

# Return of Service Agreement

This agreement made in triplicate this     day of     , 200

BETWEEN:

\_\_\_\_\_ (student name), of \_\_\_\_\_ (community), Medical Student  
(hereinafter referred to as the “Student”)

- and -

\_\_\_\_\_ (Regional Health Authority) (hereinafter referred to as the “Authority”)

Whereas the Student is now enrolled in the M.D. program at the University of Manitoba;

And whereas the Authority agrees to provide the Student with financial assistance as outlined in Schedule A. In return for receiving such financial assistance, the Student is prepared to practice medicine under the conditions outlined in Schedule B in the Authority’s region upon completion of their medical training and obtaining their registration from the College of Physicians and Surgeons of Manitoba.

And whereas the financial assistance will be in the form of a forgivable loan made by the Authority to the Student;

And therefore in consideration of a forgivable loan in the sum of \_\_\_\_\_ Dollars, together with interest thereon as hereinafter mentioned and in further consideration of the premises herein, the Parties hereto hereby mutually covenant and agree as follows:

## Article 1

### CONDITIONS PRECEDENT TO THE LOAN

- 1.1 The Authority hereby grants a forgivable loan, together with interest thereon, as hereafter provided in accordance with the terms and conditions hereafter contained, payable by the Authority to the Student as outlined in Schedule A.
- 1.2 It is an express condition precedent to the Agreement that the Student is in good standing and enrolled in the Faculty of Medicine at the University of Manitoba leading to a degree of Doctor of Medicine and that the Student shall remain so enrolled until they have completed the program.
- 1.3 Upon graduating from the University of Manitoba with a degree in Doctor of Medicine and upon completing service in a resident capacity necessary in order to be eligible for registration with the college, the Student hereby covenants:

- (a) to immediately apply to be registered with the College and within one (1) month of being so registered, commence practicing in the Authority; or
- (b) to immediately repay to the Authority the entire amount advanced under the loan, pursuant to the terms of the Agreement, together with interest thereon, at the rate hereinafter stipulated.

**ARTICLE II**  
**INTEREST ON THE LOAN**

- 2.1 If the student continues to practice in the Authority for a sufficiently long period of time such that the principal amount of the Loan is entirely forgiven, then the interest chargeable on the amount advanced shall be forgiven.
- 2.2 To the extent that the principal sum of the Loan is not forgiven through the remission schedule specified in Article III, interest shall accrue on the funds advanced under the Loan pursuant to the Agreement from the date that they are advanced to the Student.
- 2.3 For the purpose of determining interest payable, the earliest funds advanced to the student under the terms of this Agreement shall be the first to be forgiven by the Authority.
- 2.4 The rate of interest on all monies advanced under the terms of this Agreement shall be equal to the prime rate set from time to time by the Bank of Canada.

**ARTICLE III**  
**FORGIVENESS OF THE LOAN**

- 3.1 Beginning on the date on which the Student commences practice in the Authority area the obligation for repayment of the Loan made pursuant to this agreement shall be forgiven at the rate of \$3,750.00 for every three (3) full months that the Student continues to practice in the Authority area.
- 3.2 Should the Student:
  - (a) fail within a reasonable time to graduate from the University of Manitoba with a degree of Doctor of Medicine, or complete the residency necessary in order to be registered with the College; or
  - (b) cease to practice in the Authority area prior to the Loan being entirely forgiven;the balance of the Loan, together with the interest accrued thereon at the rate provided for in this Agreement, shall be a debt due and owing by the Student to the Authority payable forthwith upon demand.
- 3.3 If the Student is unable to comply with the terms and conditions of this Agreement for a reason which, in the opinion of the Authority is not attributable to the Student, the

Authority may, in its absolute discretion, extend the repayment period or forgive all or part of the debt owing to the Authority on such terms and conditions as the Authority deems appropriate.

ARTICLE IV  
LIFE INSURANCE ON THE STUDENT

- 4.1 The Student hereby covenants and agrees to fully cooperate with any insurance company chosen by the Authority in order to obtain term life insurance on the Student to assure repayment of any and all monies advanced under the terms of the Agreement; it being fully understood that all premiums in respect of such term life insurance shall be the full responsibility of the Authority.
- 4.2 In the event that the Authority shall decide not to insure the life of the Student thereby guaranteeing repayment of the Loan as aforesaid and should the Student die before repayment or cancellation of the Loan, the Authority may, in the absolute discretion of the Authority, cancel and discharge all or part of the Loan on such terms and conditions as the Authority deems appropriate.

ARTICLE V  
GENERAL SECURITY AGREEMENT

- 5.1 The Student hereby covenants and agrees to fully cooperate with the Authority to complete and register a General Security Agreement (GSA) in the total amount of the loan.

ARTICLE VI  
SUSPENSION OF THE STUDENT

- 6.1 In the event the Student is suspended by the College from practicing medicine in a Hospital before repayment or cancellation of the Loan, the Authority may, in its absolute discretion, demand full repayment of the balance owing of the Loan at that time, together with interest accrued thereon, or cancel and discharge all or part of the Loan on such terms and conditions as the Authority deems appropriate.

ARTICLE VII  
NOT CONTRACT OF EMPLOYMENT

- 7.1 The Student and the Authority agrees that this Agreement does not constitute and shall not be construed as constituting a contract of employment by the Authority to the Student.

