MASTER AGREEMENT

THIS AGREEMENT is made by and between Chem-Nuclear Systems, LLC, a Division of Duratek, Inc. ("Chem-Nuclear"), and the South Carolina Budget and Control Board ("the Board") as an agency of the State of South Carolina.

WHEREAS, Chem-Nuclear and the Board desire to resolve their respective differences with respect to certain matters of dispute between them; and

WHEREAS, Chem-Nuclear and the Board believe that the resolution of those differences is in the best interests of the Parties and of the public; and

WHEREAS, Chem-Nuclear and the Board have reduced to writing the terms and conditions of their consensual resolution of the differences which terms appear in certain documents which are attached to this Agreement as Exhibits A through H, inclusive (collectively "the Exhibits"), and which are incorporated in this Agreement by reference; and

WHEREAS, Chem-Nuclear and the Board believe that it is in the best interest of the State for Chem-Nuclear to remain the operator of the site during future years, and that Chem-Nuclear believes that the payment to it of Operating Rights as specified herein will enhance the feasibility of uninterrupted operation of the site through 2008; and

WHEREAS, Chem-Nuclear and the Board desire and intend to execute this Agreement to implement the terms and conditions of the Exhibits.

NOW, THEREFORE, for and in consideration of these promises and the mutual covenants in this Agreement, Chem-Nuclear and the Board agree as follows:

1. Settlement Agreement in SCPSC Docket No. 2000-366-A

A. Chem-Nuclear and the Board have entered into a "Settlement Agreement," attached as Exhibit A to this Agreement, by which the Parties have reached a compromise in the pending proceeding before the South Carolina Public Service Commission ("Commission") concerning the identification of "allowable costs," and the value of certain intangible assets known as "Barnwell Operating Rights" which Chem-Nuclear uses in the disposal of low-level radioactive waste at its Barnwell, South Carolina, Facility.

B. Chem-Nuclear and the Board will submit the appropriate pleadings to the Commission in Docket No. 2000-366-A to conform to this settlement agreement.

2. Memorandum of Understanding for Regulatory Treatment of Certain Legal Fees and Costs

A. Chem-Nuclear and the Board have executed a "Memorandum of Understanding," attached as Exhibit B to this Agreement, by which the Parties have resolved their differences concerning the treatment of certain legal fees and costs as "allowable costs" under the provisions of S.C. Code Ann. § 46-48-40(B).

B. Chem-Nuclear and the Board will submit the appropriate pleadings to the Commission in Docket No. 2000-366-A and request adoption of the treatment of the legal fees and costs which is contained in Exhibit B.

3. Memorandum of Understanding for Option to Purchase Certain Assets

Chem-Nuclear and the Board have executed a "Memorandum of Understanding," attached as Exhibit C to this Agreement, by which the Parties have agreed that, in the event that Chem-Nuclear exercises its right to discontinue disposal operation at the Barnwell Facility under its Lease Agreement with the State of South Carolina, Chem-Nuclear will give the Board an option to purchase certain intangible Assets with certain conditions for use and protection of such Assets to which the Board has agreed.

4. Restriction on Use of Certain Real Property

A. Chem-Nuclear agrees to prepare and execute the necessary legal document to restrict the use of certain real property on the southern boundary of the Barnwell Facility such that the restrictions will ensure compliance with certain conditions for groundwater protection and will run with the land and bind all future owners and tenants of the affected property.

B. Within one week of the issuance of the PSC Order, Chem-Nuclear agrees to, and shall, record on the real property records of Barnwell County, South Carolina, the Restrictive Covenant and Easement, attached as Exhibit D to this Agreement.

5. Amendment to Trust Agreement for Transfer of Certain Funds

A. Chem-Nuclear and the Board have agreed that it is appropriate to amend the Trust Agreement, dated March 24, 1981, to provide for the transfer of remaining funds in certain accounts upon termination of the Trust Agreement or termination of the Trust Agreement and decommissioning.

B. To implement such agreement, Chem-Nuclear and the Board have prepared an "Amendment to Trust Agreement," attached as Exhibit E to this Master Agreement, which is appropriate for execution by the Governor and State Treasurer.

6. Memorandum of Understanding for Payment of Project Fee for Closure and Post-Closure Activities

Chem-Nuclear and the Board have executed a "Memorandum of Understanding", which is attached as Exhibit F to this Agreement, by which the Parties have resolved a dispute concerning the level of the project fee to be applicable to payments from the Decommissioning Trust Fund or from the Extended Care Maintenance Fund for closure or post-closure activities at the Barnwell Facility.

