

**AIR LIQUIDE INDUSTRIAL U.S. LP**  
**APSA™ PRODUCT SUPPLY AGREEMENT**

This is an Agreement dated November 22, 2006, No. U0203 for identification purposes,

between the following Parties:

**Air Liquide Industrial U.S. LP**, a Delaware limited partnership (“Supplier”), with a  
place of business at

2700 Post Oak Boulevard, Houston, TX 77056

**AND**

**Uranium Disposition Services, LLC**, (Customer) with a place of business at  
1020 Monarch Street, Suite 100, Lexington, KY 40513, and having a Generator

at

UDS Operations  
5600 Hobbs Road (and Montana Avenue) Paducah, Kentucky 42002

in the County of McCracken

(the “Location”).

**SUPPLIER AND CUSTOMER AGREE AS FOLLOWS:**

## TABLE OF CONTENTS

	<b>Page</b>
1. DEFINITIONS .....	3
2. EXCLUSIVE SUPPLY AGREEMENT .....	4
3. PRICES .....	4
4. TERM & EARLY TERMINATION.....	5
5. PAYMENT .....	6
6. SUBSTITUTE SYSTEMS / CORRECTION OF CONDITIONS / SHUTDOWNS .....	7
7. DELIVERIES .....	7
8. FORCE MAJEURE EVENTS .....	7
9. WARRANTIES .....	8
10. EXCLUSION AND LIMITATION OF DAMAGES / INDEMNITY .....	8
11. WARNING CONCERNING HAZARDOUS NATURE OF PRODUCT, TRAINING PROGRAMS, AND SAFETY ISSUES .....	9
12. GENERAL PROVISIONS .....	9
13. EXHIBIT A .....	11
14. EXHIBIT B .....	13
15. EXHIBIT C .....	15

## 1. DEFINITIONS

### THE FOLLOWING TERMS HAVE THE FOLLOWING DEFINITIONS, IN THIS AGREEMENT

<b>APSA™ :</b>	Air Liquide's trademarked name for a nitrogen generator which produces nitrogen gas by the process of fractional distillation of air at the Customer's Location.
<b>Actual Production Rate:</b>	The flow rate of product, measured in SCFH, on an instantaneous basis, at any particular point in time.
<b>Equivalent Power Cost:</b>	When the APSA is not fully operational, the cost that the Customer would have incurred for electric power to produce equivalent volumes of Product, had the Generator been operational -- as specified in Sections 3.3 & 3.5.
<b>Consumer Price Index (CPI):</b>	The Consumer Price Index as published by the U.S. Department of Labor, Bureau of Labor Statistics Series ID# CUUR000SA0 [All Urban Consumers, U.S. City Average, All Items, Not Seasonally Adjusted, Base Period 1982-1984=100].
<b>Consumed:</b>	All Interim Nitrogen delivered into the Interim Storage Facility. All Product passing into the Customer's line after the Generator Commissioning Date, as measured by Supplier's standard metering devices, measuring on an instantaneous basis in standard cubic feet per hour (SCFH), unless during a declaration of Force Majeure the measuring device is non-operational, at which time measurements will be into the Permanent Storage Facility.
<b>Contract Flow Rate:</b>	The flow rate of Product, measured in SCFH on an instantaneous basis, which Supplier will provide to Customer for the Generator Monthly Rate as per Section 3. The Contract Flow Rate is specified in Exhibit A, Section 2.
<b>Design Conditions:</b>	The site conditions upon which the Generator's Electrical Power Consumption is based, as indicated in Exhibit B.
<b>Electrical Consumption Rate:</b>	The rate at which the Generator is expected to consume electrical power at Design Conditions, expressed in unit of kilowatts (kW), as indicated in Exhibit B, Section 2.
<b>Electrical Energy Rate:</b>	Customer's average unit cost of electrical energy (or "Customer's Electrical Power Rate"), including demand, energy and riders, expressed in units of dollars per kilowatt-hour (\$/kWh), as indicated in Exhibit B, Section 2.
<b>Force Majeure Event:</b>	A "Force Majeure Event", as used in this Agreement, is defined to include the following events: an act of God, lightning, fire, hurricane, flood, epidemic, landslide, earthquake, tornado, an act of a public enemy, war, public rioting, acts or restraints of any governmental authority, strike or labor dispute that delays the timely performance of this Agreement, breakage of equipment or machinery that could not be prevented with proper service and maintenance, power outages or voltage fluctuations, or any event beyond the reasonable control of the party claiming Force Majeure.
<b>GAN:</b>	Gaseous nitrogen product generated on-site by the Generator.
<b>Generator:</b>	A specially ordered, APSA-type, nitrogen-producing generator, which supplies Product to Customer in gaseous form, called On-Site Generated Nitrogen.
<b>Generator Commissioning Date:</b>	The date as of which the Generator has been installed and Supplier has notified Customer in writing that it is ready for operation. Also referred to as the Generator Ready Date.
<b>Initial Term:</b>	As defined in Section 4.1.

