

**EXECUTION COPY**

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**WEST PENN ALLEGHENY HEALTH SYSTEM, INC.**

**and**

**MANUFACTURERS AND TRADERS TRUST COMPANY,  
as Trustee**

**ESCROW AGREEMENT**

**Dated as of June 19, 2007**

**relating to**

**DAUPHIN COUNTY GENERAL AUTHORITY  
HOSPITAL REVENUE REFUNDING BONDS  
HAPSCO GROUP INC. TAX-EXEMPT LOAN PROGRAM  
(THE WESTERN PENNSYLVANIA HOSPITAL PROJECT)  
1992 SERIES A**

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This ESCROW AGREEMENT made and entered into as of June 19, 2007, by and between WEST PENN ALLEGHENY HEALTH SYSTEM, INC., a nonprofit corporation duly organized and existing pursuant to the laws of the Commonwealth of Pennsylvania (the "Corporation"), and MANUFACTURERS AND TRADERS TRUST COMPANY, successor to Dauphin Deposit Bank and Trust Company (the "Trustee"), trustee under an Indenture of Trust, dated as of October 15, 1992 (the "Indenture"), between the Dauphin County General Authority (the "Issuer") and the Trustee;

WITNESSETH:

WHEREAS, the Issuer has previously issued its Hospital Revenue Refunding Bonds HAPSCO Group Inc. Tax-Exempt Loan Program (The Western Pennsylvania Hospital Project), 1992 Series A (the "Bonds") in the original aggregate principal amount of \$34,855,000, of which \$13,745,000 is currently outstanding pursuant to the Indenture; and

WHEREAS, the Corporation, as sole corporate member of The Western Pennsylvania Hospital, as obligor for the Bonds, has taken action to cause to be issued or delivered to the Trustee for deposit in or credit to a special trust fund to be created hereunder to be known as the Escrow Fund to be maintained by the Trustee (the "Escrow Fund") certain Federal Securities permitted under Section 7.01 of the Indenture (the "Escrow Securities") as listed on Exhibit A attached hereto and made a part hereof, in a total amount which, together with an initial cash deposit of \$2,486,651.72 and income or interest to accrue thereon is sufficient to pay when due the principal of and premium and interest on the Bonds to July 19, 2007 (the "Redemption Date") and to redeem the Bonds on the Redemption Date at a price equal to 100% of par plus interest accrued thereon to the Redemption Date (the "Redemption Price");

NOW, THEREFORE, the Corporation and the Trustee hereby agree as follows:

Section 1. Establishment, Funding and Maintenance of Escrow Fund. The Trustee agrees to establish and maintain until all of the Bonds have been paid in full a fund designated as the "Escrow Fund" (which, subject to the provisions of Section 10 hereof, shall be irrevocable) and to hold the securities, investments and moneys therein at all times as a special and separate trust fund (wholly segregated from all other securities, investments or moneys on deposit with the Trustee). All securities, investments and moneys in the Escrow Fund are hereby irrevocably pledged, subject to the provisions of Section 2 and Section 4 hereof, to secure the payment of the Bonds.

On June 19, 2007, the Escrow Securities described below will be purchased (and the initial cash deposit funded) by the Trustee with funds in the amount of \$14,179,177.72 provided by the Corporation from (i) a transfer in the amount of \$5,476,472.84 from the funds and accounts held under the Indenture (comprised of \$2,045,000 from the Principal Account, \$441,550.00 from the Interest Account and \$2,989,922.84 from the Debt Service Reserve Fund) and (ii) proceeds of the Allegheny County Hospital Development Authority Health System Revenue Bonds (West Penn Allegheny Health System), Series 2007A in the amount of \$8,702,704.88.

**Section 2. Investment of the Escrow Fund.**

(a) The Trustee shall take all remaining necessary action to have issued and registered in the name of the Trustee, for the account of the Escrow Fund, the Escrow Securities listed on Exhibit A attached hereto and to make an initial cash deposit of \$2,486,651.72 from funds provided by the Corporation.