7. Memorandum of Understanding for Treatment of Delayed Payments

Chem-Nuclear and the Board have executed a Memorandum of Understanding, attached as Exhibit G to this Agreement, by which the Parties have resolved a dispute concerning the treatment of certain year-end payments which Chem-Nuclear makes to the State of South Carolina, pursuant to S.C. Code Ann. § 48-46-40(D)(1) (Supp. 2001).

8. Memorandum of Understanding for Submission Of Financial Reports

Chem-Nuclear and the Board have executed a "Memorandum of Understanding," attached as Exhibit H to this Agreement, which provides that Chem-Nuclear will submit to the Board an annual Report which will contain certain financial information upon which the Parties have agreed.

9. Applicable Law and Venue

This Agreement is made under, and is governed by, the laws of the State of South Carolina. The Parties agree that venue for judicial resolution of any dispute under this Agreement will be in the Court of Common Pleas for Richland County, South Carolina.

10. Severability

In the event that a court or other tribunal of competent jurisdiction at any time holds that any provision of this Agreement is invalid, the remaining provisions will not be affected by such holding and will continue in full force and effect.

11. Entire Agreement

This Agreement with its Exhibits constitutes the entire understanding between the Parties, superseding any and all understandings, oral or written, pertaining to the subject matters of this Agreement.

IN WITNESS WHEREOF, Chem-Nuclear and the Board have executed this Agreement this the 8th day of May 2002, by their duly authorized representatives.

ATTEST:

Deborah G. Ogline

CHEM-NUCLEAR SYSTEMS, LLC,
A DIVISION OF DURATEK, INC.

Ryan E. Veit

TITLE: President

ATTEST:

Deborah G. Ogline

THE SOUTH CAROLINA BUDGET
AND CONTROL BOARD

Frank W. Fusco

TITLE: Executive Director

SETTLEMENT AGREEMENT

This Agreement is made by and between Chem-Nuclear Systems, LLC, a Division of Duratek, Inc., ("Chem-Nuclear") and the South Carolina Budget and Control Board ("the Board"), with respect to the proceeding pending before the South Carolina Public Service Commission ("the Commission") in Docket No. 2000-366-A.

WHEREAS, Chem-Nuclear, the Applicant in Docket No. 2000-366-A, has proposed that the Commission identify as an "allowable cost," pursuant to S.C. Code Ann. § 48-46-40(B) (Supp. 2001), the value of certain intangible assets known as "Barnwell Operating Rights," which are necessary for disposal of low-level radioactive waste at the Barnwell facility which Chem-Nuclear operates; and

WHEREAS, Chem-Nuclear has proposed that the Commission identify as an "allowable cost" for Barnwell Operating Rights the value of $7,168,263, amortized over an eight-year period beginning on July 1, 2000; and

WHEREAS, the Board, a statutory party of record in Docket No. 2000-366-A, has requested that the Commission deny Chem-Nuclear's proposal for identification of Barnwell Operating Rights as an "allowable cost;" and

WHEREAS, Chem-Nuclear and the Board believe that it is in the best interests of the State for Chem-Nuclear to remain the operator of the site during future years, and that Chem-Nuclear believes that the payment to it of Operating Rights as specified herein will enhance the feasibility of uninterrupted operation of the site through 2008; and

WHEREAS, Chem-Nuclear and the Board desire to resolve the differences between their respective positions in the interests of avoiding the additional expense and effort which the continued litigation of their positions would occasion in Docket No. 2000-366-A.

WHEREFORE, Chem-Nuclear and the Board have agreed as follows:

1. Chem-Nuclear will revise the proposed value for Barnwell Operating Rights to a value of $5,000,000 and will file an amendment to its Application to the Commission in Docket No. 2000-366-A to reflect that revised value and confirm that it does not seek the 29% margin on that amount. Chem-Nuclear will request the Commission

to identify the revised value for Barnwell Operating Rights as an "allowable cost" to be amortized over an eight-year period beginning July 1, 2000. Chem-Nuclear will not seek or receive the statutory operating margin of 29% authorized by S.C. Code Ann. §48-46-40(B)(5)(Supp. 2001) upon the $5,000,000 submitted for operating rights. Chem-Nuclear will not accept an operating margin if it is so awarded by the Public Service Commission.

2. Chem-Nuclear will file the amendment to its Application within 5 working days of the execution of this Agreement. The amendment may consist of revised Exhibits to Chem-Nuclear's Application or such other documents as may be appropriate.

