



Chemical Bank
Trade Services Group
P.O. Box 44, Church Street Station
New York, N.Y. 10008
Cable Address: Chemical New York

5MM-1982; 070-03061

ISSU. DATE: FEBRUARY 13, 1995
L/C NO.:

Advising Bank

***** DIRECT *****

APPLICANT:

IMAGING & SENSING TECHNOLOGY
CORP.
300 WESTINGHOUSE CIRCLE
HORSEHEADS, N.Y. 14845

Beneficiary

U.S. NUCLEAR REGULATORY COMMISSION
(NRC), REGION 1
475 ALLENDALE ROAD, KING OF PRUSSIA
PA, 19406

AMOUNT: USD 157,314.00
(ONE HUNDRED FIFTY SEVEN
THOUSAND THREE HUNDRED FOURTEEN
AND 00/100 UNITED STATES
DOLLARS)

DEAR SIR OR MADAM:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF IMAGING & SENSING TECHNOLOGY, UP TO THE AGGREGATE AMOUNT OF U.S. DOLLARS 157,314.00 AVAILABLE UPON PRESENTATION BY YOU OF (1) YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS IRREVOCABLE STANDBY LETTER OF CREDIT NO. 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 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 1 OF CODE OF FEDERAL REGULATIONS, PART OF (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 FEBRUARY 13, 1995 AND SHALL EXPIRE ON FEBRUARY 13, 1996, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF AT LEAST ONE (1) YEAR ON FEBRUARY 13, 1996 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 90 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND IMAGING & SENSING TECHNOLOGY CORP. BY CERTIFIED MAIL AS SHOWN ON THE SIGNED RETURN RECEIPT THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD, IF IMAGING & SENSING TECHNOLOGY IS UNABLE TO SECURE ALTERNATIVE FINANCIAL ASSURANCE TO REPLACE THIS LETTER OF CREDIT WITHIN 30 DAYS OF NOTIFICATION OF CANCELLATION THE NRC DRAW UPON THE FULL VALUE OF THIS LETTER OF CREDIT PRIOR TO CANCELLATION. WE SHALL GIVE IMMEDIATE NOTICE TO NRC AND IMAGING & SENSING TECHNOLOGY, OF ANY NOTICE RECEIVED OR ACTION FILED ALLEGING (1) THE INSOLVENCY OR BANKRUPTCY OF THE FINANCIAL

-CONTINUED-

Authorized Signature

NONNEGOTIABLE



Chemical Bank
Trade Services Group
P.O. Box 44, Church Street Station
New York, N.Y. 10008
Cable Address: Chemical New York

ISSUE DATE: FEBRUARY 13, 1995
L/C NO.:

Advising Bank

***** DIRECT *****

APPLICANT:

IMAGING & SENSING TECHNOLOGY
CORP.
300 WESTINGHOUSE CIRCLE
HORSEHEADS, N.Y. 14845

Beneficiary

U.S. NUCLEAR REGULATORY COMMISSION
(NRC), REGION 1
475 ALLENDALE ROAD, KING OF PRUSSIA
PA, 19406

AMOUNT: USD 157,314.00
(ONE HUNDRED FIFTY SEVEN
THOUSAND THREE HUNDRED FOURTEEN
AND 00/100 UNITED STATES
DOLLARS)

INSTITUTION OR (2) ANY VIOLATIONS 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 THIS LETTER OF CREDIT.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN
COMPLIANCE WITH THE TERMS OF THIS 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
FUNDS OF IMAGING & SENSING TECHNOLOGY CORP. IN ACCORDANCE WITH
YOUR INSTRUCTIONS.

EACH DRAFT MUST BEAR ON ITS FACE THE CLAUSES "DRAWN
UNDER LETTER OF CREDIT NO. DATED FEBRUARY 13, 1995 AND THE
TOTAL OF THIS DRAFT AND ALL OTHER DRAFTS PREVIOUSLY DRAWN UNDER
THIS LETTER OF CREDIT DOES NOT EXCEED US\$157,314.00."

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

Authorized Signature