<b>Interim Nitrogen or Interim Liquid Nitrogen or Interim LIN:</b>	Product, delivered in Liquid phase, supplied by Supplier prior to the Generator Commissioning Date, as defined in this Agreement.
<b>Interim Storage Facility:</b>	Air Liquide Industrial U.S. LP's vessel and vaporization equipment used to store, vaporize and supply Interim Liquid Nitrogen having the capacities stated in Exhibit A.
<b>LIN or Liquid Nitrogen:</b>	Nitrogen delivered in liquid form to the Location and stored in cryogenic vessel(s).
<b>Location:</b>	The physical location of the Customer's current and future operations where Product is consumed. The address of the current location is as indicated on Page 1 of this Agreement.
<b>Monthly Rate(s):</b>	Referred to collectively or individually as the Rates or Monthly Rates, paid monthly to Supplier by Customer, for the Product produced from Supplier's facilities, including the Interim Storage Facility, Permanent Storage Facility, and the Generator, as detailed in Exhibit B.
<b>On-Site Generated Nitrogen or On-Site Generated GAN:</b>	Product produced at the Customer's location by the Generator and consumed by the Customer.
<b>Permanent Storage Facility:</b>	A Liquid Nitrogen Storage Facility integral to or separate from the Generator, which will remain at the Location throughout the Term of this Agreement, unless the system is otherwise modified or upgraded.
<b>Price(s):</b>	Each of the prices, rates, charges and fees to be paid by Customer to Supplier as specified in Exhibit B.
<b>Product:</b>	All nitrogen consumed in connection with Customer's operations now or later conducted at the Location, including Interim Liquid Nitrogen, Supplemental Nitrogen and On-site Generated Nitrogen. See "Consumed."
<b>Standard Cubic Foot (SCF):</b>	The amount of Product that would occupy one cubic foot of volume when in the gas phase at conditions of seventy degrees Fahrenheit (70°F), and one atmosphere of pressure (14.7 psia).
<b>SCFH:</b>	SCFH refers to Standard Cubic Feet per Hour.
<b>Supplemental Nitrogen:</b>	Product consumed by the Customer: 1) After the Generator Commissioning Date, and when a Force Majeure has NOT been declared by either party, product consumed at flows rates as defined in Exhibit B Section 1, as measured on an instantaneous basis. 2) During a Force Majeure event, product consumed in excess of the Generator's actual production rate, as measured on an instantaneous basis or by truck deliveries if the flow meter is non operational.
<b>Supply System:</b>	Equipment as defined in Exhibit A, constituting the APSA generator system and related storage and vaporization equipment.
<b>Term:</b>	As defined in Section 4.
<b>Unit Price:</b>	Any price herein that is stated in terms of a Price per unit of Product, where "unit" equals one hundred Standard Cubic Feet (abbreviated hcf or 100 SCF), as quantified in Exhibit B Section 1.

## 2. EXCLUSIVE SUPPLY AGREEMENT

- 2.1 Supplier agrees to sell to Customer, and Customer agrees to purchase from Supplier, per the terms and conditions of this Agreement, all of the Product required in connection with Customer's operations now or later conducted at the Location. Further, at Supplier's option, this Agreement shall also include all Product required by Customer at any other location to which any part of Customer's operations at the Location may be transferred. The sale and purchase shall be made at the Prices specified in Exhibit B to this Agreement.
- 2.2 The Product shall be for Customer's own use and not for resale, transfer to or use by third parties.

## 3. PRICE(S)

- 3.1 Prior to the Generator Commissioning Date, Supplier will install and maintain an Interim Storage Facility at the Location. After the installation of the Interim Storage Facility and before the Generator Commissioning Date, Customer will pay the Interim Monthly Rate and for all Product delivered into the Interim Storage Facility, at the Interim Liquid Nitrogen Price.
- 3.2 After the Generator Commissioning Date, and during normal operation of the generator, Customer will pay all of the following, as per Exhibit B Section 1:
- i) The Generator Monthly Rate for Product consumed up to the Contract Flow Rate
  - ii) The Supplemental Nitrogen Price for Product consumed at the flow rates defined in Exhibit B Sec 1
- 3.3 After the Generator Commissioning Date, if the Generator is not operating or operating at less than the Contract Flow Rate due to other than a Force Majeure Event, Customer will pay all of the following during this period:
- i) The Generator Monthly Rate for Product consumed up to the Contract Flow Rate
  - ii) The Equivalent Power Cost (as defined in Section 3.5)
  - iii) The Supplemental Nitrogen Price for Product consumed which is in excess of the Contract Flow Rate
- 3.4 After the Generator Commissioning Date, if the Generator is not operating or operating at less than the Contract Flow Rate due to a Force Majeure Event, Customer will pay all of the following during the Force Majeure period:
- i) The Generator Monthly Rate
  - ii) The Supplemental Nitrogen Price for all Product consumed in excess of the Generator's actual production rate.
  - iii) During a Force Majeure Event, Customer may elect not to pay the Monthly Rate. If Customer chooses not to pay the Monthly Rate, the term of the agreement will be extended by a period of time equal to two (2) times the amount of time in which Customer elected not to pay the Monthly Rate.
- 3.5 The Equivalent Power Cost referred to in Section 3.3 shall be calculated according to the following formula:

$$\text{Equivalent Power Cost (\$)} = K \text{ (kW)} \times H \text{ (hrs)} \times E \text{ (\$/kWh)} \times (C-A) / C$$

Where,

Equivalent Power Cost is in dollars;

K = "Electrical Consumption Rate", as per Exhibit A, in kilowatts (kW);

H = Length of Time in which the Generator was not operating normally, in hours (hrs); and

E = Customer's "Electrical Energy Rate", as per Exhibit B, in dollars per kilowatt-hour (kWh).

C = Contract Flow Rate (SCFH)

A = Actual average flow rate of product produced by the APSA™ during the time H (SCFH)

3.6 If Supplier has notified Customer that the Generator is ready to be installed, and installation is not completed within ninety (90) calendar days following Supplier's notice, because Customer, for any reason, has not performed one or more of its obligations as described in Section 4 of Exhibit C, Customer's obligation to pay the Generator Monthly Rate shall begin at the end of those ninety (90) calendar days. Customer will also pay for any delivered nitrogen at Supplemental Nitrogen Prices.

**4. TERM and EARLY TERMINATION**

- 4.1 The Effective Date of the Agreement shall be the latter date of the acceptance dates of the two parties as shown on the final page of the Agreement. The Initial Term of this Agreement shall be six (6) years from the effective date of the agreement.
- 4.2 After the Initial Term, the Agreement can be renewed for a five (5) year period and then from year to year after that, with agreement by the Parties.
- 4.3 Should Customer's requirement for nitrogen permanently cease during the Initial Term, and an officer of the Customer certifies thereto in writing, Customer shall have the option to terminate the Agreement at any time by giving Supplier written notice, regardless of the circumstances surrounding the need to terminate the Agreement. Customer shall pay Supplier termination fees, at least fifteen (15) days before the effective date of termination, in accordance with the following schedule:

Termination Within	Paducah, KY
YEAR 1&2	\$1,956,000
YEAR 3	\$1,564,800
YEAR 4	\$1,173,600
YEAR 5	\$782,400
YEAR 6	\$391,200

- 4.4 After the Initial Term, if Customer's requirements for Nitrogen permanently cease at the usage location, and an officer of the Customer certifies thereto in writing, Customer shall have the option to terminate the Agreement at any time, by giving Supplier written notice and by paying to Supplier, within 15 days of the effective date of termination, an Early Termination Fee in accordance with the following formula:

Early Termination Fee = A \* (12-B)

Where,

"A" equals the Monthly Rate in force at the effective date of termination, and

"B" equals the number of months notice Customer provides to Supplier in advance of the effective date of termination

The Early Termination Fee may never be less than zero.

