expect if organized separately as a partnership or in a professional corporation, and
- c. What the financial aspects of a non-operating foundation would be.

After a lengthy and thorough discussion of these and other aspects, it was moved by Dr. Robert R. Renner and seconded by Mr. Carlton Schnell that as of January 1, 1970, the foundation should become non-operating with respect to the present clinic operation. On vote, the motion carried by a vote of two to one. Dissenting was Dr. R. Richard Renner. Dr. William Stumpe, Dr. Daniel S. Renner and Mr. Frank Percy abstained.

The Renner Clinic Foundation-Hillcrest Hospital X-ray contract was discussed by Mr. Birch who had received an official letter from Hillcrest Hospital cancelling the contract effective July 1, 1969, in spite of the provisions of the contract calling for bilateral renegotiation. Mr. Schnell discussed some of the legal implications and noted that Judge Silbert of the Hospital Board of Trustees wished

MINUTES OF A SPECIAL MEETING OF THE BOARD OF TRUSTEES OF RENNER CLINIC FOUNDATION HELD IN THE DUTCH ROOM OF THE COUNTRY CLUB ON SATURDAY, APRIL 19, 1969.

* * * * *

Trustees present were Mr. Frank Percy, Dr. Daniel S. Renner, Dr. R. Richard Renner, Dr. Robert R. Renner, Mr. Carlton Schnell and Dr. William Stumpe. Mr. James Birch was present by invitation.

The meeting was called to order by Dr. R. Richard Renner, President. The Minutes of the previous meeting were approved as mailed to the Trustees.

The Financial Report was presented by Mr. James Birch.

Mr. Carlton Schnell discussed the legal suit brought by certain physicians on the staff of Hillcrest Hospital against the Hospital, individual hospital trustees, hospital administrators and the Renner Clinic Foundation. Mr. Schnell was unanimously authorized to continue to represent the Foundation as counsel.

A discussion and analysis of the future of the Renner Clinic Foundation as related to Hillcrest Hospital and Mayfield Heights ensued. After lengthy discussion, it was moved by Dr. Robert R. Renner, and seconded by Mr. Carlton Schnell, that another meeting be held on May 24, 1969, to chart a course for the future and specifically consider making the Foundation a non-operating foundation. In the meantime, Mr. Schnell would send, to the Trustees, legal information on non-operating charitable foundations, and Mr. Birch would prepare financial projections both for the Foundation and the present group of physicians based on non-operation of a clinic facility. This motion unanimously carried.

The Emilie Neuman property was discussed as either a site for future operation or as an investment. Mr. Birch and Mr. Schnell were unanimously authorized to submit an offer for \$100,000 for this property on motion of Mr. Frank Percy, seconded by Dr. Daniel Renner.

Dr. Stumpe informed the Trustees that Dr. Bruce Sodee had been elected by the staff to represent them on the Board of Trustees. This matter was deferred to a Board of Members' meeting after discussion concerning the future status of the Foundation.

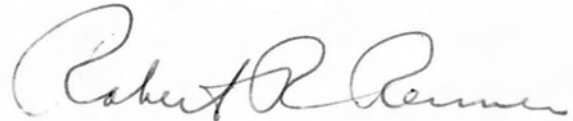
There was discussion of the proposed new retirement program which had been approved at the November 15, 1968, meeting. It was felt that due to individual improvements in the present retirement program, it would not be advisable to proceed with the proposed new retirement program. A motion was made by Dr. Stumpe, seconded by Dr. Robert Renner, and carried, that the prior board action be revoked and that the present program be continued.

Trustees' Meeting (Continued)
April 19, 1969

The matter of a grant in support of The Nuclear Medicine Institute was deferred to the May 24, 1969, meeting. In the interim, Mr. Birch noted that the Foundation would continue to provide any support necessary to the continuance of the operation.

Dr. William Stumpe submitted a letter requesting a Leave of Absence without pay for a period of one year, effective July 1, 1969, in order to take additional training in Nuclear Medicine. The Board of Trustees approved this request subject to future Foundation needs.

There was no further business, and the meeting was adjourned.



Robert R. Renner, M.D.
Secretary

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF MEMBERS OF RENNER CLINIC FOUNDATION HELD AT THE COUNTRY CLUB ON SATURDAY, SEPTEMBER 27, 1969, AT 12:00 NOON.

* * * * *

Present: Mr. Frank Percy, Dr. Daniel S. Renner, Dr. Robert R. Renner, Dr. R. Richard Renner and Mr. Carlton Schnell.

The meeting was called to order by Dr. R. Richard Renner, President. It was moved and seconded that the following individuals be elected Members for a period of one year or until the next annual meeting:

1. Mr. Frank Percy
2. Dr. Daniel S. Renner
3. Dr. R. Richard Renner
4. Dr. Robert R. Renner
5. Mr. Carlton Schnell

There were no further nominations and upon vote, the motion carried unanimously.

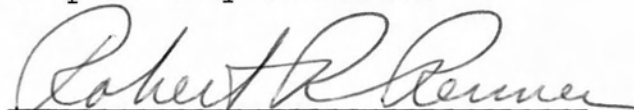
It was moved and seconded that the following individuals be elected Trustees for a period of one year or until the next annual meeting:

1. Mr. Frank Percy
2. Dr. Daniel S. Renner
3. Dr. R. Richard Renner
4. Dr. Robert R. Renner
5. Mr. Carlton Schnell

There were no further nominations and upon vote, the motion carried unanimously.

* There being no further business to come before the meeting, the President declared the meeting adjourned.

Respectfully submitted



Robert R. Renner, M.D.
Secretary

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF TRUSTEES OF RENNER CLINIC FOUNDATION HELD AT THE COUNTRY CLUB ON SATURDAY, SEPTEMBER 27, 1969, AT 12:30 P.M.

* * * * *

Present: Mr. Frank Percy, Dr. Daniel S. Renner, Dr. Robert R. Renner, Dr. R. Richard Renner and Mr. Carlton Schnell. Mr. James Birch was present by invitation.

The President called the meeting to order. Since the Minutes of the previous meeting were mailed to Trustees, a motion was made and seconded that the reading of the Minutes be dispensed with and that the Minutes be approved as mailed, which was unanimously carried.

The Treasurer, Mr. James Birch, submitted and discussed the financial report. Mr. Schnell and Mr. Birch reported no significant further progress in negotiations with Miss Emilie Neuman.

Dr. R. Richard Renner asked for a review of the future program of the Foundation. Dr. Daniel Renner discussed the possible future of the physicians presently employed by the Clinic. Mr. Schnell discussed the legal and tax aspects of a non-operating foundation. Mr. Birch discussed the projected income of the Foundation once it had become non-operating. After considerable discussion, Dr. Robert Renner moved that the prior decision of the Trustees to go to a non-operating status as of January 1, 1970, be reaffirmed and that Mr. Schnell be authorized to inform the Hospital and negotiate with them for the \$51,000 annually in cash which is presently being paid the Foundation in the form of free rent. The motion was seconded by Dr. Daniel Renner and on vote, carried 4-1. Dr. R. Richard Renner voted "No."

Mr. Birch reviewed the negotiations with Miss Emilie Neuman and suggested some additional leeway for the negotiating committee. It was moved and seconded that Mr. Schnell and Mr. Birch be authorized to offer up to \$125,000 for Miss Neuman's property. Upon vote, the motion carried unanimously.

Dr. Daniel Renner raised the question of what grants should be made by the Foundation in the future. He suggested that Bethany College be the recipient of a large, initial grant to honor Dr. R. Richard Renner, the Trustee of the College who has had the longest continuous service. It was generally agreed without motion that this would be an excellent first project for the Foundation.

Dr. R. Richard Renner noted appointment of the following committees:

Finance and Investments

Dr. Robert Renner, Chairman
Mr. James Birch
Dr. Daniel Renner

Trustees' Meeting (Continued)
September 27, 1969

Grants

Dr. Daniel S. Renner, Chairman
Mr. Carlton Schnell
Mr. Frank Percy

Upon motion made and seconded, the following were elected to their respective offices for one year:

Chairman Dr. R. Richard Renner
President Dr. Robert R. Renner
Executive Vice President . . . Dr. Daniel Renner
Vice President and Legal
Counsel Mr. Carlton Schnell
Secretary and Treasurer. . . . Mr. James Birch

It was noted by Dr. Robert Renner that another meeting may be necessary before the end of the year. Mr. Schnell noted he would review the Articles of Incorporation and Code of Regulations and advise concerning any needed changes.

There being no further business to come before the meeting, adjournment was declared.