3. The Board will withdraw its opposition to the identification of Barnwell Operating Rights as an "allowable cost" at the figure of $5,000,000 for Barnwell Operating Rights to be amortized over the eight-year period ($625,000 per year) beginning July 1, 2000 and allowed only for the time period during which Chem-Nuclear is the operator.

4. Within 5 working days of the filing of Chem-Nuclear's amendment to its Application, the Board will submit such appropriate pleading or document in response which will indicate the Board's withdrawal of opposition to the Public Service Commission approving the revised value of $5,000,000 for Barnwell Operating Rights as an "allowable cost" without the 29% margin.

5. For the purposes of the treatment of Barnwell Operating Rights as an "allowable cost" under Section 48-46-40(B), neither Chem-Nuclear nor the Board will propose any adjustment to the amortized value of $5,000,000, effective for the eight-year period beginning July 1, 2000.

6. Chem-Nuclear will file this Agreement with the Commission in Docket No. 2000-366-A.

IN WITNESS WHEREOF, Chem-Nuclear and the Board have caused this Agreement to be

signed and sealed this the 8th day of May 2002, by their duly authorized representatives.

ATTEST:

Deborah G. Ogilvie

CHEM-NUCLEAR SYSTEMS, LLC,
A DIVISION OF DURATEK, INC.

TITLE: President

ATTEST:

Deborah G. Ogilvie

THE SOUTH CAROLINA BUDGET
AND CONTROL BOARD

TITLE: Executive Director

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING is by and between Chem-Nuclear Systems, LLC, a Division of Duratek, Inc., ("Chem-Nuclear") and the South Carolina Budget and Control Board ("the Board") with respect to the proceeding pending before the South Carolina Public Service Commission ("the Commission") in Docket No. 2000-366-A.

WHEREAS, Chem-Nuclear and the Board have submitted evidence in the hearing in Docket No. 2000-366-A which represent differing positions with respect to the identification of Chem-Nuclear's expenses for legal fees and costs associated with Chem-Nuclear's participation in certain proceedings as "allowable costs" under S.C. Code Ann. § 48-46-40(B) (Supp. 2001); and

WHEREAS, Chem-Nuclear and the Board desire to resolve the differences between their respective positions with respect to the issue of the identification of Chem-Nuclear's legal fees and expenses as "allowable costs."

WHEREFORE, Chem-Nuclear and the Board have reached the following understanding:

1. That Chem-Nuclear and the Board agree that the following treatment of Chem-Nuclear's legal fees and expenses is consistent with the language of Section 48-46-40(B):

   (a) All legal fees and expenses associated with legal representation of Chem-Nuclear in proceedings before the Commission by which Chem-Nuclear seeks identification or adjustment of "allowable costs" pursuant to Section 48-46-40(B)(4), should be considered as costs necessary for compliance with regulatory requirements and, therefore, as "allowable costs" under Section 48-46-40(B)(3)(j);

(b) Chem-Nuclear's legal fees and expenses incurred in any action it initiated for judicial review of a final order of the Commission issued in a proceeding for identification or adjustment of "allowable costs," and in which the final, nonappealable decision in such action or upon remand does not result in an increase in the "allowable costs" identified or adjusted by the Commission, should not be considered as "allowable costs" under Section 48-46-40(B)(3); and

(c) Chem-Nuclear's legal fees and expenses incurred in any action it initiated for judicial review of a final order of the Commission issued in a proceeding for identification or adjustment of "allowable costs, and in which the final, nonappealable decision in such action or upon remand results in an increase in the "allowable costs" identified or adjusted by the Commission, should be considered as "allowable costs" under Section 48-46-40-(B)(3); and

(d) Chem-Nuclear's legal fees and expenses incurred in any action initiated by any other party for judicial review of a final order of the Commission issued in a proceeding for identification or adjustment of "allowable costs," where the action for judicial review results in an affirmance of the Commission's order, should be considered as costs necessary for compliance with regulatory compliance and therefore, as "allowable costs" under Section 48-46-40(B)(3); and

(e) Chem-Nuclear's legal fees and expenses incurred in any action in any judicial forum (other than proceedings identified in a, b, c, and d in this Memorandum of Understanding) which Chem-Nuclear initiates and in which the State of South Carolina or any agency of the State of South Carolina is a defendant, and in which Chem-Nuclear is not the prevailing party, should not be considered as "allowable costs" under Section 48-46-40(B)(3).

(f) Chem-Nuclear should be authorized to recover the statutory operating margin on the legal fees and expenses described in Paragraph (1) (a) of this Memorandum.