For example, the Agreement is one month into the first five (5) year renewal term and Customer certifies in writing to Supplier that they will no longer require nitrogen and are exercising their option to terminate the Agreement in accordance with Section 4.4 of the Agreement. As part of notification, Customer informs Supplier that the requirement will cease in five months. The Monthly Rate in force at the time of termination is \$26,400 per month. The Early Termination Fee that Customer must pay to Supplier is:

$\$26,400 * (12 - 5) = \$184,700 + \$60,000$  (removal and shipping fee per Section 4.8)

- 4.5 Customer shall permit Supplier to remove the Generator and Supply System on the earlier of 1) the date when Customer ceases to require Product or 2) the effective date of termination.
- 4.6 If at any time within 24 months after the effective date of termination, Customer again has a requirement for Nitrogen at the Location, Customer will give Supplier written notice of that requirement. Supplier shall then have the right, at its option, to

revive the Agreement at the location, for a Term equal to the amount of time (plus any automatic renewals) then remaining on the Term of the Agreement at the time of the termination. The revival of the Agreement shall be initiated by Supplier re-installing a Supply System comparable to the previously installed system within a commercially reasonable period of time following receipt of Customer's notice. Upon the restart of the Supply System, the Terms and Conditions of the Agreement will be reinstated.

- 4.7 Whereas Supplier has invested substantial capital and effort to establish a Generator and Supply System at Customer's plants in anticipation of a long-term contract to supply gas to Customer, termination fees set forth above represent a reasonable determination of the amount of damages Supplier will suffer in the event of an early termination of this agreement by Customer and are not penalties. The values do not suggest transfer of ownership of Supplier's Generator and Supply System.
- 4.8 Regardless of conditions of termination under this Section 4, in addition to fees paid pursuant to Sections 4.3 and 4.4 of this Agreement, Customer will pay to Supplier a Generator removal and shipping fee of \$60,000.00, payable within 45 days of termination.
- 4.9 If an event of Force Majeure continues for a period greater than one hundred eighty (180) consecutive days, either party may terminate this Agreement by providing ninety (90) days notice.

## 5. **PAYMENT**

- 5.1 Supplier will bill the Customer at the beginning of each month of supply, for the Interim Facility Rate and Monthly Rate. Supplemental Nitrogen, On-site Generated Nitrogen, and Interim Nitrogen will be billed at the first of the month, following the month of consumption. Customer shall make payment in full by the 45th day following date of invoice. Supplier may also collect from Customer on any delinquent balance a charge at the rate of 1.5% per month or, if less, the maximum rate permitted by law.
- 5.2 Customer shall pay all taxes, except Supplier's income tax, relating to the sale, supply, storage, or use of the Product and/or Supply System, including, but not limited to sales, ad valorem, and personal property taxes.
- 5.3 If Customer fails to pay any undisputed amount due hereunder within 10 days of the due date thereof ("Past Due Amount"), notwithstanding any provisions of this Agreement to the contrary, Supplier shall have the right to suspend performance of Supplier's obligations under this Agreement upon a further 5 days prior written notice to Customer; provided, however, that if Supplier receives payment of the Past Due Amount before the end of such 5 day notice period, Supplier shall not have the right to so suspend its performance hereunder.
- 5.4 At any time during the Term, if in Supplier's reasonable opinion, Customer's ability to pay the Rate(s) and/or Supplemental Product Prices hereunder, has been impaired, Supplier may make a written request to Customer for Customer to provide adequate assurance of its ability to continue to perform under this Agreement. Such adequate assurance may include, without limitation, payment of cash in advance of delivery or the posting of an irrevocable letter of credit that is satisfactory to Supplier in form and substance in its sole opinion. Payment in advance, if required by Supplier, will entitle Customer to a 1% cash discount on the relevant invoiced amounts provided that Customer's Past Due Amount balance is \$0 at such time. If Customer fails to provide such adequate assurance by the date specified in such notice, Supplier may, upon an additional 5 days prior written notice to Customer (i) reduce deliveries of Product to a lesser volume, if any, which corresponds to Customer's then current creditworthiness; (ii) suspend performance of Supplier's obligations under this Agreement; or (iii) terminate this Agreement, as Supplier may elect in its sole discretion.

## **6. SUBSTITUTE SYSTEMS / CORRECTION OF CONDITIONS / SHUTDOWNS**

- 6.1 After the Effective Date of the Agreement, Customer shall reimburse Supplier for all costs or expenses incurred by Supplier for modifications or improvements to the Supply System that are necessary for or because of the following reasons: (i) compliance of the Supply System with all laws, ordinances and regulations which become effective after the Effective Date of the Agreement; (ii) compliance of the Supply System with safety standards or Good Manufacturing Practices, which become effective after the Effective Date of the Agreement; (iii) changes in Customer's requirements for Product or usage pattern of Product; or (iv) changes in site conditions at the Location (including air impurities greater than the limits in Exhibit C Section 4(h)).
- 6.2 Supplier shall have the right to temporarily shut down the Generator for whatever periods of time may be necessary to perform maintenance and repair consistent with proper and safe operation, in which case payment for Nitrogen will be made in accordance with Section 3.3.

## **7. DELIVERIES**

- 7.1 Delivery of Product shall be made at the connection point of the Generator to the Customer's piping. Delivery of Liquid Nitrogen shall be made to, as applicable, the Interim or Permanent Storage Facility. Customer shall allow Supplier to make Liquid Nitrogen deliveries 24 hours per day, 7 days per week. Title and risk of loss shall pass to Customer upon delivery into its piping system.
- 7.2 If sufficient Liquid Nitrogen is not available from Supplier's normal sources of supply to supply all of Customer's Supplemental Nitrogen needs, Supplier will divide available Product among its various customers, and will make every reasonable effort to obtain additional Liquid Nitrogen from other sources, provided Customer agrees to pay all additional costs associated with that Product. If Supplier is unable to supply Liquid Nitrogen to Customer, Customer may obtain replacement Liquid Nitrogen elsewhere and place it in the storage facility for that period of time in which Supplier is not able to supply Customer. This right is subject to Supplier's prior consent, which shall not be unreasonably withheld. During this period, Customer shall be responsible for any damages done to the Supply System by Customer or another supplier.
- 7.3 Supplier is not obligated to make monthly deliveries of Liquid Nitrogen in amounts: a) less than 30% of the capacity of the Permanent Storage Facility, b) during normal operation of the Generator, 125% of Customer's average monthly Liquid Nitrogen consumption hereunder over the previous six (6) month period; or c) during non-operation of the Generator, an equivalent monthly volume which is equal to 125% of the Contract Flow Rate.

