

J-1

David Rhoe
Paseo de la Fuente
D-4 Calle Tivoli
San Juan, Pr 00926
787-245-7248
Fax 787-292-7976

March 28, 2005

Michelle Beardsley
NRC Region I

52-25058-01
03031223

L 25430
03036911

02200

RE: Control # 136250

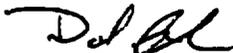
Dear Ms. Beardsley,

(52-25430-03)

Attached is the English version of the contract between Dr. Sandra Gracia López and Mennonite Hospital. Upon receiving the contract, the Administrator failed to sign the form 314 for license termination. I will follow-up on this issue.

If you have any questions, please contact me at the numbers above.

Sincerely,


David Rhoe

NRC Form 314 attached 4-6-05

REC'D IN LAT 4/5/2005

136736/136737
NMSS/RGNI MATERIALS-002
REF. 136250/136251

**LEASE CONTRACT
NUCLEAR MEDICINE CLINIC FACILITY**

In Albonito, Puerto Rico, on September 3, 2004.

—ON ONE PART AS THE LESSOR: MENNONITE GENERAL HOSPITAL, INC., A not for profit corporation organized as per the Laws of the Commonwealth of Puerto Rico, with office in Albonito, Puerto Rico, represented in this act by its Executive Director, MR. MIGUEL JOSE BUSTELO, Social Security number [REDACTED] over the legal age, married, executive and living in Albonito, Puerto Rico, with the authority granted by the Board of Directors of said corporation for this awarding which he will justify where and whenever necessary.

—ON THE OTHER PART AS THE LESSEE: DR. SANDRA C. GRACIA LÓPEZ, Social Security number [REDACTED] over the legal age, married, medicine doctor with a specialty in nuclear medicine and living in San Juan, Puerto Rico.

EXPOSE

--- FIRST: THE LESSOR is the owner of the space that contains the facility of the Nuclear Medicine Clinic that is next to the Emergency Room in the Albonito Hospital and of the existing equipment in such facility, which is detailed in attachment, A which is part of this contract.

—SECOND: The above have agreed on such space for the operation of a Nuclear Medicine Clinic, and for the existing equipment as described in Attachment A.

Consequently, the following clauses are agreed upon.

STIPULATIONS AND CLAUSES

I. THE LESSOR provides THE LESSEE who accepts the use of the office space, described before and also of all the existing equipment related to those services, which is detailed in Attachment A that is part of this contract.

II. THE LESSEE can use the leased space only for the provision of Nuclear Medicine services as per applicable rules and regulations.

III. The term of this contract is five (5) years from September 18, 2004. On its termination, the contract may be reviewed under the terms and conditions agreed at that time, unless any of the parts notifies the other part of the intent of not renewing the same with at least 120 calendar days before the termination day.

This in an English translation of the Spanish contract which is only used for Nuclear Regulatory Commission purposes and has no legal value.

**PERSONAL INFORMATION WAS REMOVED
BY NRC. NO COPY OF THIS INFORMATION
WAS RETAINED BY THE NRC.**

If THE LESSOR has knowledge of a new potential lessee, he will have to notify such a situation to THE LESSEE 60 days after the date he has the knowledge of it. As such, in case THE LESSEE possesses a certificate of need to move the facility, she will have to notify such situation to THE LESSOR within 60 days following the date she obtains the certificate of need.

IV. Considering this contract, THE LESSEE will pay THE LESSOR advanced payments in the Finance Office of THE LESSOR the monthly amount of FOUR THOUSAND DOLLARS (\$4,000.00). THE LESSOR will sell THE LESSEE supplies and materials at a produce equivalent to five percent 5% over the cost to THE LESSOR.

V. The monthly rent to be paid includes the energy, water and disposition of biomedical and common waste. It does not include cleansing or disposition of radioactive waste.

VI. The LESEE will pay for telephone, and all the operations costs such as the Nuclear Regulatory Commission license ("NRC") and the Department of Health of Puerto Rico license, municipal permit and all personnel including the Physicist. The payments related to service and maintenance contracts will also be the responsibility of the LESEE.

VII. THE LESSEE will bill directly to the patients and Insurance Plan Companies for her services. For the Medicare hospitalized patients the hospital will provide the materials and the LESEE will bill Medicare for the professional services provided.

VIII. THE LESSEE has examined and inspected the equipment included in the contract (described in Attachment A of this contract), which is rented "as is".

