

ESCROW AGREEMENT

Between
NATIONAL CITY BANK OF PENNSYLVANIA
And
ALLEGHENY UNIVERSITY OF THE HEALTH SCIENCES

Paragraph 1. Establishment of Escrow Account

It is agreed between the parties that Allegheny University of the Health Sciences ("AUHS"), licensee, has elected to establish an escrow account with National City Bank of Pennsylvania, 20 Stanwix Street, Pittsburgh, Pennsylvania, 15222 ("NCB"), to provide financial assurance for decommissioning of the facility (ies) in the amounts shown below:

Allegheny University of the Health Sciences
320 East North Avenue, Pittsburgh, PA
3290 William Pitt Way, Pittsburgh, PA
3343 Forbes Avenue, Pittsburgh, PA
License # 37-01317-01
Financial Assurance \$ 150,000.00

Paragraph 2. Description of Property in Escrow Account

It is hereby acknowledged by the parties that \$150,000.00 in cash has been delivered to escrow and will remain in the escrow account created by this agreement until one of the two conditions stated in Paragraph 3 of this agreement has been satisfied.

AUHS warrants to and agrees with NCB that, unless otherwise expressly set forth in this Agreement: there is no security interest in the property in the escrow account or any part thereof; no financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the escrow account or any part thereof; and the escrow agent shall have no responsibility at any time to ascertain whether or not any security interest exists or to file any financing statement under the Uniform Commercial Code with respect to the escrow account or any part thereof.

Paragraph 3. Conditions of Escrow Agreement

The property described in Paragraph 2 above, will remain in the escrow account created by this agreement until one of the two following conditions has been satisfied (1) the decommissioning activities required by 10 CFR 30 have been completed, the license has been terminated, the

NONNEGOTIABLE

facility site is available for unrestricted use for any public or private purpose, and the escrow account has been terminated by joint notice, in writing, from AUHS and the United States Nuclear Regulatory Commission ("NRC"); or (2) the escrow agent, NCB, has been notified by the NRC, in writing, that the licensee, AUHS, has defaulted on the agreed obligation to carry out the decommissioning for the above listed facility (ies).

Paragraph 4. Disbursement of Property in Escrow Account

NCB shall make payments from the escrow account upon the presentation of a certificate duly executed by the Secretary of AUHS attesting to the occurrence of the events, and in the form set forth in the attached Specimen Certificate of Events (see **Exhibit A**), and upon presentation of a certification 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 the NRC has been given 30 days prior notice of AUHS's intent to withdraw funds from the escrow account.

No withdrawal from the account can exceed Ten Percent (10%) of the outstanding balance of the escrow account or \$15,000.00, whichever is greater, unless NRC approval is attached.

Or upon NCB receiving written notification of licensee's default from the NRC, NCB shall make payments from the escrow account as the NRC shall direct, in writing, to provide for the payment of the costs of the required decommissioning activities covered by this agreement. The escrow agent shall reimburse the licensee or other persons as specified by the NRC from the escrow account for expenses for required activities in such amounts as the NRC shall direct in writing. In addition, the escrow agent shall refund to AUHS such amounts as the NRC specifies, in writing. Upon refund, such funds shall no longer constitute part of the escrow account as described in paragraph 2, above.

Paragraph 5. Irrevocability

It is also agreed between the parties that this escrow became irrevocable upon delivery to NCB, the escrow agent, and will remain irrevocable and in full force and effect until the occurrence of one of the conditions described in Paragraph 3, above.

Paragraph 6. Powers of the Escrow Agent

The only powers and duties of the escrow agent shall be to hold the escrow property and to invest and dispose of it in accordance with the terms of this agreement.

Escrow Account Management

The escrow agent shall invest and reinvest the principal and income of the escrow account and keep the escrow account invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which AUHS may communicate in writing to the escrow agent from time to time, subject, however, to the provisions of the escrow account; the escrow agent shall discharge its duties with respect to the escrow account solely in the interest of the NRC and with the care, skill, prudence, and diligence, under the circumstances then prevailing, that persons of prudence, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims, except that:

- (a) Securities or other obligations of the licensee, or any other owner or operator of the licensed facility(ies), 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 government;
- (b) The escrow agent is authorized to invest the escrow account in time or demand deposits to the extent insured by an agency of the Federal government; and
- (c) The escrow agent is authorized to hold cash, awaiting investment or distribution uninvested, for a reasonable time and without liability for the payment of interest thereon.
- (d) The escrow agent is authorized to invest the escrow account in mutual funds, money market funds or short term investment funds, the portfolio of which is limited to direct obligations of the Federal Government, including funds which the escrow agent or an affiliate of the escrow agent earns an advisory fee.

