ZIONSOLUTIONS LLC
An EnergySolutions Company

ZS-2010-0219

August 16, 2010

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Zion Nuclear Power Station, Units 1 and 2
Facility Operating License Nos. DPR-39 and DPR-48
NRC Docket Nos. 50-295 and 50-304

Subject: Easement for Disposal Capacity

References: 1) Letter from John B. Hickman (NRC) to Patrick T. Daly (Zion*Solutions*), "Order Approving Transfer of Licenses and Conforming Amendments Relating to Zion Nuclear Power Station, Units 1 and 2", dated May 4, 2009

The NRC Order approving transfer of the Zion licenses (Reference 1) is subject to three conditions. This letter provides documentation related to completion of the second condition regarding the easement for disposal capacity.

The NRC Order requires that Energy*Solutions*, LLC establish an irrevocable easement for disposal capacity of 7.5 million cubic feet for the decommissioning of Zion Station Units 1 & 2. Enclosure 1 to this letter contains the easement granted by Energy*Solutions*. Upon closing, the Bank of New York Mellon will become the trustee for Zion's backup nuclear decommissioning trust and will sign this easement. A copy of the recorded easement will be provided to the NRC.

If there are any questions regarding this letter, please contact me at (224) 789-4042.

Respectfully,

T.R. Tramm

Tom R. Tramm
Director, Regulatory Affairs & QA
Zion*Solutions*, LLC

Enclosure:
(1) Irrevocable Easement for Disposal Capacity

cc: Regional Administrator, Region III, US NRC

NMSS01
FSME

Enclosure 1

When Recorded Return To:

Grantee's Address:

Space above for County Recorder's Use

[PARCEL I.D. # _____]

Irrevocable Easement for Disposal Capacity

This Irrevocable Easement for Disposal Capacity (the "Grant") is made this __ day of August 2010, by ENERGY*SOLUTIONS* LLC, a Utah limited liability company formerly known as Envirocare of Utah, LLC ("Grantor"), to The Bank of New York Mellon, as Trustee ("Grantee") of the Backup Nuclear Decommissioning Trust (the "Trust"), an Illinois trust created under the Backup Nuclear Decommissioning Trust Agreement dated _____, 2010 (collectively, the "Parties").

Recitals

A. Grantor is the owner of that certain real property located in Tooele County, State of Utah, more particularly described on Exhibit A (the "Easement Area"), which it operates as a low level radioactive waste disposal facility (the "Clive Facility").

B. As used in this Grant, the term "Zion Station Site" refers to the entire site that is subject to the Nuclear Regulatory Commission Operating Licenses DPR-39 (Zion 1) and DPR-48 (Zion 2).

C. Grantor, Exelon Generation Company, LLC, a Pennsylvania limited liability company ("Exelon"), Energy*Solutions*, Inc., and ZionSolutions, LLC, a Delaware limited liability company ("ZionSolutions"), have executed the Asset Sale Agreement dated as of December 11, 2007 (as amended, the "Sale Agreement") pursuant to which ZionSolutions agreed to purchase and assume, and Exelon agreed to sell and assign, certain assets located at the Zion Station Site and certain associated liabilities, including the responsibility for Decommissioning the Zion Station Site.

D. Grantor desires to dedicate, through this Grant, a portion of the Clive Facility to the disposal of all Class A Low Level Waste that may be shipped to the Clive Facility from the Zion Station Site during the course of Decommissioning the Zion Station Site and waste material situated in the Zion Station Site that can be made WAC-compliant through treatment, processing or other handling.

