

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) July 25, 2014

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of
incorporation)

1-11596
(Commission
File Number)

58-1954497
(IRS Employer
Identification No.)

8302 Dunwoody Place, Suite 250, Atlanta, Georgia
(Address of principal executive offices)

30350
(Zip Code)

Registrant's telephone number, including area code: (770) 587-9898

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Section 1 – Registrant’s Business and Operations

Item 1.01. Entry into a Material Definitive Agreement.

On July 25, 2014 and July 28, 2014, Perma-Fix Environmental Services, Inc. (the “Company”) and certain of our subsidiaries entered into amendments to our Amended Loan Agreement (as defined below) with PNC Bank, National Association (“PNC”) as discussed under Item 2.03 below, which is incorporated herein by reference.

Section 2 – Financial Information

Item 2.03. Creation of a Direct Financial Obligation or an Obligation Under an Off Balance Sheet Arrangement of a Registrant.

On July 25, 2014, the Company, and certain of our subsidiaries, entered into an amendment (the “July 25th Amendment”) with the lenders signatory thereto and PNC, as agent for such lenders, to our Amended and Restated Revolving Credit, Term Loan and Security Agreement (“Amended Loan Agreement”). The July 25th Amendment added the Company’s subsidiary, Perma-Fix of Canada, Inc., as a guarantor to the Amended Loan Agreement but did not alter the Company’s financial obligations thereunder. All other terms of the Amended Loan Agreement remain principally unchanged.

On July 28, 2014, the Company and certain of our subsidiaries, entered into another amendment to our Amended Loan Agreement (the “July 28th Amendment”) with the lenders signatory thereto and PNC, as agent for such lenders. The July 28th Amendment authorized the Company to sell our subsidiary, Schreiber, Yonley & Associates, Inc. (“SYA”), as discussed under Item 8.01 below, and it released a hold by PNC on \$2,350,000 of the \$3,850,000 of insurance settlement proceeds received by our subsidiary, Perma-Fix of South Georgia Inc. (“PFSG”). The PFSG insurance settlement was previously disclosed by the Company. The release of the insurance settlement proceeds will allow the Company to use \$2,350,000 for working capital purposes, and PNC will retain a hold on the remaining \$1,500,000 of such proceeds for up to the remainder of the term of the Amended Loan Agreement. All other terms of the Amended Loan Agreement remain principally unchanged.

Section 5 – Corporate Governance and Management

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Robert Schreiber, Jr. (“Schreiber”), the President of SYA and a named executive officer of the Company as a result of being a member of the executive management team of the Company, resigned from, or ceased holding, any positions with the Company or its subsidiaries, effectively immediately upon the closing of the sale of SYA by the Company, as discussed in Item 8.01 below. Following his resignation, Schreiber is and will no longer be a named executive officer of the Company or hold any offices with the Company or any of its subsidiaries.

Section 8 – Other Events

Item 8.01. Other Events.

On July 29, 2014, the Company completed the sale of SYA. In consideration of the sale of SYA, the purchaser paid approximately \$1,300,000 and an estimated \$60,000 working capital adjustment which is subject to adjustment within approximately 90 days of the closing date, in cash, to the Company at the closing, with \$50,000 of such consideration being placed in escrow for a period of one year to cover any claims by the purchaser for indemnification for certain limited types of losses incurred by the purchaser following the closing. SYA is a professional engineering and environmental consulting services company and was in the Company's Services Segment. In 2013, SYA had net revenues of \$2,564,736 and a net loss of \$621,288.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
4.1	Fifth Amendment to Amended and Restated Revolving Credit, Term Loan and Security Agreement dated July 25, 2014, by and among Perma-Fix Environmental Services, Inc., the lenders signatory thereto, and PNC Bank, National Association, as agent for such lenders.
4.2	Sixth Amendment to Amended and Restated Revolving Credit, Term Loan and Security Agreement dated July 28, 2014, by and among Perma-Fix Environmental Services, Inc., the lenders signatory thereto, and PNC Bank, National Association, as agent for such lenders.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: July 31, 2014

