RIDDLE HEALTH SYSTEM

December 1, 2006

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

37-15068-01
03008522

Br. 1

RECEIVED REGION 1
2006 DEC -4 PM 12: 20

United States Nuclear Regulatory Commission

Attention: Licensing Assistance Team

Region I

475 Allendale Road

King of Prussia, PA 19406

Re: Affiliation of Riddle Health System, Riddle Memorial Hospital, Riddle Enterprises, Inc., Riddle Healthcare Associates, Riddle System Services, RMH Physician Services, Riddle Health Care Services, Mirmont Alcohol Rehabilitation Center, and The Riddle HealthCare Foundation and Main Line Health, Inc.

Dear Sir or Madam:

This letter is to provide you with written notice of the above proposed transaction. The above captioned entities have executed a Definitive Affiliation Agreement that outlines the terms and conditions under which Riddle Memorial Hospital and certain other Riddle Health System and Riddle Memorial Hospital affiliates will become a part of the Main Line Health System. It is proposed that the closing date and effective date of the affiliation will be December 31, 2006.

Below for your information, we have outlined the current and proposed structure and governance of Riddle Health System and its subsidiary hospital, Riddle Memorial Hospital.

CURRENT STRUCTURE AND GOVERNANCE

Riddle Health System ("RHS") is a Pennsylvania nonprofit corporation, organized and operated exclusively for charitable purposes and recognized by the IRS as exempt from federal income taxation, pursuant to Section 501(c)(3) of the Internal Revenue Code. RHS has no corporate members.

RHS is the parent corporation of, and the RHS directors are the members of, Riddle Memorial Hospital ("RMH"), a Pennsylvania nonprofit corporation exempt from federal

1068 West Baltimore Pike, Media, Pennsylvania 19063-5177 610-566-9400

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NMSS/RGN1 MATERIALS-002

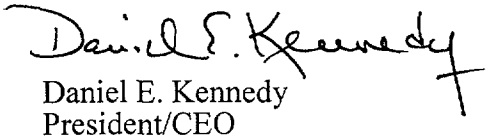
income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. RMH is licensed by the Department of Health as a general hospital, and is located in Media, Pennsylvania. RMH has a Nuclear Medicine Department that is licensed by the Nuclear Regulatory Commission (No. 37-15068-01) and the Pennsylvania Department of Environmental Protection (No. PA 0213).

PROPOSED AFFILIATION

It is intended that Main Line Health, Inc. ("MLH") will replace the directors of RHS as the member of RMH as of the effective date. Please note that the transaction does not involve a merger or consolidation of Riddle Memorial Hospital and MLH or any MLH subsidiary. It is expected that RMH will continue, as of the effective date of the affiliation, to (i) operate as a general acute care hospital; (ii) maintain its own existing licenses, provider numbers, tax payer identification numbers and accreditations; (iii) have the same medical staff, bylaws and structure as exists immediately prior to the transaction, (iv) furnish the services it is currently furnishing; and (v) operate as an organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. It is our understanding that written notification of a transfer of control of a license is required. RMH will continue to hold the materials licenses without any transfer or change in ownership or authority over the licenses. As such, we are providing you with this notice on a courtesy basis.

We look forward to working with you to take any necessary steps to effect the affiliation. If you or any of your staff have any questions, please feel free to contact me at the above number.

Very truly yours,



Daniel E. Kennedy
President/CEO

cc: Rose Ann Kavetski, Esquire
Noel Fleming, Esquire
Pamela Hepp, Esquire
Matthew Jones, Esquire

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

12/1/2006, and to inform you that the initial processing which includes an administrative review has been performed.

Amendment 37-15068-01

[X] 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

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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** 139797.
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 (RI)
(6-96)

Sincerely,
Licensing Assistance Team Leader