Grant of Easement

For and in the consideration of the promises and covenants contained herein and in the Sale Agreement and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties grant and agree as follows:

1. Definition of Terms. All terms not otherwise defined herein shall have the meaning ascribed to them in the Sale Agreement or the Disposal Services Agreement. Unless otherwise required by the context in which any term appears the singular shall include the plural and the plural shall include the singular. In addition to the terms defined elsewhere in this Grant and in the Sale Agreement, for purposes of this Grant, the following terms are defined as follows:

a. "Damages, Losses or Liability" means claims, demands, suits, losses, liabilities, damages, obligations, payments, costs and expenses (including, without limitation, the costs and expenses of any and all actions, suits, proceedings, assessments, judgments, settlements and compromises relating thereto and reasonable attorneys' fees and reasonable disbursements in connection therewith).

b. "Grantor Party" or "Grantor Parties" means Grantor, its Affiliates and/or Grantor's successors.

c. "Damages, Losses or Liability that arise solely out of the Inherent Nature of the Permitted Materials" means Damages, Losses or Liability that arise out of the nature of the Permitted Materials and that would occur even if the Permitted Materials were disposed of in accordance with all Laws, including Nuclear Laws and Environmental Laws, and in accordance with practices, methods and activities generally accepted in the radioactive waste disposal industry as good practices applicable to the disposal of Class A Low Level Waste and that are consistent with good business practices and safety.

d. "Permitted Materials" means all Class A Low Level Waste situated at the Zion Station Site as of the date of this Grant or created during the course of Decommissioning the Zion Station Site and which is compliant with the Clive Facility WAC on the date of disposal under this Grant.

2. Grant of Easement. Grantor hereby grants and sets over to Grantee for the benefit of the Trust, its successors and assigns, an irrevocable easement to dispose of and deposit up to 7,500,000 cubic feet of Permitted Materials in, on, and over the Easement Area, and related access, ingress and egress on and over rail spurs, roads driveways and other surface areas as necessary to dispose of Permitted Materials in licensed and

permitted disposal cells, to be exercised by Grantee, its successors and assigns, or their respective independent contractors retained to handle and process Permitted Materials solely in accordance with the terms and conditions of this Grant (the "Easement"). The rights and responsibilities of Grantee and its assigns under this Grant shall become effective only upon the occurrence of an assignment by Grantee of all of its rights, responsibilities, title and interest in, to and under this Grant to ZionSolutions or its successors and assigns in accordance with Paragraph 7 hereof (a "Permitted Assignment"). Prior to the occurrence of a Permitted Assignment, Grantee shall have no obligations, responsibilities or duties under this Grant whatsoever.

3. Disposal of Materials. If Grantee or an independent contractor of Grantee, other than a Grantor Party, disposes of any Permitted Materials pursuant to this Grant, any disposal shall be undertaken in accordance with the following terms, conditions and agreements:

a. Compliance with Law and Good Practices. Such disposal shall be undertaken in accordance with all Laws, including Nuclear Laws and Environmental Laws, and in accordance with practices, methods and activities generally accepted in the radioactive waste disposal industry as good practices applicable to the disposal of Class A Low Level Waste and that are consistent with good business practices and safety.

b. Indemnification. Grantee waives, releases and agrees to indemnify, hold harmless and defend (with legal counsel selected by Grantee) the Grantor Parties from and against any and all Damages, Losses or Liability of any nature on account of injury to persons, loss of life, or damage to property, and/or that pertain to Environmental Claims, in each case to the extent arising out of the exercise of Grantee's rights under this Grant, other than those Damages, Losses or Liability that arise out of the Inherent Nature of the Permitted Materials or the violation of applicable Law, any act or omission of a Grantor Party, or any breach or failure in performance of any contractual obligation of a Grantor Party.

c. Hazardous Substances. Grantee may only use Hazardous Substances within the Easement Area as are reasonably necessary to complete disposal of the Permitted Materials, and solely in accordance with generally recognized industry standards and all Environmental Laws. Except for materials used in accordance with the standards set forth above and the Permitted Materials, Grantee shall not create, generate, store, treat, emit, dispose of, release, threaten to release, or cause to be created, generated, stored, treated, emitted, disposed of, released, or threatened to be released any Hazardous Substance or Nuclear Material on, over or under the Easement Area, or any property adjacent thereto. If Grantee breaches any of its obligations set forth in this paragraph, Grantee shall, upon a Grantor Party's request and at Grantee's sole cost and expense, promptly and diligently undertake, perform and complete any and all activities necessary, to the extent allowable at law, to remove, remediate and eliminate any and all Hazardous Substances present in the Easement Area or any property adjacent thereto by reason of such breach and to obtain appropriate governmental agency certification that such removal, remediation and elimination are complete.