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By: /s/ Ben Naccarato
Ben Naccarato
Vice President and
Chief Financial Officer

FIFTH AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT,
TERM LOAN AND SECURITY AGREEMENT

THIS FIFTH AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT, TERM LOAN AND SECURITY AGREEMENT, dated as of July 25, 2014 (this "Amendment"), relating to the Credit Agreement referenced below, is by and among PERMA-FIX ENVIRONMENTAL SERVICES, INC., a Delaware corporation (the "Borrower"), the lenders identified on the signature pages hereto (the "Lenders"), and PNC Bank, National Association, a national banking association, as agent for the Lenders (in such capacity, the "Agent"). Terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement.

WITNESSETH

WHEREAS, a credit facility has been extended to the Borrower pursuant to the terms of that certain Amended and Restated Revolving Credit, Term Loan and Security Agreement dated as of October 31, 2011 (as amended and modified from time to time, the "Credit Agreement") among the Borrower, the Lenders identified therein, and PNC Bank, National Association, as agent for the Lenders;

WHEREAS, the Borrower has formed a wholly-owned Subsidiary, Perma-Fix Canada, Inc., an entity organized in Halifax, Nova Scotia ("Perma-Fix Canada") that is required to become a Guarantor under the Credit Agreement;

WHEREAS, in connection with Perma-Fix Canada becoming a Guarantor under the Credit Agreement, modifications to the Credit Agreement are needed;

WHEREAS, the Required Lenders have agreed to the requested modifications on the terms and conditions set forth herein;

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendment. The Credit Agreement is amended as set forth below:
 - (a) Section 1.3 is amended by adding a new sentence to the end of the Section to read as follows:

"Notwithstanding the foregoing, and where the context so requires, any term defined in this Agreement by reference to the Uniform Commercial Code shall also have any extended, alternative or analogous meaning given to such term in applicable Canadian personal property security and other laws (including, without limitation, the Personal Property Security Act and Securities Transfer Act of each applicable province and territory

of Canada), in all cases for the extension, preservation or betterment of the security and rights in the Collateral.”

(b) Schedules 4.5, 5.2(a) and 5.2(b) to the Credit Agreement are replaced with new Schedules 4.5, 5.2(a) and 5.2(b) attached hereto and incorporated herein by reference.

2. Conditions Precedent. This Amendment shall be effective as of the date hereof upon satisfaction of each of the following conditions precedent:

(a) the execution of this Amendment by the Borrower, the Required Lenders and the Agent;

(b) the execution of the First Amendment to Pledge Agreement by the Borrower and the Agent;

(c) receipt by the Agent of the original stock certificate of Perma-Fix Canada and an executed blank stock power for the certificate;

(d) the execution by Perma-Fix Canada of the Agreement to be Bound by Guaranty and the General Security Agreement;

(e) receipt by the Agent of a certificate of Perma-Fix Canada executed by an appropriate officer of Perma-Fix Canada certifying:

(i) the constating documents (including any amendments, modifications or supplements thereof or thereto), which shall be attached thereto, are complete and correct copies and that such constating documents have not been further amended, modified or supplemented and are in full force and effect;

(ii) the resolutions of Perma-Fix Canada and all other authorizations necessary to authorize the execution and delivery of and the performance by Perma-Fix Canada of its obligations under the Agreement to be Bound by Guaranty and the General Security Agreement; and

(iii) all locations where Perma-Fix carries on business and its chief executive office.

