

NOTICE OF VIOLATION

Metro Health Saint Lukes
Medical Center
Division of Radiation Oncology
11311 Shaker Boulevard
Cleveland, OH 44104

License No. 34-00398-10
Docket No. 030-17512

During the NRC review of your Financial Assurance, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1992), the violation is listed below:

10 CFR 30.35(c)(3) requires each holder of a specific license issued before July 27, 1990, and of a type described in 30.35(b), to submit, on or before July 27, 1990, a certification of financial assurance for decommissioning or a decommissioning funding plan in accordance with the criteria set forth in 10 CFR 30.35.

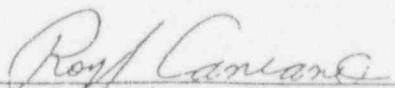
Contrary to the above, on or before July 27, 1990, the licensee had not submitted a certification of financial assurance for decommissioning or a decommissioning funding plan in accordance with the criteria in 10 CFR 30.35 and the licensee is a holder of a license issued before July 27, 1990, of a type described in 10 CFR 30.35(b). Specifically, the licensee failed to submit any evidence of financial assurance by July 27, 1990.

This is a Severity Level IV violation (Supplement VII).

Pursuant to the provisions of 10 CFR 2.201, Metro Health Saint Lukes Medical Center is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, Region III, 799 Roosevelt Road, Glen Ellyn, Illinois, 60137, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or a demand for information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

JUN 25 1993

Dated _____



Roy J. Caniano, Chief
Nuclear Materials Safety Branch

9309140128

EPP

**SAINT LUKE'S
MEDICAL CENTER**

11311 Shaker Boulevard, Cleveland, Ohio 44104

CERTIFICATION OF FINANCIAL ASSURANCE

Principal: Saint Luke's Medical Center
11311 Shaker Boulevard
Cleveland, Ohio 44104
License Number: 34-00398-10

Saint Luke's Solon Medical Center
33001 Solon Road
Solon, Ohio 44139
License Number: 34-00398-10

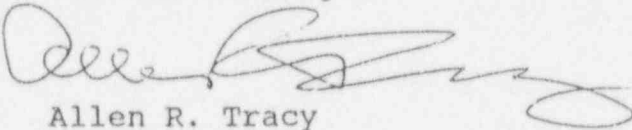
Issued to: U.S. Nuclear Regulatory Commission

This is to certify that Saint Luke's Medical Center and Saint Luke's Solon Medical Center are licensed to possess Cobalt 60 in the following amounts:

7,000 Ci at Saint Luke's Medical Center, and

7,000 Ci at Saint Luke's Solon Medical Center

and that financial assurance in the amount prescribed by 10 CFR Part 30, \$75,000, has been obtained for the purpose of decommissioning.


Allen R. Tracy
Vice President, Finance
Saint Luke's Medical Center

July 16, 1993

**SAINT LUKE'S
MEDICAL CENTER**

11311 Shaker Boulevard, Cleveland, Ohio 44104

CERTIFICATION OF FINANCIAL ASSURANCE

Principal: Saint Luke's Medical Center
11311 Shaker Boulevard
Cleveland, Ohio 44104
License Number: 34-00398-10

Saint Luke's Solon Medical Center
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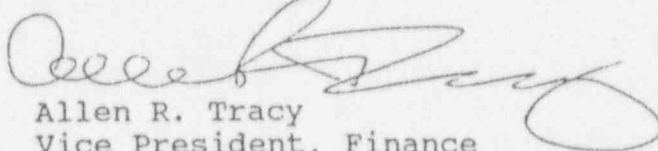
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Allen R. Tracy
Vice President, Finance
Saint Luke's Medical Center

July 16, 1993

National City Bank
National City Center
P.O. Box 5756
Cleveland OH 44101-0756
Telephone 216-575-2000



July 23, 1993

RECEIVED

JUL 23 1993

VICE PRESIDENT, FINANCE
Saint Luke's Medical Center

Mr. Allen R. Tracy
Vice President - Finance
St. Luke's Medical Center
11311 Shaker Boulevard
Cleveland, OH 44104

Re: St. Luke's NRC Escrow #75-0080-004

Dear Al:

In accordance with Paragraph 16 of the escrow agreement for the above captioned account, we are confirming receipt of the following documents:

- 1) Certified resolution of the Board of Directors authorizing the making and performance of the escrow agreement.
- 2) Certificate indicating names and specimen signatures of officers or representatives authorized to sign the escrow agreement and notices, instructions and other communications.

Both of these documents are satisfactory to National City Bank, Escrow Agent, in both form and substance.

If you have any questions, please call me at 575-9225.

Very truly yours,

Deborah A. Zupkovich
Trust Officer

DAZ:sm

SAINT LUKE'S MEDICAL CENTER

Certificate of Resolution

I, Rita D. Demma, do hereby certify that I am Assistant Secretary of Saint Luke's Medical Center, an Ohio corporation, and that the resolution listed below was duly adopted at a meeting of the Corporation's Board of Trustees on May 6, 1992.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Corporation this 22nd day of July, 1993.

Rita D. Demma
Assistant Secretary
Saint Luke's Medical Center

RESOLVED, that this Board of Trustees hereby authorizes the President, or such other employee of the Corporation as he may designate (Vice President, Finance), "to enter into an escrow agreement" or "to commence decommissioning activities" at Saint Luke's Medical Center and Saint Luke's Solon Medical Center, with the National City Bank in accordance with the terms and conditions described to the Board of Trustees at this meeting and with such other terms and conditions as the President shall approve with and upon the advice of Counsel.

SAINT LUKE'S MEDICAL CENTER

Certificate of Resolution

I, Rita D. Demma, do hereby certify that I am Assistant Secretary of Saint Luke's Medical Center, an Ohio corporation, and that the resolution listed below was duly adopted at a meeting of the Corporation's Board of Trustees on May 6, 1992.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Corporation this 22nd day of July, 1993.

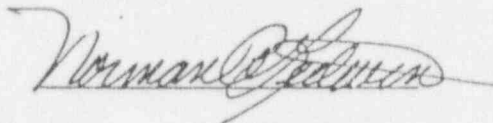
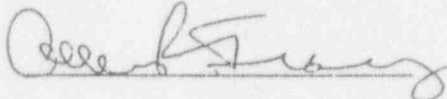
Rita D. Demma
Assistant Secretary
Saint Luke's Medical Center

RESOLVED, that this Board of Trustees hereby authorizes the President, or such other employee of the Corporation as he may designate (Vice President, Finance), "to enter into an escrow agreement" or "to commence decommissioning activities" at Saint Luke's Medical Center and Saint Luke's Solon Medical Center, with the National City Bank in accordance with the terms and conditions described to the Board of Trustees at this meeting and with such other terms and conditions as the President shall approve with and upon the advice of Counsel.

