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\* Associated Firm

January 24, 2013

Jennifer Bishop  
Nuclear Regulatory Commission - Region III  
2443 Warrenville Road, Suite 210  
Lisle, Illinois 60532-4352**RE: Trust Agreement for Decommissioning Financial Assurance; NRC License  
Number 21-12192-01; MAHLE Engine Components USA, Inc. Muskegon, Michigan  
Facility**

Dear Ms. Bishop:

Enclosed please find financial assurance materials for the MAHLE Engine Components USA, Inc. ("MAHLE") facility located at 2001 Sanford Street, Muskegon, Michigan, which maintains NRC License No. 21-12192-01.

MAHLE currently maintains Escrow Agreement No. S61848.1 in the amount of \$225,000 with Deutsche Bank Trust Company Americas ("Deutsche Bank"). MAHLE understands that it must change its financial assurance per revisions to NRC's decommissioning requirements, and therefore is submitting two original signed copies of a Trust Agreement in the amount of \$225,000 and attachments for NRC review and approval to replace its Escrow Agreement. Specifically, the following documents are enclosed:

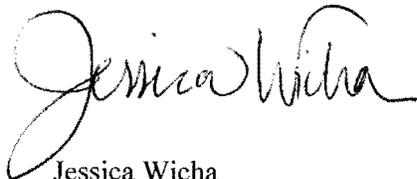
- Trust Agreement - two original signed copies
- Trust Agreement Schedules
- Specimen Certificate of Events
- Specimen Certificate of Resolution
- Letter of Acknowledgement - two original signed copies

MAHLE understands that its current Escrow Agreement will remain in effect until NRC approves the new Trust Agreement with Deutsche Bank and cancels the Deutsche Bank Escrow Agreement. At that time, MAHLE will transfer the funds from the Escrow Agreement into the Trust Fund, as discussed with Mr. Kevin Null.

These financial assurance documents are being submitted to the NRC by January 25, 2013, consistent with MAHLE's previous correspondence with the Agency.

Should you have any questions regarding the foregoing, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Jessica Wicha". The signature is written in a cursive, flowing style.

Jessica Wicha  
Associate  
+1 312 861 7606  
Jessica.Wicha@bakermckenzie.com

Encl.

cc: John Nielsen, MAHLE Industries, Incorporated  
Stefanie Kandah, MAHLE Industries, Incorporated

## TRUST AGREEMENT

TRUST AGREEMENT, the Agreement entered into as of January 21, 2013 by and between MAHLE ENGINE COMPONENTS USA, INC., a Delaware Corporation, herein referred to as the "Grantor," and DEUTSCHE BANK TRUST COMPANY AMERICAS, 60 Wall Street, MS NYC60-2710, New York, NY, 10005-2858, the "Trustee."

WHEREAS, the U.S. Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in title 10, Chapter I of the Code of Federal Regulations, Part 30. These regulations, applicable to the Grantor, require that a holder of, or an applicant for, a materials license issued pursuant to 10 CFR Part 30 provide assurance that funds will be available when needed for required decommissioning activities.

WHEREAS, the Grantor has elected to use a trust fund to provide all of such financial assurance for the facilities identified herein;

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee;

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term "Grantor" means the NRC licensee who enters into this Agreement and any successors or assigns of the Grantor.
- (b) The term "Trustee" means the trustee who enters into this Agreement and any successor trustee.

Section 2. Costs of Decommissioning. This Agreement pertains to the costs of decommissioning the materials and activities identified in License Number 21-12192-01 issued pursuant to 10 CFR Part 30 as shown in Schedule A.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a trust fund \$225,000 (Two Hundred Twenty-Five Thousand Dollars) for the benefit of NRC. The Grantor and the Trustee intend that no third party shall have access to the Fund except as provided herein.

Section 4. Payments Constituting the Fund. Payments made to the Trustee for the Fund shall consist of cash, securities, or other liquid assets acceptable to the Trustee. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in

Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee are referred to as the "Fund," together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount of, or adequacy of the Fund, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by NRC.

Section 5. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor upon presentation to the Trustee of the following:

- (a) A certificate duly executed by the Secretary of the Grantor attesting to the occurrence of the events, and in the form set forth in the attached Specimen Certificate of Events, and
- (b) A certificate attesting to the following conditions:
  - (1) that decommissioning is proceeding pursuant to an NRC-approved plan;
  - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that plan; and
  - (3) that NRC has been given 30 days prior notice of MAHLE INDUSTRIES, INCORPORATED's intent to withdraw funds from the trust fund.

No withdrawal from the Fund for a particular license can exceed 10 percent of the remaining funds available for that license unless NRC written approval is attached.