(f) receipt by the Agent of an incumbency certificate of the Secretary or Assistant Secretary of Perma-Fix Canada as to the incumbency and signature of the officers of Perma-Fix Canada executing the documents to which it is a party or any certificate or other documents to be delivered by it, together with evidence of the incumbency of such Secretary or Assistant Secretary;

(g) receipt by the Agent of a good standing certificate (or Canadian equivalent) of Perma-Fix Canada dated not more than thirty days prior to the date of this Amendment, issued by the appropriate official of Perma-Fix Canada's jurisdiction of organization;

(h) receipt by the Agent of confirmation of filing all financing statements under the Uniform Commercial Code and Personal Property Security Act as are necessary or appropriate, in Agent's discretion, to perfect the security interests in the collateral of Perma-Fix Canada;

(i) receipt by the Agent of insurance certificates for Perma-Fix Canada or evidence that Perma-Fix Canada has been added to the insurance certificates of the Borrower;

(j) receipt by the Agent of a legal opinion from counsel to Perma-Fix Canada, including, without limitation, opinions with respect to the due authorization, execution and delivery and enforceability of the Agreement to be Bound by Guaranty and the General Security Agreement;

(k) receipt by the Agent of lien searches for Perma-Fix Canada; and

(l) receipt by the Agent of such other documents as the Agent or the Lenders may reasonably request.

3. Representations and Warranties. The Borrower hereby represents and warrants in connection herewith that as of the date hereof (after giving effect hereto) (i) the representations and warranties set forth in Article V of the Credit Agreement are true and correct in all material respects (except those which expressly relate to an earlier date), and (ii) no Default or Event of Default has occurred and is continuing under the Credit Agreement.

4. Acknowledgments, Affirmations and Agreements. The Borrower (i) acknowledges and consents to all of the terms and conditions of this Amendment and (ii) affirms all of its obligations under the Credit Agreement and the Other Documents.

5. Credit Agreement. Except as expressly modified hereby, all of the terms and provisions of the Credit Agreement remain in full force and effect.

6. Expenses. The Borrower agrees to pay all reasonable costs and expenses in connection with the preparation, execution and delivery of this Amendment, including the reasonable fees and expenses of the Agent's legal counsel.

7. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original. It shall not be necessary in making proof of this Amendment to produce or account for more than one such counterpart.

8. Governing Law. This Amendment shall be deemed to be a contract under, and shall for all purposes be construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWER:

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

By: BCP
Name: B. NACCARATO
Title: CFO

AGENT AND LENDER:

PNC BANK, NATIONAL ASSOCIATION,
in its capacity as Agent and as Lender

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWER:

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

By: _____
Name: _____
Title: _____

AGENT AND LENDER:

PNC BANK, NATIONAL ASSOCIATION,
in its capacity as Agent and as Lender

By: Alex M. Council
Name: ALEX M. COUNCIL
Title: VICE PRESIDENT

Schedule 4.5

Equipment and Inventory Locations, Places of Business;
Chief Executive Offices; Locations of Real Property

I. PESI Equipment and Inventory Locations

a. *Current Operations*

- | | |
|---|--|
| 1. Perma-Fix Environmental Services, Inc.
8302 Dunwoody Place Suite 250
Atlanta, Georgia 30350 | 5. Perma-Fix Northwest Richland, Inc.
2025 Battelle Blvd
Richland WA |
| 2. Schreiber, Yonley and Associates, Inc.
16252 Westwood Business Park Dr.
Ellisville, MO 63021 | 6. Perma-Fix Northwest, Inc.
2025 Battelle Blvd
Richland WA |
| 3. East Tennessee Materials and Energy
Corporation
2010 HWY 58
Oak Ridge, TN 37830-1020 | 7. Perma-Fix of South Georgia, Inc. ¹
1612 James P. Rodgers Circle
Valdosta, GA 31601 |
| 4. Perma-Fix of Florida, Inc.
1940 NW 67th Place
Gainesville, FL 32653 | 8. Diversified Scientific Services, Inc.
657 Gallaher Road
Kingston TN 37763 |

b. *Discontinued Operations*

- | | |
|---|---|
| 1. Perma-Fix of Maryland, Inc. ¹
8302 Dunwoody Place Suite 250
Atlanta, Georgia 30350 | 4. Perma-Fix of Pittsburgh, Inc. ¹
8302 Dunwoody Place
Suite 250
Atlanta, Georgia 30350 |
| 2. Perma-Fix of Dayton, Inc. ¹
8302 Dunwoody Place Suite 250
Atlanta, Georgia 30350 | 5. Perma-Fix of Michigan, Inc. ¹
8302 Dunwoody Place
Suite 250
Atlanta, Georgia 30350 |
| 3. Perma-Fix Treatment Services, Inc. ¹
8302 Dunwoody Place Suite 250
Atlanta, Georgia 30350 | 6. Perma-Fix of Memphis, Inc. ¹
8302 Dunwoody Place
Suite 250
Atlanta, Georgia 30350 |

