

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Escrow Agreement"), dated as of [____], by and between Medical Supply Chain, Inc. (the "Seller") and [____] (the "Purchaser") and _____, as escrow agent (the "Escrow Agent").

WHEREAS, Seller and Purchaser have entered into an agreement whereby the full certification tuition of \$30,000.00 (thirty thousand dollars) will be placed in escrow by the purchaser;

WHEREAS, Seller and Purchaser desire that _____ act as Escrow Agent to Medical Supply Chain, Inc. certification tuition, and Escrow Agent is willing to act in such capacity; and

WHEREAS, Seller and Purchaser desire Escrow Agent to release the full certification tuition of \$30,000.00 (thirty thousand dollars) to Medical Supply Chain, Inc. upon signed authorization executed by both Seller and Purchaser at the completion of the 5-day supply chain strategist course, or in the event that either Seller or Purchaser reject Purchaser's participation in the certification program, Escrow Agent will pay to Purchaser \$25,000.00 (twenty five thousand dollars) and Escrow Agent will pay to Seller \$ 5,000.00 (five thousand dollars) upon receipt of signed rejection notice executed by both Seller and Purchaser.

NOW THEREFORE, Seller, Purchaser and Escrow Agent agree to the terms of this Escrow Agreement as set forth herein.

1. Escrow Agent

_____ is not a party to, or bound by, any agreement which may be evidenced by or arise out of the instructions in this Escrow Agreement contained, except as to its duties as Escrow Agent hereby expressly undertaken.

2. Bank as Depository

The Escrow Agent acts hereunder as depository only, and is not responsible or liable in any manner for the sufficiency, correctness, genuineness or validity of this Escrow Agreement, any instrument deposited with it hereunder, or with respect to the form or execution of the same, or the identity, authority, or right of any person executing or depositing the same.

3. Operation of the Escrow

Purchaser will provide signed Escrow agreement and transfer \$30,000.00 to _____, and escrow account for Medical Supply Chain, Inc. certification candidates by November 1st, 2002.

Seller will provide Purchaser and Escrow Agent with dates of 5-day supply chain strategist course.

At completion of the 5-day supply chain strategist course, Seller and Purchaser will provide authorization to release Purchaser's \$30,000.00 to Medical Supply Chain, Inc. or a rejection instructing Escrow Agent to return \$25,000.00 to Purchaser and release \$5,000.00 to Medical Supply Chain, Inc. In either event, both Seller and Purchaser must sign the authorization or rejection form in order for Escrow Agent to disburse funds.

4. Investments

The Escrow Agent shall invest and reinvest monies, and earnings thereon, held pursuant to this Escrow Agreement in [U.S. Treasury and agency obligations] [certificates of deposit] [corporate bonds or commercial paper] [with maturity from date of purchase of not less than _____ days] upon the written instructions of the [_____]. In the event that written instructions are not provided to the Escrow Agent or monies are held in amounts too small to invest as instructed, the Escrow Agent shall invest and reinvest monies in _____.

5. Indemnification

Seller and Purchaser jointly and severally agree to indemnify and save the Escrow Agent harmless from all loss, cost, damages, fees and expenses, including, but not limited to attorney's fees suffered or incurred by the Escrow Agent as a result thereof.

6. Documents

The Escrow Agent shall be protected in acting upon any written notice, request, waiver, consent, certificate, receipt, opinion of counsel, authorization, power of attorney or other paper or document which the Escrow Agent in good faith believes to be genuine and what it purports to be.

7. Limited Liability

The Escrow Agent shall not be liable for anything, which it may do or refrain from doing in connection herewith, except its own gross negligence or willful misconduct.

8. Legal Counsel

The Escrow Agent may consult with legal counsel in the event of any dispute or question as to the construction of any of the provisions hereof or its duties hereunder, and it shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel.

9. Dispute

In the event of any disagreement between the undersigned or the person or persons named in the instructions in this Escrow Agreement contained, or any other person, resulting in adverse claims and demands being made in connection with or for any papers, money or property involved herein, or affected hereby, the Escrow Agent shall be entitled to refuse to comply with any demand or claim, as long as such disagreement shall continue, and in so refusing to make any delivery or other disposition of any money, papers or property involved or affected hereby, the Escrow Agent shall not be or become liable to the undersigned or to any person named in such instructions for its refusal to comply with such conflicting or adverse demands, and the Escrow Agent shall be entitled to refuse and refrain to act until:

- (a) The rights of the adverse claimants shall have been fully and finally adjudicated in a Court assuming and having jurisdiction of the parties and money, papers and property involved herein or affected hereby, or
- (b) All differences shall have been adjusted by agreement and the Escrow Agent shall have been notified thereof in writing, signed by all the parties interested.