SAINT LUKE'S MEDICAL CENTER

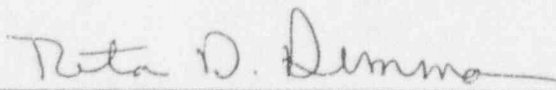
Incumbency Certificate

The undersigned officer of Saint Luke's Medical Center, Cleveland, Ohio (the "Medical Center"), hereby certifies that each of the following named individuals has been duly elected or appointed, is duly qualified, and from January 1, 1993 to this day has been and is the officer of the Medical Center or of the Board of Trustees of the Medical Center (the "Board") holding the respective office or offices set opposite his name and the signature set opposite each name is the true and genuine signature of that person.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Norman A. Ledwin	President and Chief Executive Officer	
Allen R. Tracy	Vice President, Finance	

IN WITNESS WHEREOF, I have hereunto set my hand as of

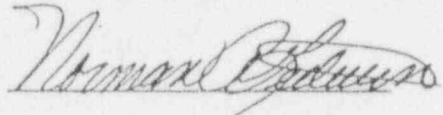
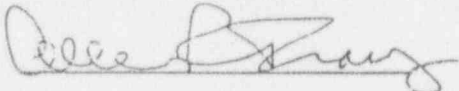
July 22, 1993.


Assistant Secretary
Saint Luke's Medical Center

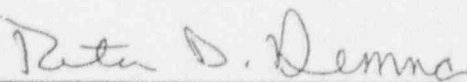
SAINT LUKE'S MEDICAL CENTER

Incumbency Certificate

The undersigned officer of Saint Luke's Medical Center, Cleveland, Ohio (the "Medical Center"), hereby certifies that each of the following named individuals has been duly elected or appointed, is duly qualified, and from January 1, 1993 to this day has been and is the officer of the Medical Center or of the Board of Trustees of the Medical Center (the "Board") holding the respective office or offices set opposite his name and the signature set opposite each name is the true and genuine signature of that person.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Norman A. Ledwin	President and Chief Executive Officer	
Allen R. Tracy	Vice President, Finance	

IN WITNESS WHEREOF, I have hereunto set my hand as of
July 22, 1993.



Assistant Secretary
Saint Luke's Medical Center



SAINT LUKE'S
MEDICAL CENTER

Administration

11311 Shaker Boulevard, Cleveland, Ohio 44104 • Phone (216) 368-7354 Fax (216) 368-7718

August 6, 1993

Mr. Roy J. Caniano
Chief, Nuclear Materials Safety Branch
United States Nuclear Regulatory Commission
Region III
700 Roosevelt Road
Glen Ellyn, IL 60137-5927

Re: Reply to Notice of Violation and Reply to Technical Deficiencies in Financial Assurance Instrument

Dear Mr. Caniano:

In my letter to you of July 23, 1993 (attached), which was in response to your Notice of Violation (NOV) dated June 25, 1993, I indicated that I would be submitting the necessary documentation which would completely achieve the necessary compliance for adequate financial assurance for decommissioning and also the necessary documentation to answer your Enclosure 3 to that same Notice of Violation (NOV), Deficiencies Found Based on Review of MetroHealth Saint Luke's Medical Center's Financial Assurance (Escrow Account) Submittal.

Please consider the enclosed attachments as our complete response to both the Notice of Violation and the technical deficiencies.

The attachments are as follows:

1. Revised Escrow Agreement - Exhibit "A" - This provides adequate financial assurance for decommissioning as required by 10 CFR 30.35.
2. A table entitled Response to the Deficiencies Found by the NRC Based on Review of Saint Luke's Medical Center's Financial Assurance (Escrow Account) with necessary attachments.

RECEIVED

AUG 09 1993

REGION III

Mr. Roy J. Caniano

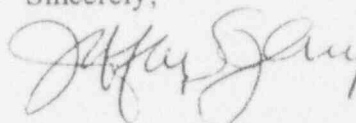
-2-

August 6, 1993

Therein are the answers to your letter with the necessary attachments. These document our actions to rectify all the deficiencies.

Please call me at (216) 368-7385 if you have any concerns or questions.

Sincerely,



Jeffrey S. Jeney
Vice President, Ancillary Services

JSJ/jb
attachments

cc - E. R. McGuire
J. E. Miller
A. R. Tracy

Response to Deficiencies Found by NRC
Based on Review of Saint Luke's Medical Center's
Financial Assurance (Escrow Account)

REVISED ESCROW AGREEMENT Exhibit "A"

- Item #1 A copy of the Certification of Financial Assurance is enclosed (Exhibit "B").
- Item #2 Paragraphs #1 and #14 have been amended to identify name and address of escrow agent (Exhibit "A").
- Item #3 Paragraph #2 has been amended to identify the amount of assurance provided for each facility (Exhibit "A").
- Item #4 Paragraph #3 has been amended to reflect the recommending wording (Exhibit "A").
- Item #5 Paragraph #4 has been amended to delete reference to interest payments (Exhibit "A").
- Item #6 A copy of the escrow agents confirmation of receipt of the Certificate of Resolution and Incumbency Certificate is enclosed (Exhibit "C").
- Item #7 The Certificate of Resolution identified in Exhibit "B" verifies that the President is authorized to enter into the escrow agreement.

July 29, 1993
NRC.art

(654/RFD)

7/20/93

ESCROW AGREEMENT

ESCROW NUMBER 75-0080-004

Paragraph 1. Establishment of Escrow Account

1. It is agreed between the parties that MetroHealth St. Luke's Medical Center ("licensee") has elected to establish an escrow account with National City Bank, a national banking association, with its principal place of business at and Corporate Trust Department located at, 1900 E. 9th St., Cleveland, Ohio 44114 ("escrow agent") to provide financial assurance for decommissioning of the facility(ies) in the amounts shown below:

MetroHealth St. Luke's Medical Center
11311 Shaker Boulevard
Cleveland, Ohio 44104
License Number: 34-00398-10

MetroHealth St. Luke's Solon Medical Center
33001 Solon Road
Solon, Ohio 44139
License Number: 34-00398-10

Paragraph 2. Description of Property in Escrow Account

It is hereby acknowledged by the parties that seventy-five thousand dollars (\$75,000) has been delivered to escrow agent (\$37,500 designated for St. Luke's Medical Center and \$37,500 designated for St. Luke's Solon Medical Center) and will remain in the escrow account created by this agreement until one of the two conditions stated in Paragraph 3 of this agreement has been satisfied.

Licensee warrants to and agrees with escrow agent that, unless otherwise expressly set forth in this Agreement: there is no security interest in the property in the escrow account or any part thereof; no financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the escrow account or any part thereof; and the escrow agent shall have no responsibility at any time to ascertain whether or not any security interest exists or to file any financing statement under the Uniform Commercial Code with respect to the escrow account or any part thereof.

Paragraph 3. Conditions of Escrow Agreement

The property described in Paragraph 2, above, will remain in the escrow account created by this agreement until one of the two following conditions has been satisfied: (1) "until completion of all decommissioning activities required by 10 CFR Part 30", the license has been terminated, the facility

site is available for unrestricted use for any public or private purpose, and the escrow account has been terminated by joint notice, in writing, from the Nuclear Regulatory Commission (NRC") and licensee; or (2) the escrow agent, has been notified by the NRC, in writing, that the licensee, has defaulted on the agreed obligation to carry out the decommissioning for the above listed facility(ies).

Paragraph 4. Disbursement of Property in Escrow Account

The escrow agent shall not make payments from the escrow account to the licensee unless it has received from the NRC a certificate duly executed by the NRC attesting to the fact that decommissioning activities required by 10 CFR 30.35 have been completed, the licenses have been terminated, the facility sites are available for unrestricted use for any public or private purpose.

