

**ASPIRUS SCHOLARS PROGRAM SCHOLARSHIP AGREEMENT**  
**BETWEEN**  
**ASPIRUS HEALTH FOUNDATION, INC.**  
**AND**

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**THIS AGREEMENT** is entered into as of the \_\_\_ day of \_\_\_\_\_, 201\_\_\_, by and between **ASPIRUS HEALTH FOUNDATION, INC.**, a Wisconsin corporation, (“the Foundation”), and \_\_\_\_\_, a student enrolled in The Medical College of Wisconsin, Inc. program (“Student”).

**WHEREAS**, the Foundation operates a health system charitable foundation in north central Wisconsin; and

**WHEREAS**, the Foundation desires to assure the availability of physician medical services within the service areas of the Aspirus system and, therefore, desires to support the medical education of medical students who desire to provide services to Aspirus, Inc. and its related entities upon completion of medical training; and

**WHEREAS**, the Student has agreed to become an employee of Aspirus upon obtaining a medical license and completion of the credentialing process pursuant to the terms of an employment agreement to be negotiated between the Student and Aspirus-related entity; and

**WHEREAS**, the Student will incur certain debt in pursuing his/her medical education, and desires to enter into a scholarship agreement with the Foundation; and

**WHEREAS**, the Foundation desires to assist the Student with the expense of his/her medical education pursuant to terms of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Scholarship. The scholarship provided by Aspirus to Student hereunder will be in an amount equal to \$150,000.00 (the “Scholarship”) which shall be paid to MCW in equal annual installments of \$50,000.00 to be applied towards the Student’s tuition. In no event will Aspirus’ Scholarship hereunder exceed \$150,000.00.
2. Description of Note. The Scholarship made by Aspirus for the Student’s benefit hereunder will be evidenced by a promissory note in the form attached hereto and incorporated herein as **Exhibit A** (“Note”), dated as of the date hereof, executed by the Student, and delivered to Aspirus prior to disbursing the Scholarship described in Section 1 hereof.
3. Scholarship Forgiveness.
  - a. In the event that the Student complies with all of the requirements set forth in

Section 4 below and all of the other terms and conditions of this Agreement, then one-fifth (\$30,000.00) of the amount of the outstanding principal balance under the Note will be forgiven at the conclusion of each year of the Student's first five (5) years of employment with an Aspirus-related entity (the "Practice Period").

- b. In the event the Student has repaid the entire amount of principal under the Note or the Note has been forgiven in accordance with Section 3a above, and the Student has complied with all of the terms and conditions of this Agreement (including but not limited to the requirements of Section 4 below), then any accrued interest will be forgiven by Aspirus at the end of the Practice Period.
  - c. In the event the Student does not comply with all of the requirements set forth in Section 4 below, or does not comply with all of the other terms and conditions of this Agreement, then the outstanding principal balance of the Note plus all accrued interest will not be forgiven, and the Note will be immediately due and payable.
4. Repayment of Scholarship. If not forgiven as provided in Section 3 above, the Scholarship will be repaid as described in the Note and as follows. The Note will become immediately due and payable in the event that:
- (a) the Student is not practicing medicine as an employee of Aspirus within ninety (90) days of completing residency and obtaining a license to practice medicine in Wisconsin and/or Michigan;
  - (b) the Student does not remain employed as a Physician with Aspirus for the entire Practice Period;
  - (c) the Student does not apply for, be awarded, and maintain in good standing active membership in the medical staff of an Aspirus-related hospital with appropriate privileges in accordance that hospital's policy for the entire Practice Period;
  - (d) the Student ceases to continue his/her medical education without prior written approval of the Foundation, becomes academically ineligible, or fails to enroll in or complete medical residency training; or
  - (e) the Student breaches any term of this Agreement and fails to cure such breach within ten (10) days after written notice from the Foundation.
5. Taxes. The Student will be subject to all federal and state income tax withholdings and employee related FICA payments in connection with the Foundation's forgiveness of the Scholarship and any accrued interest hereunder. In addition, the Student agrees to be responsible for and to pay any and all taxes which apply to the Student, which are a result of the Scholarship payment in Section 1.
6. Medical Staff Privileges. The Student must maintain active medical staff membership and privileges at an Aspirus-related hospital throughout the Practice Period, in accordance with the hospital's Medical Staff and Board policies and procedures, as the same may be

changed from time to time. This does not, however, constitute an implicit or explicit requirement to refer patients to any Aspirus-related hospital, or any other related entity. The terms and amount of the Scholarship will not vary based on the volume or value of referrals by the Student to Aspirus or any other related entity.

