



Terms of the Scholarship Agreement

- I. The total scholarship award is not to exceed \$200,000 or \$50,000 per year for each of the student's four years of medical school.
- II. Payments will be made to the Financial Aid Office of the medical school to be applied to the student's education expenses. If the scholarship is awarded while the student is attending medical school, then awards will be applied to relieve student's medical school debt as will be agreed upon in Owensboro Health, Inc.'s, or its affiliate, letter of intent to hire student (e.g., \$25,000 at the end of each twelve months of employment, for up to four, twelve-month periods).
- III. Expenses may include tuition, fees, books, supplies, and other related items or equipment required for study.
- IV. The scholarship will be paid on a semester-by-semester basis.
- V. Prior to payment of the scholarship, the recipient must be accepted and enrolled as a full-time student for the study of medicine with a specialty in primary care, family medicine, or internal medicine at an accredited medical school.
- VI. If the student is suspended from the medical school curriculum for any period of time for conduct-related activities; or if the student withdraws or is dismissed from the medical school curriculum; or if the student decides not to specialize in primary care, family medicine, or internal medicine, the student forfeits eligibility for any future scholarship payments and will forfeit that semester's scholarship award.
- VII. The initial scholarship award is intended for the upcoming school year or semester only and cannot be deferred.
- VIII. The student shall complete his/her medical school program successfully. If the student fails any number of courses which were funded by the scholarship, the scholarship will cease during the time of repeated coursework and the student shall be responsible for payment of any repeated coursework. The student will remain eligible for the scholarship in subsequent semesters.
- IX. The student shall provide to the Grayson County Healthcare Foundation, Inc., satisfactory evidence of completion of each semester of medical school education within thirty (30) days of completion of that semester.
- X. The student shall provide to the Grayson County Healthcare Foundation, Inc., annual communication related to his/her subsequent internship and/or medical residency program status.

- XI. The student shall complete medical school requirements, internship and any medical residency programs on or before _____ or within a reasonable time thereafter and seek and secure employment with Owensboro Health, Inc., or its affiliate, within sixty (60) days of the completion of his or her medical education and notify the Grayson County Healthcare Foundation, Inc., of such employment status.
- XII. The student shall be required to obtain and maintain a current unrestricted license to practice medicine in the Commonwealth of Kentucky.
- XIII. The student shall maintain a medical practice with Owensboro Health, Inc., or its affiliate, in Grayson County for a period of not less than five (5) years (the "Work Commitment"), which shall also constitute consideration for the scholarship described herein.
- XIV. The student shall at all times during the term of this Agreement perform his or her duties in an ethical, professional and legal manner and in conformity, including the practice of medicine, in accordance with the standard of medical care. As a physician, he or she shall not discriminate or differentiate on the basis of religion, sex, race, age, national origin, marital status, sexual orientation or other status. The student shall further practice medicine and conduct the practice in conformity with all Federal and state statutes, regulations and laws applicable to the medical profession, including, without limitation, the provisions of the Internal Revenue Code, Medicare and Medicaid laws, rules and regulations and all applicable and relevant regulations and provisions under the Commonwealth of Kentucky. Additionally, the student shall conduct the practice of medicine in accordance with the American Medical Association's Code of Ethics, all of the above as are construed, amended, revised and updated from time to time.
- XV. The student shall accept and engage in full-time employment with Owensboro Health, Inc., or its affiliate, as a physician specializing in treating patients in primary care, family medicine, or internal medicine services within Grayson County. The student shall remain employed in Grayson County not less than sixty (60) months for the entire period of the Work Commitment, provided that leaves of absence or similar periods when the physician is not working will not count towards satisfaction of the Work Commitment, and the length of an absence will extend the time of the Work Commitment.
- XVI. The receipt of the scholarship and/or termination of the scholarship may result in a taxable event to the student. The Foundation makes no representation or warranty to the student concerning the tax treatment of the scholarship, and any tax consequences which may arise out of the scholarship (including, without limitation, any interest or penalties due as a result of nonpayment of federal income taxes) shall be the student's sole responsibility. It is recommended that the student consult an independent tax advisor concerning any consequences of obtaining scholarship funds. Whether or not having obtained such counsel, the student desires to enter freely into this Agreement and assume all obligations set forth herein.