In addition, the Trustee shall make payments from the Fund as NRC shall direct, in writing, to provide for the payment of the costs of required activities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by NRC from the Fund for expenditures for required activities in such amounts as NRC shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trust Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge its duties with respect to the Fund solely in the interest of the beneficiary and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims, except that:

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C. 80a-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;

- (b) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal government, and in obligations of the Federal government such as GNMA, FNMA, and FHLM bonds and certificates or State and Municipal bonds rated BBB or higher by Standard & Poor's or Baa or higher by Moody's Investment Services; and
- (c) For a reasonable time, not to exceed 60 days, the Trustee is authorized to hold uninvested cash, awaiting investment or distribution, without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), including one that may be created, managed, underwritten, or to which investment advice is rendered, or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary to allow duly authorized withdrawals at the joint request of the Grantor and NRC or to reinvest in securities at the direction of the Grantor;
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in its own name, or in the name of a nominee, and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, to reinvest interest payments and funds from matured and redeemed instruments, to file proper forms concerning securities held in the Fund in a timely fashion with appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee or such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve Bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

- (d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal government; and
- (e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. After payment has been made into this trust fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the trust fund, furnish to the Grantor and to NRC a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of the establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and NRC shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing with the Grantor. (See Schedule C.)

Section 13. Successor Trustee. Upon 90 days notice to NRC and the Grantor, the Trustee may resign; upon 90 days notice to NRC and the Trustee, the Grantor may replace the Trustee; but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee, the successor accepts the appointment, the successor is ready to assume its duties as trustee, and NRC has agreed, in writing, that the successor is an appropriate Federal or State government agency or an entity that has the authority to act as a trustee and whose trust operations are regulated and examined by a Federal or State agency. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. When the resignation or replacement is effective, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the

Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust, in a writing sent to the Grantor, NRC, and the present Trustee, by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are signatories to this Agreement or such other designees as the Grantor may designate in writing. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. If NRC issues orders, requests, or instructions to the Trustee these shall be in writing, signed by NRC or its designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or NRC hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or NRC, except as provided for herein.

Section 15. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and NRC, or by the Trustee and NRC if the Grantor ceases to exist. All amendments shall meet the relevant regulatory requirements of NRC.

Section 16. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 15, this trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and NRC, or by the Trustee and NRC if the Grantor ceases to exist. Upon termination of the trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor or its successor.

Section 17. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this trust, or in carrying out any directions by the Grantor or NRC issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the trust fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

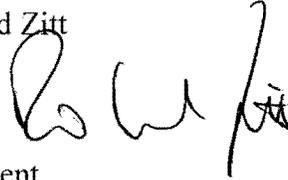
Section 18. This Agreement shall be administered, construed, and enforced according to the laws of the State of Michigan.

Section 19. Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this

Agreement. If any part of this Agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

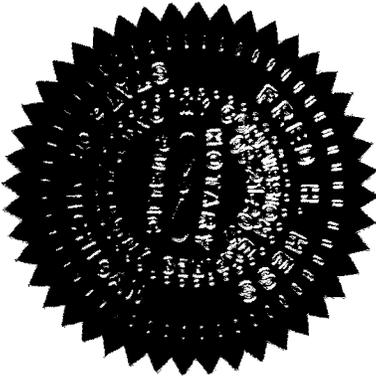
IN WITNESS WHEREOF the parties have caused this Agreement to be executed by the respective officers duly authorized and the incorporate seals to be hereunto affixed and attested as of the date first written above.

Roland Zitt



President  
MAHLE Industries, Incorporated

ATTEST:



STATE OF MICHIGAN  
COUNTY OF OAKLAND

The foregoing instrument was acknowledged before  
me this 16TH day of JAN, 2013, by ROLAND ZITT

Fred Hess FRED H. HESS  
Notary Public's Signature / Notary Name  
Personally Known  OR  
Type of Identification Produced \_\_\_\_\_

FRED H. HESS  
Notary Public, State of Michigan  
County of Oakland  
My Commission Expires 08-21-2017  
Acting in the County of \_\_\_\_\_

Deutsche Bank Trust Company Americas  
60 Wall Street, MS NYC60-2710  
New York, NY 100-2858

ATTEST:  
[Title] [Seal]

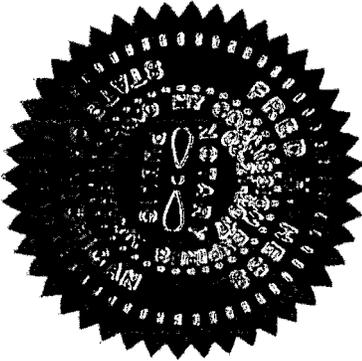
Agreement. If any part of this Agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by the respective officers duly authorized and the incorporate seals to be hereunto affixed and attested as of the date first written above.