IX. If THE LESSEE wishes to leave the leased property before the expiration of this contract, or its renovation, she will pay THE LESSOR the monthly payments corresponding to the monthly payments pending until the date of expiration of this contract or its renovation. THE LESSEE may be relieved of the obligation mentioned before if she suggests to THE LESSOR a natural or legal person that accepts the obligations, conditions and stipulations of this contract as they have been agreed upon and THE LESSOR accepts it. This disposition cannot be understood as if THE LESSOR is bound to accept the person that THE LESSEE has recommended as a prospect but merely to consider the petition made and to make the decision estimated pertinent.

X. THE LESSEE may not cede, transfer or rent, either part of or all the property subject of this contract including the equipment, without written authorization of THE LESSOR.

XI. THE LESSOR will be responsible of the major structural repairs related to the offices and for necessary repairs in case of force majeure such as cyclone.

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earthquake, flooding, fire or any other similar extraordinary occurrence that the parts cannot reasonably predict at this time. It is understood by both parts that the facility suffers water filtrations that have not been corrected at the time this contract is signed. THE LESSOR agrees to take the necessary measures to correct the water filtrations.

XII. Both parties understand that the operation of the rented facilities will be the exclusive responsibility of THE LESSEE and that she operates said facility as a separate and distinct independent entity from the Mennonite General Hospital. THE LESSOR will not be responsible for any damage that a person suffer or may suffer in the leased property. THE LESSOR will not be responsible for any type of damage that people, visitors, guests or patients that visit the leased area suffers. THE LESSEE will protect THE LESSOR for any responsibility imposed for acts that are attributable to THE LESSEE.

A. At all times while this contract is valid, THE LESSEE will maintain an insurance called Comprehensive General Liability with the following limits of responsibility:

1. "Bodily Injury" - \$250,000/500,000
2. "Property Damage" - \$500,000.00
3. "Medical Payment" - \$ 25,000.00

B. THE LESSEE must submit a certificate of coverage at the time this contract is signed and annually must submit to THE LESSOR the updated certificate of coverage. She will also ensure that any cancellation is notified to THE LESSOR.

XIII. Both parties recognize that this contract may be subject to federal and state rules and regulations that may apply, particularly among others, the Medicare program and the "Anti-kickback" law and its federal guidance known as "Safe Harbors". Both parties understand that the aggregate compensation agreed for the lease has been previously established, is consistent with the fair market value and does not take into account the number, volume or value of referrals for Medicare patients or the number, volume or value of the business between the parties or the location of the leased faculty with respect to the Mennonite General Hospital.

Any law or regulation be it federal or state they may invalidate or be inconsistent with any or the terms of this contract, or that causes one or both parts to be in violation of the law will make null such a term or terms of this contract, so it is hereby agreed, that both parts will make their best effort to make the purpose and intention of the contract viable up to the maximum compatible with the law.

XIV. At the termination of this contract, for whichever cause, THE LESSEE, will return to THE LESSOR the rented space in the same condition THE LESSEE received it except for the normal wear and tear or for inevitable cause.

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XV. (Improvements): THE LESSEE may change the interior space at her cost, with no right to reimbursement and after being authorized by THE LESSOR in accordance with the changes she deems necessary to undertake her professional functions as long as those changes do not affect the structure of the space. Prior to that, she must submit the plans or schemes for evaluation by THE LESSOR.

XVI. (Rights in case of forceful expulsion): It is clearly understood among both parties that THE LESSEE will have no right to indemnization or fair price should there be a forceful expropriation and that the total product of a sale will benefit THE LESSOR.

XVII. The contracting parties are aware of the fact that the area that is the object of this contract may be destroyed or eliminated by THE LESSOR in accordance to a restructuring plan, construction or enlargement of the facilities of the Mennonite General Hospital in Aibonito, adjacent to the leased space. Should that be the case, this contract will be terminated on the date that THE LESSOR notifies THE LESSEE of his intention to proceed as such.

XVIII. (Signage): THE LESSEE, upon starting her operations will install a sign to identify the Nuclear Medicine Clinic in front of the leased space following the specifications provided by THE LESSOR. Such sign must be eliminated by the LESEE at her cost upon termination of this contract and she must also repair any damage that may be produced in the process of installation or elimination. THE LESEE will abstain from using the name of THE LESSOR in such sign or signs and will not use the business name of THE LESSOR in the operations of the rented facilities.

XIX. (No competition): During the operation of the rented facilities the LESEE may not offer services or establish a business that competes with business or activities that the Mennonite General Hospital is already undertaking. The same way, THE LESSOR may not offer services that compete with those offered by the LESEE in the Nuclear Medicine Clinic.