Or upon escrow agent receiving written notification of licensee's default from the NRC, escrow agent shall make payments from the escrow account as the NRC shall direct, in writing, to provide for the payment of the costs of the required decommissioning activities covered by this agreement. The escrow agreement shall reimburse the licensee or other persons as specified by the NRC from the escrow account for expenses for required activities in such amounts as the NRC shall direct in writing. In addition, the escrow agent shall refund to licensee such amounts as the NRC specifies, in writing. Upon refund, such funds shall no longer constitute part of the escrow account as described in paragraph 2, above.

Paragraph 5. Irrevocability

It is also agreed between the parties that this escrow became irrevocable upon delivery to the escrow agent, and will remain irrevocable and in full force and effect until the occurrence of one of the conditions described in Paragraph 3, above.

Paragraph 6. Powers and Responsibilities of the Escrow Agent

The only powers and duties of the escrow agent shall be to hold the escrow property and to invest and dispose of it in accordance with the terms of this agreement. Escrow agent may rely and shall be protected in acting or refraining from acting upon any written notice, instruction or request furnished to hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow agent shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the rights or powers conferred upon it by this agreement, and may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

Escrow Account Management

The escrow agent shall invest and reinvest the principal and income of the escrow account and keep the escrow account invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the licensee may communicate in writing to the escrow agent from time to time, subject, however, to the provisions of the escrow account; the escrow agent shall discharge its duties with respect to the escrow account solely in the interest of

NRC and with the care, skill, prudence, and diligence, under the circumstances then prevailing, that persons of prudence, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims; except that:

- (a) Securities and other obligations of the licensee, or any other owner operator of the licensed facility(ies), or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C.) 80A-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal government;
- (b) The escrow agent is authorized to invest the escrow account in time or demand deposits to the extent insured by an agency of the Federal government;
- (c) The escrow agent is authorized to invest in National City Bank sponsored mutual funds; and
- (d) The escrow agent is authorized to hold cash, awaiting investment or distribution uninvested, for a reasonable time and without liability for the payment of interest thereon.

Express Power of the Escrow Agent

Without in any way limiting the powers and discretion conferred upon the escrow agent by other provisions of this agreement or by law, the escrow agent is expressly authorized and empowered:

- (a) To register the securities held in the escrow account in its own name and to hold any security in bearer form or in book entry, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the escrow agent shall at all times show that all such securities are part of the escrow account;
- (b) To deposit any cash in the escrow account in interest-bearing accounts or savings certificates to the extent insured by an agency of the Federal government;
- (c) To deposit funds in a mutual fund provided by Escrow Agent.
- (d) To pay taxes, from the account, of any kind that may be assessed or levied against the escrow account and all brokerage commissions incurred by the escrow account.

Paragraph 7. Annual Valuation

After delivery has been made into this escrow account, the escrow agent shall annually, at least thirty (30) days before the anniversary date of receipt of the property into the escrow account, furnish to the licensee and to the NRC a statement confirming the value of the escrow account. Any securities in the account shall be valued at market value as of no more than sixty (60) days before the anniversary date of the establishment of the escrow account. The failure of the licensee to object in writing to the escrow

agent within ninety (90) days after the statement has been furnished to the licensee shall constitute a conclusively binding assent by the licensee, barring the licensee from asserting any claim or liability against the escrow agent with respect to the matters disclosed in the statement.

Paragraph 8. Successor Escrow Agent

Upon ninety (90) days prior notice to the NRC and the licensee, the escrow agent may resign; upon ninety (90) days notice to the NRC and the escrow agent upon thirty (30) days prior notice to the NRC, may replace the escrow agent; provided that such resignation or replacement is not effective until the escrow agent has appointed a successor escrow agent and this successor accepts the appointment. The successor escrow agent shall have the same powers and duties as those conferred upon the escrow agent under this agreement. Upon the successor's acceptance of the appointment, the escrow agent shall assign, transfer, and pay over to the successor the funds and properties then constituting the escrow account. If for any reason the licensee cannot or does not act in the event of the resignation of the escrow agent, the escrow agent may apply to a court of competent jurisdiction for the appointment of a successor, or for instructions. The successor escrow agent shall specify the date on which it assumes administration of the escrow account in a writing sent to the licensee, NRC, and the current escrow agent by certified mail ten (10) days before the change becomes effective. Any expenses incurred by the escrow agent as a result of any of the acts contemplated by this paragraph shall be paid as provided in Paragraph 10 of this agreement.

Paragraph 9. Instructions to the Escrow Agent

All orders, requests, and instructions from the licensee to the escrow agent shall be in writing, signed by such persons as are signatures to this agreement, or such other designees as the licensee or NRC may designate in writing. All orders, requests, and instructions from the NRC shall be in writing, signed by the designees of the NRC. The escrow agent shall be fully protected in acting in accordance with such orders, requests, and instructions. The escrow agent shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the licensee or NRC under this agreement has occurred. The escrow agent shall have no duty to act in the absence of such orders, requests, and instructions from the licensee and/or NRC, except as provided in this agreement.

Paragraph 10. Compensation and Expenses of the Escrow Agent

The acceptance fee of the escrow agent for its services in establishing the escrow account shall be \$500.00, payable at the time of the execution of this agreement to be borne by licensee. The annual fee of the escrow agent for its services in maintaining the escrow account shall be \$750.00 payable at such time and manner as escrow agent and licensee shall mutually agree.

Expenses of the escrow agent for the administration of the escrow account, the compensation of the escrow agent for services subsequent to the establishing of the escrow account to the extent not paid directly by the licensee, and all other proper charges and disbursements shall be paid from the escrow account.

Paragraph 11. Amendment to this Agreement

This agreement may be amended by an instrument in writing executed by the licensee and the escrow agent provided that the licensee has given thirty (30) days prior notice to NRC.

Paragraph 12. Termination

This agreement can be terminated by written notice of termination to the escrow agent signed by NRC, licensee, and the escrow agent, or by the NRC alone, if the licensee has ceased to exist.

Paragraph 13. Interpretation

This escrow agreement constitutes the entire agreement between licensee and escrow agent. The escrow agent shall not be bound by any other agreement or contract entered into by licensee and the only document that may be referenced in case of ambiguity in this escrow agreement is the licensing agreement between licensee and NRC, or its successor.

Paragraph 14. Acceptance of Appointment by Escrow Agent

National City Bank, a national banking association, with its principal place of business and Corporate Trust Department located at, 1900 E. 9th Street, Cleveland, Ohio 44114, does hereby acknowledge its appointment by the licensee, to serve as escrow agent for the escrow account created under this agreement and agrees to carry out its obligations and duties as stated in this escrow agreement. National City Bank is regulated and examined by various agencies of the federal government.

Paragraph 15. Severability

If any part of this agreement is invalid, it shall not affect the remaining provisions that will remain valid and enforceable.

Paragraph 16.

This agreement shall not become effective and the escrow agent shall have no responsibility hereunder except to return the escrow property to the licensee until the escrow agent shall have received the following and shall have advised licensee in writing that the same are in form and substance satisfactory to the escrow agent:

Certified resolution of its Board of Directors authorizing the making and performance of this Agreement;

Certificate as to the names and specimen signatures of its officers or representative authorized to sign this Agreement and notices, instructions and other communications hereunder.