7. Full-Time Practice. Upon employment with an Aspirus-related entity, the Student agrees to render patient services on a full-time basis during the Practice Period in a service area of the Aspirus system.
8. Assignment. The Student may not assign this Agreement or any rights hereunder without the prior written consent of Aspirus. Aspirus, at its option, may assign this Agreement to a successor or related organization. Any other assignment shall require the prior written consent of the Student.
9. Confidentiality. Aspirus and the Student agree that the terms of this Agreement are only of interest to Aspirus and the Student, and the terms, reports, and payments of this Agreement will remain **confidential**. Aspirus and the Student will not disclose the terms, reports, and payments of this Agreement to any person or entity (except as legally required or in the ordinary course of business) without the prior written consent of the other party.
10. Term. The term of this Agreement will continue until the end of the Practice Period, unless terminated earlier by Aspirus or the Student's default on the Note or the terms hereof. In no event will the terms or provisions of this Agreement be revised or renegotiated during the term hereof.
11. Wisconsin Law. This Agreement, the Note issued hereunder, and any other documents executed in connection herewith, will be governed by the laws of the State of Wisconsin.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first above written.

**ASPIRUS HEALTH FOUNDATION, INC.      STUDENT**

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Kalynn Pempek  
Executive Director

Reviewed and Approved

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Sidney C. Sczygelski  
Sr. Vice President of Finance/CFO

**EXHIBIT A**

**PROMISSORY NOTE**

\$150,000.00

Wausau, Wisconsin  
\_\_\_\_\_, 201\_\_

**FOR VALUE RECEIVED**, the undersigned (“Maker”) promises to pay to the order of **ASPIRUS HEALTH FOUNDATION, INC.** (“Aspirus”), One Hundred Fifty Thousand and 00/100<sup>th</sup> Dollars (\$150,000.00), or such lesser amount as may be outstanding hereunder from time to time, on demand. The unpaid principal balance shall bear interest at the rate of one percent (1%) in excess of the annual rate of interest announced on January 1 of each year during the term hereof by BMO Harris Bank, Wausau, Wisconsin, as constituting its Prime Rate of Interest, such rate to change on January 1 of each year during the term hereof.

The said principal due under this Note shall be payable in five (5) equal annual installments, by the last date of the Maker’s first, second, third, fourth, and fifth year of employment with an Aspirus-related entity, unless sooner paid in full. All interest which has accrued on the unpaid principal balance shall be payable in one (1) installment, on the last date of the Maker’s fifth year of employment with an Aspirus-related entity, unless sooner paid in full. Interest shall be computed for the actual number of days principal is unpaid, using a daily factor obtained by dividing the stated interest rate by 360. Principal and interest not paid when due shall bear interest at a rate of 1% per annum plus the rate otherwise payable hereunder.

Principal and interest shall be payable in lawful money of the United States of America, at the address of Aspirus or at such other place as Aspirus may designate to Maker in writing.

Maker reserves the right to prepay the entire principal balance, together with all accrued interest due under this Note, at any time without penalty or fee. All prepayments shall be applied against installments of principal due hereunder in the inverse order of their maturity.

The unpaid principal balance of this Note, together with all accrued interest, shall become immediately due and payable, without notice or demand, if any of the following events shall occur: (a) Maker is not practicing medicine as an employee of an Aspirus-related entity within 90 days completing residency and obtaining a license to practice medicine in Wisconsin and/or Michigan; (b) Maker does not remain employed as a Physician with an Aspirus-related entity for a period of sixty (60) months after the commencement of employment (the “Practice Period”); (c) Maker does not apply for, be awarded, and maintain in good standing active membership in the medical staff of an Aspirus-related hospital with appropriate privileges in accordance that hospital’s policy for the entire Practice Period; (d) Maker ceases to continue his/her medical education without prior written approval of the Foundation, becomes academically ineligible, or fails to enroll in or complete medical residency training; (e) Maker breaches any term of the Aspirus Scholars Program Scholarship Agreement dated the date hereof, and fails to cure such breach within ten (10) days after written notice from Aspirus; or (f) Maker fails to continue to treat patients receiving medical assistance or benefits under any federal or state health care program in a non-discriminatory manner throughout the entire Practice Period.

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*SAMPLE ONLY – DO NOT SIGN*

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Without affecting the liability of Maker or any endorser, surety, or guarantor, Aspirus may, without notice, renew or extend the time for payments, or agree not to sue any party liable on it.

All parties to this Note whether principal, surety, guarantor, or endorser, hereby waive presentment for payment, demand, protest, notice of protest, and notice of dishonor. Maker agrees to pay all costs of collection, before and after judgment, including reasonable attorneys' fees and legal expenses.

This Note is issued under an Aspirus Scholars Program Scholarship Agreement dated the date hereof, to which reference is made for a statement of the terms and conditions under which loans evidenced hereby were or may be made and may be forgiven.

**IN WITNESS WHEREOF**, the Maker has caused this instrument to be executed as of the date first above written.

**MAKER**

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