## **8. FORCE MAJEURE EVENTS**

- 8.1 With the exception of payment of the Monthly Rate, Prices and taxes, neither party shall be liable for failure to perform their obligations under this Agreement during a Force Majeure Event.
- 8.2 After the Force Majeure condition has ended, the Agreement shall continue under the same operations and circumstances as existed prior to the Force Majeure Event.

## **9. WARRANTIES**

- 9.1 Subject to the limitations of liability and remedy in this Agreement, Supplier warrants that: a) the Product shall conform to the specifications in Exhibit A, and b) the manufacture or sale of the Product will not infringe any U.S. Patent.
- 9.2 THE ABOVE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW, INCLUDING ANY WARRANTY THAT THE PRODUCT IS MERCHANTABLE OR FIT FOR ANY PARTICULAR PURPOSE OR USE.

- 9.3 Customer acknowledges that it can obtain devices for sampling and testing the Product. Customer will promptly notify Supplier if it learns that any Product delivered under this Agreement does not meet Exhibit A specifications. Customer has the right, at no cost to Customer, to refuse to accept any such Product that does not conform to specifications ("Off-Spec Product").

## **10. EXCLUSION AND LIMITATION OF DAMAGES / INDEMNITY**

- 10.1 SUPPLIER'S SOLE LIABILITY FOR AND CUSTOMER'S SOLE REMEDY FOR ANY AND ALL CLAIMS (INCLUDING WITHOUT LIMITATION CLAIMS FOR OFF-SPEC PRODUCT OR NON-DELIVERY OF PRODUCT), LOSSES, OR DAMAGES (INCLUDING ATTORNEY'S FEES) HEREUNDER WHETHER IN CONTRACT, TORT, STRICT LIABILITY, PATENT INFRINGEMENT OR OTHERWISE SHALL BE LIMITED TO, AT SUPPLIER'S SOLE OPTION, THE REFUND OF THE PURCHASE PRICE OR REPLACEMENT OF PRODUCT AND SHALL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCT, WHETHER DELIVERED OR NOT, WHICH RELATES TO THE CLAIM THAT IS MADE AND PROVED.
- 10.2 IN NO EVENT SHALL SUPPLIER BE LIABLE TO THE CUSTOMER, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, PATENT INFRINGEMENT OR OTHERWISE FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES OF ANY TYPE, INCLUDING BUT NOT LIMITED TO DOWNTIME, LOSS OF USE OR LOSS OF PROFITS; PROVIDED, HOWEVER, THAT THE FOREGOING SHALL NOT APPLY TO, OR EXCLUDE OR LIMIT SUPPLIER'S RIGHT TO RECOVER, SUPPLIER'S LOSSES, INCLUDING BUT NOT LIMITED TO, LOST PROFITS RESULTING FROM CUSTOMER'S FAILURE TO PERFORM ITS PURCHASE OR PAYMENT OBLIGATIONS UNDER THIS AGREEMENT; FURTHER PROVIDED, THAT THE PAYMENTS TO BE MADE TO SUPPLIER UNDER SECTION 4.3 ARE NOT DEEMED TO BE DAMAGES OF THE TYPE EXCLUDED UNDER THIS SECTION 10.2.
- 10.3 THE LIMITATIONS CONTAINED IN THIS SECTION 10 SHALL APPLY TO ALL CLAIMS, LOSSES OR DAMAGES SUFFERED BY CUSTOMER, INCLUDING THOSE BASED ON OR ARISING FROM, IN WHOLE OR IN PART, ANY ACT OR OMISSION OF EITHER PARTY, WITHOUT REGARD TO THE THEORY OF LIABILITY UNDER WHICH RECOVERY IS SOUGHT, INCLUDING BUT NOT LIMITED TO CLAIMS BASED ON BREACH OF CONTRACT, BREACH OF WARRANTY (IMPLIED OR EXPRESS), NEGLIGENCE, GROSS NEGLIGENCE OR STRICT LIABILITY OF SUPPLIER AND/OR CUSTOMER.
- 10.4 Subject to any limitations of liability, damages and remedy set forth in this Agreement, each party agrees to defend, protect, indemnify and save the other party and the other party's employees harmless from and against any and all claims, liabilities, demands, damages, actions, or causes of action, and all losses, costs and expenses (including related litigation costs and reasonable attorney's fees) relating thereto, asserted by any person or persons (including the indemnifying party's employees) for bodily injuries, death or property damage to the extent that the same are caused by the negligent or willful acts or omissions of the indemnifying party or its employees.
- 10.5 All claims of Customer regarding Product delivered or not delivered shall be deemed waived and forever barred unless Customer notifies Supplier in writing by the earlier of ten (10) days after Customer discovers the matter or ninety (90) days after the date of the delivery or non-delivery to which the claim relates.

## **11. WARNING CONCERNING HAZARDOUS NATURE OF PRODUCT. TRAINING PROGRAMS AND SAFETY ISSUES**

- 11.1 **Product Hazards.** Customer acknowledges that the Product can be hazardous and must be handled accordingly. Customer acknowledges its understanding that the Product is classified by the U.S. Occupational Safety and Health Administration ("OSHA") as a hazardous chemical, and that there are hazards associated with the possession and use of the Product, and that Customer must take proper account of those hazards and deal with them appropriately.
- 11.2 **Material Safety Data Sheets.** Customer shall warn all persons who may be exposed to any hazards relating to the Product and shall train them in the proper use thereof. Customer acknowledges that Supplier has supplied Customer with all relevant Material Safety Data Sheets ("MSDSs") relating to the Product, and that additional MSDSs are available from Supplier on request. Customer is also aware that OSHA regulations require Customer to develop and

implement a written chemical hazard communications program for its employees regarding all hazardous chemicals. Customer understands that the Products must not be used without consulting the MSDSs, and will ensure that all employees, customers and others who may be exposed to the Product receive and refer to the MSDSs.