2. That Nothing in this Memorandum of Understanding prejudices Chem-Nuclear's right to petition the Commission for treatment of legal fees and expenses as allowable costs incurred in proceedings other than specifically addressed in Paragraph 1 of this Memorandum of Understanding. For any attorney's fees expressly allowed by the PSC under S.C. Code Sec. 48-46-40, Chem-Nuclear agrees it will not seek or receive the 29% margin.

3. That, in the pending proceeding before the Commission in Docket No. 2000-366-A, Chem-Nuclear and the Board agree to request the Commission to include in its final order an interpretation of the provisions of Section 48-46-40(B) which reflects the understanding in Paragraph 1 of this Memorandum.

IN WITNESS WHEREOF, Chem-Nuclear and the Board have caused this Memorandum of Understanding to be signed and sealed this the 8th day of May 2002, by their duly authorized representatives.

ATTEST:

Deborah G. Ogburie

CHEM-NUCLEAR SYSTEMS, LLC,
A DIVISION OF DURATEK, INC.

Ryan E. Veit

TITLE: President

ATTEST:

Deborah G. Ogburie

THE SOUTH CAROLINA BUDGET
AND CONTROL BOARD

Frank W. Fusco

TITLE: Executive Director

MEMORANDUM OF UNDERSTANDING

(Option to Purchase Certain Assets)

This MEMORANDUM OF UNDERSTANDING is by and between Chem-Nuclear Systems, LLC, a Division of Duratek, Inc. ("Chem-Nuclear"), and the South Carolina Budget and Control Board ("the Board").

WHEREAS, the Board desires to acquire certain intangible assets ("the Assets") which Chem-Nuclear uses in the disposal operations for low-level radioactive waste at Chem-Nuclear's Barnwell, South Carolina, Facility, in the event that Chem-Nuclear exercises its right to discontinue disposal operations in accordance with the terms of the Lease Agreement for the Barnwell site between the State of South Carolina and Chem-Nuclear; and

WHEREAS, Chem-Nuclear desires to sell the Assets to the Board in the event it exercises its right to discontinue disposal operations in accordance with the Lease Agreement.

WHEREAS, to the extent the State is not otherwise entitled to take ownership or possession of the Assets without charge under the laws, regulations, license, closure plan or other agreements, existing at the time of exercising this option, then the Board desires to have this option to purchase and maintain the proprietary nature of the Assets.

NOW, THEREFORE, for and in consideration of these promises and the mutual covenants herein, Chem-Nuclear and the Board agree as follows:

1. That, in the event that Chem-Nuclear exercises its right to discontinue disposal operations at the Barnwell Facility in accordance with the Lease Agreement, Chem-Nuclear will give to the Board the option to acquire the right to use Chem-Nuclear's rights, title and interests in the following Assets:

a Chem-Nuclear's proprietary trench designs;

b Chem-Nuclear's proprietary waste off-load operating procedures;

c Chem-Nuclear's proprietary vault design;

d Chem-Nuclear's proprietary site performance model; and

e The then-existing contracts between Chem-Nuclear and its customers at the time Chem-Nuclear exercises its rights to discontinue disposal operations (as permitted by the terms of the contract).

2. That Chem-Nuclear will sell and transfer the right to use its rights, title and interests in the Assets to the Board for the amount of Five-hundred Thousand Dollars ($500,000.00) (2002 dollars, as adjusted by the Consumer Price Index at the time of the sale). The statutory operating margin authorized by S.C. Code Ann. §48-46-40(B)(5)(Supp. 2001) is not applicable to this payment.

3. If the Board exercises its option to acquire Chem-Nuclear's rights, title and interests in the Assets, the Board agrees that any conveyance, transfer, or assignment of the rights to such Assets to any other person or party with whom the Board contracts to operate the Barnwell facility will restrict the use of the Assets to disposal operations at the Barnwell facility. The Board further agrees that it will treat and maintain the Assets as proprietary information and that it will require a written agreement from any person or party with whom the Board contracts to operate the Barnwell Facility to treat and maintain the Assets as proprietary information and to restrict the use of the Assets to disposal operations at Barnwell.

4. This memorandum shall not be assigned by either party without written consent of the other party.

IN WITNESS WHEREOF, Chem-Nuclear and the Board have caused this Memorandum of Understanding to be signed and sealed this the 8th day of May 2002, by their duly authorized representatives.

ATTEST:

CHEM-NUCLEAR SYSTEMS, LLC,
A DIVISION OF DURATEK, INC.

