

American National Bank

40-7580

and Trust Company of Chicago
INTERNATIONAL OPERATIONS
PHONE 312-661-5709
FAX 312-661-5467
33 NORTH LAGALLE STREET
CHICAGO, IL 60690

IRREVOCABLE DOCUMENTARY CREDIT NUMBER 60706650

DATE: AUGUST 22, 1995

BENEFICIARY
U.S. NUCLEAR REGULATORY COMMISSION
WASHINGTON, DC 20555

APPLICANT
FANSTEEL INC.
NO. ONE TANTALUM PLACE
NORTH CHICAGO, IL 60064

AMOUNT
U.S. \$750,000.00 (U.S.
DOLLARS SEVEN HUNDRED
FIFTY THOUSAND AND
NO/100)

RE: LICENSE # SMB911

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. 60706650 IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF FANSTEEL INC., NUMBER ONE TANTALUM PLACE, NORTH CHICAGO, IL 60064 UP TO THE AGGREGATE AMOUNT OF SEVEN HUNDRED FIFTY THOUSAND AND NO/100 U.S. DOLLARS (U.S. \$750,000.00), AVAILABLE UPON PRESENTATION OF:

- 1) YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO. 60706650, AND
- 2) YOUR SIGNED STATEMENT READING AS FOLLOWS: "I, A REPRESENTATIVE OF U.S. NUCLEAR REGULATORY COMMISSION, CERTIFY THAT THE AMOUNT OF THE DRAFT IS PAYABLE PURSUANT TO REGULATIONS ISSUED UNDER AUTHORITY OF U.S. NUCLEAR REGULATORY COMMISSION."

WE UNDERSTAND THAT THIS LETTER OF CREDIT IS ISSUED IN ACCORDANCE WITH REGULATIONS ISSUED UNDER THE AUTHORITY OF THE U.S. NUCLEAR REGULATORY COMMISSION (NRC), AN AGENCY OF THE U.S. GOVERNMENT, PURSUANT TO THE ATOMIC ENERGY ACT OF 1954, AS AMENDED, AND THE ENERGY REORGANIZATION ACT OF 1974. THE NRC HAS PROMULGATED REGULATIONS IN TITLE 10, CHAPTER I OF THE CODE OF FEDERAL REGULATIONS, PART (30,40,70 OR 72) WHICH REQUIRE THAT A HOLDER OF, OR AN APPLICANT FOR, A LICENSE ISSUED UNDER 10 CFR PARTS (30,40,70 OR 72) PROVIDE ASSURANCE THAT FUNDS WILL BE AVAILABLE WHEN NEEDED FOR DECOMMISSIONING.

THIS LETTER OF CREDIT IS EFFECTIVE AS OF AUGUST 22, 1995 AND SHALL EXPIRE ON JULY 27, 1996, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF ONE YEAR ON JULY 27, 1996 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS AT LEAST NINETY (90) DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND FANSTEEL INC., VIA

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PDR ADDCK 04007580
C PDR

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NFO 1/10

American National Bank

and Trust Company of Chicago
INTERNATIONAL OPERATIONS DIVISION
33 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60690 U.S.A.
TELEX NUMBER: 6733816
CABLE ADDRESS: ANB CGO
SWIFT ADDRESS: ANBTUS44A
TELEPHONE: (312) 661-5709 FAX (312) 661-5467

AMENDMENT

DATE: MAY 10, 1996

X
U.S. NUCLEAR REGULATORY COMMISSION
ATTN. JOHN W.N. HICKEY
WASHINGTON, DC 20555

DRAFTS DRAWN MUST BE MARKED
WITH OUR REF NO: 60706650
OPENER'S REFERENCE NO:
60706650

WE ARE INSTRUCTED BY:

FANSTEEL, INC.
NUMBER ONE TANTALUM PL.
NORTH CHICAGO, IL 60064

TO AMEND CREDIT 60706650 AS ISSUED IN YOUR FAVOR.

THIS AMENDMENT IS AN INTEGRAL PART OF THE ORIGINAL CREDIT. ALL OTHER
TERMS AND CONDITIONS OF THE LETTER OF CREDIT INCLUDING PREVIOUS
AMENDMENTS REMAIN UNCHANGED.

AMENDED TERMS AND CONDITIONS:

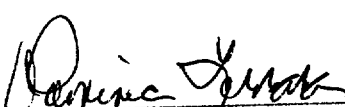
EXPIRATION DATE: JULY 27, 1997

THE EXPIRATION DATE OF THIS LETTER OF CREDIT HAS NOW BEEN UPDATED TO
READ JULY 27, 1997 TO COMPLY WITH THE AUTO RENEWAL CLAUSE MENTIONED IN
THE ORIGINAL LETTER OF CREDIT TERMS.


THIS LETTER OF CREDIT IS TO ACCOMPANY ALL DRAFT(S) AND DOCUMENTS.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR
DOCUMENTARY CREDIT, INTERNATIONAL CHAMBER OF COMMERCE ICC 500.

WHEN PRESENTING YOUR DRAFT(S) AND DOCUMENTS OR WHEN COMMUNICATING WITH
US PLEASE MAKE REFERENCE TO OUR NUMBER SHOWN ABOVE.



