



First Interstate Bank  
of Utah, N.A.

February 18, 1994

Khosrow Semnani, President  
Envirocare of Utah, Inc.  
46 West Broadway  
Suite 240  
Salt Lake City, UT 84104

Joseph J. Holonich  
Chief of the Uranium Recovery Branch  
Nuclear Regulatory Commission  
Division of Low Level Waste Management  
and Recommissioning  
Office of Nuclear Materials Safety and Safeguards  
Washington, D.C. 20555

Re: Envirocare of Utah, Inc.  
License No. SMC 1559

Gentlemen:

First Interstate Bank of Utah, N.A. ("Bank") is pleased to commit to you that Bank will issue a Standby Letter of Credit (the "Letter") at the request of Envirocare of Utah, Inc. ("Envirocare"), as the account party, to the United States Nuclear Regulatory Commission (the "NRC"), as the beneficiary. Issuance of the Letter is subject to the following terms and conditions:

Amount: \$2,386,698.00

Facility Type: Standby Letter of Credit.

Primary Facility Documents:

Automatic Renewable Standby Letter of Credit Application and Agreement, with acceptable addendum thereto; Envirocare of Utah, Inc. Trust Agreement (a copy of which is attached hereto as Exhibit "A"); Security Agreement, Assignment of Investment Account, and Acknowledgement; Letter of Credit (the principal terms of which are attached hereto as Exhibit "B"); General Pledge, with acceptable addendum thereto; Financing Statement; Custody Agreement; and any other documentation deemed necessary by Bank (the "Facility Documents").

The proposals set forth in this letter remain subject to a number of conditions that must be satisfied prior to closing, including:

- A. Preparation, negotiation and approval by Bank's counsel of mutually acceptable Facility Documents prepared by Bank.
- B. Receipt by Bank of a corporate authorization whereby the Board of Directors of Envirocare authorizes an officer to sign on behalf of Envirocare and authorizes Borrower to enter this transaction upon the terms, covenants and conditions set forth herein and in the Facility Documents.
- C. Receipt by Bank of all collateral and issuance fees required by Bank and the Facility Documents, properly executed by Envirocare.

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This letter presumes the accuracy of all information submitted to Bank prior to the issuance hereof and is subject to satisfaction of the terms and conditions set forth herein. The obligation of Bank to complete the Facility Documents and to issue the Letter pursuant thereto shall terminate and be null and void at the option of Bank (i) in the event of Envirocare's breach of any of the terms and conditions contained in this letter or in the Facility Documents, or (ii) in the event the financial status of Envirocare is not substantially the same as, or better than, represented in connection with the application for the credit facilities described herein.

This letter represents the entire understanding and agreement between Envirocare and Bank with respect to the subject matter hereof; supersedes all prior negotiations and writings between the parties; and cannot be contradicted, amended, or supplemented orally, but only by agreement in writing signed by Bank.

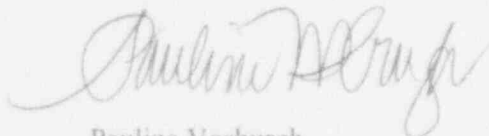
Neither this Commitment nor the Letter shall be assigned by Envirocare without the prior written consent of Bank. Any attempted assignment without such consent shall be void and shall constitute a default hereunder and under the Facility Documents. This letter is not intended to benefit any person or entity other than Envirocare, the NRC, and Bank and may not be relied upon by any such person or entity.

If this Commitment meets Envirocare's approval, please acknowledge by signing the original and return it to me. This Commitment will expire on April 17, 1994.

We at First Interstate look forward to the opportunity of assisting Envirocare.

Sincerely,

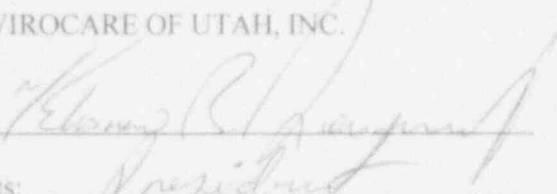
FIRST INTERSTATE BANK OF UTAH, N.A.



Pauline Vosburgh  
Vice President

Acknowledged and accepted this 18 day of Feb, 1994.

ENVIROCARE OF UTAH, INC.