d. No Liens. Grantee shall not permit any lien or claim of mechanics or laborers to be filed against the Easement Area, or part or parts thereof, for any work, labor or materials furnished, alleged to have been furnished or to be furnished pursuant to any agreement by, through or under the Grantee ("Lien") other than Liens in favor of a Grantor Party or arising by, through or under a Grantor Party. Within thirty (30) days after the date of the filing or recording of any such Lien, Grantee shall cause the same to be paid and discharged of record or bonded over or to initiate proceedings challenging the validity of any such Lien. If such a proceeding results in a final judgment (not subject to further appeal) upholding the validity of the Lien, Grantee shall pay and discharge the Lien of record within thirty (30) days after the date of the entry of such judgment. If Grantee does not pay and discharge any such Lien within the above time periods, a Grantor Party may pay and discharge the Lien. In such event, the amount the Grantor Party paid to discharge the Lien together with all other related Damages, Losses, or Liability of the Grantor Party shall be deemed to be an obligation of Grantee immediately owing to the Grantor Party.

e. Damage to Property. Grantee shall promptly repair or replace at its cost and expense any property or facilities of the Grantor Parties damaged or injured by the acts or omissions of Grantee or its agents in the course of conducting any activities within the Easement Area. Except for acts of gross negligence or intentional misconduct, Grantee shall not be responsible for the restoration of any land that is physically disturbed as a result of activities undertaken pursuant to this Grant or the repair or replacement of property or facilities that may be required by reason of acts or omissions of a Grantor Party; provided that Grantee shall not be required to restore land that is physically disturbed to a degree or extent that would reasonably be expected to result from normal use of the Clive Facility or repair or replace property or facilities subject to wear and tear to a degree or extent that would reasonably be expected to result from normal use of such property or facilities in the ordinary course of operation of the Clive Facility.

4. Term of Easement. The Easement shall continue until such time as all of the Permitted Materials have been disposed of either at the Clive Facility or some other properly permitted Low Level Waste disposal facility. When such material has been so disposed of, this Grant shall automatically lapse and expire and, within ten (10) business days after Grantor's or its successor's written request therefor, Grantee shall deliver to Grantor or its successor a recordable release of this Grant. In accordance with the conditions imposed upon ZionSolutions by the Nuclear Regulatory Commission, the Easement may not be terminated without 30 days prior written notice to the Director of FSME and Director of NRR (if, upon receiving such notice, the NRC objects in writing, the Easement cannot be terminated).

5. Covenants to Run With the Land. Subject to Paragraph 4, the easement, covenants, terms and conditions of this Grant and the rights related thereto shall constitute covenants running with the land, and shall burden the Easement Area as the servient estate and shall be binding upon Grantor and its successors, assigns, and any person acquiring an interest in the Easement Area.

6. No Fees or Charges. No fee, charge or other cost shall be imposed by Grantor on the exercise by Grantee or any independent contractor of Grantee of rights under this Grant. The foregoing shall not preclude the payment of fees or charges that may become due a Grantor Party for services related to the transportation, treatment, processing or other handling of Permitted Materials under a separate agreement between Grantee and a Grantor Party.

7. Assignment. This Grant and all of the provisions hereof shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Grantee may assign its rights and obligations under this Grant, in whole or in part, to ZionSolutions and its successors and assigns, and at the joint written request or instruction of Exelon and ZionSolutions or its successor or assignee shall assign all of its rights and obligations under this Grant to ZionSolutions or its designated successor or assignee, upon and following which assignment ZionSolutions or its designated successor or assignee shall be deemed to be the Grantee for all purposes of this Grant, and The Bank of New York Mellon, as Trustee or in its individual capacity, shall have no further right or liability hereunder. Grantee shall not otherwise assign its rights and obligations under this Grant without the prior written consent of Grantor.

