

STANDBY TRUST AGREEMENT

TRUST AGREEMENT, the Agreement entered into as of December 22, 1992 by and between Whittaker Corporation, a Delaware corporation, herein referred to as the "Grantor", and NationsBank of Texas, N.A., the "Trustee."

WHEREAS, 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, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 40. These regulations, applicable to the Grantor, require that a holder of, or an applicant for, a Part 30, 40, 70, or 72 license provide assurance that funds will be available when needed for required decommissioning activities.

WHEREAS, the Grantor has elected to use a letter of credit to provide all of such financial assurance for the facilities identified herein and has established Letter of Credit No. LASB-217741 dated April 8, 1993; and

WHEREAS, when payment is made under a letter of credit, this standby trust shall be used for the receipt of such payment; and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee,

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

(a) The term "Grantor" means the NRC licensee who enters into this Agreement and any successors or assigns of the Grantor.

(b) The term "Trustee" means the trustee who enters into this Agreement and any successor Trustee.

Section 2. Costs of Decommissioning. This Agreement pertains to the costs of decommissioning the materials and activities identified in License Number SMA 1018 issued pursuant to 10 CFR Part 40 as shown in Schedule A.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a standby trust fund (the "Fund") for the benefit of the NRC. The Grantor and the Trustee intend that no third party have access to the Fund except as provided herein.

Section 4. Payments Constituting the Fund. Payments made to the Trustee for the Fund shall consist of cash, securities, or other liquid assets acceptable to the Trustee. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B attached hereto.

NONNEGOTIABLE

Such property and any other property subsequently transferred to the Trustee are referred to as the "Fund," together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount of, or adequacy of the Fund, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by the NRC.

Section 5. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor upon presentation to the Trustee of the following:

- a. A certificate duly executed by the Secretary of the Depositor attesting to the occurrence of the events, and in the form set forth in the attached Specimen Certificate, and
- b. A certificate attesting to the following conditions:
 - (1) that decommissioning is proceeding pursuant to an NRC-approved plan;
 - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that Plan; and
 - (3) that the NRC has been given 30 days' prior notice of the licensee's intent to withdraw funds from the escrow fund.

No withdrawal from the fund can exceed ten percent (10%) of the outstanding balance of the Fund or \$75,000, whichever is greater, unless NRC approval is attached.

In the event of the Grantor's default or inability to direct decommissioning activities, the Trustee shall make payments from the Fund as the NRC shall direct, in writing, to provide for the payment of the costs of required activities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the NRC, or State agency, from the Fund for expenditures for required activities in such amounts as the NRC, or State agency, shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trust Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal

and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge its duties with respect to the Fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, 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 or a State government;
- (b) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal Government, and in obligations of the Federal Government such as GNMA, FNMA, and FHLM bonds and certificates or State and Municipal bonds rated BBB or higher by Standard and Poors or Baa or higher by Moody's Investment Services; and
- (c) For a reasonable time, not to exceed 60 days, the Trustee is authorized to hold uninvested cash, awaiting investment or distribution, without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), including one that may be created, managed, underwritten, or to which investment advice is rendered, or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary to allow duly authorized withdrawals at the joint request of the Grantor and the NRC or to reinvest in securities at the direction of the Grantor;
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in its own name, or in the name of a nominee, and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, to reinvest interest payments and funds from matured and redeemed instruments, to file proper forms concerning securities held in the Fund in a timely fashion with appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee or such depository with other securities deposited therein by another person, 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 Trustee shall at all times show that all such securities are part of the Fund;
- (d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal government; and
- (e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the

Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. After payment has been made into this standby trust fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the standby trust fund, furnish to the Grantor and to the NRC a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of the establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the NRC, or State agency, shall constitute a conclusively binding assent by the Grantor, barring the grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing with the Grantor. (See Schedule C.)