II. SEHC Equipment and Inventory Locations

1. SEC Corporate Office
2800 Solway Road
Knoxville, TN 37931
2. Instrumentation & Calibration Lab
10512 Lexington Drive
Suite 200
Knoxville, TN 37932
3. Kentucky Regional Office
26 E. 9th St.
Newport, KY 41071
4. Various Oak Ridge
ORNL
Flight Station
5. SEC Limited Headquarters
Unit 5 Newburn Bridge Road
Blaydon On Tyne Tyne and Wear
NE 21 4NT — UK
6. West Valley 9
EMCBC – West Valley
10282 Rock Springs Road
West Valley, NY 14171-9799
(rented) Trailer with owned Rad
Instruments
7. Iluka – 1223 Warner Road
Green Cave Springs, FL 32043
1 Vehicle with Rad Instruments
8. RXR Glen Isle Holding Company, LLC
625 RXR Plaza
Uniondale, NY 11556
9. Safety Light-Kemron
4150 Old Berwick Road
Bloomsburg, PA 17815
10. Sumitomo
7 Malcolm Avenue
Teterboro, NJ 07608
11. Puducah Tanks
5600 Hobbs Road
Kevil, Kentucky 42053
12. Whiteshell Laboratories
Building 408
Pinawa, MB Canada ROE-ILO

III. PESI Places of Business

See list of addresses under PESI Equipment and Inventory set forth above.

Also: Perma-Fix Canada Inc.
1 Yonge St., Suite 1801
Toronto, Ontario
M5E 1W7

IV. SEHC Places of Business

See list of addresses under SEHC Equipment and Inventory set forth above.

V. Chief Executive Offices of Borrower

Perma-Fix Environmental Services, Inc.
8302 Dunwoody Place, Suite 250
Atlanta, Georgia 30350

VI. Locations of PESI's Real Property

PESI Real Property Owned

- | | |
|---|--|
| 1. Perma-Fix of Florida, Inc.
1940 NW 67th Place
Gainesville, FL 32653 | 5. Perma-Fix of South Georgia, Inc. ¹
1612 James P. Rodgers Cr
Valdosta, GA 31601 |
| 2. Perma-Fix of Florida, Inc.
2010 NW 67th Place
Gainesville, FL 32653 | 6. Diversified Scientific Services, Inc.
657 Gallaher Road
Kingston, TN 37763 |
| 3. Perma-Fix Northwest
Richland, Inc.
2025 Battelle Blvd
Richland WA 99354 | 7. Perma-Fix of Memphis, Inc. ¹
901 East Bodley
Memphis, TN 38106 |
| 4. Perma-Fix of Michigan, Inc. ¹
18550 Allen Road Brownstown,
MI 48192 | |

PESI Real Property Leased

The information set forth in the exhibits to Schedule 1.2(b), "Permitted Encumbrances," is incorporated herein by reference.

VII. Locations of SEHC's Real Property

SEHC does not own any real property. The information set forth in the exhibits to Schedule 1.2(b), "Permitted Encumbrances," is incorporated herein by reference.

¹ This entity is classified as a discontinued operation for accounting purposes. All notices should be sent to 8302 Dunwoody Place, Suite 250, Atlanta, Georgia 30350.

