



J-9

**Respond to: Paul J. Early, Corporate RSO
P.O. Box 340
Bemus Point, NY 14712**

**PH: 716.386.3860
FX: 716.386.5118
VM: 858.537.2137**

July 19, 2006

VIA FAX (610-337-5393)

U.S. Nuclear Regulatory Commission, Region I
475 Allendale Road
King of Prussia PA 19406-1415

Re: Amendment for License No. 31-30666-01

03035802

To Whom It May Concern:

Attached is the recently executed Lease Agreement with HGNC Cardiology, Inc. so that their address can be placed back on our RML as a Base Location.

Therefore, please amend our license to include the following address as a Base Location:

111 S. 11th Street, Suite 6120
Philadelphia, PA 19148

Attached are the lease, maps, and MOU for support of this application.

Thank you for your immediate attention to this matter.

Sincerely,

Paul J. Early, DABSNM, DABPM

REC'D IN LAT 7/20/2006

139153
NMSS/RGNI MATERIALS-002

Lease Agreement

1. Basic Provisions:

1.1. Parties:

This lease agreement ("Lease"), effective May 1, 2006, is made between HGNC Cardiology Associates, located at 111 South 11th Street, Suite 6120G, Philadelphia, PA 19148 ("Landlord") and Digirad Imaging Solutions, Inc., 13950 Stowe Drive, Poway, CA 92064 ("Tenant").

1.2. Premises:

That certain portion of the Property (as defined below), including all improvements therein under the terms of this Lease, commonly known by the street address of 111 South 11th Street, Suite 6120G, Philadelphia, PA 19148 and generally described as approximately 10.5 square feet located within the office and one parking space on office grounds. In addition to Tenant's rights to use and occupy the Premises as hereinafter specified, Landlord shall provide utilities, telephone lines, access to the internet and heating and air conditioning on an as needed basis. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Property".

1.3. Parking:

One unreserved vehicle parking space.

1.4. Term:

The term of this lease ("Lease Term") is one year beginning on May 1, 2006, and ending on April 30, 2007. The Lease shall thereafter renew for successive one (1) year terms. Both the Landlord and the Tenant shall have the right to terminate the Lease at any time during the Lease period by giving thirty (30) days written notice to the other party.

1.5. Base Rent:

Tenant shall pay Landlord the monthly rental of twenty-four dollars and fifty cents (\$24.50), in advance on or before the first day of each month during the Lease Term. Payments for any partial month at the beginning or end of the Lease term shall be

prorated. Both the Landlord and the Tenant acknowledge that the monthly rental stated herein represents the current fair market value for the Premises.

2. Agreed Use:

It is acknowledged and agreed that Tenant's use of the Premises may involve hazardous or toxic substances or materials and nothing contained in this Lease shall prohibit Tenant from such use, provided Tenant shall comply in all respects with all applicable laws, ordinances, rules and regulations.

The leased area is one room. The space, measuring approximately 10.5 square feet, shall be used for the receipt and storage of radioactive materials, and is designated as the "hot lab".

Landlord acknowledges and agrees that Tenant, and its employees or authorized agents, will at all times during the term of this Lease maintain exclusive control of the "hot lab".

3. Assignment:

This Lease shall not be assignable and Tenant shall not assign this Lease, in whole or in part. The Property is to be used by named Tenant and no other persons. An acquisition by merger or acquisition of fifty one percent or greater of stock by Tenant is not deemed an assignment.

4. Utilities:

All common utilities associated with the leased premises are included in the rent payment. Landlord shall provide all utilities, including electricity, heating, cooling, telephone lines, and on-line service through its common systems. Landlord shall be responsible for the maintenance of the roof, structural elements, plumbing, HVAC and all general areas.

5. Sanitation:

Tenant shall comply with all sanitary laws, ordinances, and rules, and all orders of the Board of Health or other authorities affecting the cleanliness, occupancy and preservation of the premises during the term of this Lease.

6. Common areas:

The term "Common Area" means all areas, facilities and building systems that are provided and designated from time to time by Landlord for the general non-exclusive

use and convenience of Tenant and which are not leased or held for the exclusive use of a particular tenant. Common Areas may, but do not necessarily, include hallways, entryways, stairs, elevators, driveways, walkways, terraces, restrooms, trash facilities, parking areas, landscaped areas, common heating, ventilating and air conditioning systems, common electrical service, equipment and facilities and common mechanical systems, equipment and facilities. Tenant shall comply with reasonable rules and regulations concerning the use of the common areas adopted by Landlord from time to time.

6.1.1. Use of the Common Area:

Tenant shall have the non-exclusive right in common with such other tenants to whom Landlord has granted or may grant such rights to use the Common Areas. Tenant shall abide by rules and regulations adopted by Tenant from time to time and shall use its best efforts to cause its employees, contractors, and invitees to comply with those rules and regulations, and not interfere with the use of Common Areas by others.