NATIONAL CITY BANK

By *DA Zupkovich*
Name DEBORAH ANN ZUPKOVICH
Title *Trust Officer*
Date *7-23-93*

YR 7-16-92

METROHEALTH ST. LUKE'S
MEDICAL CENTER

By *Norman A. Lewin*
Name NORMAN A. LEWIN
Title PRESIDENT
Date *7-27-93*

(654/RFD)

7/20/93

ESCROW AGREEMENT

ESCROW NUMBER 75-0080-004

Paragraph 1. Establishment of Escrow Account

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Licensee warrants to and agrees with escrow agent that, unless otherwise expressly set forth in this Agreement: there is no security interest in the property in the escrow account or any part thereof; no financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the escrow account or any part thereof; and the escrow agent shall have no responsibility at any time to ascertain whether or not any security interest exists or to file any financing statement under the Uniform Commercial Code with respect to the escrow account or any part thereof.

Paragraph 3. Conditions of Escrow Agreement

The property described in Paragraph 2, above, will remain in the escrow account created by this agreement until one of the two following conditions has been satisfied: (1) "until completion of all decommissioning activities required by 10 CFR Part 30", the license has been terminated, the facility

site is available for unrestricted use for any public or private purpose, and the escrow account has been terminated by joint notice, in writing, from the Nuclear Regulatory Commission (NRC") and licensee; or (2) the escrow agent, has been notified by the NRC, in writing, that the licensee, has defaulted on the agreed obligation to carry out the decommissioning for the above listed facility(ies).

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The escrow agent shall not make payments from the escrow account to the licensee unless it has received from the NRC a certificate duly executed by the NRC attesting to the fact that decommissioning activities required by 10 CFR 30.35 have been completed, the licenses have been terminated, the facility sites are available for unrestricted use for any public or private purpose.

Or upon escrow agent receiving written notification of licensee's default from the NRC, escrow agent shall make payments from the escrow account as the NRC shall direct, in writing, to provide for the payment of the costs of the required decommissioning activities covered by this agreement. The escrow agreement shall reimburse the licensee or other persons as specified by the NRC from the escrow account for expenses for required activities in such amounts as the NRC shall direct in writing. In addition, the escrow agent shall refund to licensee such amounts as the NRC specifies, in writing. Upon refund, such funds shall no longer constitute part of the escrow account as described in paragraph 2, above.

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Paragraph 6. Powers and Responsibilities of the Escrow Agent

The only powers and duties of the escrow agent shall be to hold the escrow property and to invest and dispose of it in accordance with the terms of this agreement. Escrow agent may rely and shall be protected in acting or refraining from acting upon any written notice, instruction or request furnished to hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow agent shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the rights or powers conferred upon it by this agreement, and may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

Escrow Account Management

The escrow agent shall invest and reinvest the principal and income of the escrow account and keep the escrow account invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the licensee may communicate in writing to the escrow agent from time to time, subject, however, to the provisions of the escrow account; the escrow agent shall discharge its duties with respect to the escrow account solely in the interest of

NRC and with the care, skill, prudence, and diligence, under the circumstances then prevailing, that persons of prudence, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims; except that:

- (a) Securities and other obligations of the licensee, or any other owner operator of the licensed facility(ies), or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C.) 80A-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal government;
- (b) The escrow agent is authorized to invest the escrow account in time or demand deposits to the extent insured by an agency of the Federal government;
- (c) The escrow agent is authorized to invest in National City Bank sponsored mutual funds; and
- (d) The escrow agent is authorized to hold cash, awaiting investment or distribution uninvested, for a reasonable time and without liability for the payment of interest thereon.

Express Power of the Escrow Agent

Without in any way limiting the powers and discretion conferred upon the escrow agent by other provisions of this agreement or by law, the escrow agent is expressly authorized and empowered:

- (a) To register the securities held in the escrow account in its own name and to hold any security in bearer form or in book entry, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the escrow agent shall at all times show that all such securities are part of the escrow account;
- (b) To deposit any cash in the escrow account in interest-bearing accounts or savings certificates to the extent insured by an agency of the Federal government;
- (c) To deposit funds in a mutual fund provided by Escrow Agent.
- (d) To pay taxes, from the account, of any kind that may be assessed or levied against the escrow account and all brokerage commissions incurred by the escrow account.

Paragraph 7. Annual Valuation

After delivery has been made into this escrow account, the escrow agent shall annually, at least thirty (30) days before the anniversary date of receipt of the property into the escrow account, furnish to the licensee and to the NRC a statement confirming the value of the escrow account. Any securities in the account shall be valued at market value as of no more than sixty (60) days before the anniversary date of the establishment of the escrow account. The failure of the licensee to object in writing to the escrow

agent within ninety (90) days after the statement has been furnished to the licensee shall constitute a conclusively binding assent by the licensee, barring the licensee from asserting any claim or liability against the escrow agent with respect to the matters disclosed in the statement.

Paragraph 8. Successor Escrow Agent

Upon ninety (90) days prior notice to the NRC and the licensee, the escrow agent may resign; upon ninety (90) days notice to the NRC and the escrow agent upon thirty (30) days prior notice to the NRC, may replace the escrow agent; provided that such resignation or replacement is not effective until the escrow agent has appointed a successor escrow agent and this successor accepts the appointment. The successor escrow agent shall have the same powers and duties as those conferred upon the escrow agent under this agreement. Upon the successor's acceptance of the appointment, the escrow agent shall assign, transfer, and pay over to the successor the funds and properties then constituting the escrow account. If for any reason the licensee cannot or does not act in the event of the resignation of the escrow agent, the escrow agent may apply to a court of competent jurisdiction for the appointment of a successor, or for instructions. The successor escrow agent shall specify the date on which it assumes administration of the escrow account in a writing sent to the licensee, NRC, and the current escrow agent by certified mail ten (10) days before the change becomes effective. Any expenses incurred by the escrow agent as a result of any of the acts contemplated by this paragraph shall be paid as provided in Paragraph 10 of this agreement.

Paragraph 9. Instructions to the Escrow Agent

All orders, requests, and instructions from the licensee to the escrow agent shall be in writing, signed by such persons as are signatures to this agreement, or such other designees as the licensee or NRC may designate in writing. All orders, requests, and instructions from the NRC shall be in writing, signed by the designees of the NRC. The escrow agent shall be fully protected in acting in accordance with such orders, requests, and instructions. The escrow agent shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the licensee or NRC under this agreement has occurred. The escrow agent shall have no duty to act in the absence of such orders, requests, and instructions from the licensee and/or NRC, except as provided in this agreement.

Paragraph 10. Compensation and Expenses of the Escrow Agent

The acceptance fee of the escrow agent for its services in establishing the escrow account shall be \$500.00, payable at the time of the execution of this agreement to be borne by licensee. The annual fee of the escrow agent for its services in maintaining the escrow account shall be \$750.00 payable at such time and manner as escrow agent and licensee shall mutually agree.

Expenses of the escrow agent for the administration of the escrow account, the compensation of the escrow agent for services subsequent to the establishing of the escrow account to the extent not paid directly by the licensee, and all other proper charges and disbursements shall be paid from the escrow account.

Paragraph 11. Amendment to this Agreement

This agreement may be amended by an instrument in writing executed by the licensee and the escrow agent provided that the licensee has given thirty (30) days prior notice to NRC.

Paragraph 12. Termination

This agreement can be terminated by written notice of termination to the escrow agent signed by NRC, licensee, and the escrow agent, or by the NRC alone, if the licensee has ceased to exist.

Paragraph 13. Interpretation

This escrow agreement constitutes the entire agreement between licensee and escrow agent. The escrow agent shall not be bound by any other agreement or contract entered into by licensee and the only document that may be referred to in case of ambiguity in this escrow agreement is the licensing agreement between licensee and NRC, or its successor.