Respectfully submitted


Robert R. Renner, M.D.
Secretary

MINUTES OF A SPECIAL MEETING OF THE BOARD OF TRUSTEES OF RENNER CLINIC FOUNDATION HELD AT THE COUNTRY CLUB, PEPPER PIKE, OHIO, ON SATURDAY, DECEMBER 6, 1969, AT 12:00 NOON.

* * * * *

Present: Mr. Frank Percy, Dr. Daniel S. Renner, Dr. Robert R. Renner, Dr. R. Richard Renner and Mr. Carlton Schnell. Mr. James Birch was present by invitation.

The President called the meeting to order. Since the Minutes of the previous meeting were mailed to Trustees, a motion was made and seconded that the reading of the Minutes be dispensed with and that the Minutes be approved as mailed, which was unanimously carried.

The Treasurer, Mr. Birch, submitted and discussed the financial report. Mr. Birch requested authority to retain Ernst & Ernst for the Year End Audit. It was moved by Dr. Robert Renner and seconded by Mr. Frank Percy that the request be approved. Motion carried.

Considerable discussion was devoted to the reorganization of the Clinic. It was moved that a sale of the leasehold interest of the lease between the Foundation and Hillcrest Hospital be negotiated at no lower a value than \$45,000 per annum. It was moved by Dr. Daniel Renner, seconded by Mr. Carlton Schnell, that Mr. Birch be authorized to proceed with negotiations with the Hospital at the minimum figure of \$45,000 per annum. Motion carried.

Mr. Schnell stated that after reviewing the Articles of Incorporation, an Amendment of the Articles should be made and filed with the State. Mr. Schnell moved, Dr. Robert Renner seconded, and it was unanimously approved that the Certificate of Amendment to the Articles of Renner Clinic Foundation be accepted and that the same shall be kept in the Minute Book and incorporated by reference in the Minutes as fully and complete as if they have been rewritten herein.

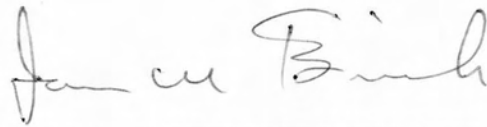
Dr. Daniel Renner gave a report of the Grants Committee indicating that a commitment of \$100,000, payable to Bethany College toward a Student Union Building program, over a four-year term, has been investigated and recommended that the Trustees approve such a grant. It was moved by Mr. Frank Percy and seconded by Dr. Daniel Renner that a commitment of \$100,000 over four years be made to Bethany College. Motion carried.

Dr. Daniel Renner stated that his committee is reviewing other educational and scientific organizations for future consideration of project grants

Trustees' Meeting (Continued)
December 6, 1969

Dr. Robert Renner gave a report of the Investment Committee. He stated that the committee has the bulk of the Foundation funds invested in short-term notes earning an average of $8\frac{1}{2}\%$ and is continuously exploring investment opportunities in the Bond and Stock markets to obtain needed funds for the Foundation's purposes. It was moved by Dr. Robert Renner that Mr. Birch be authorized to dispose of all tangible personal property of the Foundation at the most reasonable terms possible. This was seconded by Mr. Carlton Schnell and unanimously carried.

There being no further business to come before the meeting, the same was duly adjourned.



James M. Birch
Secretary

B655 396

RECEIPT AND CERTIFICATE

No 22450

RENNER CLINIC FOUNDATION

NAME
203966

NUMBER

DOMESTIC CORPORATIONS

- ARTICLES OF INCORPORATION
- AMENDMENT
- MERGER/CONSOLIDATION
- DISSOLUTION
- AGENT
- RE-INSTATEMENT
- CERTIFICATES OF CONTINUED EXISTENCE
- MISCELLANEOUS

FOREIGN CORPORATIONS

- LICENSE
- AMENDMENT
- SURRENDER OF LICENSE
- APPOINTMENT OF AGENT
- CHANGE OF ADDRESS OF AGENT
- CHANGE OF PRINCIPAL OFFICE
- RE-INSTATEMENT
- FORM 7
- PENALTY

MISCELLANEOUS FILINGS

- ANNEXATION/INCORPORATION—CITY OR VILLAGE
- RESERVATION OF CORPORATE NAMES
- REGISTRATION OF NAME
- REGISTRATION OF NAME RENEWALS
- REGISTRATION OF NAME—CHANGE OF REGISTRANTS ADDRESS
- TRADE MARK
- TRADE MARK RENEWAL
- SERVICE MARK
- SERVICE MARK RENEWAL
- MARK OF OWNERSHIP
- MARK OF OWNERSHIP RENEWAL
- EQUIPMENT CONTRACT/CHATTEL MORTGAGE
- POWER OF ATTORNEY
- SERVICE OF PROCESS
- MISCELLANEOUS
- ASSIGNMENT—TRADE MARK, MARK OF OWNERSHIP, SERVICE MARK, REGISTRATION OF NAME

I certify that the attached document was received and filed in the office of TED W. BROWN, Secretary of State, at Columbus, Ohio, on the 31st day of December, A. D. 1969, and recorded on Roll B655 at Frame 396 of the RECORDS OF INCORPORATION and MISCELLANEOUS FILINGS.

Ted W. Brown
 TED W. BROWN,
 Secretary of State

Filed by and Returned To: Arter & Hadden
1144 Union Commerce Bldg.
Cleveland, Ohio 44115 ATT: Carlton B. Schnell

FEE RECEIVED: \$ 25.00

NAME: RENNER CLINIC FOUNDATION

B655 397

203966
APPROVED
By.....
Date.....12-31-69
Amount.....25.00

313 - 5

CERTIFICATE OF AMENDMENT
TO ARTICLES OF
RENNER CLINIC FOUNDATION

Robert R. Renner, President, and James M. Birch, Secretary, of Renner Clinic Foundation, an Ohio corporation, organized not for profit, do hereby certify that at a meeting of the members of said corporation duly called and held on the 6th day of December, 1969, at 12:00 o'clock noon, at which a quorum of such members were present, and that by the affirmative vote of all of the members present thereat, the following resolution of amendment was adopted:

RESOLVED: That the Articles of Incorporation of the Foundation be and the same hereby are amended as follows:

THIRD: The purpose or purposes for which said corporation is formed are:

To use its funds exclusively for education, charitable, religious, scientific or literary purposes so that no part thereof shall inure to the benefit of any private individual; to provide educational advantages, opportunities and facilities and to further sound learning by establishment or financing of buildings and grounds, endowments, fellowships, scholarships, incentives and awards at such colleges and universities as may be selected from time to time by the trustees of the corporation; to make any gift or gifts to other corporations or associations organized and operated exclusively for educational, charitable, religious, scientific or literary purposes, no part of the net income of which inures to the benefit of any private stockholder or individual; and generally to carry on either alone or in cooperation with others any and all activities in furtherance of one or more of such objects and purposes.

B655

398

To acquire, take and hold by bequest, devise, grant, gift, purchase, exchange, lease, transfer, judicial order or decree or otherwise, for any of its objects and purposes, any property, real, personal or mixed, to borrow money, sell, mortgage, exchange, lease, convey, transfer or otherwise dispose of any such property; to administer, invest and reinvest its property and deal with and expend the income and principal of the corporation, all in such manner as in the judgment of the trustees of the corporation will best promote its objects and purposes.

FOURTH: (a) No part of the funds, income or net earnings of the corporation shall inure to the benefit of any member of the corporation, or any trustee, or any other individual or organization, or shall be devoted to any purposes other than those specified in the THIRD article hereof.

(b) This corporation shall not devote any part of its activities to carrying on propaganda or otherwise attempting to influence legislation.

FIFTH: The selection of the religious, charitable, scientific, literary or educational organizations which shall be the beneficiaries of the corporation, the determination of the amount to be contributed to a particular beneficiary and the decision regarding the time and manner of payment shall be made by the trustees within their sole discretion; provided, however, that all distributions of net income or principal shall be made exclusively to organizations described in Section 501(c)(3) of the Internal Revenue Code.

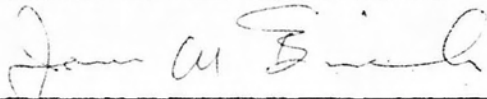
SIXTH: In the event the corporation is dissolved, any and all assets of the corporation shall be distributed to organizations described in Section 501(c)(3) of the Internal Revenue Code.

IN WITNESS WHEREOF, said Robert R. Renner, President, and
James M. Birch, Secretary, of Renner Clinic Foundation, acting for

B655 399

and on behalf of said corporation, have hereunto subscribed their names and caused the seal of said corporation to be hereunto affixed this 29th day of December, 1969.