By:   
Its: President

**ENVIROCARE OF UTAH, INC.  
TRUST AGREEMENT**

**TRUST AGREEMENT**, (the Agreement) entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 1994, by and between Envirocare of Utah, Inc., a Utah corporation, the "Grantor", and First Interstate Bank of Utah, N.A., the "Trustee."

**WHEREAS**, the United States Nuclear Regulatory Commission, (NRC), an agency of the United States Government, pursuant to the atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, and the Uranium Mill Tailings Radiation Control Act of 1978, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 40, Appendix A, Criteria 9 and 10. These regulations, applicable to the Grantor, require that a licensee of a uranium recovery facility shall provide assurance that funds will be available, when needed in accordance with the approved Reclamation and Decommissioning Plan, and also for any long term surveillance and control of the uranium recovery facility.

**WHEREAS**, the Grantor has elected to establish a letter of credit to provide all or part of such financial assurance for the facilities identified herein, and

**WHEREAS**, when payment is made under a letter of credit this standby trust shall be used for the receipt of such payment, and

**WHEREAS**, the Grantor has elected to establish a standby trust to provide all or part 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 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. Identification of Uranium Recovery Facilities and Cost Estimates. This Agreement pertains to the facilities and cost estimates identified in license number SMC 1559 and shown in Schedule A.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a standby trust fund (the "Fund") for the benefit of NRC. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided.

Section 4. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee. The fund is funded 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 is 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 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 Reclamation, Decommissioning, and Long Term Surveillance and Control. The Trustee shall make payments from the Fund, as the NRC shall direct, in writing, to provide for the payment of the costs of reclamation, decommissioning, and if necessary, long term surveillance and control of the facilities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the NRC from the Fund for reclamation, decommissioning, and long term surveillance and control expenditures in such amounts as the NRC shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trustee 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 his duties with respect to the Fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstance 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:

- (i) 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;
- (ii) 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 or state government; and

- (iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and 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 and 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 Company Act of 1940, 15 U.S.C. 80a-a et seq., including one which 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 power 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. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;
- (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 issued held by the Trustee in other fiduciary capacities 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 of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States 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 or state 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 commission 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 the Fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the fund, furnish to the Grantor and to the 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 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 the 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, who may be counsel to the Grantor, 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 upon the advice of counsel.

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

Section 13. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder.

Upon the successor trustee's acceptance of the appointment, 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, the 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 designated in the attached Exhibit A or such other designees as the Grantor may designate by amendment to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. All orders, requests, and instructions by the NRC to the Trustee shall be in writing, signed by the 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 the instructions from the Grantor or NRC, except as provided for herein.

Section 15. Amendment by Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and the NRC, or by the Trustee and the NRC, if the Grantor ceases to exist.

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 the NRC, or by the Trustee and the 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.

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 the 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. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Utah.

Section 19. Interpretation. As used in this Agreement, words in the singular include the plural and words used 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.

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

ENVIROCARE OF UTAH, INC.,  
GRANTOR

By \_\_\_\_\_  
Khosrow B. Semnani

President \_\_\_\_\_  
Title

Attest: \_\_\_\_\_  
Title

(Seal)

FIRST INTERSTATE BANK OF UTAH, N.A.,  
TRUSTEE

By \_\_\_\_\_  
Lois Owen

Vice President \_\_\_\_\_  
Title

Attest: \_\_\_\_\_  
Title

(Seal)

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, before me, a notary public in and for the county and state aforesaid, personally appeared \_\_\_\_\_, and he did depose and say that he is the \_\_\_\_\_ of \_\_\_\_\_, a Corporation, and who executed the above instrument; that he knows the seal of said Corporation, that the seal affixed to such instrument is such Corporate Seal; that it was so affixed by order of the Corporation, and that he signed his name thereto by like order.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_



STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, before me, a notary public in and for the county and State aforesaid, personally appeared \_\_\_\_\_, and he did depose and say that he is the \_\_\_\_\_ of \_\_\_\_\_, National Banking Association, Trustee, and who executed the above instrument; that 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 he signed his name thereto by like order.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

## SCHEDULE A

This Agreement demonstrates financial assurance for the following cost estimate(s) for the following uranium recovery facility(ies):

<u>U.S. NUCLEAR REGULATORY COMMISSION LICENSE NUMBER</u>	<u>NAME OF FACILITY</u>	<u>ADDRESS OF FACILITY</u>	<u>COST ESTIMATES FOR WHICH FINANCIAL ASSURANCES ARE BEING DEMONSTRATED BY THIS AGREEMENT</u>
SMC-1559	Envirocare of Utah	3 miles South of Mile Marker 49 on U.S. I-80 Tooele County, Utah	\$2,386,698.00

\* See below for  
legal description

The cost estimates listed here were last adjusted and approved by the NRC on November 19, 1993.