7. Hazardous Materials:

The term "Hazardous Material" as used in this Lease shall mean any product, substance or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the premises, is either (1) potentially injurious to the public health, safety, or welfare, the environment or the Premises, (2) regulated or monitored by a government authority, or (3) a basis of potential liability of Landlord to any government agency or third party under any applicable statute or common law theory. Hazardous Materials shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Tenant shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Landlord and timely compliance (at Tenant expense) with all applicable requirements. The radioactive materials used by Tenant for patient diagnostics are expressly excluded from the term "Hazardous Materials".

7.1.1. Duty to Inform Landlord

If Tenant knows, or has reasonable cause to believe, that a Hazardous Material has come to be located in, on, under or about the Premises, other than as previously consented to by Landlord, Tenant shall immediately give written notice of such fact to Landlord, and provide Landlord with a copy of any report, notice, claim, or other documentation which it has concerning the presence of such Hazardous Material.

8. **Liability Insurance:**

Tenant, at Tenant's own cost and expense, shall obtain or provide and keep in full force for the benefit of the Landlord, during the term hereof, general public liability insurance, insuring the Landlord against any and all liability or claims of liability arising out of, occasioned by, or resulting from the negligent act or omission by Tenant or Tenant's authorized agents in or about the leased premises, for injuries to any person or persons, for limits of not less than \$1,000,000 for personal injuries and for loss or damage to the property of any person or persons, for not less than \$500,000.

9. **Eviction:**

If Tenant does not pay the rent within twenty (20) days after it is due, Tenant may be evicted. Landlord may also evict Tenant if Tenant does not comply with the material terms of this Lease and for all other causes allowed by law. If evicted, Tenant shall not be responsible for any further payment of rent. At all times, title to all equipment and supplies within the leased space shall remain with Tenant.

10. **Care of Property:**

Tenant has examined the Premises and is satisfied with its present condition. Tenant agrees to maintain the property in as good condition as it is at the start of this Lease, except for ordinary wear and tear. The Property shall be "broom clean" and free of trash, debris or abandoned property at the end of this Lease. Tenant will pay for all repairs, replacements, and damages caused by the act or neglect of Tenant or Tenant's authorized agents. Tenant will remove all of Tenant's property at the end of this Lease.

11. **Condemnation:**

In the event of total condemnation of the building where the leased premises are contained, or in the event of a partial condemnation, which would result in Landlord

discontinuing the operation of the building or the loss of full use of the designated premises, Tenant may cancel this Lease upon five (5) days' written notice.

12. Hold Over:

If Tenant, with the consent, express or implied, of Landlord, shall hold over after the expiration of the Term of this Lease, Tenant shall remain bound by all the covenants, agreements, terms and conditions hereof, except that the tenancy shall be from month to month.

13. Authority:

Each party represents and warrants that it has the authority to enter into this Lease and that the individuals signing this Lease have the authority to do so on behalf of the entities on whose behalf they sign. This Lease shall be binding upon and inure to the benefit of the parties and their respective successors in interest.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written:

LANDLORD:  CARDIOLOGY ASSOCIATES

By: _____

Printed Name: JACK L. GARDEN, MD

Title: PRESIDENT

TENANT: DIGIRAD IMAGING SOLUTIONS, INC.,
a Delaware Corporation

By:  _____

Printed Name: Michael Korman

Title: President DIS



HGNC Cardiology

111 S 11th St.

Philadelphia, Pa

Hot Lab Details

Hallway

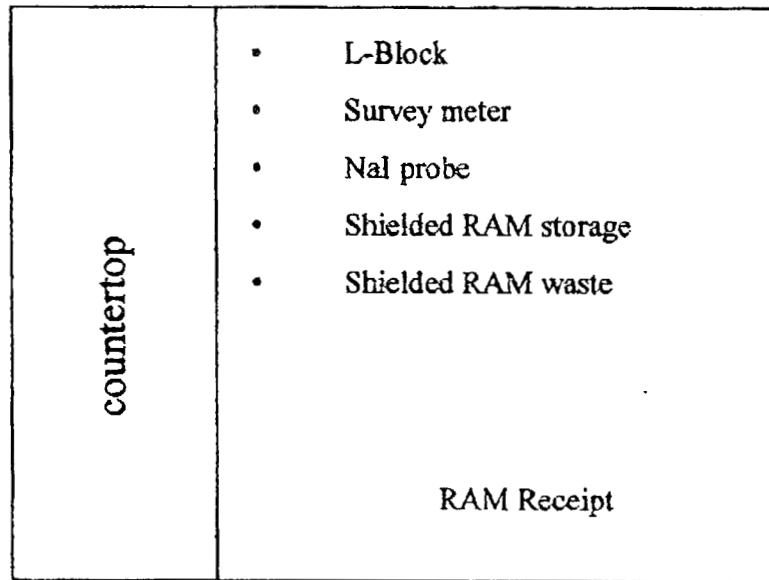


Image room

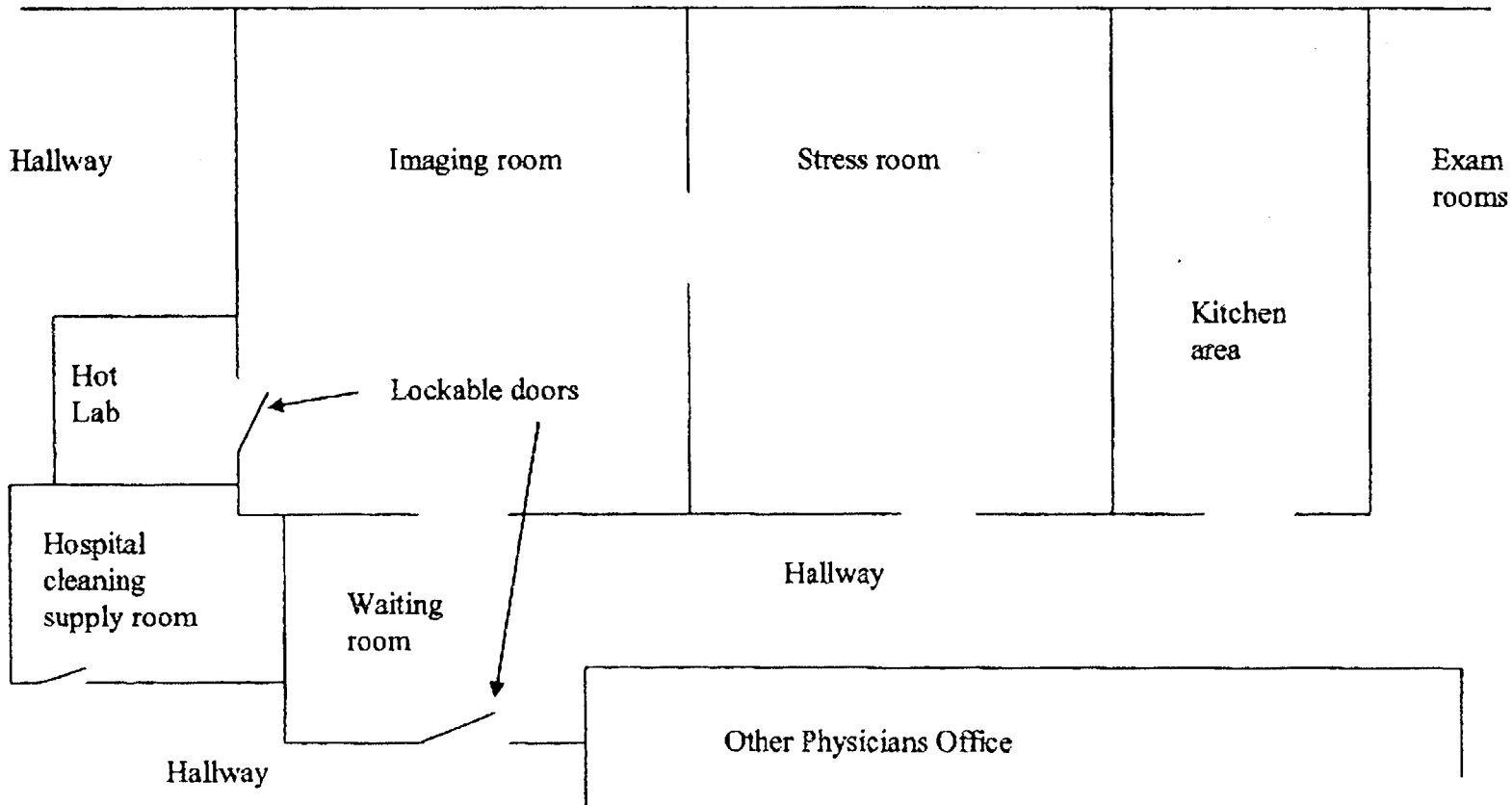
Lockable door

Hospital Cleaning Supply room



HGNC Cardiology
111 S 11th St
Philadelphia, PA

Exterior





MEMORANDUM OF UNDERSTANDING

ACCESS TO LOCATIONS WHERE RADIOACTIVE MATERIALS ARE USED

FACILITY LOCATION:

*HGNC Cardiology Associates
111 Sth 11th St. # 6120
Philadelphia, PA 19148*

The management of this building is aware that radioactive materials, used in human beings, are being used by Digirad Imaging Solutions, Inc., at the above address. The building management recognizes the use of radioactive materials for human use is licensed by the NRC and/or the state in which the above facility is housed and do not present a danger in any way if regulations, as dictated by these government agencies are followed. In the interest of public safety the building management will not deny access or entry into areas where radioactive materials are being used by individuals authorized to use these radioactive materials. In the event of a dispute between the building management and Digirad Imaging Solutions, Inc., individuals authorized to use medical radioactive materials will be allowed to enter and either secure all radioactive materials from unauthorized removal or be allowed to remove them.

Signed: *Joanne S. Avellino, Manager* ^{*Manager*} Date: *9/22/04*
Title

JOANNE S. AVELLINO
Print Full Name

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

7/19/2006, and to inform you that the initial processing which includes an administrative review has been performed.

Amendment 31-30666-01
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** 139153.
When calling to inquire about this action, please refer to this control number.
You may call us on (610) 337-5398, or 337-5260.