By 
ROBERT R. RENNER, President

By 
JAMES M. BIRCH, Secretary

S U B - L E A S E

Made at Mayfield Heights, Ohio, this 13 day of July, 1970, by and between the Renner Clinic Foundation (Lessor) and Cleveland Memorial Medical Foundation (Lessee).

Lessor agrees to sub-lease to the Lessee office and other space as described in Exhibit A attached hereto located in the Hillcrest Medical Clinic Building at 6760 Mayfield Road, Mayfield Heights, Ohio.

The Lessor agrees to rent the space in Item I of Exhibit A to the Lessee for a term commencing on January 1, 1970, and ending January 31, 1974; and the space in Item II for a term commencing May 1, 1970 and ending January 31, 1974.

The Lessee agrees to pay to Lessor as rental for such space for the term specified the sum of Fifty-Five Thousand Two Hundred Forty-Seven Dollars and Fifty Cents (\$55,247.50) for Item I space and Fifty Thousand Six Hundred Twenty-Five Dollars (\$50,625.00) for Item II space in equal monthly installments, each due on the first day of each and every month or on such later dates as may be mutually agreed. This rental is generally based upon an annual rate of Six Dollars and Fifty Cents (\$6.50) per square foot for office space and One Dollar and Fifty Cents (\$1.50) per square foot for storage space.

Lessee agrees to use the leased space for Medical Practice, Nuclear Medicine Institute, or Hillcrest Hospital functions only.

The Lessee, and its patients, may have the use of the parking space on the land of Lessor adjoining said leased premises, said use, however, to be joint with the other tenants of the Lessor, and their patients. It is agreed that the use of said parking space is included in rental and that the Lessee will not unreasonably interfere with their use thereof. There shall be no obligation on the part of the Lessee to maintain said parking space hereinabove mentioned.

Lessee further covenants and agrees not to commit or permit any waste in the demised premises, not to assign this Lease, not to sub-lease the premises or any part thereof without the written consent of the Lessor, which written consent shall not be unreasonably withheld, not to use or occupy the premises or permit the same to be used or occupied for any purpose other than as above stipulated, and not to make any alterations in the premises without the written consent of the Lessor. The Lessee may sub-let space to Medical Doctors practicing any specialty

which is not in direct conflict with any other practice then existing in the building. Lessee further agrees and understands that no representations or promises, except such as are contained herein, have been made to Lessee as to the condition of the premises, or the manner of operation of the building, or Lessor's making of repairs or alterations in the premises, and that Lessee's act in taking possession of the premises shall be conclusive evident that they are in good and satisfactory condition at such time; that all additions, fixtures and improvements which Lessee may make or place in the premises, except movable furniture and equipment, shall become property of Lessor and shall remain upon and be surrendered with premises as a part thereof at the expiration of the term, unless Lessee removes and repairs premises at Lessee's expense to original condition; that all personal property in the premises shall be at the sole risk of Lessee. Lessor shall not be liable for damage or injury to personal property caused by or resulting from steam, electricity, gas, water, rain, ice or snow, or any leak or flow from or into any part of the demised premises, or from any damage or injury resulting or arising from the negligence of the Lessor. At the expiration of the term, Lessee shall surrender the premises and fixtures in as good condition as at the commencement thereof, natural wear and tear excepted.

Lessor shall maintain and keep in good repair the exterior and interior of said premises, including the plumbing, heating and air conditioning systems. Provided, however, that the Lessee shall promptly repair any damage to the premises resulting from the negligent acts of his employees or agents.

If the rent or any part thereof shall at any time be in arrears and unpaid, and without any demand thereof, or if Lessee shall fail to keep and perform any of the covenants, agreements or conditions of this Lease, or if Lessee shall, in the judgment of Lessor, abandon the premises, it shall be lawful for Lessor, with or without any order of court, to enter into the premises and again have the same as if this Lease had not been made, and thereupon Lessee's interest in this Lease shall cease and determine. In any such case Lessor shall promptly re-let the premises for the remainder of the term, and Lessee shall in any event be and remain liable for all rental due to the end of the term and for all reasonable expenses incurred by Lessor in taking possession of the premises and re-letting them, less any sums actually received by Lessor from a new tenant. The Lessor's commencement of a suit to regain possession of the premises shall be equivalent in every respect to actual entry by the Lessor.

^(RM) Lessor agrees to furnish to the Lessee ~~at the Lessor's~~ ^{(RM) JB} ~~own~~ expense cleaning services, hot and cold water for ordinary office and medical purposes, air conditioning, utilities and heat, all subject to the reasonable rules and regulations prescribed by the Lessor. Lessee shall not be entitled to damage or rebate in rent because of failure to furnish any of these services through cause beyond the Lessor's reasonable control.

If the demised premises shall be destroyed or so injured by the elements or other cause as to be unfit for occupancy for Lessee's purpose, and such destruction or injury could reasonably be repaired within sixty (60) days from the happening thereof, then Lessee shall not be entitled to surrender possession of the demised premises nor shall Lessee's liability to pay rent cease, but in any such case, Lessor shall repair the premises with all reasonable speed, and if Lessee shall be deprived of the occupancy of any portion of the premises, a proportionate allowance shall be made to him from the rental corresponding to the time during which and to the premises of which he shall be so deprived on account of such destruction or injury and the making of repairs. If such destruction or injury could not be reasonably repaired within sixty (60) days from the happening thereof or the damage be so great that it would be necessary to rebuild the entire building or erect a new building on the site, then this Lease may be terminated by either party, and neither party shall be further obligated to the other.

Lessor and/or its employees shall have the right to enter said leased premises at all proper times for the purpose of inspecting, caring for, repairing or altering the same as it shall deem necessary for the safety, preservation and improvement of said demised premises or of the building and shall further have the right to exhibit the same during the last sixty (60) days of the term of the within Lease.

Every demand for rent made after the same falls due shall have the same effect in law as if made on the day and at the time the same is due, any law to the contrary notwithstanding. No waiver by Lessor of any performance by Lessee shall be deemed a waiver of any other performance or of any other term or condition. No payment of money by Lessee to Lessor after the termination of this Lease, or after the giving of any notice by Lessor to Lessee, shall reinstate, continue or extend the term of this Lease. Should Lessee remain in possession of the premises after the termination of this Lease for any cause whatsoever, Lessee shall then be considered a tenant at will and by sufferance only, and no such possession shall operate as a renewal or extension of this Lease for any period whatsoever. If Lessee shall fail to remove all its property from the premises upon any termination of this Lease, Lessor may remove it and store it at Lessee's risk and cost, including the cost of removal.

Lessor hereby covenants and agrees to and with Lessee that Lessee shall peaceably and quietly possess and enjoy the premises during the term of this Sub-lease, provided that Lessee shall pay the rent and shall keep and perform all the covenants and agreements of this Sub-lease on its part to be kept and performed.

This Sub-lease shall bind and inure to the benefit of any and all successors and assignees of both Lessor and Lessee.

WITNESS *Louise [unclear]*

LESSOR: Renner Clinic Foundation

By: *Janice [unclear]*

WITNESS *Noir [unclear]*

LESSEE: Cleveland Memorial Medical Foundation

By: *Robert Moss*

EXHIBIT A

<u>ITEM I SPACE</u>	<u>ANNUAL RENTAL</u>
Rooms 20-29	7,590.00
Conference Room	2,900.00
S. Reception Room	2,100.00
Rooms 50-57	<u>940.00</u>
TOTAL ITEM I	13,530.00

<u>ITEM II SPACE</u>	<u>ANNUAL RENTAL</u>
Offices 13-14	1,500.00
N. Reception Room	2,100.00
Rooms 35-40	5,200.00
Basement @ \$1.50/sq. ft.	<u>4,700.00</u>
TOTAL ITEM II	13,500.00

GRAND TOTAL \$27,030.00

AGENDA
RENNER CLINIC FOUNDATION
AUGUST 21, 1970

1. TREASURER'S REPORT
2. MEDICAL DIRECTOR'S REPORT
3. INVESTMENT COMMITTEE REPORT
4. GRANTS COMMITTEE REPORT
5. DIRECTION