\* Section 32, of Township 1 South and Range 11, West, Tooele County, Utah

**SCHEDULE B**

AMOUNT \_\_\_\_\_

AS EVIDENCED BY \_\_\_\_\_

To be completed only upon initial funding of  
the Envirocare of Utah, Inc. standby trust fund with  
proceeds from draw on Letter of Credit Number

\_\_\_\_\_

SCHEDULE C

First Interstate Bank of Utah, N.A. Fee Schedule:

Base Fee of \$30 per Month	
.80 of 1% of first . . . . .	\$500,000
.55 of 1% of next. . . . .	500,000
.20 of 1% of next. . . . .	1,000,000
More than \$5,000,000 . . . . .	Negotiable

Estimated annual trustee's fee based on a market value of \$2,386,698:

\$9,883.40

EXHIBIT A

Pursuant to Section 14 of the Envirocare of Utah, Inc. Trust Agreement, the Trustee shall act on the written instruction, order, or request of the following persons designated by the Grantor:

NAME

SIGNATURE

Khosrow B. Semnani, President

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Charles A. Judd, Executive V.P.

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EXHIBIT B

PRINCIPAL TERMS OF LETTER OF CREDIT

Applicant: ENVIROCARE OF UTAH, INC.  
Beneficiary: UNITED STATES NUCLEAR REGULATORY COMMISSION  
Amount: \$2,386,698.00  
Expiration Date: Twelve months from date of issuance.

We hereby establish our Irrevocable Standby Letter of Credit No. \_\_\_\_\_, in your favor, at the request and for the account of ENVIROCARE OF UTAH, INC., 46 West Broadway, Suite 240, Salt Lake City, UT 84101 up to the aggregate amount of Two Million Three Hundred Eighty Six Thousand Six Hundred Ninety Eight U.S. Dollars (\$2,386,698.00), available upon presentation of... (1) Your sight draft, bearing reference to this Letter of Credit No. \_\_\_\_\_, and (2) Your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued under authority of the Uranium Mill Tailings Radiation Control Act of 1978.

The United States Nuclear Regulatory Commission, (NRC), an agency of the United States Government, pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, and the Uranium Mill Tailings Radiation Control Act of 1978, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 40, Appendix A, Criteria 9 and 10. These regulations, applicable to the Licensee, require that a licensee of a uranium recovery facility shall provide assurance that funds will be available when needed in accordance with the approved Reclamation and Decommissioning Plan and also for any long-term surveillance and control of the uranium recovery facility. This paragraph is included in this Letter of Credit for information purposes only.

This Letter of Credit is effective as of \_\_\_\_\_ and shall expire on \_\_\_\_\_, but such expiration date shall be automatically extended for a period of one year on \_\_\_\_\_ and on each successive expiration date, unless, at least 90 days before the current expiration date, we notify both you and ENVIROCARE OF UTAH, INC., as shown on the signed return receipts. If ENVIROCARE OF UTAH, INC. is unable to secure alternative financial assurance to replace this Letter of Credit within 30 days of notification of cancellation, the NRC may draw upon the full value of this Letter of Credit prior to cancellation.

The bank shall give immediate notice to the licensee and the NRC of any notice received or action filed alleging the (1) insolvency or bankruptcy of the bank or (2) any violations of regulatory requirements that could result in suspension or revocation of the bank's charter or license to do business. It also shall give immediate notice if it, for any reason, becomes unable to fulfill its obligations under the Letter of Credit.

Whenever this Letter of Credit is drawn on, under and in compliance with the terms of this Credit, we shall duly honor such draft upon presentation to us within 30 days, and we shall deposit the amount of the draft directly into the standby trust fund of ENVIROCARE OF UTAH, INC. in accordance with your instructions.

Each draft must bear upon its face the clause "Drawn under Letter of Credit No. \_\_\_\_\_ dated \_\_\_\_\_, and the total of this draft and all other drafts previously drawn under this Letter of Credit does not exceed Two Million Three Hundred Eighty Six Thousand Six Hundred Ninety Eight U.S. Dollars (\$2,386,698.00).