

Industrial Trust

TRUST AGREEMENT

This Trust Agreement is entered into this 1st day of December, 1980, by Battelle Memorial Institute ("Battelle") as trustor and the Bank One Trust Company, NA as trustee to receive and hold certain payments from sponsors of industrial research and development carried on by Battelle.

Purpose

Battelle owns nuclear research facilities in West Jefferson, Ohio, (the "Facilities") which, in the normal course of operations, are contaminated with radioactive matter. After a certain period of usage, these Facilities will have to be decontaminated and decommissioned. A license to operate the Facilities has been issued by the United States Nuclear Regulatory Commission ("NRC"). Battelle is now being required to demonstrate the financial viability to decontaminate and decommission the Facilities as a condition for future operations. In conjunction with various Government agencies including the Department of Defense ("DOD") and the Department of Energy ("DOE") of the United States, who sponsor a substantial volume of the research and development at the Facilities, Battelle created such a plan for identifying the costs of decontamination and for allocating the financial burden of those costs to all users of the Facilities, both Governmental and industrial, and for returning any excess funds to the users after decontamination and decommissioning is complete. The plan so developed is to be made a specific condition of the license by the NRC.

The plan requires the users to remit an allocable share of decommissioning costs when they remit their other payments for usage of the Facilities. The license will additionally require that funds collected be held in trust. This trust is being created to hold the funds of industrial sponsors separately from those of DOE and DOD, as required by those agencies, and to provide assurance that: the amounts deposited in trust are invested in high quality instruments or securities; the amounts deposited are not commingled with Battelle's own funds; the earnings on the amounts deposited are fully segregated from Battelle's earnings on its own funds; the amounts deposited are protected from the general creditors of the industrial sponsors and Battelle; and the trust assets are held solely for the benefit of the industrial sponsors of research at the Facilities.

All amounts received by Battelle from industrial users of the Facilities as their allocable share of decommissioning costs of the Facilities are to be paid over to the trustee by Battelle, to be invested until actually needed for decontamination of the Facilities. No funds may be returned to the industrial users until ultimate decommissioning is complete, unless the NRC consents to the return of funds.

Powers and Duties of the Trustee

The powers and duties of the trustee are strictly limited to receiving, holding, investing, and disbursing trust funds for the purposes described herein. The duty of the trustee to make periodic accounting other than the final accounting, shall be satisfied by the proper rendition of the monthly reports prescribed herein.

Trustee's Compensation

The trustee shall receive a fee for acting as trustee as provided herein, to be agreed upon by the trustee and Battelle. This fee may be paid directly out of the trust funds.

Investment of Trust Funds

Battelle shall, from time to time, provide specific instructions to the trustee regarding the investment of trust funds. In accordance with the specific instructions, trust funds may be invested in:

- demand notes of issuers with a rating of A-1 or P-1.
- commercial paper with a rating of A-1 or P-1.
- certificates of deposit or banker's acceptances issued by a depository which has at least \$50 million capital and surplus.
- securities issued or guaranteed by the United States, its agencies or instrumentalities.
- municipal bonds rated in the top three categories (AAA, AA, A) by Standard & Poor's Corporation.
- corporate bonds rated in the top three categories (AAA, AA, A) by Standard & Poor's Corporation.
- preferred stock with a sinking fund rated as "BBB" or better by Standard & Poor's Corporation, and preferred stock without a sinking fund rated as "A" or better by Standard & Poor's Corporation.

The investments shall be consistent with projected cash flow needs for actual decommissioning as anticipated by Battelle. Trust funds may not be invested in securities issued by Battelle or any of the industrial sponsors of research at the Facilities or any entity related to Battelle or the sponsors.

In the absence of instructions from Battelle, the trustee shall invest the funds in those short-term time deposits offered by the trustee which bear the highest rate of interest.

Removal of the Trustee

Battelle may remove as trustee the Bank One Trust Company, NA or any successor, with or without cause. Such removal shall be effective upon receipt by the trustee of written notice of removal, a written appointment of the successor trustee, and such successor's written acceptance of the trust. Any successor must be a national bank with at least \$500,000,000 in assets or a trust company with at least \$500,000,000 in managed assets.

Upon removal, the removed trustee shall deliver all trust funds in its possession to the successor trustee and shall render a final accounting. Thereafter, the removed trustee shall have no further powers or duties as trustee.

Termination

The trust shall end when all of the trust funds have been disbursed and there are no further deposits to be made into the trust.

Periodic Accounting

The trustee will provide an accounting of receipts, disbursements, and earnings on a monthly basis.

Final Accounting

Upon termination of the trust or upon appointment of a successor trustee, the trustee shall render a final accounting to Battelle and, upon request, to any sponsors of industrial research at the Facilities.

Trust Disbursements

The trustee is authorized to make disbursement for reasonable expenses of trust administration, including taxes. The trustee may disburse money from the fund to Battelle to pay those costs of trust administration which are not incurred by or assessed against the trust directly, provided that Battelle certifies to the trustee that those costs are directly related to the operation of the trust. Such costs might include taxes relating to trust deposits or income, and expenditures required of Battelle or others because of the existence of the trust.

Battelle will, from time to time, direct the trustee to disburse money from the fund to pay for expenses associated with decommissioning the Facilities. Disbursements for decommissioning may only be made in accordance with a decommissioning plan approved by NRC. Battelle will provide to the trustee copies of the decommissioning plan and NRC's approval, and must certify that each such disbursement is in accordance with the plan.

Upon completion of all decontamination and decommissioning, Battelle will direct the trustee to make a final disbursement of funds. Such final disbursement may only be made to industrial users of the Facilities, in proportion to their respective share of trust corpus and allocated earnings. If any entity which contributed to the fund is not in existence at that time, then payment shall be made in accordance with a letter designating a successor in interest. If no such letter is on file, then payment will be made to any charitable organization, contributions to which are deductible under the Internal Revenue Code, selected by Battelle.

Nonassignment

Battelle may not assign its rights under this Agreement, or direct distributions in any manner not expressly provided for, unless otherwise agreed to by the Government. To the fullest extent permissible by law, no legal process may be used to divert trust assets from their appropriate utilization for decommissioning as provided herein.

Indemnity of Trustee

Battelle agrees to hold the trustee harmless from any expense or liability which the trustee may incur in performing its duties as trustee, except for expenses or liabilities due to its own negligence, willful misconduct, or unlawful act.

Additional Terms

The trust has been accepted by the trustee in and will be administered in the State of Ohio, and this Agreement shall be interpreted in accordance with Ohio law.

If any provision of this Agreement shall be invalid or unenforceable, the remaining provisions shall continue to be fully effective.

Executed this 1st day of December,
1980.

Battelle Memorial Institute - Trustee

By: Maurice G. Stark
Maurice G. Stark
Vice President-Finance
and Treasurer

Signed in the presence of:

[Signature]
H. Lee Stalling

TMC/prw

Executed this 1st day of December,
1980.

Bank One Trust Co., NA - Trustee

By: G. Ronald Henderson
G. Ronald Henderson
Vice President

Signed in the presence of:

Rene Anderson
Sandra M. Gage