Schedule 5.2(a)

States of Formation, Qualification and Good Standing of Credit Parties

	<u>Subsidiary</u>	<u>State/Province of Formation</u>	<u>State/Province(s) in Which Qualified To Do Business</u>
<i>PESI</i>			
1.	Perma-Fix Environmental Services, Inc.	Delaware	Georgia
2.	Diversified Scientific Services, Inc.	Tennessee	Alabama
3.	East Tennessee Materials and Energy Corporation	Tennessee	Washington
4.	Perma-Fix Northwest, Inc.	Washington	
5.	Perma-Fix Northwest Richland, Inc.	Washington	
6.	Perma-Fix of Florida, Inc.	Florida	
7.	Schreiber, Yonley & Associates, Inc.	Missouri	
8.	Safety and Ecology Radcon Alliance, LLC	Nevada	Tennessee
9.	Perma-Fix Environmental Services UK Limited	UK	
10.	Perma-Fix Canada, Inc.	Nova Scotia	Manitoba, Ontario, Saskatchewan
<i>PESI DISCONTINUED OPERATIONS¹</i>			
11.	Perma-Fix of South Georgia, Inc.	Georgia	
<i>SEHC</i>			
12.	Safety & Ecology Holdings Corporation	Nevada	Tennessee
13.	Safety and Ecology Corporation	Nevada	California, Washington, New Mexico, Pennsylvania, Kentucky, Ohio, Louisiana, New York, Maryland, Florida, Mississippi, Michigan, Iowa, Illinois, Tennessee, Oregon, North Carolina, South Carolina, New Jersey, Nevada
14.	SEC Federal Services Corporation	Nevada	Tennessee

¹ These entities are classified as discontinued operations for accounting purposes.

Schedule 5.2(b)

Subsidiaries of Borrower; Ownership

<u>Subsidiary</u>	<u>Ownership</u>
<i>PESI</i>	
1. Diversified Scientific Services, Inc.	100% by Borrower
2. East Tennessee Materials and Energy Corporation	Common Stock 100% by Borrower Series B Preferred Stock ³ owned by:
	<u>Owner</u>
	<u>Shares</u>
	Donna Abraham 9,573
	Thomas J. Abraham 9,197
	Joe W. Anderson 116,449
	Joy Anderson 116,449
	Russell R. and Cindy E. Anderson 64,193
	Charitable Remainder Unitrust of William Paul Cowell, Kevin Cowell, Trustee 41,482
	Joe B. and Angela H. Fincher 82,588
	Robert Parker 14,078
	PDC 401k Plan and Trust 180,530
	MTI 136,531
	Performance Development Corporation 414,179
	Richard William Schenk, Trustee of the Richard Schenk Trust Dated November 5, 1998 41,294
	Talahi Partners 58,187
3. Perma-Fix of Florida, Inc.	100% by Borrower
4. Perma-Fix Northwest, Inc.	100% by Borrower
5. Perma-Fix Northwest Richland, Inc.	100% by Perma-Fix Northwest, Inc.
6. Schreiber, Yonley and Associates, Inc.	100% by Borrower
7. Safety and Ecology Radcon Alliance, LLC	100% by Borrower
8. Perma-Fix Environmental Services UK Limited	100% by Borrower
9. Perma-Fix Canada Inc.	100% by Borrower
<i>PESI DISCONTINUED OPERATIONS⁴</i>	
10. Perma-Fix of Dayton, Inc.	100% by Borrower
11. Perma-Fix of Memphis, Inc.	100% by Borrower
12. Perma-Fix of Michigan, Inc.	100% by Borrower
13. Perma-Fix of Orlando, Inc. ⁵	100% by Borrower

³ There are 1,284,730 outstanding shares of no par value, non-voting, Series B Preferred Stock of East Tennessee Materials and Energy Corporation.

⁴ These entities are classified as discontinued operations for accounting purposes.

⁵ Borrower sold substantially all of the assets of Perma-Fix of Orlando, Inc. ("PFO") to Triumvirate Environmental, Inc., ("TEI") pursuant to the terms of that certain Asset Purchase Agreement, dated August 12, 2011, by and among Borrower, PFO, TEI, and Triumvirate Environmental (Florida).