Termination

This Agreement and the scholarship award(s) contemplated hereunder may be terminated immediately with written notice to the student upon the occurrence of any one of the following events:

- A. The breach of any term of this Agreement by the student;
- B. Withdrawal, loss, denial, revocation, restriction or suspension of the student's enrollment in the medical school, internship, residency program or practice of medicine for any reason;
- C. The conviction of the student of any felony;
- D. Investigation of the student and/or subsequently as a physician by the Medicare Office of Inspector General, the Department of Justice, the Health Care Financing Administration, State Medicaid Offices, or other agencies, boards or entities on behalf of these offices in regards to allegations of fraud or other breaches of Medicare or Medicaid program integrity;
- E. The inability of the student and/or subsequently as a physician by reason of illness or other cause to perform all duties hereunder for a period of more than ninety (90) days;
- F. Permanent disability of the student which would prevent the practice of medicine or death of student;
- G. Failure of the student to be board certified in his or her medical specialty.

In the event this Agreement is terminated, all unreimbursed funds paid to the student shall be paid at the last day of the month following the date of termination.

Effect of Termination of Scholarship Award

Should the student violate or fail to fulfill any of the terms or conditions of this Agreement, the scholarship may be terminated by the Grayson County Healthcare Foundation, Inc., at any time by providing written notice to student. In the event that the scholarship is terminated, the student will be required to repay to the Foundation upon demand by the Grayson County Healthcare Foundation, Inc., scholarship funds extended to the student under this Agreement. The scholarship amount due upon termination will be reduced by one-sixtieth ($1/60^{\text{th}}$) at the end of each month as the student completes the Work Commitment sixty (60) months (5 years) of providing continual service and Work Commitment as required in Section E above. Calculations of the repayment amount shall start at the first full month after services and the Work Commitment begin. If the Grayson County Healthcare Foundation, Inc., terminates the scholarship award, the student must immediately repay to the Foundation the entire repayment amount.

Choice of Law and Venue

This Agreement shall be governed by and construed according to the laws of the Commonwealth of Kentucky. All duties and obligations created hereunder are performable in Grayson County, Kentucky which shall be the sole exclusive venue for any proceeding which arises out of this Agreement.

Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereunder. This Agreement supersedes any and all other prior agreements either oral or written, between the parties hereto and with respect to the subject matter hereof.

Laws and Regulations

This Agreement is subject to applicable federal, state and local laws and regulations. Any provision in this Agreement determined at any time in the good faith opinion of legal counsel to either party to be in violation of any law or regulation, shall be deemed to be amended, to the maximum extent possible and consistent with the intent and purpose of this Agreement, to conform to the legal or regulatory requirement.

Waiver

If either party waives a breach of any provision of this Agreement by the other party such waiver shall not operate as a waiver of any breach of the same or any other provision of this Agreement nor impair either parties' rights with respect to any other breach of the Agreement.

Amendment

Any matter of agreement contained herein may be amended from time to time by the written consent of both parties hereto without in any way affecting the remainder of the Agreement.

Failure to comply with the Terms of this Agreement may result in its termination. Remaining scholarship dollars shall be forfeited and past scholarship awards shall be subject to repayment.

[End of text; signature page follows]

IN WITNESS WHEREOF, the parties have entered into this funded Scholarship Agreement made as of the Effective Date.

AGREED TO AND ACCEPTED BY:

SCHOLARSHIP RECIPIENT

Student

GRAYSON COUNTY HEALTHCARE FOUNDATION, INC.

Grayson County Healthcare Foundation Chairperson, Board of Directors

OWENSBORO HEALTH, INC.

Owensboro Health, Inc., Authorized Signatory

OWENSBORO HEALTH FOUNDATION, INC.

Owensboro Health Foundation, Director