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WELLS FARGO BANK

WELLS FARGO BANK, N.A.
TRADE SERVICES DIVISION
525 MARKET STREET, 25TH FLOOR
SAN FRANCISCO, CA 94105

IRREVOCABLE STANDBY LETTER OF CREDIT

DATE OF ISSUE: JUNE 3, 1997

OUR IRREVOCABLE STANDBY CREDIT:

NUMBER: NZS270983

DATE OF EXPIRY: JUNE 1, 1998

PLACE OF EXPIRY: AT OUR ABOVE COUNTERS

APPLICANT:

REED COLLEGE
3203 SE WOODSTOCK BOULEVARD
PORTLAND, OREGON 97202

BENEFICIARY:

U.S. NUCLEAR REGULATORY COMMISSION
WASHINGTON, DC 20555
ATTN: NON POWER REACTORS &
DECOMMISSIONING DIRECTORATE

AMOUNT: UP TO USD500,000.00

UP TO FIVE HUNDRED THOUSAND AND
00/100 US DOLLARS

DEAR SIR OR MADAM:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. NZS270983 IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF REED COLLEGE, 3203 SE WOODSTOCK BOULEVARD, PORTLAND, OREGON 97202, UP TO THE AGGREGATE AMOUNT OF FIVE HUNDRED THOUSAND U.S. DOLLARS (\$500,000) AVAILABLE UPON PRESENTATION OF:

1. YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO. NZS270983, 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 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 50, WHICH REQUIRE THAT A HOLDER OF, OR AN APPLICANT FOR, A LICENSE ISSUED UNDER 10 CFR PART 50 PROVIDE ASSURANCE THAT FUNDS WILL BE AVAILABLE WHEN NEEDED FOR DECOMMISSIONING.

THIS LETTER OF CREDIT IS EFFECTIVE AS OF JUNE 3, 1997 AND SHALL EXPIRE ON JUNE 1, 1998, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF ONE YEAR ON SAID EXPIRATION DATE AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 90 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND REED COLLEGE, BY CERTIFIED MAIL, AS SHOWN ON THE SIGNED RETURN RECEIPTS. UPON RECEIPT OF SUCH NOTIFICATION OF NON-RENEWAL OF THIS LETTER OF

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PDR

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CREDIT, THE NRC MAY DRAW UPON THE FULL VALUE OF THIS LETTER OF CREDIT PRIOR TO CANCELLATION. WE SHALL GIVE IMMEDIATE NOTICE TO REED COLLEGE AND THE NUCLEAR REGULATORY COMMISSION OF ANY NOTICE RECEIVED OR ACTION FILED ALLEGING (1) THE INSOLVENCY OR BANKRUPTCY OF THE BANK 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 BANK 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 IN IMMEDIATELY AVAILABLE FUNDS OF WELLS FARGO BANK, N.A. BY WIRE TRANSFER TO:

BANKERS TRUST COMPANY
FOUR ALBANY STREET,
NEW YORK, N.Y. 10016
ABA NUMBER 021001033 FOR CREDIT TO ACCOUNT NUMBER 01 419 647
REF : REED COLLEGE/AC # 22607

EACH DRAFT MUST BEAR ON ITS FACE THE CLAUSE: "DRAWN UNDER LETTER OF CREDIT NO. NZS270983 DATED JUNE 3, 1997, AND THE TOTAL OF THIS DRAFT AND ALL OTHER DRAFTS PREVIOUSLY DRAWN UNDER THIS LETTER OF CREDIT DOES NOT EXCEED FIVE HUNDRED THOUSAND U.S. DOLLARS (\$500,000).

EXCEPT AS OTHERWISE PROVIDED HEREIN, 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 ENGAGES US IN ACCORDANCE THEREWITH.

SINCERELY,

WELLS FARGO BANK, N.A.



AUTHORIZED SIGNATURE

JAMES B. SIMON