- | | | |
|--------------------|---------------------------------------|---|
| 14. | Perma-Fix of South Georgia, Inc. | 100% by Borrower |
| 15. | Perma-Fix Treatment Services, Inc. | 100% by Borrower |
| <i>SEHC</i> | | |
| 16. | Safety & Ecology Holdings Corporation | 100% by Borrower |
| 17. | Safety & Ecology Corporation | 100% by Safety & Ecology Holdings Corporation |
| 18. | Safety & Ecology Corporation Limited | 100% by Safety & Ecology Holdings Corporation |
| 19. | SEC Federal Services Corporation | 100% by Safety & Ecology Holdings Corporation |
| 20. | SEC Radcon Alliance, LLC | 100% by Safety & Ecology Holdings Corporation |

SIXTH AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT,
TERM LOAN AND SECURITY AGREEMENT

THIS SIXTH AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT, TERM LOAN AND SECURITY AGREEMENT, dated as of 28, 2014 (this "Amendment"), relating to the Credit Agreement referenced below, is by and among PERMA-FIX ENVIRONMENTAL SERVICES, INC., a Delaware corporation (the "Borrower"), the lenders identified on the signature pages hereto (the "Lenders"), and PNC Bank, National Association, a national banking association, as agent for the Lenders (in such capacity, the "Agent"). Terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement.

WITNESSETH

WHEREAS, a credit facility has been extended to the Borrower pursuant to the terms of that certain Amended and Restated Revolving Credit, Term Loan and Security Agreement dated as of October 31, 2011 (as amended and modified from time to time, the "Credit Agreement") among the Borrower, the Lenders identified therein, and PNC Bank, National Association, as agent for the Lenders;

WHEREAS, the Borrower has requested certain modifications to the Credit Agreement;

WHEREAS, the Required Lenders have agreed to the requested modifications on the terms and conditions set forth herein;

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendment. The Credit Agreement is amended as set forth below:

(a) A new definition of "South Georgia Insurance Proceeds") is added to Section 1.2 in correct alphabetical order to read as follows:

“South Georgia Insurance Proceeds” shall mean the \$3,850,000 insurance proceeds from the fire at Borrower’s Perma-Fix of South Georgia, Inc.’s facility located at 1612 James P. Rodgers Circle, Valdosta, Georgia 31601.”

(b) The definition of "Guarantor" in Section 1.2 is amended to read as follows:

“Guarantor” shall mean the active Domestic Subsidiaries of Borrower (excluding limited liability companies and joint ventures not wholly owned by Borrower), Perma-Fix Northwest Richland, Inc., a Washington corporation, Safety and Ecology Corporation, a Nevada corporation, SEC Federal Services Corporation, a Nevada corporation, SEC Radcon Alliance, LLC, a Tennessee limited liability company (for as long as such entity remains inactive) and any other Person who may hereafter guarantee payment or performance of the whole or any part of the Obligations and “Guarantors” means collectively all such Persons.”

(c) Section 2.1(a) is amended to read as follows:

“(a) Amount of Revolving Advances

Subject to the terms and conditions set forth in this Agreement including Section 2.1(b), each Lender, severally and not jointly, will make Revolving Advances to Borrower in aggregate amounts outstanding at any time equal to such Lender’s Commitment Percentage of the lesser of (x) the Maximum Revolving Advance Amount less the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit or (y) an amount equal to the sum of:

(i) an amount equal to the sum of (without duplication) (A) up to 85%, subject to the provisions of Section 2.1(b) hereof, of Acceptable Government Agency Receivables, (B) up to 50%, subject to the provision of Section 2.1(b) hereof, of Acceptable Unbilled Amounts, (C) up to 85%, subject to the provisions of Section 2.1(b) hereof, of Commercial Broker Receivables, and (D) up to 85%, subject to the provisions of Section 2.1(b) hereof, of Commercial Receivables (collectively, the “Advance Rates”); provided, however, that Foreign Receivables shall not constitute more than ten percent (10%) of Eligible Receivables at any time, minus

(ii) the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit, minus

(iii) a \$1,500,000 availability block established from a portion of the South Georgia Insurance Proceeds, minus

(iv) such reserves as Agent may in good faith reasonably deem proper and necessary from time to time.