(b) Except as otherwise provided in this subsection, the Trustee shall not reinvest any cash portion of the Escrow Fund and shall hold such cash portion uninvested. The Trustee shall, upon written request of the Corporation, reinvest any cash portion of the Escrow Fund in certain securities permitted under Section 7.01 of the Indenture, provided that such instructions are accompanied by (i) an unqualified opinion of nationally recognized bond counsel to the effect that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of interest payable on the Bonds and (ii) a report of an independent accountant to the effect that such reinvestment will not adversely affect the sufficiency of the amount of securities, investments and moneys in the Escrow Fund to pay principal of and interest coming due on the Bonds to the Redemption Date and to redeem the Bonds on the Redemption Date at the Redemption Price.

(c) The Trustee shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof; provided, that the Trustee shall have no responsibility for the permissibility of any investment.

**Section 3. Payment and Redemption of the Bonds.** The Corporation hereby requests and irrevocably instructs the Trustee, and the Trustee hereby agrees, to collect and deposit in the Escrow Fund the principal of and interest on all Escrow Securities held for the account of the Escrow Fund promptly as such principal and interest become due, and to apply, subject to the provisions of Section 2 and Section 4 hereof, such principal and interest, together with any other moneys and the principal of and interest on any other securities deposited in the Escrow Fund, to the payment of principal and interest coming due on the Bonds to the Redemption Date, and to redeem the Bonds on the Redemption Date at the Redemption Price, at the places and in the manner stipulated in the Indenture, including all of the notice requirements contained therein.

The parties acknowledge that, pursuant to Sections 5.02 and 7.01 of the Indenture, the Issuer has opted to redeem the Bonds and this Escrow Agreement constitutes a request and irrevocable instructions of the Corporation to redeem the Bonds in accordance with the terms hereof. The Corporation hereby further requests that the Trustee give notice of redemption of the Bonds in accordance with the provisions of the Indenture. The Corporation hereby further requests that the Trustee execute the Certificate of Trustee Regarding Discharge of Indenture, attached hereto as Exhibit B and made a part hereof.

**Section 4. Transfer of Funds After Redemption of Bonds.** The Corporation hereby requests and irrevocably instructs the Trustee, and the Trustee hereby agrees, to transfer any money or securities remaining in the Escrow Fund after the redemption of the Bonds to the Corporation, subject to Section 10 hereof.

**Section 5. Substitution of Securities.** Except as provided in Sections 1 and 2 and in this Section, the Trustee shall have no power or duty to invest any funds held under this Escrow Agreement or to sell, transfer or otherwise dispose of or make substitutions of the investments initially required to be made therewith. Upon the written request of the Corporation, the Trustee shall sell, redeem or otherwise dispose of the Escrow Securities, provided that there are substituted therefor (from the proceeds of the Escrow Securities) certain securities permitted under Section 7.01 of the Indenture, but only after the Trustee has received (i) an unqualified opinion of nationally recognized bond counsel that such substitution will not adversely affect the exclusion from gross income for federal income tax purposes of interest payable on the Bonds, and (ii) a report of an independent accountant to the effect that such substitution (without considering reinvestment) will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay when due the principal of and premium and interest on the Bonds to the Redemption Date and to redeem the Bonds on the Redemption Date at the Redemption Price, as specified in the Indenture and Section 3 hereof. The Corporation's written request under this Section 5 shall constitute a representation, warranty, and covenant that the substitution complies with all applicable laws and regulations. The Trustee shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

**Section 6. Fees and Costs.**

(a) The Trustee's annual fees and costs for acting as escrow agent under this Escrow Agreement are to be agreed upon by the Trustee and the Corporation and paid by the Corporation. The rights, duties and obligations of the Trustee shall, except as otherwise expressly provided herein, be governed by the Indenture. The annual fees and costs of the Trustee for any other duties to be carried out by it under the Indenture shall continue as previously agreed upon between the Trustee and the Corporation.

(b) The Trustee shall also be entitled to additional reasonable fees and reimbursements for costs incurred, including but not limited to legal and accountants' services in connection with any litigation not arising from the Trustee's negligence or willful misconduct which may at any time be instituted involving this Escrow Agreement.

(c) The fees of and the costs incurred by the Trustee shall in no event be deducted or payable from or constitute a lien against the Escrow Fund.

**Section 7. Immunities and Liabilities of Trustee.**

(a) The Trustee undertakes to perform only such duties as are expressly and specifically set forth in this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against the Trustee.