CLINIC FUNDS

	1970	19
Cash:		
Commercial accounts	\$ 30,973	\$ 89,0
Savings accounts	20,096	63,71
Office cash funds	150	15
	<hr/>	<hr/>
Accounts receivable	51,219	152,96
Less allowance for doubtful accounts	119,503	173,40
	70,000	68,80
	<hr/>	<hr/>
	49,503	104,60
Investments in:		
Certificates of deposit	-0-	380,000
Short-term commercial paper	125,000	-0-
Marketable securities at cost (approximate market value \$222,591)	267,335	3,917
	<hr/>	<hr/>
	392,335	383,917
Other assets:		
Sundry receivables, advances and other assets	35,092	13,521
Rent prepaid for term of lease (expires January 31, 1974)	170,444	207,330
	<hr/>	<hr/>
	205,536	220,851
Property:		
Apartment land - at cost - Note B.	40,000	-0-
Apartment buildings - at cost - Note B	760,000	-0-
Clinic equipment	52,119	87,599
	<hr/>	<hr/>
	852,119	87,599
Less allowances for depreciation	45,938	63,004
	<hr/>	<hr/>
	806,181	24,595
Deferred donation expense - Note A	90,000	-0-
	<hr/>	<hr/>
	1,594,774	886,934
FUTURE HOSPITAL FUND		
Amount receivable from clinic funds	241,529	245,443
Land - at cost	319,431	319,431
	<hr/>	<hr/>
	560,960	564,874
DISCIPLES PAVILLION FUND - Note C		
Savings accounts	2,897	2,771
Accrued interest receivable	6,479	5,212
	<hr/>	<hr/>
	9,376	7,983
NUCLEAR MEDICINE INSTITUTE FUND - Note D		
Commercial account	-0-	2,352
Equipment - at cost	-0-	20,262
Less allowance for depreciation	-0-	6,081
	<hr/>	<hr/>
	-0-	16,533
	<hr/>	<hr/>
	<u>\$2,165,110</u>	<u>\$1,476,324</u>

LIABILITIES AND FUND BALANCES

CLINIC FUNDS

	<u>1970</u>	<u>1969</u>
Liabilities:		
Accounts payable	\$ 6,564	\$ 9,753
Wages payable	-0-	8,745
Payroll taxes and amounts withheld from employees' compensation	1,655	5,634
Miscellaneous accrued expenses	1,800	1,500
Current portion of long-term debt - Note E	33,202	
Current portion of donation commitment - Note A	10,000	-0-
Reserves arising from operation of apartments	23,185	-0-
Amount payable to Future Hospital Fund	<u>241,529</u>	<u>245,443</u>
	317,935	271,075
Long-term debt - Note E	596,358	-0-
Long-term portion of donation commitment - Note A	<u>80,000</u>	<u>-0-</u>
	676,358	-0-
Balance of funds	<u>600,481</u>	<u>615,859</u>
	<u>1,593,490</u>	<u>886,934</u>
FUTURE HOSPITAL FUND BALANCE	560,960	564,874
DISCIPLES PAVILLION FUND BALANCE	9,376	7,983
NUCLEAR MEDICINE INSTITUTE FUND - Note D		
Amount payable to Clinic Funds	-0-	3,460
Balance of fund	<u>-0-</u>	<u>13,073</u>
	-0-	16,533

\$2,165,110 \$1,476,324

See notes to financial statements.

STATEMENT OF CHANGES IN BALANCES OF FUNDS
 RENNER CLINIC FOUNDATION
 Year ended May 31, 1970

	RESEARCH FUND	BUILDING FUND	EDUCATION AND SCIENTIFIC FUND
CLINIC FUNDS			
Balance at June 1, 1968	\$ 50000	\$120659	\$ 35708
Educational expenditures			(217)
Net loss for the year			
BALANCES AT MAY 31, 1970	\$ 50000	\$120659	\$ 35491
FUTURE HOSPITAL FUND			
Balance at June 1, 1969		\$ 564874	
Less real estate taxes		3914	
BALANCE AT MAY 31, 1970		\$ 560960	
DISCIPLES PAVILLION FUND			
Balance at June 1, 1969		\$ 7983	
Interest from Cleveland Memorial Medical Foundation		1393	
BALANCE AT MAY 31, 1970		\$ 9376	
NUCLEAR MEDICINE INSTITUTE FUND			
Balance at June 1, 1969		\$ 13073	
Income:			
Grant-in-aid from Mallinckrodt Works	\$ 5000		
Tuition	33168		
Lecture fees and other income	2509	40677	
		53750	
Expenditures			
Salaries	26287		
Other expenses	13335	39622	
		14128	
Donation of property to Hillcrest Hospital	10128		
Payment to Hillcrest Hospital to close cash account	4000	14128	
BALANCE AT MAY 31, 1970		\$ -0-	

UNRESTRICTED
DEVELOPMENT
FUND

OPERATING
FUND

TOTAL

\$ 118000	\$ 291492	\$ 615859 (217)
	(15,161)	(15,161)
	(14889)	(14889)
<u>\$ 118000</u>	<u>\$ 276603</u>	<u>\$ 600753</u>
	276,331	600,481

Statement
Short form

STATEMENT OF OPERATIONS
RENNER CLINIC FOUNDATION

	<u>YEAR ENDED MAY 31</u>	
	<u>1970</u>	<u>1969</u>
INCOME EARNED FROM		
Clinic operations	\$511,098	\$565,920
Investments	27,283	23,856
Rental on apartment buildings	8,773	-0-
TOTAL INCOME	<u>547,154</u>	<u>589,776</u>
EXPENSES INCURRED FROM		
Clinic operations	537,460	621,397
Investments	1,945	-0-
Apartment buildings	10,947	-0-
TOTAL EXPENSES	<u>550,352</u>	<u>621,397</u>
LOSS BEFORE EXTRAORDINARY CHARGE AND DONATIONS →	3,198	31,621
EXTRAORDINARY CHARGE - insurance settlement	-0-	9,277
DONATIONS ↙	11,963	-0-
NET LOSS	<u>\$15,161</u>	<u>\$40,898</u>
Total depreciation included above - straight line	\$12,188	\$ 8,440

See notes to financial statements.

DETAILED STATEMENT OF OPERATIONS
RENNER CLINIC FOUNDATION

YEAR ENDED MAY 31
1970 1969

INCOME EARNED FROM			
CLINIC OPERATIONS			
Medical			
Clinic and hospital services	\$ 203,885	\$ 280,710	
X-ray	147,432	153,855	
Anesthesia	141,849	97,519	
	<u>493,166</u>	<u>532,084</u>	
Other			
Rent	5,384	8,230	
Interest on clinic building	6,890	11,502	
Miscellaneous	5,658	14,104	
	<u>17,932</u>	<u>33,836</u>	
	511,098	565,920	
INVESTMENTS			
Interest	24,445	23,317	
Dividends	2,838	539	
	<u>27,283</u>	<u>23,856</u>	
RENTAL ON APARTMENT BUILDINGS			
Eastchester	6,163	-0-	
Harbor Manor	2,610	-0-	
	<u>8,773</u>	<u>-0-</u>	
	547,154	589,776	
TOTAL INCOME			
EXPENSES INCURRED FROM			
CLINIC OPERATIONS			
Salaries and wages (including doctors' salaries of \$312,910 in 1970 and \$258,251 in 1969)	380,390	425,779	
General			
Travel and entertainment	1,795	1,709	
Telephone and telegraph	4,060	5,368	
Professional services	22,695	25,867	
Payroll taxes	6,457	11,495	
Rent	30,142	52,176	
Office supplies	2,435	2,289	
Hospitalization	3,411	3,911	
Insurance	7,547	7,107	
Bed Tax	29,460	11,548	
Postage	1,842	2,000	
Dues and subscriptions	1,890	3,110	
Advertising	158	290	
Miscellaneous	1,340	2,782	
	<u>113,232</u>	<u>130,192</u>	

DETAILED STATEMENT OF OPERATIONS
 RENNER CLINIC FOUNDATION
 CONTD.

	YEAR ENDED MAY 31	
	1970	1969
Depreciation - straight line	\$ 9,013	\$ 8,440
Clinic operating expenses		
Supplies and drugs	2,970	6,583
Heat, light and power	3,286	3,368
Personal property taxes	3,389	4,179
Maintenance	1,764	3,010
X-ray	1,595	3,509
Laundry	427	985
Laboratory	874	558
	14,305	22,192
Retirement plan - Note B	12,028	16,934
Provision for doubtful accounts	8,492	17,860
	537,460	621,397
INVESTMENTS - Commissions and Safekeeping Charges	1,945	-0-
APARTMENT BUILDINGS - Note B		
Administrative and maintenance	4,260	-0-
Depreciation - straight line	3,175	-0-
Interest - Note E	3,512	-0-
	10,947	-0-
TOTAL EXPENSES	550,352	621,397
LOSS BEFORE EXTRAORDINARY CHARGE AND DONATIONS	3,198	31,621
EXTRAORDINARY CHARGE - insurance settlement	-0-	9,277
DONATIONS:		
Bethany College - Note A	10,000	-0-
Hillcrest Hospital	1,963	-0-
NET LOSS	\$ 15,161	\$ 40,898

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF TRUSTEES OF RENNER
CLINIC FOUNDATION HELD AT THE COUNTRY CLUB, DECEMBER 11, 1970

* * * * *

Present: Mr. Frank Percy, Dr. Daniel S. Renner, Dr. Robert R. Renner,
Dr. R. Richard Renner and Mr. Carlton Schnell. Mr. James Birch
was present by invitation.