Section 13. Successor Trustee. Upon 90 days notice to the U.S. Nuclear Regulatory Commission, the Trustee may resign; upon 90 days notice to the U.S. Nuclear Regulatory Commission and the Trustee, the Grantor may replace the Trustee; but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee and this successor accepts the appointment. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the NRC or State agency, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are signatories to this agreement or such other designees as the Grantor may designate in writing. The Trustee shall be fully protected in acting without inquiry in accordance with the grantor's orders, requests, and instructions. If the NRC or State agency issues orders, requests, or instructions to the Trustee these shall be in writing, signed by the NRC, or State agency, or their designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee 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 Grantor, the NRC, or State agency, hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instruction from the Grantor and/or the NRC, or State agency, except as provided for herein.

Section 15. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee and the NRC, or State agency, or by the Trustee and the NRC or State Agency, if the Grantor ceases to exist.

Section 16. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 15, this trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the NRC or State agency, or by the Trustee and the NRC or State agency, if the Grantor ceases to exist. Upon termination of the trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor or its successor.

Section 17. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this trust, or in carrying out any directions by the Grantor, the NRC, or State agency, issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the trust fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.


Section 18. This Agreement shall be administered, construed, and enforced according to the laws of the State of California.

Section 19. Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each

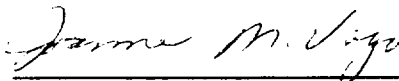
section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. If any part of this agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by the respective officers duly authorized and the corporate seals to be hereunto affixed and attested as of the date first written above.

WHITTAKER CORPORATION


By: 
Gordon J. Louttit
Vice President

ATTEST:


Joanne M. Vago
Assistant Secretary

[SEAL]

NATIONSBANK OF TEXAS, N.A.

By: 
Name: LINDA MCNEIL
Title: VICE PRESIDENT / Assistant Secretary

ATTEST:

By: 
Name: VINNIE E. SANFORD
Title: ASSISTANT VICE PRESIDENT

[SEAL]

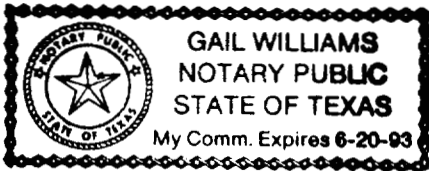
ACKNOWLEDGEMENT

STATE OF TEXAS

To Wit:

CITY OF DALLAS

On this 22nd day of December 1992, before me, a notary public in and for the city and State aforesaid, personally appeared Linda McNeil, and she did depose and say that she is the Vice President of NationsBank of Texas, N.A., national banking association, Trustee, which executed the above instrument, that she knows the seal of said association; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the association; and that she signed her name thereto by like order.



Gail Williams
[Signature of notary public]

My Commission Expires: _____

[_____ Date _____]

NationsBank of Texas, N.A.
901 Main Street, 16th Floor
Dallas, Texas 75283-1402

Attention: Corporate Trust Division

Gentlemen:

In accordance with the terms of the Agreement with you dated _____, 1992, I, Edward R. Muller, Secretary of Whittaker Corporation, hereby certify that the following events have occurred:

1. Whittaker Corporation is required to commence the decommissioning of its facility located at 1 Alloy Road, Reynolds Development, Greenville, Pennsylvania (hereinafter called the "decommissioning").
2. The plans and procedures for the commencement and conduct of the decommissioning have been approved by the U.S. Nuclear Regulatory Commission, or its successor, on _____, 199__ (copy of approval attached).
3. The Board of Directors of Whittaker Corporation has adopted the attached resolution authorizing the commencement of the decommissioning.

WHITTAKER CORPORATION

Date: _____

By: _____
Edward R. Muller
Secretary

Certificate of Resolution

I, Edward R. Muller, do hereby certify that I am Secretary of Whittaker Corporation, a Delaware corporation, and that the resolution listed below was duly adopted at a meeting of this Corporation's Board of Directors on _____, 19__.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Corporation this ___ day of _____, 19__.