XX. This contract may be declared expired by THE LESSOR and he may proceed with its immediate resolution for lack of payment of two (2) consecutive months as established in this contract or for lack of compliance of any clause by THE LESEE, if the leased office is abandoned or vacant; established that prior to declaring this contract terminated for any cause, THE LESSOR must notify THE LESSEE in writing to her postal address of his intention to proceed in such way specifying the nature of the non-compliance and providing THE LESEE the additional term of thirty (30) days to correct the cause for which he is interested in terminating this contract. If THE LESSEE corrects her non-compliance within the referred term, this contract will continue with all its force and vigor. After the expiration of such a term, THE LESSEE will be obliged to vacate the leased space and return the same with the right of retention for reason of the improvements made

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if the notifications that is specified in this section was delivered and the time for compliance had elapsed as it has been indicated without THE LESSEE having corrected the lack of compliance. THE LESSOR may, without posterior notification occupy the leased space and disown THE LESSEE or other person occupying the leased space by means of any legal process, and remove her property and store the property in a public warehouse or another space at the cost of THE LESSEE and retain the leased property as of this contract did not exist and THE LESSEE resigns the provision of any additional notification of the intention of repossession.

XXI. In case of bankruptcy, total or partial, voluntary or involuntary, or lack of solvency of THE LESSEE, this contract will be automatically terminated. If at any time prior to the date of starting or during the term of this contract there is a petition of insolvency or bankruptcy for reorganization for the designation of an administrator of all or part of the property against THE LESSEE in any court, be it of the United States or in the Commonwealth of Puerto Rico, or any state or subdivision of any of the two or insolvency, and if within thirty (30) days after such petition THE LESSEE does not revoke the order to that effect or if THE LESSEE makes a concession of goods in favor of her creditor, or asks or enters into agreements with those in a way that can be reasonably understood that she is bankrupt or insolvent, this contract, at the option of THE LESSOR may be cancelled and terminated, in which case THE LESSEE will not have a right to possess the leased space and will immediately vacate the space and will return the same, in addition to the other rights and remedies that may assist THE LESSEE, in virtue of other stipulations provided in this contract or for right, or legal rule.

XXII. In case of judicial or extra judicial claim over the charge of delayed leasing or other amounts of money delayed or that THE LESSEE is obliged to in virtue of this contract, non compliance in case of eviction, the legal costs and honoraries in which THE LESSOR incurs will be paid for by THE LESSEE and must be satisfied by THE LESSEE within the term of ten (10) days from the date that THE LESSOR makes the corresponding requirement, and the payment of those amounts will be obligated since the time of the non compliance or from the time that a legal action is presented to that effect, independent of any extra judicial arrangement to that regard. THE LESSEE is expressly submitted to the Justice Tribunal that THE LESSOR selects in case there is another conflict between the parties as a consequence of the present contract.

XXIII. Both parties recognize that the present contract is undertaken with the purpose that the Hospital, its patients and the population that is served by the Hospital have availability of the services provided by the Nuclear Medicine Clinic in accordance with the good practice of medicine in that area and that the Certificate of Need (CON) to operate the leased facility is the property and remains in the name of THE LESSOR.

AM

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XXIV. The clauses of this contract are independent from one another. The fact that one of them may be declared null or illegal at no time will nullify any other clause of this contract.

XXV. The fact that any of the parties tolerate the violation of any of the clauses of this contract will not constitute the refusal to request that that or any other clause be applicable when the party considers it convenient.

XXVI. Both parties expressly put in record that there are no other agreements between them than those that have been put in writing in this contract.

ACCEPTANCE AND CONSENT

--The parties that appear accept the present document in the way it has been written and are in accordance with the agreements in the way those have been written and acted upon and they sign and initial in each page for identification, and THE LESSOR has the original and THE LESSEE has a copy.

FOR THE LESSOR

FOR THE LESSEE



MIGUEL JOSE BUSTELO
ADMINISTRATOR



DRA. SANDRA C. GRACIA LOPEZ

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Attachment A**Equipo Existente en la Clínica de Medicina Nuclear de Aibonito
setiembre de 2004**

