

PHYSICIAN MANPOWER TRAINING COMMISSION



CONTRACT

FOR

OKLAHOMA RURAL MEDICAL EDUCATION LOAN AND SCHOLARSHIP FUND

Oklahoma Statute Title 70, Section 625.1 through 625.6 and 625.14 authorizes the Physician Manpower Training Commission ("PMTC") to provide recipients selected to be participants in the PMTC Oklahoma Rural Medical Education Scholarship Loan Program ("Scholarship Program") with scholarship awards. In return for awards, recipients must agree to provide primary health care services in a manner determined by the Commission for a period of obligated service equal to one year for each year of scholarship support received, or two years, whichever is greater.

**STATE OF OKLAHOMA
PHYSICIAN MANPOWER TRAINING COMMISSION
RURAL MEDICAL EDUCATION SCHOLARSHIP LOAN PROGRAM CONTRACT
SCHOOL YEAR 2004-2005**

The terms and conditions of participating in the Scholarship Program for the 2004-2005 school year are set forth below.

Section A - Eligibility

These prerequisites for application must be met:

1. Recipient must be a resident of the State of Oklahoma, as defined by the Oklahoma State Regents for Higher Education.
2. Recipient must not have any other assistance which has a conflicting service obligation requirement.
3. Recipient must be currently enrolled, or accepted, in a medical (allopathic or osteopathic) school that is located in the continental United States.

Section B - Obligations of the Physician Manpower Training Commission

Subject to the availability of funds appropriated by the Oklahoma State Legislature for this scholarship program, the Physician Manpower Training Commission ("PMTC") agrees to:

1. Provide the undersigned recipient with a scholarship award for the school year 2004-2005 during which the recipient:
 - a. is enrolled, or is accepted for enrollment, as a full-time student in an accredited (as determined by the PMTC) educational institution, and
 - b. is pursuing a course of study leading to a degree in medicine which has been approved by the PMTC for participation in the scholarship program.

The scholarship award will consist of payments, in whole or in part, for tuition or other reasonable educational expenses incurred by the student for the 12-month period beginning July 1 of each school year in which the recipient is a participant in the scholarship program.

2. Utilize the recipient to provide health services in accordance with Section C(8) of this contract. Defer performance of a recipient's obligated service for one to five years beyond receipt of a medical degree to allow completion of at least one year (maximum five years) of postgraduate training in a primary care specialty as defined in Section C(7).
3. Credit any period of service (over the minimum 2 year requirement) performed in accordance with scholarship program policy.

Section C - Obligations of the Recipient

The recipient agrees to:

1. Accept the scholarship award provided by the PMTC under Section B of this contract for the school year 2004-2005.
2. Maintain full-time enrollment until completion of the course of study for which the scholarship award is provided.
3. Maintain an acceptable level of academic standing while enrolled in the course of study for which the scholarship award is provided.
4. Obtain life insurance naming the PMTC as the beneficiary in amounts equal to the sum of payments paid to or on behalf of the recipient. This insurance must remain in force until his or her period of obligated service is fulfilled.
5. Promptly provide PMTC with written notice of changes occurring in his or her enrollment status and/or home address.
6. Promptly answer all communications addressed to him or her by the PMTC. Failure to do so may result in immediate acceleration of the loan.
7. Complete at least one year (maximum five years) of postgraduate training in a primary care specialty (family/general practice, internal medicine, ob/gyn, pediatrics or emergency medicine) after a medical degree is received.

8. Begin obligated service in conformance with number 9 below within ninety (90) days of completion of postgraduate education.
9. Serve his or her period of obligated service by providing primary health services, as determined by the PMTC in the full-time clinical practice of his or her profession in a rural community in Oklahoma having a population of seven thousand five hundred (7,500) persons or less according to the last preceding United States Decennial Census, or an underserved area having a valid need as determined by the Commission.
10. Serve one year of obligated service for each year the scholarship award is provided, with a minimum obligation of 2 years.

***I understand and agree to obligations 1-10 above. ____ PLEASE INITIAL.**

Section D - Breach of Scholarship Contract

1. If the recipient, for any reason, fails to satisfy the obligations set forth in Section C(1) through C(6) above, the recipient shall repay to the State of Oklahoma all funds paid to the recipient under this contract. Interest shall accrue at the New York prime rate (at time of breach) plus one percent (1.00%), with said interest to accrue from the date each payment is made to the recipient.
2. If the recipient, for any reason, fails to satisfy the obligation set forth in Section C(4) through C(10) after completion of academic training, the State of Oklahoma shall be entitled to recover from the recipient an amount equal to three times the scholarship funds awarded, plus interest, as determined by the following formula:

$$A = 3 \times P + I$$

In which:

'A' is the amount the State of Oklahoma is entitled to recover;

'P' is the sum of amounts paid to the recipient; and

'I' is interest calculated at the New York prime rate (at time of breach) plus one percent (1.00%), with said interest to accrue from the date each payment is made to the recipient.

The damages the State of Oklahoma is entitled to recover under this section shall be paid in lump sum within ninety (90) days of the date the Commission determines that the recipient is in breach of this contract and so notifies the recipient.

Section E - Creditability of Graduate Training Toward the Period of Obligated Service

No period of internship, residency, or other advanced clinical training will be credited toward satisfying the period of obligated service incurred under this contract.

Section F - Spouse

The recipient's spouse agrees to be equally liable to the State of Oklahoma for the damages set forth in Section D of this contract in the event of breach of the recipient. The spouse warrants that he or she has read this contract, is aware of its contents and of its legal significance, and consents to its execution by the recipient. The spouse agrees to the recipient entering into this contract, and approves of the recipient practicing medicine in a rural community for the contracted number of years, and acknowledges that this was the sole purpose of the legislation making this rural medical scholarship loan available.

Section G - Waiver and Amendment

The liability of each signatory to this contract shall be absolute and unconditional without regard to the liability or release of any other party. Every presentment, demand, notice, protest in connection with the delivery, acceptance, performance, default or enforcement of this contract is waived by both the recipient and spouse. The complete agreement between the parties is reflected in this written document, and this contract may not be amended except in writing executed by all parties hereto, including the optional amendments below.