Edward R. Muller, Secretary

RESOLVED, that this Board of Directors hereby authorizes the President, or such other employee of the Company as he may designate, to commence decommissioning activities at property owned by this corporation at 1 Alloy Road, Reynolds Development, Greenville, Pennsylvania in accordance with the terms and conditions described to this Board of Directors at this meeting and with such other terms and conditions as the President shall approve with and upon the advice of Counsel.

TRUST AGREEMENT SCHEDULE

SCHEDULE A

This Agreement demonstrates financial assurance for the following cost estimates for the following licensed activities:

<u>U.S. NUCLEAR REGULATORY COMMISSION LICENSE NUMBER</u>	<u>NAME AND ADDRESS OF LICENSEE</u>	<u>ADDRESS OF LICENSED ACTIVITY</u>	<u>COST ESTIMATES FOR REGULATORY ASSURANCE DEMONSTRATED BY THIS AGREEMENT</u>
SMA-1018	Whittaker Corporation 10880 Wilshire Blvd. Suite 800 Los Angeles, CA 90024	1 Alloy Road Reynolds Development Greenville, PA	Unknown

The cost estimates listed here were last adjusted and approved by the NRC on [date - to come].

SCHEDULE B

AMOUNT: Seven Hundred Fifty Thousand Dollars
\$750,000

AS EVIDENCED BY: Letter of Credit issued by Bank of America
number [REDACTED]

SCHEDULE C

The fees of NationsBank of Texas, N.A. as Trustee shall be (a) \$500 for acceptance and \$1,000 annually as administrative fee; and (b) if the Standby Trust should become active, the current Trustee fees will become applicable.

ACKNOWLEDGEMENT

STATE OF _____

To Wit: _____

CITY OF _____

On this ___ day of _____, before me, a notary public in and for the city and State aforesaid, personally appeared _____, and she/he did depose and say that she/he is the [title], of NationsBank of Texas, N.A., national banking association, Trustee, which executed the above instrument, that she/he knows the seal of said association; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the association; and that she/he signed her/his name thereto by like order.

[Signature of notary public]

My Commission Expires: _____
[Date]

FORMS REQUIRED FOR GOVERNMENT SECURITIES TRANSACTIONS

One or more of the following special forms may be required by the Bureau of the Public Debt for various actions concerning U.S. Treasury securities, depending on the type of security and action being taken.

<u>Form</u>	<u>Title and Purpose</u>
PD-345	Description of Registered Securities. Used to change the address of the owner of registered Treasury (T) notes and bonds.
PD 1001.	Power of Attorney by Individual Authorizing Disposition of Registered Transferable Securities. Used to show that an individual has appointed another as his attorney-in-fact to act on his behalf.
PD-1003.	Power of Attorney by Corporation or Unincorporated Association Authorizing Disposition of Registered Transferable Securities. Used to show that a corporation or unincorporated association has appointed someone other than one of its officers as its attorney-in-fact to act on its behalf.
PD 1006.	Specific Power of Substitution Under Power of Attorney Granted to an Individual to Dispose of Registered Securities. Used as power of substitution to show that a corporation acting under power of attorney has appointed a substitute to act on its behalf.
PD 1010.	Resolution by Governing Body of an Organization Authorizing Assignment and Disposition of Specified Securities Owned in Its Own Right or in a Fiduciary Capacity. Used to authorize certain officers of an organization to act on its behalf.
PD 1014.	Certificate of Incumbency of Officers (Corporation or unincorporated association). Used to certify the incumbency of holders of the various offices of either a corporation or unincorporated association.
PD 1071.	Certificates of Ownership of United States Bearer Securities. Used to substantiate ownership of bearer Treasury securities when requesting payment of principal after (a) three months past maturity on T notes of less than seven years or (b) six months past maturity on T notes and bonds of more than seven years.
PD 1832.	Special Form of Detached Assignment for United States Registered Securities. Used to transfer registration of Treasury securities.