(b) The Trustee shall not have any liability hereunder except to the extent of its own gross negligence or willful misconduct. In no event shall the Trustee be liable for any special, indirect or consequential damages, even if Trustee or the Corporation know(s) of the possibility of such damages. The Trustee shall have no duty or responsibility under this Escrow Agreement in the case of any default in the performance of the covenants or agreements

contained in the Indenture. The Trustee is not required to resolve conflicting demands to money or property in its possession under this Escrow Agreement.

(c) The Trustee may consult with counsel of its own choice (which may be counsel to the Corporation) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

(d) The Trustee shall not be responsible for any of the recitals or representations contained herein or in the Indenture.

(e) The Trustee may become the owner of, or acquire any interest in, any of the Bonds with the same rights that it would have if it were not the Trustee, and may engage or be interested in any financial or other transaction with the Corporation.

(f) The Trustee shall not be liable for any action or omission of the Corporation under this Escrow Agreement or the Indenture.

(g) Whenever in the administration of this Escrow Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of gross negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Corporation, and such certificate shall, in the absence of gross negligence or willful misconduct on the part of the Trustee, be full warranty to the Trustee for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

(h) The Trustee may conclusively rely as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided to it in connection with this Escrow Agreement, and shall be protected in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Trustee in connection with this Escrow Agreement and reasonably believed by the Trustee to have been signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

(i) In addition to the foregoing provisions of this Section 7, the Trustee shall be entitled to all of the immunities, protections and provisions of the Indenture, including, without limitation, Article IX of the Indenture.

(j) The Trustee agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Corporation shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Corporation elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions,

the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Corporation agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(k) Notwithstanding any other provision of this Escrow Agreement, the Trustee shall not be obligated to perform any obligation hereunder and shall not incur any liability for the nonperformance or breach of any obligation hereunder to the extent that the Trustee is delayed in performing, unable to perform or breaches such obligation because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes reasonably beyond its control, it being understood that the Trustee shall use commercially reasonable efforts consistent with accepted practices for escrow agents to maintain performance without delay or resume performance as soon as reasonably practical under the circumstances.

(l) The Trustee shall from time to time deliver any unclaimed funds under this Escrow Agreement to or as directed by pertinent escheat authority, as identified by the Trustee in its sole discretion, pursuant to and in accordance with applicable unclaimed property laws, rules or regulations. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the escheat authority. Any unclaimed fund held by the Trustee pursuant to this Escrow Agreement shall be held uninvested and without any liability for interest.

**Section 8. Indemnification.** The Corporation hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Trustee and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements and the allocated costs of the Trustee's in-house counsel and expenses of in-house counsel) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Trustee (whether or not also indemnified against by the Corporation or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Trustee in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Trustee made in good faith in the conduct of its duties; provided, however, that the Corporation shall not be required to indemnify the Trustee against its own gross negligence or willful misconduct. The indemnities contained in this Section shall survive the termination of this Escrow Agreement.

**Section 9. Resignation of the Trustee.** The Trustee may resign and be discharged of its duties hereunder in accordance with the procedures in the Indenture as the trustee under the Indenture if and at such time as the Indenture shall be discharged. Any successor trustee under the Indenture shall succeed as the Trustee under this Escrow Agreement.

**Section 10. Termination; Unclaimed Money.** This Escrow Agreement and the trusts created hereby shall terminate when the Redemption Price of the Bonds has been paid; provided, that money held by the Trustee in the Escrow Fund for the payment and discharge of any of the Bonds which remain unclaimed shall be disposed of in accordance with the terms hereof and of the Indenture.

**Section 11. Capacity of Trustee.** The Trustee is entering into the Escrow Agreement in its capacity as trustee under the Indenture. Subject to the provisions of Sections 4 and 10 hereof, moneys held by the Trustee hereunder are to be held and applied for the payment of the Bonds in accordance with the Indenture.

**Section 12. Severability.** If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

**Section 13. Amendment.** The parties hereto may, without the consent of or notice to the holders of the unpaid Bonds, enter into such agreements supplemental to this Escrow Agreement as shall not adversely affect the rights of such holders hereunder and shall not be inconsistent with the terms and provisions of this Escrow Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Escrow Agreement; and

(b) to grant or confer upon the Trustee for the benefit of the holders of the Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Trustee.

The Trustee shall enter into such agreements only upon receipt of, and shall be entitled to rely conclusively upon, an unqualified opinion of nationally recognized bond counsel to the effect that any such agreement complies with this Section 13, and does not adversely affect the rights of the Holders of the Bonds.