Deborah G. Ogburn

Ryan E. Vait

TITLE: President

ATTEST:

THE SOUTH CAROLINA BUDGET
AND CONTROL BOARD

Deborah G. Ogburn

Frank W. Fusco

TITLE: Executive Director

RESTRICTIVE COVENANT AND EASEMENT

WHEREAS, Chem-Nuclear Systems, LLC ("Owner") is the owner of the real property containing approximately 130 acres located on the southern boundary of the Barnwell Low Level Radioactive Waste Disposal Site and consisting of three (3) shaded parcels designated on Attachment A hereto as the "Parcels of Chem-Nuclear Owned Land To Which SCDHEC Access is Granted" (the "Property"); and

WHEREAS, the Property currently houses the administrative buildings, operations complex, warehouses, transportation and processing facilities, parking, fencing, signs and billboards (the "Current Uses"); and

WHEREAS, the Property is served by private water and sewer; and

WHEREAS, other than Current Uses being made of the Property, the Property is intended to serve as a buffer along the southern boundary of the Barnwell Low Level Radioactive Waste Disposal Site;

NOW THEREFORE, in order to restrict the Property to Current Uses and use as a buffer, Owner hereby imposes the following restrictions on the Property:

(1) The groundwater under and surface water on the Property shall not be used for any purpose whatsoever (e.g., no wells shall be drilled on the Property; no surface water impoundment shall be established on the Property; no groundwater or surface water on the Property shall be used for irrigation, human consumption or domestic animal consumption) without the prior written consent of DHEC's Division of Waste Management.

(2) Other than monitoring by Owner and/or DHEC to ensure compliance with these restrictions, no use other than Current Uses and hunting shall be made of the Property, no buildings shall be constructed on the Property, and no sale or lease shall be made of the Property without the prior written consent of DHEC's Division of Waste Management. DHEC's review of proposed uses to be made of the Property shall be for the purpose of ensuring that no use is made of the Property which is inconsistent with these groundwater and surface water restrictions. Nothing in these restrictions is intended to preclude additions, enhancements, repairs and maintenance to the existing facilities on the Property.

The foregoing restrictions shall run with the land and bind all future owners and tenants of the Property. The restrictions shall not be released or amended in any way except in a writing signed by both Owner and the South Carolina Department of Health and Environmental Control (DHEC), which writing to be effective must be recorded in the real property records of Barnwell County, South Carolina.

To ensure compliance with the foregoing restrictions, in consideration of the sum of $1.00, the receipt and sufficiency of which is hereby acknowledged, Owner hereby grants to DHEC a non-exclusive easement to enter and go upon the Property at all reasonable times for the

purpose of monitoring compliance with the foregoing restrictions. Unless an emergency exists, Owner shall be given reasonable advance notice of access by and activities contemplated by DHEC.

To Have and To Hold the easement unto DHEC, its successors and assigns forever.

IN WITNESS WHEREOF, this Restrictive Covenant and Easement has been executed by a duly authorized representative of Chem-Nuclear Systems, LLC the 7th day of May, 2002.

Deborah Ogilvie
Witness

CHEM-NUCLEAR SYSTEMS, LLC

By: Regan E. Voit

Its: President

STATE OF SOUTH CAROLINA)
)
COUNTY OF Richland)

PROBATE

Before me, the undersigned notary public personally appeared the undersigned witness who, being duly sworn, deposed and said that s/he saw Chem-Nuclear Systems, LLC by Regan Voit, its President sign, seal and deliver the foregoing Restrictive Covenant and Easement and that s/he together with the other witness whose signature appears above witnessed the execution thereof.

Jennifer M. Turner
Witness

SWORN TO and subscribed before
me this 7th day of May, 2002.
My commission expires 5/1/2005

