



37-29329-01
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LETTER OF CREDIT NUMBER [REDACTED]

J-8

JUNE 08, 2006

BENEFICIARY:
U.S. NUCLEAR REGULATORY
COMMISSION REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

RECEIVED
REGION I
2006 JUN -9 AM 10:20

DEAR SIR OR MADAM:

PLEASE FIND ATTACHED THE ORIGINAL LETTER OF CREDIT.
IN YOUR FAVOR.

PLEASE DIRECT ALL INQUIRIES TO:

SUNTRUST BANK
ATTN: STANDBY LETTER OF CREDIT DEPARTMENT
25 PARK PLACE, 16TH FLOOR, MC 3706
ATLANTA, GEORGIA 30303
PHONE: 800-951-7847 OPTION 3.

SINCERELY,

SUNTRUST BANK
124

NONNEGOTIABLE

138391
NMSS/RGNI MATERIALS-C02



LETTER OF CREDIT NUMBER [REDACTED]

ISSUANCE DATE: JUNE 08, 2006

APPLICANT:
PHILOTECHNICS, LTD.
2328 BLUFF ROAD
HARRIMAN, TN 37748

BENEFICIARY:
U.S. NUCLEAR REGULATORY
COMMISSION REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

FOR USD 62,969.00
(SIXTY TWO THOUSAND NINE HUNDRED SIXTY NINE 00/100 U.S. DOLLARS)

DATE OF EXPIRATION: JUNE 07, 2007
PLACE OF EXPIRATION: AT OUR COUNTERS

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. F848531 IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF PHILOTECHNICS, LTD., UP TO THE AGGREGATE AMOUNT OF SIXTY TWO THOUSAND NINE HUNDRED SIXTY NINE 00/100 U.S. DOLLARS (\$62,969.00), AVAILABLE UPON PRESENTATION OF:

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

THIS LETTER OF CREDIT IS ISSUED IN ACCORDANCE WITH REGULATIONS ISSUED UNDER THE AUTHORITY OF U.S. NUCLEAR REGULATORY COMMISSION (NCR), 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 WHICH REQUIRE THAT

CONTINUED ON NEXT PAGE



LETTER OF CREDIT NUMBER [REDACTED]

PAGE NO. 2

A HOLDER OF, OR AN APPLICANT FOR, A MATERIALS LICENSE ISSUED UNDER 10 CFR PART 30 PROVIDE ASSURANCE THAT FUNDS WILL BE AVAILABLE WHEN NEEDED FOR DECOMMISSIONING.

THIS LETTER OF CREDIT IS EFFECTIVE AS OF JUNE 8, 2006 AND SHALL EXPIRE ON JUNE 7, 2007, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF 1 YEAR ON JUNE 8, 2007 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 90 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND PHILOTECHNICS, LTD., BY CERTIFIED MAIL OR OVERNIGHT COURIER, AS SHOWN ON THE SIGNED RETURN RECEIPTS. IF PHILOTECHNICS, LTD., IS UNABLE TO SECURE ALTERNATIVE FINANCIAL ASSURANCE TO REPLACE THIS LETTER OF CREDIT WITHIN 30 DAYS OF NOTIFICATION OF CANCELLATION, THE NRC MAY DRAW UPON THE FULL VALUE OF THIS LETTER OF CREDIT PRIOR TO CANCELLATION. THE BANK SHALL GIVE IMMEDIATE NOTICE TO THE APPLICANT AND THE NRC OF ANY NOTICE RECEIVED OR ACTION FILED ALLEGING (1) THE INSOLVENCY OR BANKRUPTCY OF THE FINANCIAL INSTITUTION OR (2) ANY VIOLATION OF REGULATORY REQUIREMENTS THAT COULD RESULT IN SUSPENSION OR REVOCATION OF THE BANK'S CHARTER OR LICENSE TO DO BUSINESS. THE FINANCIAL INSTITUTION ALSO SHALL GIVE IMMEDIATE NOTICE IF THE BANK, FOR ANY REASON, BECOMES UNABLE TO FULFILL ITS OBLIGATION UNDER THE LETTER OF CREDIT.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON, UNDER AND IN COMPLIANCE WITH THE TERMS OF 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 PHILOTECHNICS, LTD., IN ACCORDANCE WITH YOUR INSTRUCTIONS.

EACH DRAFT MUST BEAR ON ITS FACE THE CLAUSE: "DRAWN UNDER LETTER OF CREDIT NO. [REDACTED], DATED JUNE 8, 2006, AND THE TOTAL OF THIS DRAFT AND ALL OTHER DRAFTS PREVIOUSLY DRAWN UNDER THIS LETTER OF CREDIT DOES NOT EXCEED \$62,969.00.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION 500.

ALL DOCUMENTS ARE TO BE REMITTED TO:
SUNTRUST BANK, INTERNATIONAL DIVISION
ATTN: LETTER OF CREDIT DEPARTMENT
25 PARK PLACE, 16TH FLOOR, MC 3706
ATLANTA, GEORGIA 30303

CONTINUED ON NEXT PAGE



LETTER OF CREDIT NUMBER [REDACTED]

PAGE NO. 3

PLEASE DIRECT ALL INQUIRIES TO:
PHONE: 800-951-7847 OPTION 3.

SINCERELY,

SUNTRUST BANK

A handwritten signature in cursive script, appearing to read "Dale Tothill", is written over a horizontal line.

AUTHORIZED SIGNATURE

124

Dale Tothill
Assistant Vice President