Paragraph 14. Acceptance of Appointment by Escrow Agent

National City Bank, a national banking association, with its principal place of business and Corporate Trust Department located at, 1900 E. 9th Street, Cleveland, Ohio 44114, does hereby acknowledge its appointment by the licensee, to serve as escrow agent for the escrow account created under this agreement and agrees to carry out its obligations and duties as stated in this escrow agreement. National City Bank is regulated and examined by various agencies of the federal government.

Paragraph 15. Severability

If any part of this agreement is invalid, it shall not affect the remaining provisions that will remain valid and enforceable.

Paragraph 16.

This agreement shall not become effective and the escrow agent shall have no responsibility hereunder except to return the escrow property to the licensee until the escrow agent shall have received the following and shall have advised licensee in writing that the same are in form and substance satisfactory to the escrow agent:

Certified resolution of its Board of Directors authorizing the making and performance of this Agreement;

Certificate as to the names and specimen signatures of its officers or representative authorized to sign this Agreement and notices, instructions and other communications hereunder.

NATIONAL CITY BANK

By *D. Zupkovich*
Name DEBORAH ANN ZUPKOVICH
Title *Trust Officer*
Date *7-23-93*
for 7-16-92

METROHEALTH ST. LUKE'S
MEDICAL CENTER

By *Norman A. Leowin*
Name NORMAN A. Leowin
Title *President*
Date *7-27-93*

NOTICE OF VIOLATION

Metro Health Saint Lukes
Medical Center
Division of Radiation Oncology
11311 Shaker Boulevard
Cleveland, OH 44104

License No. 34-00398-10
Docket No. 030-17512

During the NRC review of your Financial Assurance, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1992), the violation is listed below:

10 CFR 30.35(c)(3) requires each holder of a specific license issued before July 27, 1990, and of a type described in 30.35(b), to submit, on or before July 27, 1990, a certification of financial assurance for decommissioning or a decommissioning funding plan in accordance with the criteria set forth in 10 CFR 30.35.

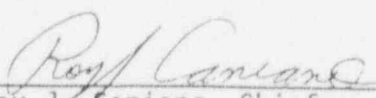
Contrary to the above, on or before July 27, 1990, the licensee had not submitted a certification of financial assurance for decommissioning or a decommissioning funding plan in accordance with the criteria in 10 CFR 30.35 and the licensee is a holder of a license issued before July 27, 1990, of a type described in 10 CFR 30.35(b). Specifically, the licensee failed to submit any evidence of financial assurance by July 27, 1990.

This is a Severity Level IV violation (Supplement VII).

Pursuant to the provisions of 10 CFR 2.201, Metro Health Saint Lukes Medical Center is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, Region III, 799 Roosevelt Road, Glen Ellyn, Illinois, 60137, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or a demand for information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

JUN 25 1993

Dated _____


Roy J. Caniano, Chief
Nuclear Materials Safety Branch

92-00410-28 8PP

**SAINT LUKE'S
MEDICAL CENTER**

11311 Shaker Boulevard, Cleveland, Ohio 44104

CERTIFICATION OF FINANCIAL ASSURANCE

Principal: Saint Luke's Medical Center
11311 Shaker Boulevard
Cleveland, Ohio 44104
License Number: 34-00398-10

Saint Luke's Solon Medical Center
33001 Solon Road
Solon, Ohio 44139
License Number: 34-00398-10

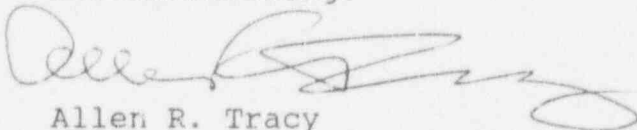
Issued to: U.S. Nuclear Regulatory Commission

This is to certify that Saint Luke's Medical Center and Saint Luke's Solon Medical Center are licensed to possess Cobalt 60 in the following amounts:

7,000 Ci at Saint Luke's Medical Center, and

7,000 Ci at Saint Luke's Solon Medical Center

and that financial assurance in the amount prescribed by 10 CFR Part 30, \$75,000, has been obtained for the purpose of decommissioning.


Allen R. Tracy
Vice President, Finance
Saint Luke's Medical Center

July 16, 1993

**SAINT LUKE'S
MEDICAL CENTER**

11311 Shaker Boulevard, Cleveland, Ohio 44104

CERTIFICATION OF FINANCIAL ASSURANCE

Principal: Saint Luke's Medical Center
11311 Shaker Boulevard
Cleveland, Ohio 44104
License Number: 34-00398-10

Saint Luke's Solon Medical Center
33001 Solon Road
Solon, Ohio 44139
License Number: 34-00398-10

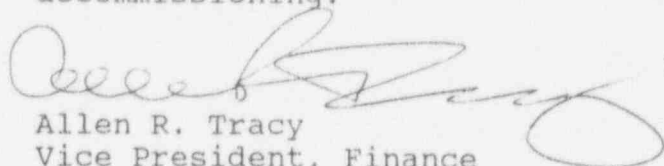
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7,000 Ci at Saint Luke's Medical Center, and

7,000 Ci at Saint Luke's Solon Medical Center

and that financial assurance in the amount prescribed by 10 CFR Part 30, \$75,000, has been obtained for the purpose of decommissioning.



Allen R. Tracy
Vice President, Finance
Saint Luke's Medical Center

July 16, 1993



A National City Company

July 23, 1993

RECEIVED

JUL 23 1993
VICE PRESIDENT, FINANCE
Saint Luke's Medical Center

Mr. Allen R. Tracy
Vice President - Finance
St. Luke's Medical Center
11311 Shaker Boulevard
Cleveland, OH 44104

Re: St. Luke's NRC Escrow #75-0080-004

Dear Al:

In accordance with Paragraph 16 of the escrow agreement for the above captioned account, we are confirming receipt of the following documents:

- 1) Certified resolution of the Board of Directors authorizing the making and performance of the escrow agreement.
- 2) Certificate indicating names and specimen signatures of officers or representatives authorized to sign the escrow agreement and notices, instructions and other communications.

Both of these documents are satisfactory to National City Bank, Escrow Agent, in both form and substance.

If you have any questions, please call me at 575-9225.

Very truly yours,

A handwritten signature in cursive script that reads 'Deborah A. Zupkovich'.

Deborah A. Zupkovich
Trust Officer

DAZ:sm

SAINT LUKE'S MEDICAL CENTER

Certificate of Resolution

I, Rita D. Demma, do hereby certify that I am Assistant Secretary of Saint Luke's Medical Center, an Ohio corporation, and that the resolution listed below was duly adopted at a meeting of the Corporation's Board of Trustees on May 6, 1992.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Corporation this 22nd day of July, 1993.

Rita D. Demma
Assistant Secretary
Saint Luke's Medical Center

RESOLVED, that this Board of Trustees hereby authorizes the President, or such other employee of the Corporation as he may designate (Vice President, Finance), "to enter into an escrow agreement" or "to commence decommissioning activities" at Saint Luke's Medical Center and Saint Luke's Solon Medical Center, with the National City Bank in accordance with the terms and conditions described to the Board of Trustees at this meeting and with such other terms and conditions as the President shall approve with and upon the advice of Counsel.