1. Sophy Gamma Camera
 - a. Dos computadoras
 - b. cinco colimadores
 - c. carro de colimadores
 - d. Camilla de SPECT
 - e. Camilla de estudios de cuerpo completo
 - f. Escritorio de computadora de trabajo (Work station)
 - g. Silla de escritorio
 - h. Printer Codonics
2. equipo de EKG – Accu Sync-4R Advanced Medic Research
3. EKG – Biomedical System Inc.
4. Defibrilador HP 43110A
 - a. Carro de Emergenciz
5. Step stools – dos
6. Extintor de fuego
7. Fume hood – Radioiodo
8. poste de IV
9. camilla
10. polea de ejercicio – Quinton 3000
11. bomba de infusión de volumen – Baxta Flo-Gard 6201
12. Aero-vent
13. Calibradores de dosis – un CRC-30 BC sin impresora
14. L-block – one ¼ inch thick shield
15. Centrífuga
16. Deluxe wipe test counter
17. Calicheck
18. Pantoma de tiroides – uno
19. Sistema de captación de tiroides
 - a. Computadora
 - b. Impresora
 - c. Probe
 - d. Well probe
 - e. Work station/stand
 - f. Silla
20. Esfignomanómetro análogo
21. Oficina de Facturación
 - a. Silla
22. Sala de espera
 - a. Doce sillas
 - b. Water cooler
 - c. Televisor

- 23. Oficina del médico
 - a. Escritorio
 - b. Credenza
 - c. View box
 - d. Dos sillas
 - e. Tanque de Oxigeno con dolly/hand truck
 - f. Librero (built-in)
- 24. Oficina de la Secretaria /record room
 - a. Tres sillas
 - b. Maquinilla Canon
 - c. Gabinete -- cuatro gavetas
- 25. Salón de estar
 - a. Mesa
 - b. Gabinetes - tres
 - c. Gabinete de almacenaje

Los siguientes se transfieren a la Dra. Gracia-López por el cambio de dueño y de la licencias de la Comisión Reguladora Nuclear y del gobierno de Puerto Rico. Los siguientes equipos tienen o son materiales radioactivos.

- 26. Survey meters -- dos (Ludlum 14C y Biodex)
- 27. Fuentes selladas
 - a. Cs-137 -- dos
 - b. Ba-133
 - c. Co-57
 - d. Co-57 -- Flood

Al momento de expirar este contrato por cualquier razón, los mismos pasarán a ser propiedad del Hospital.

NRC FORM 314 U.S. NUCLEAR REGULATORY COMMISSION **APPROVED BY OMB: NO. 3150-0028** **EXPIRES: 07/31/2001**

7-1989a
10 CFR 20.39(a)(1)(v)
10 CFR 40.42(a)(1)(v)
10 CFR 70.39(a)(1)(v)

Estimated burden per response to comply with this mandatory information collection request: 30 minutes. This submittal is used by NRC as part of the basis for its determination that the facility has been cleared of radioactive material before the facility is released for unrestricted use. Forward comments regarding burden estimates to the Records Management Branch (T-6 F33), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to the Paperwork Reduction Project (3150-0028), Office of Management and Budget, Washington, DC 20503. If an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

CERTIFICATE OF DISPOSITION OF MATERIALS

INSTRUCTIONS: ALL ITEMS MUST BE COMPLETED - PRINT OR TYPE
SEND THE COMPLETED CERTIFICATE TO THE NRC OFFICE SPECIFIED ON THE REVERSE

LICENSEE NAME AND ADDRESS
 Memorial General Hospital
 Nuclear Medicine Laboratory
 G.P.O. Box 13798
 Aibonito, PR 00705-1379

LICENSE NUMBER
 52-25058-01
 LICENSE EXPIRATION DATE
 Feb 29, 2005

A. MATERIALS DATA (Check one and complete as necessary)

THE LICENSEE OR ANY INDIVIDUAL EXECUTING THIS CERTIFICATE ON BEHALF OF THE LICENSEE CERTIFIES THAT:
 (Check and/or complete the appropriate item(s) below.)

- 1. NO MATERIALS HAVE EVER BEEN PROCURED OR POSSESSED BY THE LICENSEE UNDER THIS LICENSE.
- OR
- 2. ALL ACTIVITIES AUTHORIZED BY THE LICENSE HAVE CEASED AND ALL MATERIALS PROCURED AND/OR POSSESSED BY THE LICENSEE UNDER THE LICENSE NUMBER CITED ABOVE HAVE BEEN DISPOSED OF IN THE FOLLOWING MANNER. (If additional space is needed, use the reverse side or provide attachments.)

Describe specific material transfer actions and, if there were radioactive wastes generated in terminating this license, the disposal actions including the disposition of low-level radioactive waste, mixed waste, Greater-than-Class-C waste, and sealed sources, if applicable.

For transfers, specify the date of the transfer, the name of the licensed recipient, and the recipient's NRC license number or Agreement State name and license number.