The amount derived from the sum of (x) Sections 2.1(a)(y)(i) minus (y) Section 2.1 (a)(y)(ii), (iii) and (iv) at any time and from time to time shall be referred to as the “Formula Amount”. The Revolving Advances shall be evidenced by one or more secured promissory notes (collectively, the “Revolving Credit Note”) substantially in the form attached hereto as Exhibit 2.1(a).”

(d) A new sentence is added to the end of Section 4.11 to read as follows:

“Notwithstanding the foregoing, Borrower may retain \$2,350,000 of the South Georgia insurance proceeds for working capital purposes.”

(e) Section 7.1(b) is amended to read as follows:

“(b) “Sell, lease, transfer or otherwise dispose of any of its properties or assets, except (i) dispositions of Inventory and Equipment to the extent expressly permitted by Section 4.3 and (ii) any other sales or dispositions expressly permitted by this Agreement and (iii) the sale of Schreiber, Yonley and Associates, Inc., one of the Guarantors.”

2. Release of Guarantor. The Agent and the Lenders hereby release Schreiber, Yonley and Associates, Inc. as a Guarantor under the Secured Subsidiaries Guaranty.

3. Conditions Precedent. This Amendment shall be effective as of the date hereof upon satisfaction of each of the following conditions precedent:

(a) the execution of this Amendment by the Borrower, the Required Lenders and the Agent; and

(b) receipt by the Agent of an amendment fee of \$15,000;

4. Conditions Subsequent. Prior to September 28, 2014 or such later date as the Agent may determine, the Borrower shall deliver or shall cause to be delivered to the Agent (a) documents and other information requested by the Agent with respect to the new Domestic Subsidiary, Safety and Ecology Radcon Alliance, LLC, an entity organized in the State of Nevada, that will become a Guarantor, (b) an executed Agreement to be Bound by Guaranty with respect to Safety and Ecology Radcon Alliance, LLC and such other documents reasonably requested by the Agent to add Safety and Ecology Radcon Alliance, LLC as a Guarantor to the Credit Agreement and the Other Documents and (c) an executed Second Amendment to Pledge Agreement.

5. Clarification of Condition Subsequent in Fourth Amendment. Pursuant to the terms of the Fourth Amendment to Amended and Restated Revolving Credit, Term and Security Agreement dated as of April 14, 2014 the Borrower was required, as a condition subsequent, to deliver to the Agent prior to July 8, 2014 documents relating to Perma-Fix of Canada Inc. The Agent agreed to extend the date of such deliverables to July 25, 2014 and the required documents were delivered to Agent on that date.

6. Representations and Warranties. The Borrower hereby represents and warrants in connection herewith that as of the date hereof (after giving effect hereto) (i) the representations and warranties set forth in Article V of the Credit Agreement are true and correct in all material respects (except those which expressly relate to an earlier date), and (ii) no Default or Event of Default has occurred and is continuing under the Credit Agreement.

7. Acknowledgments, Affirmations and Agreements. The Borrower (i) acknowledges and consents to all of the terms and conditions of this Amendment and (ii) affirms all of its obligations under the Credit Agreement and the Other Documents.

8. Credit Agreement. Except as expressly modified hereby, all of the terms and provisions of the Credit Agreement remain in full force and effect.

9. Expenses. The Borrower agrees to pay all reasonable costs and expenses in connection with the preparation, execution and delivery of this Amendment, including the reasonable fees and expenses of the Agent's legal counsel.

10. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original. It shall not be necessary in making proof of this Amendment to produce or account for more than one such counterpart.

11. Governing Law. This Amendment shall be deemed to be a contract under, and shall for all purposes be construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWER:

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

By: /s/Ben Naccarato

Name: B. Naccarato

Title: CFO

AGENT AND LENDER:

PNC BANK, NATIONAL ASSOCIATION,
in its capacity as Agent and as Lender

By: /s/Alex Council

Name: Alex M. Council

Title: Vice President