SAINT LUKE'S MEDICAL CENTER

Certificate of Resolution

I, Rita D. Demma, do hereby certify that I am Assistant Secretary of Saint Luke's Medical Center, an Ohio corporation, and that the resolution listed below was duly adopted at a meeting of the Corporation's Board of Trustees on May 6, 1992.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Corporation this 22nd day of July, 1993.

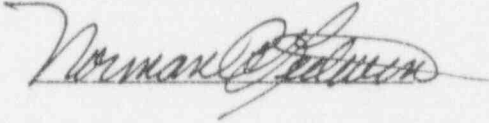
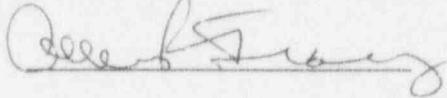
Rita D. Demma
Assistant Secretary
Saint Luke's Medical Center

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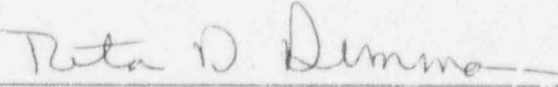
SAINT LUKE'S MEDICAL CENTER

Incumbency Certificate

The undersigned officer of Saint Luke's Medical Center, Cleveland, Ohio (the "Medical Center"), hereby certifies that each of the following named individuals has been duly elected or appointed, is duly qualified, and from January 1, 1993 to this day has been and is the officer of the Medical Center or of the Board of Trustees of the Medical Center (the "Board") holding the respective office or offices set opposite his name and the signature set opposite each name is the true and genuine signature of that person.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Norman A. Ledwin	President and Chief Executive Officer	
Allen R. Tracy	Vice President, Finance	

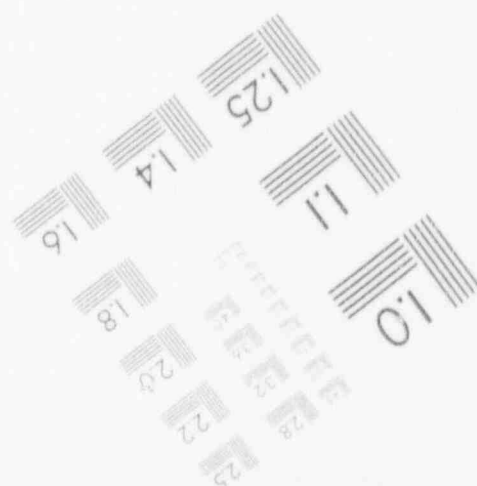
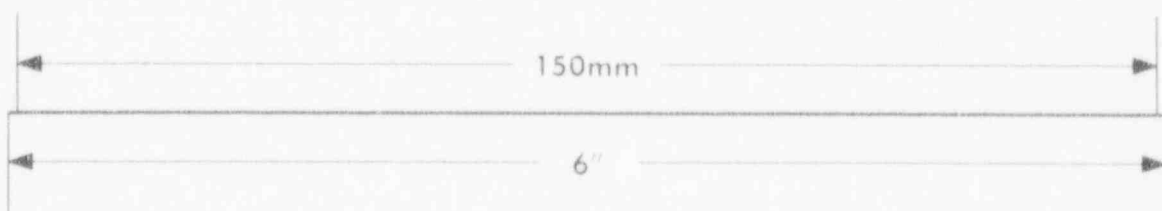
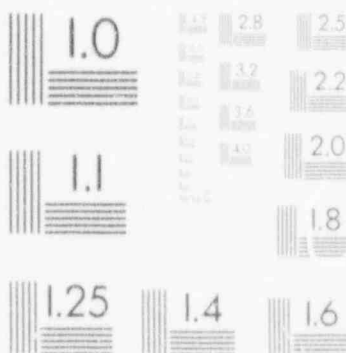
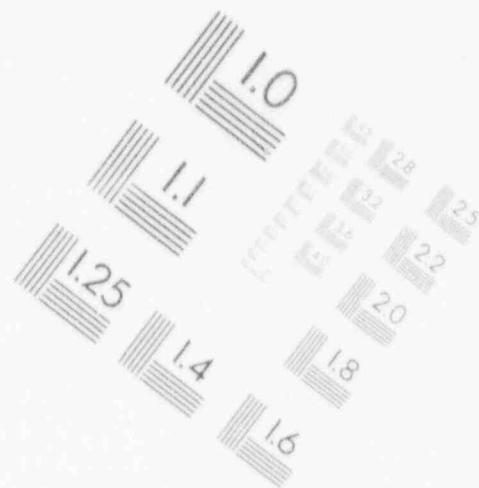
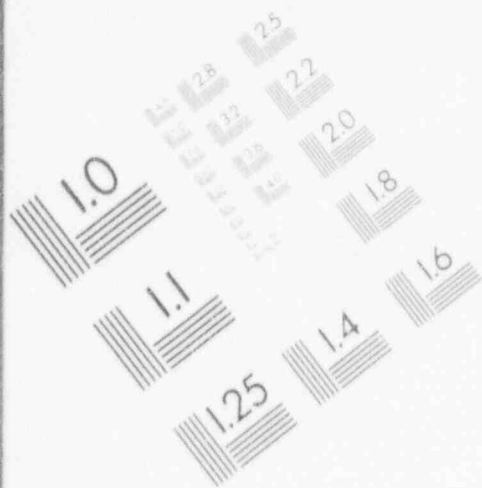
IN WITNESS WHEREOF, I have hereunto set my hand as of
July 22, 1993.



Assistant Secretary
Saint Luke's Medical Center

2

IMAGE EVALUATION TEST TARGET (MT-3)