Roland Zitt

President  
MAHLE Industries, Incorporated

ATTEST:



STATE OF MICHIGAN  
COUNTY OF OAKLAND

The foregoing instrument was acknowledged before  
me this 16TH day of JULY, 2013, by ROLAND ZITT

Fred Hess FRED H. HESS  
Notary Public's Signature Notary Name  
Personally Known  OR  
Type of Identification Produced \_\_\_\_\_

FRED H. HESS  
Notary Public, State of Michigan  
County of Oakland  
My Commission Expires 08-21-2017  
Acting in the County of \_\_\_\_\_

Luigi Sacramone  
Assistant Vice President  
Deutsche Bank Trust Company Americas  
60 Wall Street, MS NYC60-2710  
New York, NY 100-2858

ALDRIN M.F. BAYNE  
VICE PRESIDENT

ATTEST:  
[Title] [Seal]

## Trust Agreement Schedules

### Schedule A

This Agreement demonstrates financial assurance for the following cost estimates or prescribed amounts for the following licensed activities:

<u>U.S. NUCLEAR REGULATORY COMMISSION LICENSE NUMBER(S)</u>	<u>NAME AND ADDRESS OF LICENSEE</u>	<u>ADDRESS OF LICENSED ACTIVITY</u>	<u>COST ESTIMATES FOR REGULATORY ASSURANCES DEMONSTRATED BY THIS AGREEMENT</u>
21-12192-01	MAHLE Engine Components USA, Inc. 2020 Sanford Street Muskegon, MI	2020 Sanford Street Muskegon, MI	\$225,000

The cost estimates listed here were last adjusted and approved by NRC on 02/23/2011.

### Schedule B

AMOUNT: \$225,000

AS EVIDENCED BY: Wire transfer from MAHLE Industries, Incorporated Escrow Agreement S61848.1 with Deutsche Bank Trust Company Americas.

### Schedule C

Name, address and phone number of Trustee: Deutsche Bank Trust Company Americas  
60 Wall Street, MS NYC60-2710  
New York, NY 100-2858  
Attn: Luigi Sacramone  
212-250-7637

Trustee's fees shall be \$3,500 per year.

## Specimen Certificate of Events

Deutsche Bank Trust Company Americas  
60 Wall Street, MS NYC60-2710  
New York, NY 100-2858

Attention: Trust Division

Gentlemen:

In accordance with the terms of the Agreement with you dated \_\_\_\_\_,  
I, \_\_\_\_\_, Secretary of MAHLE Engine Components  
USA, hereby certify that the following events have occurred:

1. MAHLE Engine Components USA is required to commence the decommissioning of its facility located at 2020 Sanford Street, Muskegon, MI (hereinafter called the decommissioning).
2. The plans and procedures for the commencement and conduct of the decommissioning have been approved by the United States Nuclear Regulatory Commission, or its successor, on \_\_\_\_\_ (copy of approval attached).
3. The Board of Directors of MAHLE Engine Components USA has adopted the attached resolution authorizing the commencement of the decommissioning.

\_\_\_\_\_  
Secretary of MAHLE Engine Components USA

\_\_\_\_\_  
Date

## Specimen Certificate of Resolution

I, \_\_\_\_\_, do hereby certify that I am Secretary of MAHLE Engine Components USA, a Delaware corporation, and that the resolution listed below was duly adopted at a meeting of this Corporation's Board of Directors on \_\_\_\_\_, 20\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Corporation this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Secretary

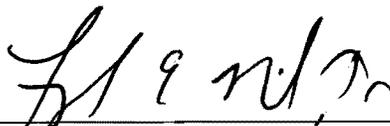
RESOLVED, THAT THIS Board of Directors hereby authorizes the President, or such other employee of the Company as he may designate, to commence decommissioning activities at the MAHLE Engine Components USA facility located at 2020 Sanford Street, Muskegon, MI in accordance with the terms and conditions described to this Board of Directors at this meeting and with such other terms and conditions as the President shall approve with and upon the advice of Counsel.

## Letter of Acknowledgement

STATE OF New York \_\_\_\_\_

CITY OF New York \_\_\_\_\_

On this 18\_ day of January, before me a notary public in and for the city and state aforesaid, personally appeared Luigi Sacramone and Aldrin Bayne, and she/he did depose and say that she/he is the Assitant Vice Presitent and Vice President of Deutsche Bank Trust Company Americas, Trustee, which executed the above instrument; that she/he knows the seal of said association; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the association; and that she/he signed her/his name thereto by like order.



[signature of notary public]

My commission expires \_\_\_\_\_

[Date]