Columbia:706096

Attachment A

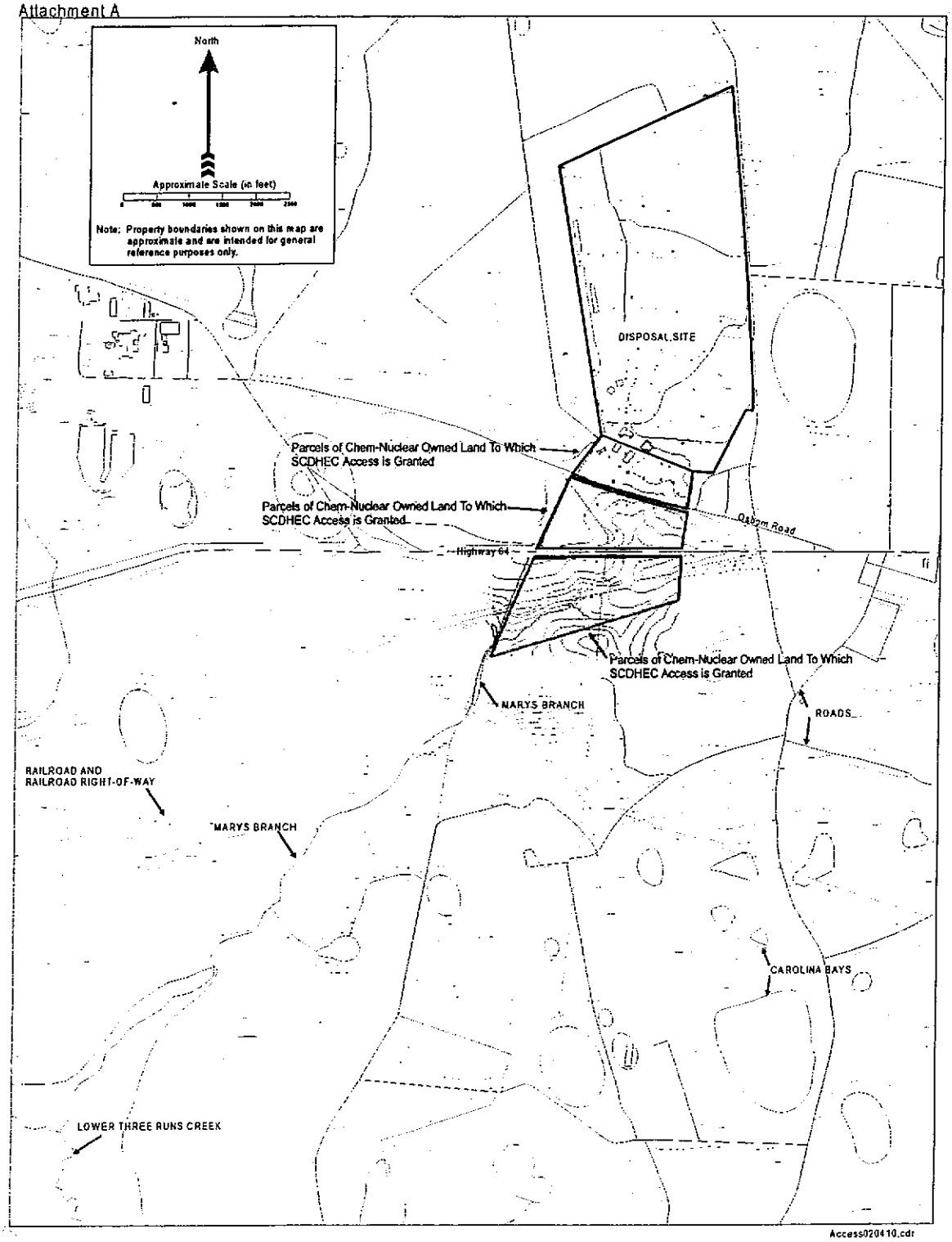

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Exhibit E

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

AMENDMENT TO TRUST AGREEMENT

WHEREAS, the Grantor, Chem-Nuclear Systems, Inc., together with the Beneficiary, Budget and Control Board for the State of South Carolina, and the Trustee, Treasurer of the State of South Carolina, entered into a Trust Agreement with the Grantor, Chem-Nuclear Systems, Inc., dated March 24, 1981; and,

WHEREAS, Paragraph 7(a) of said agreement was mutually amended by Amendment to Trust Agreement, dated January 2002, and

WHEREAS, it is the desire and intention of the parties to amend the Trust Agreement of March 24, 1981, and as amended January 2002 as hereinafter set forth, to-wit:

11. It is further understood and agreed that at the termination of this trust or in the event that this trust is, by mutual agreement, terminated and decommissioning is complete, then and in such event, subject to the prior written approval of the State Budget and Control Board, all principal balances remaining in the Principal and Income Accounts shall then be transferred to the extended care maintenance fund within the South Carolina Office of State Treasurer,

Except as hereinabove amended, the Trust Agreement dated March 24, 1981, and amended January 2002, shall remain in full force and effect.

Signed, sealed and delivered

In the presence of:

Deborah G. Ogline

CHEM-NUCLEAR SYSTEMS, LLC
A DIVISION OF DURATEK, INC.
GRANTOR

By: _____ (L.S.)