CRMI Date of transfer: Pending NRC approval
 Control # 136250
 Control # 136251

If materials were disposed of directly by the licensee rather than transferred to another licensee, licensed disposal site or waste contractor, describe the specific disposal procedures (e.g., decay in storage).

B. OTHER DATA

- 1. OUR LICENSE HAS NOT YET EXPIRED; PLEASE TERMINATE IT.
- 2. A RADIATION SURVEY WAS CONDUCTED BY THE LICENSEE TO CONFIRM THE ABSENCE OF LICENSED RADIOACTIVE MATERIALS AND TO DETERMINE WHETHER ANY CONTAMINATION REMAINS ON THE PREMISES COVERED BY THE LICENSE.

NO (Attach explanation) Transfer to new owner
 YES, THE RESULTS (Check one)
 ARE ATTACHED, or
 WERE FORWARDED TO NRC ON (Date)

3. THE PERSON TO BE CONTACTED REGARDING THE INFORMATION PROVIDED ON THIS FORM

NAME

David Rhoe

TELEPHONE NUMBER (include Area Code)

787-245-7248

4. MAIL ALL FUTURE CORRESPONDENCE REGARDING THIS LICENSE TO

David Rhoe / CRMI
 Paseo de la Fuente, D-4 Calle Trujillo
 San Juan, PR 00926

CERTIFYING OFFICIAL

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT

PRINTED NAME AND TITLE

Miguel Jose Ructelo

SIGNATURE

[Handwritten Signature]

DATE

5 April 05

WARNING: FALSE STATEMENTS IN THIS CERTIFICATE MAY BE SUBJECT TO CIVIL AND/OR CRIMINAL PENALTIES. NRC REGULATIONS REQUIRE THAT SUBMISSIONS TO THE NRC BE COMPLETE AND ACCURATE IN ALL MATERIAL RESPECTS. 18 U.S.C. SECTION 1001 MAKES IT A CRIMINAL OFFENSE TO MAKE A WILLFULLY FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTIONS.

This is to acknowledge the receipt of your letter/application dated

3/28/2005, and to inform you that the initial processing which includes an administrative review has been performed.

Termination 52-25058-01 / New (03036911)
There were no administrative omissions. Your application was assigned to a technical reviewer. Please note that the technical review may identify additional omissions or require additional information.

Please provide to this office within 30 days of your receipt of this card

A copy of your action has been forwarded to our License Fee & Accounts Receivable Branch, who will contact you separately if there is a fee issue involved.

Your action has been assigned Mail Control Number 136736/136737
When calling to inquire about this action, please refer to this control number.
You may call us on (610) 337-5398, or 337-5260.

NRC FORM 532 (R1)
(6-96)

Sincerely,
Licensing Assistance Team Leader

(FOR LFMS USE)
INFORMATION FROM LTS

BETWEEN:

License Fee Management Branch, ARM
and
Regional Licensing Sections

Program Code: 02120
Status Code: 1
Fee Category: 7C
Exp. Date: 20050228
Fee Comments: CODE 23
Decom Fin Assur Reqd: N

LICENSE FEE TRANSMITTAL

A. REGION I

1. APPLICATION ATTACHED

Applicant/Licensee: MENNONITE GENERAL HOSPITAL
Received Date: 20050405
Docket No: 3031223
Control No.: 136736
License No.: 52-25058-01
Action Type: Termination

2. FEE ATTACHED

Amount: /
Check No.: /

3. COMMENTS

Ref. 136737

Signed Rebecca Jones
Date 4/28/05

B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered /_/)

1. Fee Category and Amount: _____

2. Correct Fee Paid. Application may be processed for:

Amendment _____
Renewal _____
License _____

3. OTHER _____

Signed _____
Date _____

(FOR LFMS USE)
INFORMATION FROM LTS

BETWEEN:

License Fee Management Branch, ARM
and
Regional Licensing Sections

Program Code: 02200
Status Code: 3
Fee Category: _____
Exp. Date: 0
Fee Comments: _____
Decom Fin Assur Req: _

LICENSE FEE TRANSMITTAL

A. REGION **I**

1. APPLICATION ATTACHED

Applicant/Licensee: CRMI
Received Date: 20050405
Docket No: 3036911
Control No.: 136737
License No.: **52 25430-03**
Action Type: New License

2. FEE ATTACHED

Amount: _____
Check No.: _____

3. COMMENTS

Ref 136736
Re. previous fee
paid 136251.

Signed *Heavenly Hand*
Date 4/8/05

B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered /_/)

1. Fee Category and Amount: _____

2. Correct Fee Paid. Application may be processed for:

Amendment _____
Renewal _____
License _____

3. OTHER _____