- 11.3 **Customer Risk and Liability.** In addition to its indemnity under Section 10.4, Customer assumes all risk and liability for and will indemnify and hold Supplier harmless against, all loss, damages or injury (including death) to persons or to the property of Customer or others arising out of the use of the Product after delivery thereof to Customer per this Agreement.
- 11.4 **Compliance with Laws.** Customer shall comply with all laws, ordinances, rules and regulations relating to the purchase, storage or use of the Product, installation or use of the Systems, and all other aspects of Customer's operations, including any applicable licensing, permitting and registration obligations and environmental laws (collectively "Laws"). Further, it is the responsibility of Customer to comply with all relevant reporting obligations under the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Sec. 11001-11049 [EPCRA, also commonly known as Title III of the Superfund Amendments and Reauthorization Act of 1986 (SARA Title III)] resulting from the presence of the chemicals (the Product) supplied under the Agreement. In that regard, Customer agrees to file annually, pursuant to SARA Title III, Section 312, and EPA regulations promulgated thereunder, the EPA Tier I or II inventory form covering the Product. Customer agrees to indemnify and hold Supplier harmless for any public or private claim, demand, cause of action or judgment arising from or attributable to Customer's failure to comply with the Laws. Customer further represents and warrants the Customer, including its environmental department, does not know of or have reason to know of any violation of environmental laws or contamination on, over, or under the location, whether arising from the operations of Customer or any prior owner or operator of the property or from any other cause.
- 11.5 **Suitability of Product / Customer Responsibility.** Customer is solely responsible for determining whether the Product is suitable for Customer's intended use(s). Supplier does not warrant that the use of Product, or Customer's use processes, will not infringe any patents.

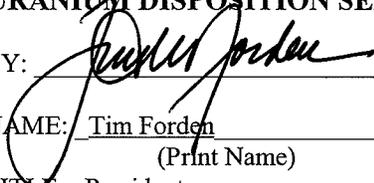
## 12. GENERAL PROVISIONS

- 12.1 **Assignment.** Whereas both parties understand that Customer is operating a Department of Energy (DOE)-owned facility under a contract with the DOE that expires February 28, 2011; subject to Supplier's consent, which shall not be unreasonably withheld, Customer shall assign this Agreement to such other successor firm as DOE may select to operate the facilities after the expiration of Customer's contract with DOE. This Agreement shall be binding on, and inure to the benefit of, the parties and their successors and assigns. If Customer transfers a material part of its assets and/or its operations at any Facility or its stock to a third party, Customer shall require the third party to accept an assignment of this Agreement, as it relates to any applicable Facility or Product, in form and content acceptable to Supplier.
- 12.2 **Applicable Laws and Severability.** The laws of the state of Customer's Mail Address for the Location shall govern this Agreement, without regard to such state's choice of law provisions. The invalidity or unenforceability of any provision of this Agreement under any applicable laws shall not affect the validity or enforceability of any other provision of this Agreement.
- 12.3 **Further Assurances.** Both Parties agree to sign all documents and do all things necessary or appropriate, in a timely manner, to give effect to the intent of this Agreement.
- 12.4 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof. No provision of any Customer purchase order or similar document shall alter or add to this Agreement. Any modifications of this Agreement must be written and signed by both parties.
- 12.5 **Notices.** Notices given in connection with this Agreement must be in writing and sent to the Party's place of business address indicated on the first page of this Agreement or any substitute address that the Party may provide to the other by notice hereunder. Notice shall be considered to be given on the date it is received if sent by prepaid mail or, if otherwise delivered, on the date of delivery.

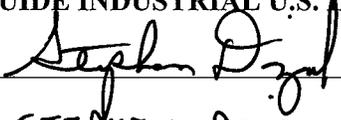
- 12.6 **Waiver.** The waiver by either Party of any of its rights under this Agreement shall not be construed as constituting a precedent.
- 12.7 **Mediation.** Prior to filing a lawsuit, except to prevent the running of any applicable statute of limitations, all disputes regarding this Agreement shall be submitted to non-binding mediation. If the parties cannot agree to a mediator, one will be selected pursuant to American Arbitration Association rules.
- 12.8 **Customer Contractually Free.** Customer represents that Customer is contractually free to enter into this Agreement and to perform hereunder and shall indemnify and defend Supplier against all damages it may suffer if Customer's representation is not correct.
- 12.9 **Confidentiality.** Customer shall continue to keep confidential, and to use only in connection with this Agreement, all proposals and related materials, correspondence and other disclosures previously or hereafter provided by Supplier to Customer, including, but not limited to, any such materials relating to the proposals, agreements, prices, technology, design, performance and operation of the Supply System. This confidentiality obligation supplements, and does not supersede, any existing confidentiality agreement between the Parties.
- 12.10 **Exhibits.** Exhibits A, B, and C any other revisions referred to above are part of this Agreement.

Submitted by: Vincent P. Tascano  
(Salesperson)

**ACCEPTED FOR CUSTOMER  
URANIUM DISPOSITION SERVICES, LLC**

BY:   
NAME: Tim Forden  
(Print Name)  
TITLE: President  
DATE: November 22, 2006

**ACCEPTED FOR SUPPLIER  
AIR LIQUIDE INDUSTRIAL U.S. LP**

BY:   
NAME: STEPHEN DZIAK  
(Print Name)  
TITLE: VP OF SALES  
Vice President  
DATE: 1/4/07

# EXHIBIT A

## SCOPE OF WORK AND SPECIFICATIONS

**APSA PRODUCT SUPPLY AGREEMENT DATED** November 21/2006, <sup>23 VPT \$5</sup> No. U0203  
**Between Air Liquide Industrial U.S. LP and Uranium Disposition Services, LLC**

This Exhibit references an APSA Nitrogen Supply System for the following usage Location: Paducah, KY.