Exhibit E

Date: May 8th, 2002

TREASURER OF THE STATE OF

OF SOUTH CAROLINA

TRUSTEE

Signed, sealed and delivered

In the presence of:

Carolyn Phillips

By: Grady L Patterson ~~(L.S.)~~

STATE BUDGET AND CONTROL BOARD

OF SOUTH CAROLINA

BENEFICIARY

Signed, sealed and delivered

In the presence of:

Valorie M. Songer

By: Jim Hodges (L.S.)

GOVERNOR

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING ("Memorandum") executed this 8th day of May 2002 by and between CHEM-NUCLEAR SYSTEMS, L.L.C. (hereinafter the "Site Operator") and THE STATE OF SOUTH CAROLINA (hereinafter the "State").

WITNESSETH:

WHEREAS, the Site Operator holds a license from the South Carolina Department of Health and Environmental Control ("DHEC") to engage in the business of disposing of and storing low-level radioactive wastes at a facility located in Barnwell County (the "Site"); and

WHEREAS, the license issued by DHEC requires the Site Operator to conduct certain closure and post-closure activities at the Site;

WHEREAS, the Trust Agreement dated March 24, 1981, establishing the Decommissioning Trust Fund, authorizes the Budget and Control Board for the State of South Carolina ("Budget and Control Board") to approve distributions from the trust estate for the purpose of site decommissioning;

WHEREAS, Section 13-7-30 of the 1976 Code authorizes the Budget and Control Board to disburse funds from the Extended Care Maintenance Fund for closure activities and for custodial, surveillance, and maintenance performed during the post-closure observation after all funds in the Decommissioning Trust Fund are exhausted;

WHEREAS, the proper management of closure and post-closure activities requires considerable expertise and effort and the quality of the work will impact site performance and license compliance for many years in the future;

WHEREAS, the State and the Site Operator agree that it is appropriate and consistent with purposes and requirements of the Decommissioning Trust Fund Agreement and Section 13-7-30 to compensate the Site Operator for its role as the responsible project manager for closure and post-closure activities;

WHEREAS, it is the desire and intention of the parties to execute this Memorandum of Understanding to provide for payment of a project fee to the Site Operator for carrying out required closure and post-closure activities.

NOW, THEREFORE, for and in consideration of these promises and the mutual covenants herein, the Parties hereto agree as follows:

ARTICLE 1 – Agreement

The State agrees to pay the Site Operator a project fee of fourteen percent (14%) on each payment approved by the Budget and Control Board from either the Decommissioning Trust Fund or from the Extended Care Maintenance Fund for closure or post-closure activities at the Site.

ARTICLE 2 – Term and Termination

This Memorandum shall remain in effect until terminated by the mutual consent of the parties.

ARTICLE 3 – Notices

Whenever any notice is required to be delivered with regard to this Memorandum, it shall be delivered to the following:

State of South Carolina
State Budget and Control Board
State Energy Office
1201 Main Street, Suite 820
Columbia, South Carolina 29201

Chem-Nuclear Systems, L.L.C.
140 Stoneridge Drive
Columbia, South Carolina 29210

ARTICLE 4 – Successors and Assigns

This Memorandum shall not be assigned by either party without written consent of the other party.

SIGNED, SEALED AND DELIVERED as of the date first herein above written.

Witnesses

Deborah G. Ogburn

Deborah G. Ogburn

CHEM-NUCLEAR SYSTEMS, L.L.C.
A DIVISION OF DURATEK, INC.

By: [signature]
President

THE STATE OF SOUTH CAROLINA

By: Frank W. Fusco
Executive Director BCB

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING ("Memorandum") executed this 8th day of May 2002 by and among CHEM-NUCLEAR SYSTEMS, LLC, A DIVISION OF DURATEK, INC. (hereinafter the "Site Operator") and THE SOUTH CAROLINA BUDGET AND CONTROL BOARD (hereinafter the "State").

WITNESSETH:

WHEREAS, the Site Operator holds a license from the South Carolina Department of Health and Environmental Control ("DHEC") to engage in the business of disposing of and storing low level radioactive wastes at a facility located in Barnwell County (the "Site"), and

WHEREAS, the State is the lessor of the Site and the Site Operator is lessee of the Site and

WHEREAS, the Site Operator and the State have been parties to various agreements, which agreements authorize the Site Operator to operate the Site, and

WHEREAS, the Atlantic Compact Act, S.C. Code § 48-46-40(D)(1), requires the Site Operator to make a payment to the South Carolina Department of Revenue each year in the following manner:

> Within 30 days following the end of the fiscal year the operator of a regional disposal facility shall submit a payment made payable to the South Carolina Department of Revenue in an amount that is equal to the total revenues received for waste disposed in that fiscal year (with interest accrued on cash flows in accordance with instructions from the State Treasurer) minus allowable costs, operating margin, and any payments already made from such revenues pursuant to Section 48-46-60(B) and (C) for reimbursement of administrative costs to state agencies and the compact commission. The Department of Revenue shall deposit the payment with the State Treasurer.