PHOTOGRAPHIC SCIENCES CORPORATION

770 BASKET ROAD

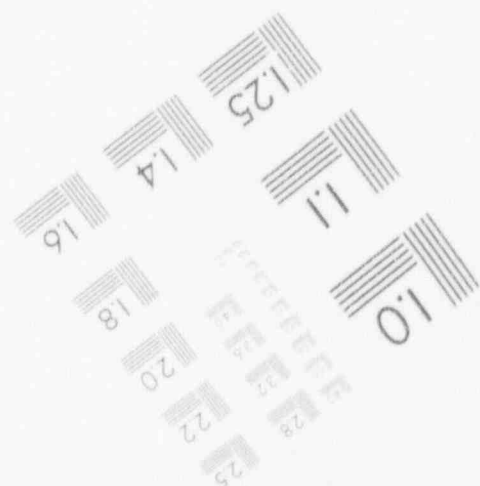
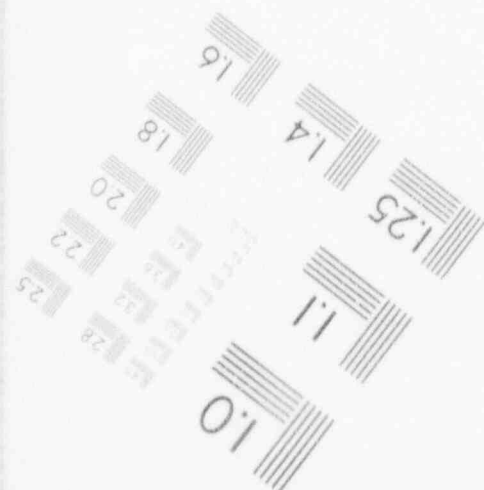
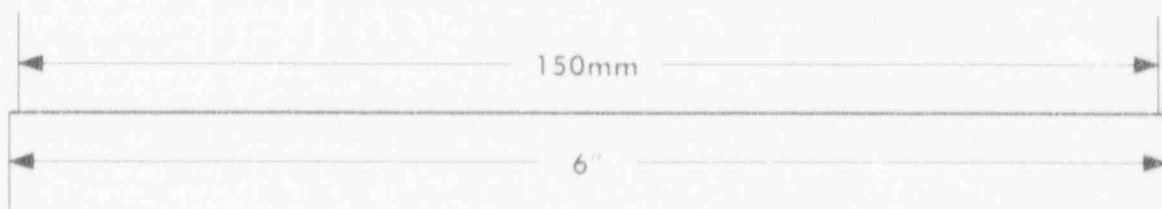
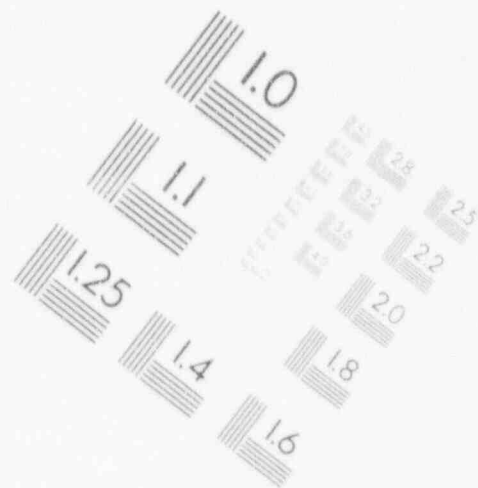
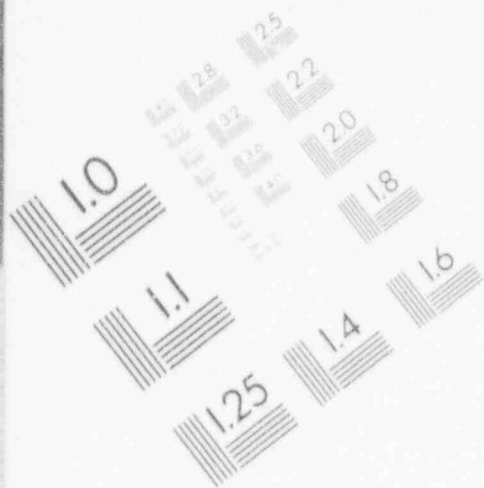
P.O. BOX 338

WEBSTER, NEW YORK 14580

(716) 265-1600

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IMAGE EVALUATION TEST TARGET (MT-3)



PHOTOGRAPHIC SCIENCES CORPORATION

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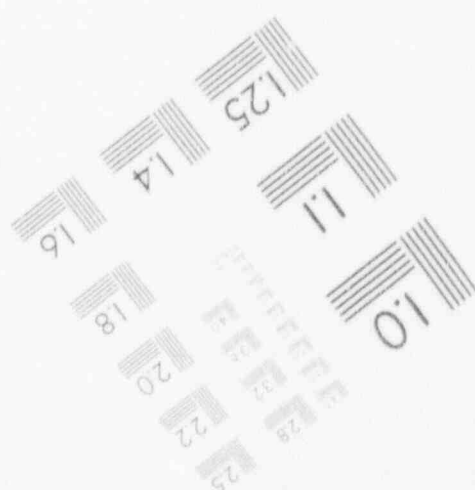
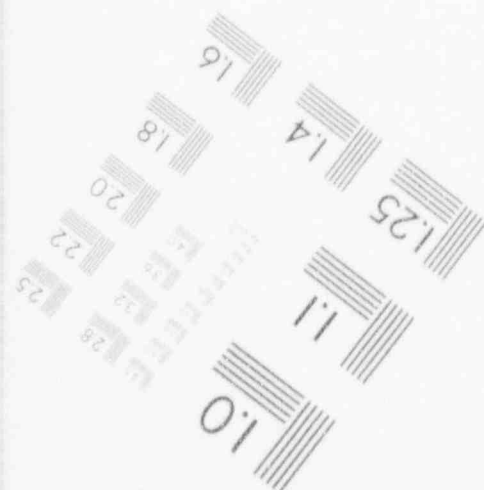
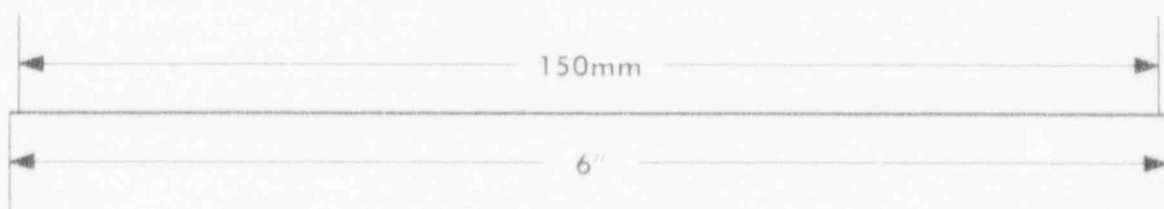
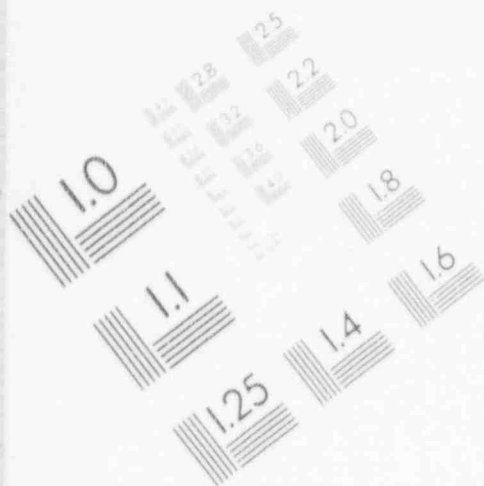
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(716) 265-1600