### 1. Customer's Product Consumption:

**Estimated Total Monthly Product Requirement:** 25,600,000 SCF/month  
**Estimated Maximum Flow rate:** 42,600 scfh  
**Estimated Average Flow rate:** 35,000 scfh

### 2. The Supply System shall consist of the following sub-systems:

- (a) **Generator:** APSA **Contract Flow Rate:** 43,000 SCFH
- (b) **Permanent Liquid Nitrogen Storage Facility:** Size: Nominal 22,000 Gallons
- (c) **Interim Liquid Nitrogen Storage Facility:** Size: Nominal 22,000 Gallons
- (d) **Vaporizer:** Type: Ambient Atmospherically Heated **Capacity:** Nominal 196,800 SCFH (8 Hour Rating)
- (e) **Air Compressor(s) Electric Motor Horsepower:** 250 and 250 hp

**NOTE: Electrical Classification** - All equipment shall be electrically rated for a NON-Classified Hazardous Location as per the NFPA's National Electric Code and IEC's (International Electrotechnical Commission) definition of Hazardous Locations.

### 3. Product Specifications:

	<b>Generated Nitrogen (from APSA Generator)</b>	<b>Interim, Supplemental, &amp; Backup Nitrogen (from vaporized Liquid Nitrogen)</b>
<b>Composition:</b>		
<b>Nitrogen &amp; Inerts:</b>	99.999%	99.998%
<b>Oxygen:</b>	less than or equal to 5 ppm	less than or equal to 10 ppm
<b>Water:</b>	less than or equal to 1 ppm	less than or equal to 4 ppm
<b>Pressure:</b>	100 psig	95 psig

### 4. Utilities to be Supplied by Customer for Generator include:

- a) **Power Supply:** 3 Feeders of 480 Volts, 3 phase, 60 Hz (1 for each compressor & 1 for the conditioning /control skid)  
One Feeder of 240 /120 Volts, 1 phase, 60 Hz (for general purpose lighting, etc. & control building)  
See note in Section 2 above.
- b) **Telephone Lines:** Two (2) dedicated, voice-grade, analog lines capable of "56 kbps" data communications.
- c) **Condensate:** Compressor condensate disposal, including trace lubricants, in accordance with all applicable governing laws and regulations. The estimated quantity is 28 gph (gallons per hour).
- d) **General-Purpose Water:** For occasional use by Supplier for facility wash down, etc., via standard hose-bib connection

Customer Initials / Date 11/21/06 

Supplier: Initials / Date  1/4/07

# EXHIBIT B

## PRICES

22 MTZ

**APSA PRODUCT SUPPLY AGREEMENT DATED November 21, 2006, No, U0203**  
**Between Air Liquide Industrial U.S. LP and Uranium Disposition Services, LLC**

This Exhibit references an APSA Nitrogen Supply System for the following usage Location: Paducah, KY.

**1 Prices (subject to revision in accordance with the Agreement):**

**Monthly Rates**

Interim Monthly Facility Rate (Interim Liquid Nitrogen Storage Facility).....\$3,000.00  
Generator Monthly Rate (Generator & Permanent Liquid Nitrogen Storage Systems).....\$32,600.00

**Per 100 SCF Unit Prices**

Interim Liquid Nitrogen.....\$0.45 per 100 SCF  
  
Supplemental Nitrogen (Product consumed at flow rates greater than 43,000 scfh, as measured on an instantaneous basis, when the generator is operating and at flow rates greater than the Contract Flow Rate when the generator is not operating).....\$0.36 per 100 SCF

**2 Customer's Electrical Power Rate and Generator Consumption (as referenced in Sect 3.3 & 3.5):**

Customer's Electrical Power Rate: \$ 0.027 per kWh  
Generator's Electrical Consumption Rate: 346 kW

**3 Design Conditions:**

Site conditions for the city of Paducah, KY and atmospheric air as per Exhibit C Section 4(h).

**WIND, SNOW, AND SEISMIC LOADS:**

**Wind Load**

Basic Wind Speed = 96 mph, 3 second gust at 33' above grade  
Occupancy Category = III  
Wind Exposure Category = C  
Importance Factor ( $I_w$ ) = 1.0

**Snow Load**

Design ground snow load ( $P_G$ ) = 20 psf  
Importance Factor ( $I_S$ ) = 1.2

**Seismic Load:**

The equipment is characterized as PC-1 in accordance with DOE-STD-1020-2002 and shall be designed to meet the requirements of Section 1621 of International Building Code 2000.

The stiffness of the equipment or component attachment shall be designed such that the load path for the component performs its intended function. The component will remain anchored, but no assurance is needed that it will remain functional or easily repairable. The equipment or part of the equipment shall not become a missile during the seismic event.

$S_s$  (0.2-second spectral response acceleration, 5% of critical damping) = 2.55g

$S_1$  (1.0-second spectral response acceleration, 5% of critical damping) = 0.73g

Seismic Use Group = I

Importance Factor ( $I_E$ ) = 1.0

Site Classification = D

Seismic Design Category = D

Component Operating Weight  $W_p$  = (By Seller)

Component Importance Factor  $I_p$  = 1.0

Design Earthquake Response Accelerations,  $S_{DS}$ =1.00g,  $S_{D1}$ =0.60g

**4. Revision of Rates and Prices:**

A) Any adjustments to the Monthly Rates or On-Site Generated Nitrogen Price shall be made -annually, beginning with the thirteenth calendar month after the Generator Commissioning Date and at twelve-month intervals thereafter, in accordance with the following formula:

$$\text{Rate} = \text{Rate}_0 (0.6 + 0.4 * (\text{CPI} / \text{CPI}_0))$$

Where,

- Rate = The Monthly Rate or On-Site Generated Nitrogen unit price that applies to the new twelve month period.
- Rate<sub>0</sub> = The base Monthly Rate or On-Site Generated Nitrogen unit price specified above in Section 1 of Exhibit B.
- CPI = The Consumer Price Index for the month immediately preceding the first month of the new twelve month period. (The CPI is defined in Section 1 of the Agreement).
- CPI<sub>0</sub> = The Consumer Price Index for the month corresponding to the date of this Agreement, referred to on Page 1 of the Agreement as the identification date.