WHEREAS, it is the desire and intention of the parties to execute this Memorandum of Understanding to implement the provisions of the Atlantic Compact Act quoted above in a manner as stated in Article 1 of this Memorandum.

NOW, THEREFORE, for and in consideration of these premises and the mutual covenants herein, the Parties hereto agree as follows:

ARTICLE 1 – Agreement

The Site Operator will make every effort to invoice in a timely manner in the last month of the State's fiscal year to ensure that cash receipts are maximized for the end of the fiscal year. The year-end payment to the State is based on cash receipts received as of the close of business at least two business days before the payment is due pursuant to S.C. Code § 48-46-40(D)(1). The amount of funds held over from the previous fiscal year shall not exceed the amount held over from the preceding fiscal year; if funds held over exceed the amount held over from the

preceding fiscal year, the excess amount shall be paid to the State as soon as the cash receipts exceed operating costs of the Site Operator, as approved by the South Carolina Public Service Commission. Notwithstanding the above, any cash receipts for the current fiscal year not received at least two business days before the payment is due pursuant to S.C. Code § 48-46-40(D)(1) will be paid in total to the State in the payment for the subsequent fiscal year (with interest accrued on cash flows in accordance with instructions from the State Treasurer).

ARTICLE 2 – Term and Termination

This Memorandum shall remain in effect until terminated by the mutual consent of the parties. The revocation or termination of the Lease Agreement between the Site Operator and the State shall also terminate this Memorandum.

ARTICLE 3 – Notices

Whenever any notice is required to be delivered with regard to this Memorandum, it shall be delivered to the following:

State of South Carolina
State Budget and Control Board
State Energy Office
1201 Main Street, Suite 820
Columbia, South Carolina 29201

Chem-Nuclear Systems, LLC
140 Stoneridge Drive
Columbia, South Carolina 29210

ARTICLE 4 – Successors and Assigns

This Memorandum shall not be assigned by either party without written consent of the other party.

SIGNED, SEALED AND DELIVERED as of the date first hereinabove written.

Witnesses

Deborah G. Ogilvie

CHEM-NUCLEAR SYSTEMS, LLC,
A DIVISION OF DURATEK, INC.

By: Glenn E. Veit

Title: President

THE SOUTH CAROLINA BUDGET CONTROL BOARD

Deborah G. Ogburn

By: Frank A. Fusco

Title: Executive Director

MEMORANDUM OF UNDERSTANDING
(FINANCIAL REPORTS)

This MEMORANDUM OF UNDERSTANDING is by and between Chem-Nuclear Systems, LLC, a Division of Duratek, Inc. ("Chem-Nuclear") and the South Carolina Budget and Control Board ("the Board").

WHEREAS, the Board desires to obtain certain financial information related to the disposal of low-level radioactive waste at the Barnwell, South Carolina Facility which Chem-Nuclear owns and operates; and

WHEREAS, Chem-Nuclear desires to provide such information to the Board.

NOW, THEREFORE, for and in consideration of these premises and the mutual covenants herein, Chem-Nuclear and the Board agree as follows:

1. That, on or before July 30 of each year, Chem-Nuclear will provide to the Board's Executive Director a report ("Report") which will consist of an annual profit and loss statement for the disposal operations of the Barnwell Facility. The Report will be based on the fiscal year of the State of South Carolina and will reflect operations for the previous fiscal year

2. That the Report will be substantially in the form of the attached Exhibits which are incorporated by reference.

3. That the first Report will be submitted to the Board on July 30 2002.

IN WITNESS WHEREOF, Chem-Nuclear and the Board have caused this Memorandum of Understanding to be signed and sealed this the 8th day of May 2002, by their duly authorized representatives.

ATTEST:

Deborah G. Ogburé

CHEM-NUCLEAR SYSTEMS, LLC,
A DIVISION OF DURATEK, INC.

Ryan E. Voit

TITLE: President

ATTEST:

Deborah G. Ogburé

THE SOUTH CAROLINA BUDGET
AND CONTROL BOARD

Frank W. Fusco

TITLE: Executive Director