Express Power of the Escrow Agent

Without in any way limiting the powers and discretion conferred upon the escrow agent by other provisions of this agreement or by law, the escrow agent is expressly authorized and empowered:

- (a) To register any securities held in the escrow account in its own name and to hold any security in bearer form or in book entry, 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 escrow agent shall at all times show that all such securities are part of the escrow account;
- (b) To deposit any cash in the escrow account in interest-bearing accounts or savings certificates to the extent insured by an agency of the Federal government;

- (c) To pay taxes, from the account, of any kind that may be assessed or levied against the escrow account and all brokerage commissions incurred by the escrow account.

Paragraph 7. Annual Valuation

After delivery has been made into this escrow account, the escrow agent shall *annually*, at least 30 days before the anniversary date of receipt of the property into the escrow account, furnish to the licensee and to the NRC a statement confirming the value of the escrow account. Any securities in the account shall be valued at market value as of no more than 60 days before the anniversary date of the establishment of the escrow account. The failure of the licensee to object in writing to the escrow agent within 90 days after the statement has been furnished to the licensee shall constitute a conclusively binding assent by the licensee, barring the licensee from asserting any claim or liability against the escrow agent with respect to the matters disclosed in the statement.

Monthly trust statement valuations of the escrow account shall be delivered to the attention of AUHS Finance.

Paragraph 8. Successor Escrow Agent

Upon 90 days prior notice to the NRC and the licensee, AUHS, the escrow agent may resign; upon 90 days notice to the NRC and the escrow agent, the licensee, AUHS, may replace the escrow agent upon 30 days prior notice to the NRC; provided that such resignation or replacement is not effective until the escrow agent has appointed a successor escrow agent and this successor accepts the appointment. The successor escrow agent shall have the same powers and duties as those conferred upon the escrow agent under this agreement. Upon the successor's acceptance of the appointment, the escrow agent shall assign, transfer, and pay over to the successor the funds and properties then constituting the escrow account. If for any reason the licensee cannot or does not act in the event of the resignation of the escrow agent, the escrow agent may apply to a court of competent jurisdiction for the appointment of a successor, or for instructions. The successor escrow agent shall specify the date on which it assumes administration of the escrow account in a writing sent to the licensee, the NRC, and the current escrow agent by certified mail 10 days before the change becomes effective. Any expenses incurred by the escrow agent as a result of any of the acts contemplated by this paragraph shall be paid as provided in Paragraph 10 of this agreement.

Paragraph 9. Instructions to the Escrow Agent

All orders, requests, and instructions from the licensee to the escrow agent shall be in writing, signed by such persons as are signatories to this agreement, or such other designees as the licensee or NRC may designate in writing. All orders, requests, and instructions from the NRC shall be in writing, signed by the designees of the NRC. The escrow agent shall be fully

protected in acting in accordance with such orders, requests and instructions. The escrow agent 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 licensee or NRC under this agreement has occurred. The escrow agent shall have no duty to act in the absence of such orders, requests, and instructions from the licensee and/or NRC, except as provided in this agreement.

Paragraph 10. Compensation and Expenses of the Escrow Agent

The fees of the escrow agent for its service in establishing and maintaining the escrow account shall be as specified in **Exhibit B** and are to be borne by the licensee.

Expenses of the escrow agent for the administration of the escrow account, the compensation of the escrow agent for services subsequent to the establishing of the escrow account to the extent not paid directly by the licensee, and all other proper charges and disbursements shall be paid from the escrow account.

AUHS shall, at its expense, indemnify NCB and hold it harmless from any and all claims, loss or liability, regardless of nature, and related costs or expenses in connection herewith, including reasonable attorney's fees, arising out of or in connection with this escrow agreement except as such may arise due to NCB's willful misconduct in performing its specified duties as escrow agent.

Paragraph 11. Amendment to this Agreement

This agreement may be amended by an instrument in writing executed by the licensee and the escrow agent provided that the licensee has given 30 days prior notice to the NRC.

Paragraph 12. Termination

This agreement can be terminated by written notice of termination to the escrow agent signed by AUHS, licensee, and the NRC, or by the NRC alone, if the licensee has ceased to exist.

Paragraph 13. Interpretation

This escrow agreement constitutes the entire agreement between AUHS and NCB. The escrow agent shall not be bound by any other agreement or contract entered into by AUHS and the only document that may be referenced in case of ambiguity in this escrow agreement is the licensing agreement between AUHS and the NRC, or its successor.

Paragraph 14. Acceptance of Appointment by Escrow Agent

NCB does hereby acknowledge its appointment by AUHS, the licensee, to serve as escrow agent

for the escrow account created under this agreement and agrees to carry out its obligations and duties as stated in this escrow agreement.

Paragraph 15. Severability

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

Paragraph 16.