The President called the meeting to order. Since the Minutes of
the previous meeting were mailed to Trustees, a motion was made
and seconded that the reading of the Minutes be dispensed with and
that the Minutes be approved as mailed, which was unanimously carried.

The Treasurer presented the Audit report for the year and reviewed
all differences from the rough draft presented at the last meeting.

Dr. Robert Renner, Chairman of the Investment Committee, gave a
report of the investment status of the Foundation. He announced
that the stocks and bonds invested in have improved since the end
of the fiscal year. He stated that the loss has been reduced from
\$45,000 as of May 31st to \$22,000 and the committee is planning to
invest at this time the remainder of funds that are presently in
short term investments.

Dr. Robert Renner reported that thus far there have been no major
variations in the Florida investment. The apartments are now com-
pletely filled and that the property is throwing off sufficient cash
to cover the mortgage payments and providing some additional cash over
and above the payments.

Dr. Dan Renner, Chairman of the Grants Committee, advised that Bethany
College has received the \$10,000 gift voted on in the last meeting.
He advised that an additional \$10,000 of our grant be sent to Bethany
before the end of the fiscal year. Dr. Renner also advised that a
\$300 gift be made to the Mayfield Regional Library to assist them.
Motion to approve the gifts was passed.

Dr. Robert Renner reported on a trip made to Baltimore by Dr. Dan
Renner and J. Birch. Dr. Renner stated that two days were spent with
Johns Hopkins people exploring the possibilities of making a large
gift to back their Columbia experiment or East Baltimore Poverty
Health program. He stated that the group was much impressed with
the Hopkins experiments and recommended that thought be given to either
doing something ourselves on the Twinsburg land site or providing
financial support for the Hopkins projects. The Board felt that
the concepts should be brought up again at the next meeting as part
of exploring our future plans for the Foundation.

Mr. Frank Percy stated that he had contacted Kent State to explore the possibility of a joint venture of a medical school, backed by Kent State, on our Twinsburg land. He stated that at this period of time Kent State, because of internal problems, did not appear able to follow up on any active program. Mr. Percy advised that the Foundation postpone any additional contact with Kent State until they were in a more receptive mood.

Dr. R. Richard Renner noted appointment of the following committees:

Finance and Investments

Dr. Robert Renner, Chairman
Dr. Daniel Renner
Mr. James Birch

Grants

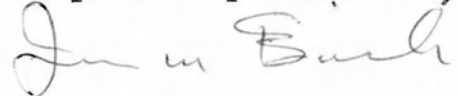
Dr. Daniel S. Renner, Chairman
Mr. Carlton Schnell
Mr. Frank Percy

Upon motion made and seconded, the following were elected to their respective offices for one year:

Chairman Dr. R. Richard Renner
President Dr. Robert R. Renner
Executive Vice President Dr. Daniel Renner
Vice President and Legal
Counsel Mr. Carlton Schnell
Secretary and Treasurer Mr. James Birch

There being no further business to come before the meeting, adjournment was declared.

Respectfully submitted,



James M. Birch
Secretary

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF MEMBERS OF RENNER
CLINIC FOUNDATION HELD AT THE COUNTRY CLUB, DECEMBER 11, 1970

Present: Mr. Frank Percy, Dr. Daniel S. Renner, Dr. Robert R. Renner,
Dr. R. Richard Renner, Mr. Carlton Schnell and James M. Birch, present
by invitation.

The meeting was called to order by Dr. R. Richard Renner, President.
It was moved and seconded that the following individuals be elected
Members for a period of one year or until the next annual meeting:

1. Mr. Frank Percy
2. Dr. Daniel S. Renner
3. Dr. R. Richard Renner
4. Dr. Robert R. Renner
5. Mr. Carlton Schnell

There were no further nominations and, upon vote, the motion carried
unanimously.

It was moved and seconded that the following individuals be elected
Trustees for a period of one year or until the next annual meeting:

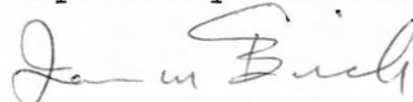
1. Mr. Frank Percy
2. Dr. Daniel S. Renner
3. Dr. R. Richard Renner
4. Dr. Robert R. Renner
5. Mr. Carlton Schnell

There were no further nominations and, upon vote, the motion carried
unanimously.

Mr. Birch at the invitation of the Members was appointed Secretary
to record the minutes.

There being no further business to come before the meeting, the
President declared the meeting adjourned.

Respectfully submitted



James M. Birch
Secretary

MINUTES OF A SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE
RENNER CLINIC FOUNDATION HELD AT THE COUNTRY CLUB ON FRIDAY,
AUGUST 21, 1970, at 12:00 NOON

Present: Mr. Frank Percy, Dr. Daniel S. Renner, Dr. Robert R. Renner, Dr. R. Richard Renner and Mr. Carlton Schnell. Mr. James Birch was present by invitation.

The President called the meeting to order. Since the Minutes of the previous meeting were mailed to Trustees, a motion was made and seconded that the reading of the Minutes be dispensed with and that the Minutes be approved as mailed, which was unanimously carried.

The Treasurer reviewed a rough draft of the Annual Audit Report. Much discussion ensued in the course of reviewing the report.

Dr. Robert Renner, Chairman of the Investment Committee, gave a report of the investment status of the Foundation. He stated that a major review of all investments has been made in the last month and that the Investment Committee has concluded that a prudent policy of investing should be followed in the current uncertain condition of the economy.

Dr. Renner requested that a motion of Policy be approved by the Trustees stating that the Investment Committee be required to review all investments for possible sale when the investment reaches a 10% downturn and that it be required to sell when the investment reaches a 25% downturn. Much discussion was held of the need to protect the assets so that the purposes of the Foundation could be met with reasonable sureness. The motion of Investment Policy requested by Dr. Robert Renner was passed.

Dr. Dan Renner, Chairman of the Grants Committee, reported on the progress of the Bethany College grant and recommended that an additional installment be made on the total commitment.

It was moved by Frank Percy and seconded by Dr. Robert Renner that an additional \$10,000 of our grant be sent to Bethany College. Motion passed.

Mr. Frank Percy, Chairman of the Direction Committee, reported on discussions and projects that the committee has investigated thus far. Mr. Percy indicated that the Committee felt that much thought should be given to long range major support of an outstanding project that would innovate in health care delivering methods. He noted three possibilities were considered. One is the new Johns Hopkins medical center in Columbia, Maryland. The second is the possibility that an association with Case-Western Reserve Medical Center could be developed in formation of a new Out Patient Medical Center, perhaps on the present

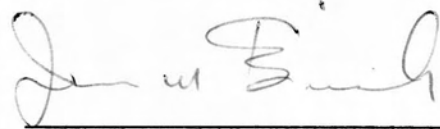
site owned by the Foundation in Twinsburg. The third would be support for a medical school program of Kent State University, again with the possible use of the Twinsburg land.

Dr. Robert Renner is to arrange further investigation of the Johns Hopkins and Case-Western Reserve possibilities and Mr. Frank Percy is to look into the Kent State situation.

A great deal of discussion and enthusiasm was generated for these possible projects and it was requested that more serious investigation should be made into these projects and that a full report be made to the Trustees at the next meeting.

Mr. Carlton Schnell requested that due to various previous Trustee commitments, the Annual Meeting required for the first Monday in October be postponed until the second Friday in December. Motion passed.

There being no further business to come before the meeting, the same was duly adjourned.



James M. Birch
Secretary

SPECIAL MEETING OF THE BOARD OF MEMBERS OF RENNER CLINIC FOUNDATION HELD
AT THE COUNTRY CLUB, AUGUST 21, 1970.

Present: Mr. Frank Percy, Dr. Daniel S. Renner, Dr. Robert R. Renner,
Dr. R. Richard Renner and Mr. Carlton Schnell.

The meeting was called to order by Dr. R. Richard Renner, President.

Carlton Schnell stated that the only order of business was to defer the
Annual Meeting because of prior member commitments.

It was moved by Carlton Schnell and seconded by Dr. R. Richard Renner that
the Annual Member's meeting be postponed from the first Monday in October
to the second Friday in December. The motion passed.