10. Security Interests

The only party permitted under this agreement to grant a security interest in any monies or other property deposited with the Escrow Agent under this Escrow Agreement, or otherwise create a lien, encumbrance or other claim against such monies or borrow against the same, is Medical Supply Chain Inc. which will be entitled to grant a security interest in and up to \$5,000.00 of the escrowed funds account to cover the cost and arrangements it must undertake for this Escrow Agreement and Purchaser's 5-day supply chain strategist course.

11. Resignation of Escrow Agent

Escrow Agent may resign or be removed, at any time, for any reason, by written notice of its resignation or removal to the proper parties at their respective addresses as set forth herein, at least 30 days before the date specified for such resignation or removal to take effect; upon the effective date of such resignation or removal:

- (a) All cash and other payments and all other property then held by the Escrow Agent hereunder shall be delivered by it to such successor Escrow Agent as may

be designated in writing by Seller and Purchaser, whereupon the Escrow Agent's obligations hereunder shall cease and terminate;

- (b) If no such successor Escrow Agent has been designated by such date, all obligations of the Escrow Agent hereunder shall, nevertheless, cease and terminate, and the Escrow Agent's sole responsibility thereafter shall be to keep all property then held by it and to deliver the same to a person designated in writing by Seller and Purchaser or in accordance with the directions of a final order or judgment of a court of competent jurisdiction.
- (c) Further, if no such successor Escrow Agent has been designated by such date, the resigning or removed Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor agent; further the resigning or removed Escrow Agent may pay into court all monies and property deposited with Escrow Agent under this Escrow Agreement.

12. Severability

Any invalidity, in whole or in part, of any provision of this Escrow Agreement shall not affect the validity or enforceability of any other provisions of this Escrow Agreement.

13. Fees and Expenses

Escrow Agent shall be entitled to fees and expenses for its regular services as Escrow Agent. Additionally, Escrow Agent is entitled to fees for extraordinary services and reimbursement of any out of pocket and extraordinary costs and expenses, including, but not limited to, attorneys' fees. Escrow Agent shall have a first lien upon all monies deposited with it for the purposes of paying its fees and expenses. Medical Supply Chain, Inc. shall pay all of the Escrow Agent's compensation, costs and expenses.

Any fees and expenses shall be payable from and may be deducted by Escrow Agent from interest and/or principal of any monies held in Escrow Fund by Escrow Agent.

14. Termination

This Escrow Agreement shall be terminated upon disbursement of the assets held in the Escrow Fund and may be terminated prior to that date by written mutual consent signed by all the parties, including Escrow Agent.

Any termination by mutual consent shall be effective on the date specified in the termination document, or, if not specified, then on the date when signed by all parties including Escrow Agent.

15. Entire Agreement

This Escrow Agreement contains all of the terms agreed upon by the parties with respect to an escrow fund. Escrow Agent is not a party to any other agreement between Seller and Purchaser, and Escrow Agent's duties shall be determined solely by reference to this Escrow Agreement.

16. Successors and Assigns

This Escrow Agreement and all actions taken hereunder in accordance with its terms shall be binding upon and inure to the benefit of the Seller, Purchaser and Escrow Agent and their respective successors and assigns.

17. Governing Law

This Escrow Agreement and the Escrow Agent's employment hereunder shall be construed and enforced in accordance with the laws of the State of Missouri.

18. Counterparts

This Escrow Agreement may be executed in one or more counterparts with the same effect if signatures and all counterparts are upon the same instrument.

19. Amendment of Agreement

Escrow Agent shall not be bound by any amendment of this Escrow Agreement and no amendment shall be effective unless:

- (a) The amendment is in writing;
- (b) The amendment is agreed to by the parties hereto; and
- (c) The amendment is agreed to by the Escrow Agent.

20. Notices

All notices shall be deemed conclusively to have been given upon receipt if the same is in writing, signed by any one of its officers and (1) mailed, by registered or certified mail, postage prepaid, or (2) hand delivery, to the notice address.

(a) If to Escrow Agent: _____

(b) If to Purchaser: _____

(c) If to Seller: Medical Supply Chain, Inc.
ATTN: Sam Lipari
1300 NW Jefferson Court
Blue Springs, Missouri 64015

21. Earnings Allocation and Tax Reporting

[The IRS has published proposed regulations, which are expected to be finalized soon that will eliminate past flexibility of escrow agents in the reporting of earnings.]

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Agreement to be executed on their behalf as of the date first above written.

Medical Supply Chain, Inc., As Seller

By: _____

[_____] , As Purchaser

By: _____

As Escrow Agent

By: _____