8. Amendment, Modification and Waiver. This Grant may be amended, modified or supplemented by written agreement of Grantor and Grantee only with the prior written consent of ZionSolutions and Exelon, which consent may be withheld in the sole discretion of ZionSolutions and Exelon. No failure or delay of any Party to exercise any right or remedy under this Grant shall constitute a waiver of such or any other right or remedy hereunder. Any failure of a Party to comply with any obligation, covenant, agreement or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver of such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent failure to comply therewith.

9. Limitation of Liability of Trustee. Notwithstanding anything contained herein to the contrary, this Grant has been executed by The Bank of New York Mellon not in its individual capacity but solely in its capacity as Trustee of the Backup Nuclear Decommissioning Trust and solely for the purpose of holding legal title to this Grant prior to the occurrence of a Permitted Assignment. In no event shall The Bank of New York Mellon in its individual capacity or as Trustee of the Backup Nuclear Decommissioning Trust have any liability for the representations, warranties, covenants, agreements or other obligations of the Grantee hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Grantee's assignee following the occurrence of a Permitted Assignment.

[Signature Pages Follow]

ENERGYSOLUTIONS, LLC

By: _____

Name: Brett Hickman

Title: Executive Vice President

THE BANK OF NEW YORK MELLON, TRUSTEE, BACKUP NUCLEAR DECOMMISSIONING TRUST

By: _____

Name: _____

Title: _____

[Signature Pages Follow]

STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 16th day of August 2010 by Brett Hickman, the Executive Vice President of **ENERGY*SOLUTIONS*, LLC**, a Utah limited liability company.

Heidi Nakaishi
NOTARY PUBLIC

My Commission Expires:

Residing at:

Notary Public
HEIDI ANNE NAKAISHI
4910 South 1530 West
Taylorsville, Utah 84123
My Commission Expires
July 15, 2011
State of Utah

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____ 2010 by _____, the _____ of The Bank of New York Mellon, a _____ trust company.

NOTARY PUBLIC

My Commission Expires:

Residing at:

Exhibit A

The Easement Area

BEGINNING at the Northeast Corner of Section 32, Township 1 South, Range 11 West, Salt Lake Base and Meridian, and running thence South 00°34'50" West along the Section line 2592.91 feet to the East Quarter Corner of said Section 32; thence South 01°21'27" West along the Section line 2691.83 feet to the Southeast Corner of said Section 32; thence North 88°55'29" West along the Section line 2641.70 feet to the South Quarter Corner of said Section 32; thence North 88°55'07" West along the Section line 2642.25 feet to the Southwest Corner of said Section 32; thence North 01°00'42" East along the Section line 2642.11 feet to the West Quarter Corner of said Section 32; thence North 01°00'24" East along the Section line 2642.53 feet to the Northwest Corner of said Section 32; thence North 01°00'11" East along the Section line 330.24 feet to the Northwest Corner of the South Half of the South Half of the South Half of the Southwest Quarter of Section 29, Township 1 South, Range 11 West, Salt Lake Base and Meridian; thence South 88°54'12" East along the North line of said South Half of the South Half of the South Half of the Southwest Quarter 2640.41 feet to the Northeast Corner of said South Half of the South Half of the South Half of the Southwest Quarter; thence South 88°57'22" East along the North line of the South Half of the South Half of the Southwest Quarter of the Southeast Quarter of said Section 29, 1320.21 feet to the Northeast corner of said South Half of the South Half of the Southwest Quarter of the Southeast Quarter; thence South 00°59'25" West along the West line of said South Half of the South Half of the Southwest Quarter of the Southeast Quarter, 330.21 feet to the South line of said Section 29; thence South 88°55'17" East along said South line 1320.23 feet to the point of beginning.

LESS AND EXCEPTING THE FOLLOWING:

Beginning at a point located 1120.32 feet North 88°55'17" West along the Section Line and 329.49 feet South 01°00'43" West from the Northeast Corner of Section 32, Township 1 South, Range 11 West, Salt Lake Base and Meridian; and running thence North 88°55'49" West 1503.72 feet; thence South 01°04'06" West 2880.50 feet; thence South 88°55'49" East 1503.72 feet; thence North 01°04'06" East 2880.50 feet to the point of beginning.

[Legal description of Easement Area must be verified to the satisfaction of Exelon prior to execution]