There being no further business to come before the meeting, the President
declared the meeting adjourned.

Respectfully submitted,



Robert R. Renner, M.D.
Secretary

MINUTES OF A SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE RENNER
CLINIC FOUNDATION HELD AT THE CLEVELAND ATHLETIC CLUB, CLEVELAND, OHIO
ON MONDAY, MARCH 2, 1970 AT 12:00 NOON.

Present: Mr. Frank Percy, Dr. Daniel S. Renner, Dr. Robert R. Renner,
Dr. R. Renner, and Mr. Carlton Schnell. Mr. James Birch was present by
invitation.

The President called the meeting to order. Since the Minutes of the previous
meeting were mailed to Trustees, a motion was made and seconded that the reading
of the Minutes be dispensed with and that the Minutes be approved as mailed,
which was unanimously carried.

The Treasurer submitted and discussed a number of financial reports to
include the status of the assets of the Foundation and the employees retained
during the phase out of operations.

Dr. Robert Renner, Chairman of the Investment Committee, gave a report on the
investment status of the Foundation. He stated that all cash and investments
total as of February 26, 1970, \$563,500 accounted for by a detailed summary
provided to each trustee.

Mr. Birch stated that the investment committee has investigated the purchase
of two apartments in Florida. He stated that the two apartments named
Harbor Manor and Eastchester totaling 50 suites, appeared to be a good investment
for growth of the Foundation assets and recommended approval of the purchase of
the apartments on the bases of a \$800,000 price with \$150,000 to be paid in
cash. The remainder of the price to be assumed debt with the balance to be
15 year term notes at 7%.

It was moved by Dr. Robert Renner and seconded by Carlton Schnell that the
purchase be made as recommended. Motion carried.

It was moved by Dr. Robert Renner and seconded by Dr. Richard Renner that a
local manager be hired at the "going" management fee and that a local bank
account be established to receive all rents and to disburse all routine
payables. It was further moved that Mr. Birch, Mrs. Nordquist and the local
manager be authorized to sign all checks with the stipulation that all bank
statements be mailed to 6760 Mayfield Road for audit and verification. Motion
Passed.

Dr. Dan Renner reported that a meeting had been held with Felix Hales and
Merrel May of the Hospital Trustees regarding the prepayment of the Clinic
leasehold. Dr. Dan Renner stated that he, Carlton Schnell and James Birch
represented the Foundation

He stated that an agreement had been worked out at the meeting insuring the \$51,000 compensation for the Clinic to be met by a cooperative effort of both the hospital and clinic based on the summary passed out to the Trustees.

Dr. Dan Renner moved and it was seconded by Carlton Schnell that such a cooperative effort to obtain the \$51,000 prepayment obligation be approved. Motion passed.

A discussion of the Nuclear Medicine Institute was held. It was felt that all due help should be offered to the Institute in clearing away all past obligations to the Foundation.

It was moved by Dr. Robert Renner, seconded by Dr. Richard Renner that after all cash obligations have been settled by N. M. I., a gift of all N.M.I.'s assets to Hillcrest Hospital and a waiver of any past rents due by N.M.I. be made. Motion carried.

Mr. Schnell reviewed the tax reform act regarding its effects on foundations. Mr. Schnell stated that he would keep the Trustees informed of all ramifications of the act to assist in future planning the Foundation objectives.

The administrative functions of the Medical Director was discussed and it was determined by consensus that until all phase out functions of the Medical Group were completed that Dr. Daniel Renner be paid a nominal salary of \$2,500. per year.

A discussion was held regarding the Twinsburg land and how it fit into the future objectives of the Foundation. After considerable dialogue regarding the land and of the objectives of the Foundation itself, It was felt that the President should appoint a committee to thoroughly investigate the objectives of the Foundation and present its recommendations to the Board.

The President appointed a Future Direction Committee to chaired by Mr. Frank Percy with the members to consist of Dr. Dan Renner and Mr. Carlton Schnell.

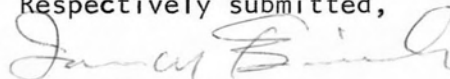
Dr. Dan Renner, Chairman of the Grants Committee, presented a report of our commitment to the Bethany College Student Union Building Fund.

It was moved by Mr. Frank Percy seconded by Dr. Dan Renner that a gift of \$10,000 or half of the current net income(whichever is larger) be made to Bethany College before May 31,1970. Motion passed.

Discussion was held regarding other donations and grants. It was generally felt that any other gifts should be postponed until the Future Direction Committee makes its report.

There being no further business to come before the meeting, the same was duly adjourned.

Respectively submitted,



James M. Birch,
Secretary

MINUTES OF SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE RENNER CLINIC
FOUNDATION HELD AT THE COUNTRY CLUB, JANUARY 28, 1971

Present: Dr. Daniel S. Renner, Dr. Robert R. Renner, Dr. R. Richard Renner and Mr. Carlton Schnell. Mr. James Birch was present by invitation.

The President called the meeting to order. Since the Minutes of the previous meeting were mailed to Trustees, a motion was made and seconded, that the reading of the Minutes be dispensed with and that the Minutes be approved as mailed, which was unanimously carried.

The Chairman of the Investment Committee stated that the stocks and bonds held by the Foundation had now increased in value to \$22,000 over our costs. Dr. Robert Renner stated that the Investment Committee is reviewing the holding for additional appreciation and safety.

Dr. Dan Renner, Chairman of the Grants Committee, stated that this meeting was being held primarily to discuss future objectives of the Foundation.

Dr. Robert Renner disclosed that he has maintained contact with Johns Hopkins and stated that a continual review should be made in future support for Hopkins. It was felt by the group that the project should be seriously considered but that an attempt to assist Cleveland in similar programs should be investigated.

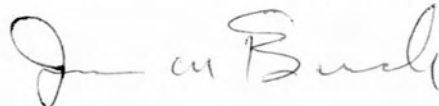
Dr. Dan Renner stated that an appointment had been made to investigate such a move with Western Reserve University officials and that the result of the meeting would be reported at the next meeting.

A discussion ensued concerning the Twinsburg land and its value in charitable projects. The Board approved Mr. Birch to hire an appraiser to establish a value for the Twinsburg land and Dr. Dan Renner and Mr. Birch to approach the Austin Power Company for sales value of the adjoining pieces.

Mr. Schnell summarized the lengthy meeting by stating that the Trustees appear to be in agreement to back some large effort, but that more time is required to fully investigate the possibilities before a large expenditure of money is expended. He suggested that another meeting in May be called to more fully explore the long range support charitable objectives of the Foundation.

There being no further business to come before the meeting, adjournment was declared.

Respectfully submitted,



James M. Birch
Secretary

MINUTES OF SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE RENNER CLINIC
FOUNDATION HELD AT THE COUNTRY CLUB, JUNE 18, 1971

Present: Mr. Frank Percy, Dr. Robert R. Renner, Dr. R. Richard Renner and Mr. Carlton Schnell. Mr. James Birch was present by invitation.

The President called the meeting to order. Since the Minutes of the previous meeting were mailed to Trustees, a motion was made and seconded, that the reading of the Minutes be dispensed with and that the Minutes be approved as mailed, which was unanimously carried.

The Chairman of the Investment Committee reported on the status of our investments. Dr. Robert Renner gave a sheet to each Trustee showing the status of the Foundation's Stocks and Bonds. The report showed an 11% gain in total value since the beginning of the current investment program. Dr. Renner requested that Trustees give any investment ideas of their own to the Committee to increase the flow of ideas. The Chairman also reported that the Florida real estate paid off \$30,000 of debt in the fiscal year as expected but that the cash flow had not generated cash in excess of debt payments. He expressed hope that with the start up maintenance costs and start up replacement assets outlay that more cash would be generated.

The Treasurer reviewed the fiscal year financial results. Much discussion took place regarding the next fiscal year and the donations to be made.

Mr. Birch reported that the Anesthesia operation will be taken over by a new group as of July 1, 1971. He stated he would make the personnel changes as directed to complete this phase-out of operations.

A Grant's Committee report was read which stipulated various possibilities of gifts. It was the feeling that the completion of the College gift should be the first priority and that further study by the Trustees should be made in determining the direction of future gifts. It was felt that the Foundation should not scatter its gifts but rather pick major projects that would have bold impact. Discussion surrounded the Johns Hopkins experiments and it was felt that a project of that scope is needed.