**Section 14. Execution of Counterparts.** This Escrow Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

**Section 15. Governing Law.** This Escrow Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

**Section 16. Waiver of Jury Trial.** The Corporation and the Trustee irrevocably waive any and all right to a trial by jury in any action or proceeding arising out of or relating to this Escrow Agreement or the transactions contemplated hereby and agree that any such action or proceeding shall be tried before a court and not before a jury.



Section 17. Binding Effect. This Escrow Agreement shall inure to the benefit of and shall be binding upon the Corporation and the Trustee and their respective successors and assigns, subject to the limitations contained herein; provided, however, that the Trustee shall have only such duties and obligations as are expressly given to it hereunder.

IN WITNESS WHEREOF, WEST PENN ALLEGHENY HEALTH SYSTEM, INC. has caused this Escrow Agreement to be signed in its name by its duly authorized officer and MANUFACTURERS AND TRADERS TRUST COMPANY has caused this Escrow Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

WEST PENN ALLEGHENY HEALTH SYSTEM, INC.

By David A. Samuel  
Authorized Officer

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

By \_\_\_\_\_  
Authorized Officer

IN WITNESS WHEREOF, WEST PENN ALLEGHENY HEALTH SYSTEM, INC. has caused this Escrow Agreement to be signed in its name by its duly authorized officer and MANUFACTURERS AND TRADERS TRUST COMPANY has caused this Escrow Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

WEST PENN ALLEGHENY HEALTH SYSTEM, INC.

By \_\_\_\_\_  
Authorized Officer

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

By *Bonnie Kelly*  
Authorized Officer

**EXHIBIT A**

**ESCROW SECURITIES**

<u>Type of Securities</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
SLGS - Certificate <sup>1</sup>	7/19/07	\$2,989,922	4.72%
SLGS Certificate <sup>2</sup>	- 7/19/07	<u>8,702,604</u>	4.72
<b>Total</b>		<b><u>\$11,692,526</u></b>	

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<sup>1</sup> Purchased with DSRF and Interest Account contribution.

<sup>2</sup> Purchased with 2007A Bond proceeds.

**EXHIBIT B**

**CERTIFICATE OF TRUSTEE REGARDING  
DISCHARGE OF INDENTURE**

The undersigned, MANUFACTURERS AND TRADERS TRUST COMPANY, as successor trustee (the "Trustee") under that certain indenture of trust, dated as of October 15, 1992 (the "Indenture"), between the Dauphin County General Authority (the "Issuer") and the Trustee, and providing for the issuance of Dauphin County General Authority Hospital Revenue Refunding Bonds HAPSCO Group Inc. Tax-Exempt Loan Program (The Western Pennsylvania Hospital Project), 1992 Series A (the "Bonds"), hereby acknowledges that the right, title and interest of the Trustee in and to the Trust Estate and all covenants and agreements and other obligations of the Issuer to the Registered Owners has ceased, terminated, become void and been discharged and satisfied, except only as provided in the Indenture.

Capitalized terms used but not defined in this Certificate shall have the meanings ascribed thereto in the Indenture.

Dated: June 19, 2007

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

By *Bannister*  
Authorized Officer

**EXHIBIT B**

**CERTIFICATE OF TRUSTEE REGARDING  
DISCHARGE OF INDENTURE**

The undersigned, MANUFACTURERS AND TRADERS TRUST COMPANY, as successor trustee (the "Trustee") under that certain indenture of trust, dated as of October 15, 1992 (the "Indenture"), between the Dauphin County General Authority (the "Issuer") and the Trustee, and providing for the issuance of Dauphin County General Authority Hospital Revenue Refunding Bonds HAPSCO Group Inc. Tax-Exempt Loan Program (The Western Pennsylvania Hospital Project), 1992 Series A (the "Bonds"), hereby acknowledges that the right, title and interest of the Trustee in and to the Trust Estate and all covenants and agreements and other obligations of the Issuer to the Registered Owners has ceased, terminated, become void and been discharged and satisfied, except only as provided in the Indenture.

Capitalized terms used but not defined in this Certificate shall have the meanings ascribed thereto in the Indenture.

Dated: June 19, 2007

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

By Bannister  
Authorized Officer