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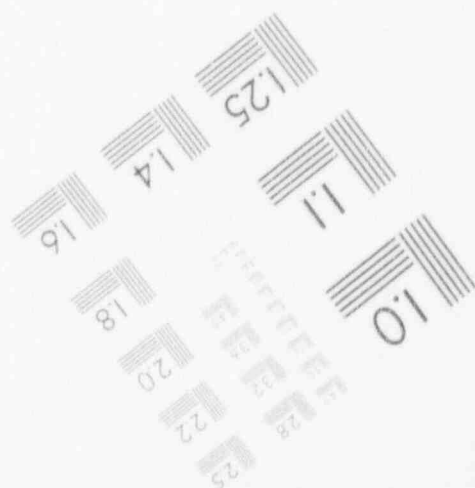
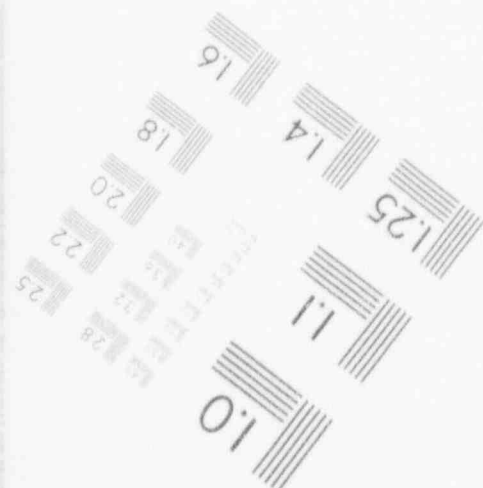
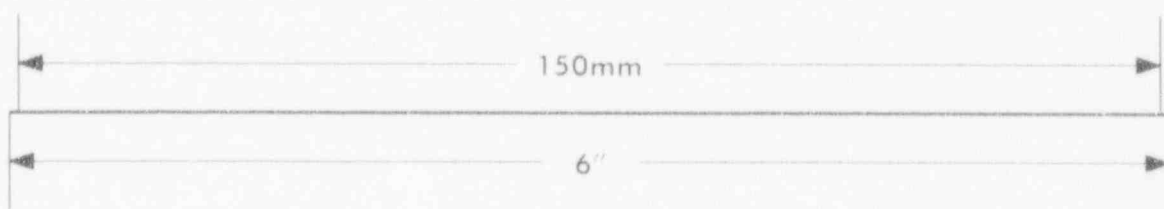
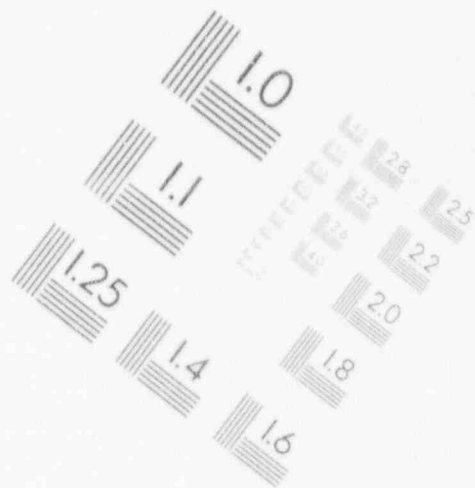
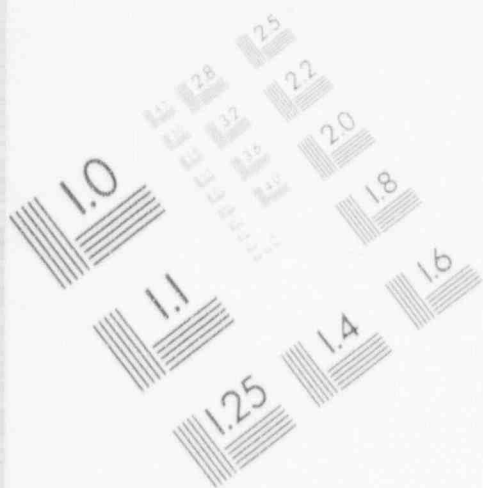
IMAGE EVALUATION TEST TARGET (MT-3)



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P.O. BOX 338
WEBSTER, NEW YORK 14580
(716) 265-1600

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IMAGE EVALUATION TEST TARGET (MT-3)

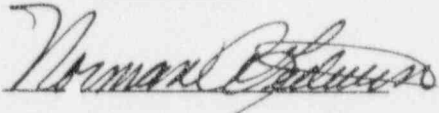
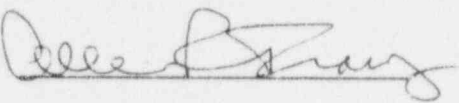


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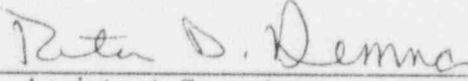
SAINT LUKE'S MEDICAL CENTER

Incumbency Certificate

The undersigned officer of Saint Luke's Medical Center, Cleveland, Ohio (the "Medical Center"), hereby certifies that each of the following named individuals has been duly elected or appointed, is duly qualified, and from January 1, 1993 to this day has been and is the officer of the Medical Center or of the Board of Trustees of the Medical Center (the "Board") holding the respective office or offices set opposite his name and the signature set opposite each name is the true and genuine signature of that person.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Norman A. Ledwin	President and Chief Executive Officer	
Allen R. Tracy	Vice President, Finance	

IN WITNESS WHEREOF, I have hereunto set my hand as of
July 22, 1993.



Assistant Secretary
Saint Luke's Medical Center



SAINT LUKE'S
MEDICAL CENTER

Administration

11311 Shaker Boulevard, Cleveland, Ohio 44104 • Phone (216) 368-7385 Fax (216) 368-7718

July 23, 1993

United States Regulatory Commission
Region 111
799 Roosevelt Road
Glen Ellyn, Illinois 60137-5927

Att: Roy J. Caniano, Chief
Nuclear Materials Safety Branch

Subject: REPLY TO NOTICE OF VIOLATION

Dear Mr. Caniano:

This letter serves as a written response to your Notice of Violation (NOV) dated June 25, 1993 in regards to MetroHealth Saint Luke's Medical Center's failure to submit, on or before July 27, 1990, adequate financial assurance for decommissioning as required by 10 CFR 30.35.

1. Reason for the Violation

MetroHealth Saint Luke's Medical Center did not comply with the requirement to submit adequate financial assurance for decommissioning by July 27, 1990. It was, however, never our intention to not meet the requirements of 10 CFR 30.35. Your Notice of Violation, in fact, correctly documents our repeated attempts to clarify our requirements with representatives of the Nuclear Regulatory Commission. We also contacted financial representatives of banks in Cleveland and a financial institution on Wall Street, which was a referral obtained from Nuclear Medicine Associates, our consultants in the matter of decommissioning. We were not able to receive the necessary financial assistance from these institutions to meet the requirements of the regulations. These institutions were also unwilling to work through an understanding of the Nuclear Regulatory Commission's language so that they could commit to the regulation's requirements.

In an attempt to free ourselves from the requirements of the decommissioning we did consider splitting our license, but when the Nuclear Regulatory Commission informed its license holders of an annual maintenance fee per license which would have become an added financial burden to our organization, we decided not to split the license.

We finally obtained the necessary financial vehicle. Throughout the entire process we maintained an ongoing correspondence by phone and in writing with the Nuclear Regulatory Commission.

9209140HT 2PP

Mr. Roy J. Caniano
July 23, 1993 - Page Two

2. Corrective Steps Already Taken and Results Achieved

We are in the process of obtaining the required documentation from National City Bank of Cleveland, Ohio, which will serve as our certification of financial assurance. Unfortunately, because of all the necessary review that needed to be done that was internal to the bank and, therefore, out of our control to return on a timely basis, we are not now able to attach this documentation. I have been assured that the bank will have all the necessary documentation available in a matter of days. We will submit this to you as soon as we receive it.

3. Corrective Steps To Be Taken To Avoic Further Violations

This issue appears to have been addressed. We expect no repeat occurrence in regard to this regulation. In the future we will communicate more effectively with the Nuclear Regulatory Commission in writing and make it aware of difficulties or questions we might have in regard to regulatory compliance.

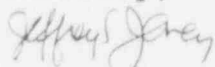
4. Date When Full Compliance Will Be Achieved

Compliance was met in our letter submitted to you dated July 17, 1992. This letter, however, did not contain information satisfactory to the Commission. We have been informed by our bank that all necessary documentation will shortly be available to answer your concerns in regard to the financial assurance requirements.

When the information is available from National City Bank of Cleveland, Ohio, we will also respond to your Enclosure 3, Deficiencies Found Based on Review of MetroHealth Saint Luke's Medical Center's Financial Assurance (Escrow Account) Submittal.

If there are any further questions in regard to my response, please contact me at 216-368-7385.

Sincerely,



Jeffrey S. Jeney
Vice President - Ancillary Services

cc: James Miller
Mark Rosenfeld, M.D.
Gregory Arko, D.O.
Alvin Tracy
Frank Bloer