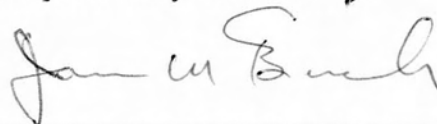
Dr. Robert Renner reported on the meeting with Western Reserve officials concerning a Johns Hopkins approach. He stated that the meeting was fruitless because of a lack of interest on Western Reserve's part and felt that unless the University had a change of direction cooperation with them would prove to be fruitless. Dr. Renner was instructed to remain in contact with Western Reserve in the event such change of direction did take place.

Mr. Birch reported on contact made with the President of Austin Powder Company concerning the possible sale of the Twinsburg land. Discussion of the possible sale resulted in a motion made by Dr. Robert Renner, seconded by Carlton Schnell, authorizing Mr. Birch to offer to sell to Austin Powder Co. the deadlocked 75 acres for \$1,500 an acre. Motion passed. Mr. Birch was also directed to contact the Trustees for further authorization if the Powder Company proved to be serious with a price offer of less than \$1,500 for the piece.

The Grants Committee reported that \$30,000 of the \$100,000 grant has been paid to Bethany College and recommended another gift of \$20,000 be paid to Bethany bringing the total paid to \$50,000. Motion by Frank Percy, and seconded by Richard Renner, that such gift be paid by August. Motion passed.

There being no further business to come before the meeting, adjournment was declared.

Respectfully submitted,



James M. Birch
Secretary

Renner Clinic Foundation
October 1941

		October 71	5/1/10 71
1	<u>Income</u>		
2	<u>Medical Operations</u>		
3	Anesthesia	-	1728600
4	X ray	78100	441900
5	Lab	37080	201680
6		115180	2372180
7			
8	<u>Investments</u>		
9	Interest	80000	400000
10	Dividends	61952	779972
11	Gains (Loss) Securities	97500	316250
12		239452	1496172
13			
14	<u>Clinic Building</u>		
15	Rent Income	385887	1801247
16	Interest Income	-	(4576)
17		385887	1796672
18			
19	<u>Other Income</u>	-	-
20	Total Operating Income	740519	5665024
21			
22			
23	<u>Rental prop Bldgs</u>		
24	Fitchester	578259	2993495
25	Harbor Manor	336350	1712782
26		914609	4706477
27			
28	Total Income	1655128	10371441
29			
30			
31			
32			
33			
34			
35			
36			
37			
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47			

Rowen Chair Foundation
 State of Income & Expenses

October 1971

Sept 71 5110 71

Expenses	Sept 71	5110 71
<u>Medical Operations</u>		
Anesthetist Salary	-	1477560
Medical Office Salary		20833
Office Salary		90000
Travel & Auto Expense	75920	409209
Insurance (Liability)	-	(171400)
Misc	2637	154701
	78557	1980903
<u>Administrative Expense</u>		
Administrative Salary	68332	341660
Misc Expense	2186	88843
Professional Service	60000	300000
Real Estate Tax	30000	150000
Personal Property Tax	-	72062
	166518	952565
<u>General Operating Expense</u>		
Salaries	50000	313628
Diagnostics	-	2000000
Investments	63272	86469
Building Expense	66019	477239
Insurance	136200	136200
Rent Expense	425000	2125000
	740491	5135536
Total Operating Expense	985566	2069004
Total Profit (Loss) From operations	669562	2302437
<u>Rent Estate Expense</u>		
Embleton Operating	420287	2291728
Harber Manor Operating	297772	1524457
Embleton Depreciation	220000	1100000
Harber Manor Depreciation	107500	537500
	1045559	5452685
Total Expense	2031125	13531628
Total profit (Loss)	(375992)	(315024)

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF MEMBERS OF RENNER CLINIC
FOUNDATION HELD AT THE COUNTRY CLUB, DECEMBER 7, 1971

Present: Mr. Frank Percy, Dr. Daniel S. Renner, Dr. Robert R. Renner,
Dr. R. Richard Renner, Mr. Carlton Schnell and James M. Birch, present
by invitation.

The meeting was called to order by Dr. R. Richard Renner, Chairman.
It was moved and seconded that the following individuals be elected
Members for a period of one year or until the next annual meeting.

1. Mr. Frank Percy
2. Dr. Daniel S. Renner
3. Dr. R. Richard Renner
4. Dr. Robert Renner
5. Mr. Carlton Schnell
6. Mr. John Renner

There were no further nominations and, upon vote, the motion carried
unanimously.

It was moved and seconded that the following individuals be elected
Trustees for a period of one year or until the next annual meeting.

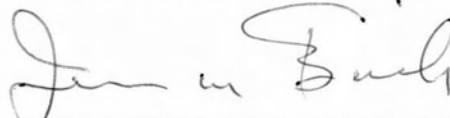
1. Mr. Frank Percy
2. Dr. Daniel S. Renner
3. Dr. R. Richard Renner
4. Dr. Robert Renner
5. Mr. Carlton Schnell
6. Mr. John Renner

There were no further nominations and, upon vote, the motion carried
unanimously.

Mr. Birch at the invitation of the Members was appointed Secretary
to record the minutes.

There being no further business to come before the meeting, the
Chairman declared the meeting adjourned.

Respectfully submitted,



James M. Birch
Secretary

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF TRUSTEES OF THE RENNER CLINIC FOUNDATION HELD AT THE COUNTRY CLUB DECEMBER 7, 1971

Present: Mr. Frank Percy, Dr. Robert R. Renner, Dr. R. Richard Renner, Dr. Daniel S. Renner and Mr. Carlton Schnell. Mr. James Birch was present by invitation.

The Chairman called the meeting to order. Since the Minutes of the previous meeting were mailed to the Trustees, a motion was made and seconded, that the reading of the Minutes be dispensed with and that the Minutes be approved as mailed, which was unanimously carried.

The Treasurer presented the Audit report for the Year and reviewed all differences from the rough draft presented at the last meeting. Mr. Birch also reviewed the Current Operations. The Trustees were given the November statements with the Year to date figures, which resulted in a detailed review.

Dr. Robert Renner, Chairman of the Investment Committee, gave a report of the investment status of the Foundation. He reviewed investments explaining the sales and purchases since the last meeting. Members received investment summaries for their review. Trustees were reminded that any suggestions of investment would be appreciated by the investment committee.

Dr. Dan Renner, Chairman of the Grants Committee, reported that another gift of \$20,000 has been paid to Bethany College bringing the total of Gifts paid to Bethany College to \$50,000.

It was moved by Frank Percy, Seconded by Daniel Renner that another gift of \$20,000 be made to Bethany in May with additional to await year end results. Motion passed.

Dr. Renner also advised that another meeting will be held by the Grants Committee with Western Reserve University to explore other worthwhile possibilities of grants. Dr. Renner brought up the idea to donate some of our Twinsburgh land to Polyclinic Hospital for their proposed hospital. It was the consensus of the Board that Dr. Renner should contact Polyclinic to establish their interest in such a gift.

Discussion was held on the name of the Foundation. It was felt that the word Clinic no longer fit into the present operation of the Foundation. It was moved by Frank Percy, seconded by Dr. Richard Renner that the name should be changed from the Renner Clinic Foundation to Renner Foundation and that Carlton Schnell should be authorized to proceed with the necessary legal steps to accomplish the change. Motion passed unanimously.

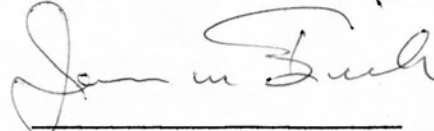
Discussion of the Twinsburgh land came up. It was decided that Mr. Birch be authorized to look for possible buyers at a price of \$3,000 per acre except for the dead-locked 75 acres where it was felt that a price of \$1,500 per acre would be offered.

Upon motion the following were elected to their respective offices for one year:

Chairman-----Dr. R. Richard Renner
President-----Dr. Robert R. Renner
Executive Vice President-----Dr. Daniel S. Renner
Vice President-----Mr. Frank Percy
Vice President and Legal
Counsel-----Mr. Carlton Schnell
Secretary and Treasurer-----Mr. James M. Birch

There being no further business to come before the meeting, adjournment was declared.

Respectfully submitted,



James M. Birch
Secretary

MINUTES OF ANNUAL MEETING OF THE BOARD OF TRUSTEES OF THE RENNER FOUNDATION HELD AT DR. DANIEL RENNER'S HOME, DECEMBER 8, 1972.

Present: Dr. Robert R. Renner, Dr. R. Richard Renner, Dr. Daniel S. Renner, and Mr. Carlton Schnell. Mr. Frank Percy was absent. Mr. James M. Birch was present by invitation.