This agreement shall not become effective (and the escrow agent shall have no responsibility hereunder except to return the escrow property to AUHS) until the escrow agent shall have received the following and shall have advised AUHS in writing that the same are in form and substance satisfactory to the escrow agent:

Corporate Certification of Authority to Act, certified by the Assistant Secretary or Secretary of AUHS; and

Certificate as to the names of the elected officers of AUHS authorized to sign this Agreement.

Paragraph 17.

This agreement may be executed in any number of counterparts, each of which shall be an original but such counterparts shall together constitute but one and the same agreement.

National City Bank of Pennsylvania

By [Signature]

Name John C. Hoffman

Title Assistant Vice President

Date 10/5/98

Allegheny University of the Health Sciences

By _____

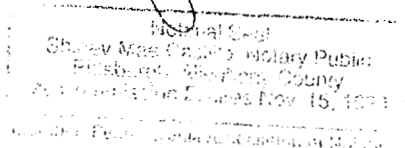
Name Dorothy McKenna Brown, Ed.D.

Title Interim President and CEO

Date _____

Witness by Notary Public

[Signature]



Witness by Notary Public

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Certificate as to the names of the elected officers of AUHS authorized to sign this Agreement.

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National City Bank of Pennsylvania

By _____

Name John C. Hoffman

Title Assistant Vice President

Date _____

Witness by Notary Public

Allegheny University of the Health Sciences

By Dorothy McKenna Brown

Name Dorothy McKenna Brown, Ed.D.

Title Interim President and CEO

Date 10/6/98

Witness by Notary Public
Sheldon M. Gillespie
Commission expires
12-25-2000

EXHIBIT A

Specimen Certificate of Events

National City Bank of Pennsylvania
20 Stanwix Street
Pittsburgh, PA 15222

Attn: Corporate Trust

Gentlemen:

In accordance with the terms of the Agreement with you dated _____, I, _____, Secretary of Allegheny University of the Health Sciences ("AUHS"), hereby certify that the following events have occurred:

1. AUHS is required to commence the decommissioning of its facilities located at _____ (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 AUHS has adopted the attached resolution authorizing the commencing of the decommissioning.

Secretary
Allegheny University of the Health Sciences

Date

EXHIBIT B

Escrow Agent Fee Schedule

Escrow Agent Acceptance Fee (one time charge)	\$1,000.00
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Escrow Agent Annual Fee (annual for each year or partial year the escrow is held)	\$2,000.00
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October 2, 1998

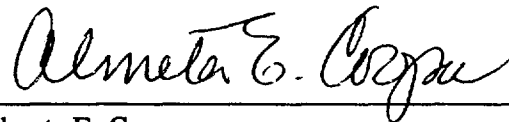
ALLEGHENY UNIVERSITY OF THE HEALTH SCIENCES

Corporate Certification of Authority to Act

I, Almeta E. Cooper, Esq., hereby certify that I am Secretary of Allegheny University of the Health Sciences (formerly known as the Medical College of Pennsylvania) (the "Corporation"), a corporation organized and existing under the laws of the State of Pennsylvania.

I am hereby certifying that Dorothy McKenna Brown, Ed.D., the interim President and CEO of Allegheny University of the Health Sciences or her designee, have been granted authority by the Board of Trustees to have general supervision, direction, and control of the business and affairs of the Corporation and shall have the general powers and duties of management usually vested in the office of the chief executive officer. The CEO or her designee have authority to perform all acts, execute and deliver all documents and do all things deemed necessary to carry out the routine business matters that are in the best interests of the Corporation, including execution of an Agreement with the National City Bank of Pennsylvania for the purpose of establishing an escrow account as required by the Nuclear Regulatory Commission.

2nd IN WITNESS WHEREOF, I, as Secretary of the Corporation, have hereunder set my hand on the day of October, 1998.



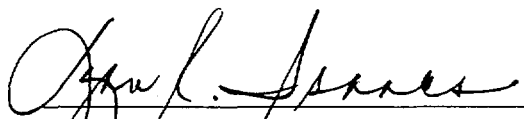
Almeta E. Cooper

To Whom It May Concern:

The following are the duly elected officers of Allegheny University of the Health Sciences as of this date:

Robert B. Palmer
Douglas D. Danforth
Dorothy McKenna Brown, Ed.D.
Leonard L. Ross, Ph.D.
Almeta E. Cooper, Esq.
Joseph D. Dionisio
Michael J. Exler, Esq.
Lynn R. Isaacs
Charles P. Morrison

Chair of the Board
Vice Chair of the Board
Interim President and CEO
Provost and Chief Academic Officer
Secretary
Treasurer
Assistant Secretary
Assistant Secretary
Assistant Treasurer


Lynn R. Isaacs
Assistant Secretary

Philadelphia, Pennsylvania

Date: September 29, 1998