B) Supplier shall have the right to revise the Interim Liquid Nitrogen Price or Supplemental Nitrogen Price with written notice to Customer. In the event Supplier increases the Interim Liquid Nitrogen Price or Supplemental Nitrogen Price by an amount greater than 5% in any calendar year, then the following procedure shall apply:

- i) Within 15 days after the date of the notice, Customer may give Supplier a copy of a current written quote to Customer from a responsible manufacturer for the sale to Customer of like quantities of the Products in question on like terms and conditions and at a lower price.
- ii) If Customer does not submit a quote within 15 days, the new Interim Liquid Nitrogen Price or Supplemental Nitrogen Price will take effect on the date specified in Supplier's Price revision notice. If Customer submits a quote within 15 days, Supplier shall have 15 days to match the quoted price, or to reinstate the Price that preceded Supplier's increase, plus any increase as allowed above, or to do neither.
- iii) If Supplier matches the third party price or reinstates Supplier's prior Interim Liquid Nitrogen Price or Supplemental Nitrogen Price, Supplier shall have the right by notice to Customer, to extend the Term of this Agreement by one additional year. The third party price, if elected by Supplier, will take effect on the date specified in Supplier's Price revision notice.
- iv) If Supplier does not match the quoted third party price or reinstate the prior Interim Liquid Nitrogen Price or Supplemental Nitrogen Price, Customer may cancel this Agreement but only with regard to the supply of the Liquid Product in question (Interim Liquid Nitrogen or Supplemental Nitrogen) by giving Supplier written notice within the next 30 days.

If Customer does not cancel, Supplier's new Interim Liquid Nitrogen Price or Supplemental Nitrogen Price will take effect on the date specified in Supplier's Price revision notice. The scheduled cancellation date stated in Customer notice must be no later than 30 days after the notice date.

Customer Initials / Date tg 11/22/06

Supplier: Initials / Date SP 1/4/07

**EXHIBIT C**  
**SPECIAL PROVISIONS and RESPONSIBILITIES RELATING TO**  
**SUPPLY SYSTEM**

**APSA PRODUCT SUPPLY AGREEMENT DATED November 21/2006**, No. U0203  
Between Air Liquide Industrial U.S. LP and Uranium Disposition Services, LLC

**1. Generator Commissioning Date:**

Supplier's non-binding estimate for the Generator Commissioning Date is twelve (12) months after the Effective Date of the Agreement.

**2. SPECIAL PROVISIONS**

**A) NOTE: In the following Federal Acquisition Regulation (FAR) clauses, "Contractor" shall mean "Supplier" and "Contracting Officer" shall mean "Customer"**

The following FAR clauses are included as part of this Agreement:

- (1) 52.222-26, EQUAL OPPORTUNITY (E.O. 11246);
- (2) 52.222-35, AFFIRMATIVE ACTION FOR DISABLED VETERANS, VETERANS OF THE VIETNAM ERA (38 U.S.C. 4212(a));
- (3) 52.222-36, AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (29 U.S.C. 793); and
- (4) 52.244-6, SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (OCT 1998)

(a) Definition.

"Commercial item" as used in this clause has the meaning contained in the clause at 52.202-1, Definitions.

"Subcontract" as used in this clause, includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

(c) Notwithstanding any other clause of this contract, the Contractor is not required to include any FAR provision or clause, other than those listed below to the extent they are applicable and as may be required to establish the reasonableness of prices under Part 15, in a subcontract at any tier for commercial items or commercial components:

- (1) 52.222-26, Equal Opportunity (E.O. 11246);
- (2) 52.222-35, Affirmative Action for Disabled Veterans, Veterans of the Vietnam Era (38 U.S.C. 4212(a));
- (3) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793); and
- (4) 52.247-64, Preference for Privately Owned U.S.-Flagged Commercial Vessels (46 U.S.C. 1241) (flow down not required for subcontracts awarded beginning May 1, 1996).

- (d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

[End of Clause]

**B) NOTE: In the following clauses based on the Federal Acquisition Regulation (FAR) “Contractor” shall mean “Supplier” and “Contracting Officer” shall mean “Customer”**

(1) Protection of Government Buildings, Equipment, and Vegetation

The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation on the Government installation. If the Contractor's failure to use reasonable care causes damage to any of this property, the Contractor shall replace or repair, subject to the limitations set forth in this Agreement, the damage at no expense to the Government as the Contracting Officer directs. If the Contractor fails or refuses to make such repair or replacement, the Contractor shall be liable for the cost, which may be deducted from the contract price.

[End of Clause]

(2) Quality Assurance Program Plan

Whereas the scope of work under this Agreement will require Supplier's employees to perform work on DOE-owned sites controlled by Customer, all work performed by Supplier is required to be performed to a level of Quality consistent with DOE Regulations and Directives. Supplier shall deliver to Customer a Quality Assurance Program Plan (the Plan) within 30 days after the Effective Date of the Agreement. Supplier's employees shall not be authorized to commence work on either of Customer's plant sites until Customer has reviewed and approved Supplier's Plan. Customer will perform a timely review and will not unduly withhold approval of Supplier's Plan. Supplier shall pass on its Plan requirements to its subcontractors, suppliers and low-tier subcontractors. Supplier shall submit any proposed changes to Supplier's approved Plan to the Customer for review and approval prior to implementation. Customer will perform a timely review of proposed changes and will not unduly withhold approval of such changes to the Supplier's Plan.

[End of Clause]

(3) Environmental, Health and Safety Program Plan

Whereas scope of work under this Agreement will require Supplier's employees to perform work on a DOE-owned site controlled by Customer, all work performed by Supplier is required to be performed in a safe and environmentally sound manner consistent with DOE Regulations and Directives. Supplier shall either accept and use Customer's Environmental, Health and Safety Program Plan (the Plan), or Supplier shall deliver to Customer its own Plan within 30 days after the Effective Date of the Agreement. Supplier's employees shall not be authorized to commence work on either of Customer's plant sites until Customer has reviewed and approved Supplier's plan or Supplier has provided written acceptance of Customer's Plan. Customer will perform a timely review and will not unduly withhold approval of Supplier's Plan. Supplier shall submit any proposed changes to Supplier's approved Plan to the Customer for review and approval prior to implementation. Customer will perform a timely review of proposed changes and will not unduly withhold approval of such changes to the Supplier's Plan.