The Chairman called the meeting to order. Since the Minutes of the previous meeting were mailed to the Trustees, a motion was made and seconded, that the reading of the Minutes be dispensed with and the Minutes be approved as mailed, which was unanimously carried.

The Treasurer reported on the financial conditions of the Foundation. The audit report was reviewed only briefly as there were no changes from the rough draft presented at the last meeting. Current operative statements from June 1 to November 1 were presented and reviewed. It was pointed out that the operation has stabilized and should remain constant for the next 14 months except for any gains or losses incurred thru stock investment transactions.

The Twinsburgh land sale was reported by the Treasurer with a slight change of terms. Request was made to accept \$150,000.00 in cash at the closing with the balance to be paid in two months. The balance would draw interest at 10% annum. The request was approved by the Board. It was also pointed out that after completing the Highland Place transaction, we would have approximately \$425,000.00 from the notes payable in February of 1973. The Investment Committee was instructed to think about investment opportunities that would meet the Foundation objectives and be secure for the Foundation future.

Dr. Robert Renner reported on the Investment Committee progress. A detailed listing of securities that the Foundation owns with an explanation of all gains and losses shown was distributed. The Investment Committee again requested suggestions that would assist them in their objective of growth and income with security.

Dr. Daniel Renner reported on the Grants Committee explaining that he and Frank Percy had numerous requests for gifts from many worthwhile groups. Much discussion was devoted to the Grants Committee requests. A large request was received from Tougaloo College. Dr. Dan Renner was requested to investigate more thoroughly the gift possibility and to report at the next meeting.

As a result of the various requests, the following actions were authorized by the Board of Trustees.

A grant of up to \$30,000.00 payable to Bethany College by September 1, 1973 and a grant of \$1,000.00 payable to Geauga-East Suburban Drug Center in June 1973.

Mr. Birch's salary was reviewed and it was felt by all concerned that with less time required, that the salary should be reduced to \$3,200.00 per year effective next pay period.

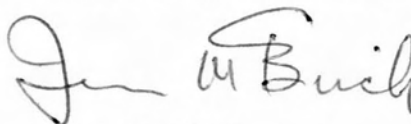
The future of the Foundation was again discussed. The Trustees felt that while the Foundation wants growth, the investments must also be thought of in the terms of income to provide for the grants the Foundation will give in increasing amounts and in safety to the Foundation assets. The Trustees discussed the many needs they have been presented with, and it was felt that much careful thought should go into each grant of the Foundation.

Upon motion the following were elected to their respective offices for one year:

Chairman	Dr. Richard R. Renner
President	Dr. Robert R. Renner
Executive Vice President	Dr. Daniel S. Renner
Vice President	Mr. Frank Percy
Vice President and Legal Counsel	Mr. Carlton Schnell
Secretary and Treasurer	Mr. James M. Birch

There being no further business to come before the meeting, adjournment was declared.

Respectfully submitted,



James M. Birch,
Secretary

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF MEMBERS OF RENNER
FOUNDATION HELD AT DR. DANIEL RENNER'S HOME, DECEMBER 8, 1972.

Present: Dr. Daniel S. Renner, Dr. Robert R. Renner, Dr. R. Richard Renner, Mr. Carlton Schnell and James M. Birch was present by invitation. Mr. Frank Percy was absent.

The meeting of Board was called to order by Dr. R. Richard Renner, Chairman. It was moved and seconded that the following individuals be elected Members for a period of one year or until the next annual meeting.

1. Mr. Frank Percy
2. Dr. Daniel S. Renner
3. Dr. Richard Renner
4. Dr. Robert Renner
5. Mr. Carlton Schnell
6. Mr. John Renner

There were no further nominations and, upon vote, the motion carried unanimously.

It was moved and seconded that the following individuals be elected Trustees for a period of one year or until the next annual meeting.

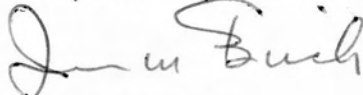
1. Mr. Frank Percy
2. Dr. Daniel Renner
3. Dr. R. Richard Renner
4. Dr. Robert Renner
5. Mr. Carlton Schnell
6. Mr. John Renner

There were no further nominations and, upon vote, the motion carried unanimously.

Mr. Birch at the invitation of the Members was appointed Secretary to record the minutes.

There being no further business to come before the meeting, the Chairman declared the meeting adjourned.

Respectfully submitted,



James M. Birch
Secretary

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF TRUSTEES OF THE RENNER
CLINIC FOUNDATION HELD AT THE COUNTRY CLUB, JUNE 8, 1972.

Present: Mr. Frank Percy, Dr. Robert R. Renner, Dr. R. Richard Renner,
Dr. Daniel S. Renner, and Mr. Carlton Schnell. Mr. James M. Birch was
present by invitation.

The Chairman called the meeting to order. Since the Minutes of the
previous meeting were mailed to the Trustees, a motion was made and
seconded, that the reading of the Minutes be dispensed with and the
Minutes be approved as mailed, which was unanimously carried.

The Treasurer reported on the financial conditions of the Foundation
for the eleven months ending April 30, 1972. The Statement showed
more of the effect of the close out of medical operations such as
Anesthesia and Investment results as expressed in cash income.

Dr. Dan Renner, Chairman of the Grants Committee, reported that the
\$40,000.00 allocated for this year has been paid to Bethany College
bringing the total of gifts paid to Bethany College to \$70,000.00.
Dr. Renner brought up a number of gift possibilities to the Board.
The Board discussed the various possibilities presented and requested
more information on all discussed grant possibilities with the exception
of one proposal which was the University Christian Movement of Cleveland.

The Movement Organization was fully discussed and information presented
to all Trustees. It was moved by Dr. R. Richard Renner and seconded by
Mr. Frank Percy that the University Christian Movement of Cleveland
be given \$1,000 per year for five years with the first payment to be
made by August 1, 1972.

Dr. Robert Renner, Chairman of the Investment Committee, presented a
detailed analysis of Stocks and Bonds invested by the Committee since
its beginning. The analysis showed the present status, all transactions
entered into with their gains and losses and comparison with the Dow-Jones.
All stockholders were urged to examine the analysis and comments
were solicited from the Trustees.

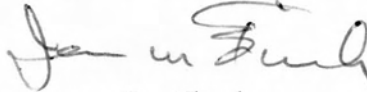
Carlton Schnell brought up the fact that due to the fact that the Committee
beat the Dow Jones by only 2 points that the Foundation should examine the
possibilities of a top no load mutual fund with a proven track record. He
had several in mind and would give the Chairman of the Investment Committee
detailed information about them.

The Treasurer presented a proposal offered by the firm of Barris, Guren
and Wedren to sell and lease back land that an office building is being
built on located in Highland View Heights. The proposal would consist of
a sales price of \$200,000 with a 10% interest return to the Foundation.
The Foundations feeling was that if an independent appraisal bore out the
economic reality of the situation that it might be an excellent situation
for the Foundation. Carlton Schnell was authorized to select an independent
appraiser with a top flight reputation.

Carlton Schnell was also authorized if the appraisal showed that the sale leaseback was a secure investment, to proceed with drawing a contract with adequate safeguards and guarantees for the Foundation.

There being no further business to come before the meeting, adjournment was declared.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James M. Birch".

James M. Birch,
Secretary

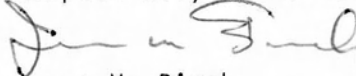
MINUTES OF SPECIAL MEETING OF THE BOARD OF TRUSTEES HELD
BY TELEPHONE MAY 21, 1972

Mr. Birch contacted Mr. Frank Percy, Dr. Robert R. Renner, Dr. Daniel S. Renner, Mr. Carlton Schnell, Mr. John Renner by telephone and requested approval to sign an option for the Twinsburg Land under the following terms:

- A. \$1,500 per acre for the deadlocked 75 Acres
- B. \$2,500 per acre for the remaining acreage
- C. \$1,000 a month up to six months to be paid by optionee
- D. Real Estate Commission to be negotiated

All trustees contacted agreed to the proposal to option the land under the above mentioned conditions.

Respectfully submitted



James M. Birch

DOCTORS CLINIC

R. R. RENNER, M. D.

12337 Cedar Road—Phone CE. 1-4880

H. B. JACKSON, M. D.

WM. H. WAHL, M. D.

12900 Euclid Ave.—Phone CE. 1-4247

P. O. FUNK, M. D.

R. O. PATT, M. D.

CLEVELAND, OHIO

G. R. REYNOLDS, M. D.

Name..... Age.....

R Address..... Date.....

No wonder I got an
ulcer back in
those years!

JSR. - 1972

Refill.....Times.....M. D.

Non Rep.

Reg. No.....