

CANCELLED

SUNTRUST

IRREVOCABLE LETTER OF CREDIT F842172

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LETTER OF CREDIT NUMBER: F842172
ISSUANCE DATE: NOVEMBER 19, 2003

APPLICANT:
NUCLEAR FUEL SERVICES, INC.
ATTN: DAN MILLER
1205 BANNER HILL ROAD
ERWIN, TN 37650

BENEFICIARY:
UNITED STATES NUCLEAR REGULATORY
COMMISSION
WASHINGTON, DC 20555

FOR USD 594,613.00
(FIVE HUNDRED NINETY FOUR THOUSAND SIX HUNDRED THIRTEEN 00/100
U.S. DOLLARS)

DATE OF EXPIRATION: NOVEMBER 14, 2004
PLACE OF EXPIRATION: AT OUR COUNTERS

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO.
F842172 IN YOUR FAVOR BY ORDER OF NUCLEAR FUEL SERVICES,
INC., 1205 BANNER HILL RD., ERWIN, TN 37650 NRC LICENSE NO.
SNM-124 UP TO AN AGGREGATE AMOUNT OF \$594,613.00 AVAILABLE
UPON PRESENTATION OF:

- 1) YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT
NUMBER F842172 AND
- 2) A STATEMENT PURPORTEDLY SIGNED BY YOURSELF 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 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

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REGULATIONS, PART 70, WHICH REQUIRE THAT A HOLDER OF, OR AN
APPLICANT FOR, A MATERIALS LICENSE ISSUED UNDER 10 CFR PART
70 PROVIDE ASSURANCE THAT FUNDS WILL BE AVAILABLE WHEN NEEDED
FOR DECOMMISSIONING.

THIS LETTER OF CREDIT IS EFFECTIVE AS OF NOVEMBER 14, 2003 AND
SHALL EXPIRE ON NOVEMBER 14, 2004, BUT SUCH EXPIRATION SHALL BE
AUTOMATICALLY EXTENDED FOR A PERIOD OF ONE YEAR ON NOVEMBER
14, 2004 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT
LEAST 90 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY
YOU AND NUCLEAR FUEL SERVICES, BY CERTIFIED MAIL, AS SHOWN ON
THE SIGNED RETURN RECEIPTS. IF NUCLEAR FUEL SERVICES IS
UNABLE TO SECURE ALTERNATIVE FINANCIAL ASSURANCE TO
REPLACE THIS LETTER OF CREDIT WITHIN 30 DAYS OF OUR
NOTIFICATION OF CANCELLATION, THE NRC MAY DRAW UPON
THE FULL VALUE OF THE LETTER OF CREDIT PRIOR TO CANCELLATION.
THE BANK SHALL GIVE IMMEDIATE NOTICE TO NUCLEAR FUEL SERVICES,
INC. AND THE NRC OF ANY NOTICE RECEIVED OR ACTION FILED ALLEGING
(1) THE INSOLVENCY OR BANKRUPTCY OF THE BANK 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 BANK ALSO SHALL GIVE IMMEDIATE NOTICE IF IT FOR ANY
REASON, BECOMES UNABLE TO FULFILL ITS OBLIGATION UNDER
THIS 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 PRESENTATION TO US
WITHIN 30 DAYS, AND WE SHALL DEPOSIT THE AMOUNT OF THE
DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF NUCLEAR
FUEL SERVICES IN ACCORDANCE WITH YOUR INSTRUCTIONS.

EACH DRAFT MUST BEAR ON ITS FACE THE CLAUSE: "DRAWN UNDER
LETTER OF CREDIT NO. FB42172, DATED NOVEMBER 14, 2003 AND
THE TOTAL OF THIS DRAFT AND ALL OTHER DRAFTS PREVIOUSLY
DRAWN UNDER THIS LETTER OF CREDIT DOES NOT EXCEED
USD \$594,613.00."

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

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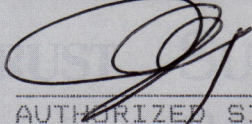
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SINCERELY,

SUNTRUST BANK



AUTHORIZED SIGNATURE

JON CONLEY, VP

MANAGER, STANDBY LETTERS OF CREDIT

VICE PRESIDENT

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