AUTHORIZED SIGNATURE



AUTHORIZED SIGNATURE

ORIGINAL

American National Bank
and Trust Company of Chicago

INTERNATIONAL OPERATIONS DIVISION
33 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60690 U.S.A.
TELEX NUMBER: 6733816
CABLE ADDRESS: ANB CGO
SWIFT ADDRESS: ANBTUS44A
TELEPHONE: (312) 661-5709 FAX (312) 661-5467

AMENDMENT

DATE: SEPTEMBER 16, 1996

U.S. NUCLEAR REGULATORY COMMISSION
ATTN. JOHN W.N. HICKEY
WASHINGTON, DC 20555

DRAFTS DRAWN MUST BE MARKED
WITH OUR REF NO: 60706650
OPENER'S REFERENCE NO:
60706650

WE ARE INSTRUCTED BY:

FANSTEEL, INC.
NUMBER ONE TANTALUM PL.
NORTH CHICAGO, IL 60064

TO AMEND CREDIT 60706650 AS ISSUED IN YOUR FAVOR.

THIS AMENDMENT IS AN INTEGRAL PART OF THE ORIGINAL CREDIT. ALL OTHER TERMS AND CONDITIONS OF THE LETTER OF CREDIT INCLUDING PREVIOUS AMENDMENTS REMAIN UNCHANGED.

AMENDED TERMS AND CONDITIONS:

1. UNDER THE AUTOMATIC RENEWAL CLAUSE, PLEASE CHANGE TO READ:


"....UNLESS 120 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND THE APPLICANT, BY CERTIFIED MAIL, RETURN RECEIPT REQUEST, THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT FOR SUCH ADDITIONAL PERIOD."

2. PLEASE ADD THE FOLLOWING:

"WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN COMPLIANCE WITH THIS LETTER OF CREDIT, WE SHALL DULY HONOR SUCH DRAFT UPON ITS PRESENTATION TO US WITHIN 30 DAYS, AND WE SHALL DEPOSIT THE AMOUNT OF THE DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF THE APPLICANT IN ACCORDANCE WITH YOUR INSTRUCTIONS."

3. PLEASE DELETE THE FOLLOWING:

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500 AND THE "UNIFORM COMMERCIAL CODE."


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PAGE ORIGINAL

American National Bank
and Trust Company of Chicago

OUR REF NO. 60706650

DATE: SEPTEMBER 16, 1996

AND NOW READ AS:

"THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDIT, INTERNATIONAL CHAMBER OF COMMERCE ICC 500.

4. THE ATTENTION PARTY OF THE BENEFICIARY HAS NOW BEEN DELETED

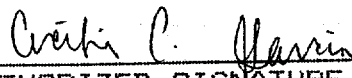
BENEFICIARY -- PLEASE GIVE US YOUR URGENT WRITTEN CONSENT TO THIS AMENDMENT BY SIGNING AND RETURNING THIS ATTACHED COPY.

THIS AMENDMENT IS TO ACCOMPANY ALL DRAFT(S) AND DOCUMENTS.

WHEN PRESENTING YOUR DRAFT(S) AND DOCUMENTS OR WHEN COMMUNICATING WITH US PLEASE MAKE REFERENCE TO OUR NUMBER SHOWN ABOVE.



AUTHORIZED SIGNATURE



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TELEX NUMBER: 6733816
CABLE ADDRESS: ANB CGO
SWIFT ADDRESS: ANBTUS44A
TELEPHONE: (312) 661-5709 FAX (312) 661-5467

AMENDMENT

DATE: MARCH 27, 1998

X U.S. NUCLEAR REGULATORY COMMISSION
ATTN. JOHN W.N. HICKEY
WASHINGTON, DC 20555

DRAFTS DRAWN MUST BE MARKED
WITH OUR REF NO: 60706650
OPENER'S REFERENCE NO:
60706650

WE ARE INSTRUCTED BY:

FANSTEEL, INC.
NUMBER ONE TANTALUM PL.
NORTH CHICAGO, IL 60064

TO AMEND CREDIT 60706650 AS ISSUED IN YOUR FAVOR.

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TERMS AND CONDITIONS OF THE LETTER OF CREDIT INCLUDING PREVIOUS
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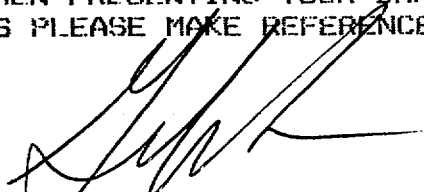
AMENDED TERMS AND CONDITIONS:

EXPIRATION DATE: JULY 27, 1999

THE EXPIRATION DATE OF THIS LETTER OF CREDIT HAS NOW BEEN UPDATED TO
READ JULY 27, 1999 TO COMPLY WITH THE AUTO RENEWAL CLAUSE MENTIONED IN
THE ORIGINAL LETTER OF CREDIT TERMS.

THIS AMENDMENT IS TO ACCOMPANY ALL DRAFTS AND DOCUMENTS.

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