[End of Clause]

(4) Site Access and Training

All employees of Supplier who require periodic access to Customer's plant sites to perform oversight of Generator assembly and service and maintenance activities will be required to apply for a site access badge and to complete mandatory site training requirements. Only citizens of the United States of America will be permitted site access. All site training and badging will be provided at no cost by Supplier. Thirty (30) days prior to needing site access, Supplier will provide the following information to Customer by letter:

Date Site Access is Required:  
Date Employee is Available for Badging and Training:  
Employee Name(s) as appearing on driver's license:  
SSAN:  
Citizenship:  
Whether Employee holds Dual Citizenship:

[End of Clause]

**3. Supplier shall, at its expense (unless otherwise specified):**

- (a) Supervise the installation at the Location, on a foundation that is provided by Customer and acceptable to Supplier, in terms of its location and structure, of a Supply System as described in Exhibit A, and supervise the connecting of the Supply System to piping installed by Customer.
- (b) At Customer's request, provide, on a non-warranty basis, site layout recommendations and foundation specifications based on 2500 pounds per square foot (PSF) of soil load-bearing capacity.
- (c) Maintain the Supply System in accordance with good industrial practices.
- (d) Ensure installation, maintenance and operation of equipment provided under this Agreement is controlled by Supplier's Quality Management System Policy Manual (1-ALL-QUA-0001-P Rev. 0 (dated 3/20/06)) and subsequent revisions approved by the Customer prior to implementation.
- (e) All risk of loss or damage to the Supply System caused by Supplier or Supplier's agents, subcontractors or assigns, is assumed by Supplier.

**4. Customer shall at its expense:**

- (a) Install at the Location, under the supervision of Supplier, on a foundation that is provided by Customer and acceptable to Supplier, in terms of its location and structure, a Supply System as described in Exhibit A, and connect the Supply System, also under supervision of Supplier, to piping installed by Customer.
- (b) Provide, install, and maintain the following, which shall conform to all minimum specifications provided by Supplier:
  - i) a reinforced concrete foundation or equivalent in a location approved by Supplier;
  - ii) a piping system and related utilities and apparatus conforming to all applicable codes, laws and regulations for safe handling and receipt of the Product from the Supply System at tie-in points specified by Supplier;
  - iii) Fencing, lighting and security measures as necessary to ensure continuous protection of the Supply System. Traffic Bollards, as necessary, to protect the Supply System from vehicular traffic.
  - iv) Suitable hard-surfaced access and parking areas for Supplier's construction, product delivery and service vehicles. Such temporary parking location should be available for approximately 45 minutes per delivery.
- (c) Directly, or by contract with others, at no cost to Supplier, provide and maintain the following, which shall conform to all minimum specifications provided by Supplier:
  - i) Utilities for safe and proper operation of the Supply System and specifically including but not limited to:
    - Electrical Power, capable of starting motor(s) of the horsepower indicated in Exhibit A, without causing a voltage drop in excess of 10% at the motor terminals. The Supplier provided motor will be equipped by Supplier with either a Wye-Delta or Solid State reduced voltage motor starter.
    - For the electrical service and voltages indicated in Exhibit A, power feeders, neutrals, and grounding conductors from Customer's power supply to location designated on Supply System foundation. Each feeder to be terminated in a lockable, circuit breaker or fusible disconnect

switch at the foundation. Customer will run rigid metal conduit from lockable circuit breaker or fusible disconnect and terminate power at Supplier's equipment. Customer will provide feeder over-current, short circuit, and GFCI protection as needed and as per NEC specifications.

- Provide a Supply System grounding grid with a maximum resistance of 5 ohms.
- Telephone lines as indicated in Exhibit A at tie-in points specified by Supplier.
- An Ethernet connection as indicated in Exhibit A at tie-in points as specified by Supplier.
- General utility water via standard cold-water faucet and garden hose, for periodic use.

ii) Sewer/Waste Water connection for removal and treatment of all compressor and system condensates, storm and wash down water runoff from the Supply System, in accordance with all applicable codes and legal requirements and the reporting of same as required by applicable laws and regulations.

(d) Because the Supply System will be at the Customer's site, all risk of loss or damage to the Supply System caused by Customer or Customer's agents, subcontractors or assigns, is assumed by Customer from the date of arrival of the Supply System at the Location until removal of the Supply System by Supplier. Customer shall pay to Supplier the full cost of such loss or damage repair or the full replacement cost of items that are not repairable.

(e) Notify Supplier within 24 hours of any known damage, malfunction or change relating to the Supply System.

(f) Make sure that the Supply System, which is intended to be removed by Supplier after termination of this Agreement, and which shall remain Supplier's property at all times, is kept free of all liens and other claims by Customer and third parties.

(g) Provide to Supplier at the time of signing this Agreement, or any time thereafter at Supplier's request, i) a recordable UCC-1 financing statement prepared by Supplier, confirming Supplier's ownership of the Supply System; and ii) Sign UCC-1 renewals, as requested by Supplier (or, at Supplier's option, Supplier may itself sign and record the renewal for Customer).

(h) Inlet Air Conditions: To obtain product purity and flow as specified in Sections 2 and 3 of Exhibit A, as well as for safe operation of the system, the inlet atmospheric air at the customer site, must be within the impurity limits specified in the table below, prior to installation of the system and throughout the term of the Agreement (refer to Section 6.1 in the Agreement).

<b>Atmospheric Air Impurity</b>	<b>Limit</b>
Carbon Dioxide	< 400 ppm
Carbon Monoxide	< 0.6 ppm
Hydrogen	< 0.7 ppm
Hydrogen Sulfide	< 0.1 ppm
Non-Methane Hydrocarbons	< 0.5 ppm
Methane	< 6.0 ppm
Nitrous Oxide	< 0.6 ppm
Nitrogen Oxides	< 0.1 ppm
Ozone	< 0.2 ppm
Sulfur Oxides	< 0.1 ppm

(i) During construction of the generator, Customer will provide:

- 1) A means for trash / debris collection and removal
- 2) Bathroom facilities for workers
- 3) 120 Volt portable electric power within 50 feet of the site.
- 4) General purpose water for wash down via hose bib connection.

(j) Provide Supplier and Supplier's representatives, personnel and vehicular access to the system for 24-hour service and Liquid Nitrogen deliveries

Customer Initials / Date ky 11/22/06

Supplier: Initials / Date SD 1/4/07