ARTICLE VIII  
TRANSFER OF THE AGREEMENT

- 8.1 This Agreement, upon written consent of all Parties may be transferable to another Authority.
- 8.2 Transfer of the Agreement can be initiated by either Party.
- 8.3 Transfer of the Agreement will occur from the original Authority undertaking the Agreement to another Authority operating in Manitoba that is able to meet the practice conditions set out in Schedule B.

ARTICLE IX  
NOTICE

- 9.1 Any notice, direction or other instrument required or permitted to be given hereunder shall be in writing and may be given by mailing same by prepaid registered mail as follows:

to the Student at:      mailing address

to the Authority at:      mailing address

and any such notice, direction, or other instrument aforesaid shall be deemed to have validly given or made the third business day after same shall have been posted in one of Her Majesty's mail boxes or at the time said was actually delivered, whichever may be the earlier date.

ARTICLE X  
ARBITRATION

- 10.1 If at any time a dispute, difference or question shall arise between the Parties hereto concerning any question relating to this Agreement, the right or liabilities of any of the Parties hereto, or any other dispute involving either the interpretation of this Agreement or anything contained herein, then any such dispute, difference or question shall be decided by arbitration, such arbitration to be initiated by one (1) Party serving written notice to the other Party of their desire to have the matter arbitrated. The matter requiring arbitration shall be referred to a single arbitrator if one can be mutually agreed upon by the Parties within seven (7) days of the notice of desire for arbitration being served. In the event that the Parties cannot agree upon a single arbitrator within a further period of seven (7) days therefrom and the arbitrators so named shall appoint one (1) more arbitrator to act as a Chairperson. If one of the Parties refuses or neglects to appoint an

arbitrator within the period herein set out, then the arbitrator appointed by the arbitrator so named as above provided shall sit and hear the arbitration. In the event that the arbitrators named by the Parties to the arbitration cannot agree upon the additional arbitrator as above provided within seven (7) days of the date of appointment of the last of them, then after the expiry of such seven (7) day period, any one of the Parties, may apply to a Judge of the Court of Queen's Bench of Manitoba or its successor to appoint the additional arbitrator to sit and hear the arbitration and act as Chairperson. The decision arrived at by a single arbitrator or a majority of the arbitrators, as the case may be, shall be binding upon all the Parties and no appeal shall lie therefrom.

- 10.2 The provisions of this section shall be deemed to be a submission to arbitration within the provisions of "*The Arbitration Act*", Statutes of Manitoba (1970) and any statutory modification or re-enactment thereof.

## ARTICLE XI GENERAL

- 11.1 The preamble hereto is incorporated as a material and integral part of this Agreement; and the Parties hereto strictly warrant and represent all matters contained herein to be true, accurate and factual.
- 11.2 The provisions of this Agreement are severable, one from the other. If any one of its provisions is declared void, then the decisions so holding shall not be construed as impairing any of the other provisions of this agreement. It is understood and agreed that this agreement, as executed, should have been executed even if such void provisions has not been included herein.
- 11.3 Time shall be of the essence of this Agreement.
- 11.4 Any party hereto may waive notice of any provision of this Agreement intended for such Party's sole benefit, but it is understood and agreed that any such waiver must be in writing signed by the Party so waiving it; and it is understood and agreed that any waiver by any Party hereto of any default of any other Party hereto in the carrying out of this agreement shall not constitute a continuing waiver of any other or subsequent or further default on such Party's part but shall extend to include only the particular breach or default so waived.
- 11.5 The terms of this Agreement shall ensure to the benefit of and be binding upon the Parties hereto, and their respective heirs, executors, administrators, successors and assigns, as the case may be.
- 11.6 It is also agreed, wherever the singular and the masculine are used throughout this Agreement, the same shall be construed as meaning the plural, or the feminine or neuter, where the context or the Parties hereto require.

- 11.7 The paragraph numbers and section headings are inserted for convenience of reference only and are not to be considered when interpreting the Agreement.
- 11.8 The Parties agree that this Agreement contains the entire agreement of the Parties relative to all matters dealt with herein and supercedes all prior Agreements, written or oral, among the Parties, or any of them.
- 11.9 This Agreement shall be subject to and be construed and governed in accordance with the laws of the Province of Manitoba.
- 11.10 This Agreement shall not be assignable by any Party hereto except as provided for in this Agreement, or except with the express written consent of all of the other Parties hereto.

TEMPLATE  
ONLY

SCHEDULE A  
SCHEDULE OF FINANCIAL ASSISTANCE

This section should detail the total amount of financial assistance that will be provided, over what timeframe and the schedule of how the monies will be dispersed to the Student. Financial assistance will be based on support of \$15,000 per academic year from the Authority to the Student.

For example, an agreement that would run for three years (from 2004 to 2007) would be outlined as follows:

The Authority will provide support to the student in the amount of \$15,000 per academic year for each of the Student's M1, M2 and M3 years. The monies will be disbursed according to the following schedule:

- (a) the sum of \$7,500 will be paid to the student upon execution of the Agreement
- (b) the balance by the following installments: \$7,500 payable on the 1<sup>st</sup> day of January, 2005; \$7,500 payable on the 1<sup>st</sup> day of September, 2005; \$7,500 payable on the 1<sup>st</sup> day of January, 2006; \$7,500 payable on the 1<sup>st</sup> day of September, 2006 and \$7,500 payable on the 1<sup>st</sup> day of January, 2007.

TEMP  
ONLY

**SCHEDULE B**  
**PRACTICE CONDITIONS**

This section should detail the practice conditions under which the student will work upon graduation and be as detailed as is reasonable. It should include community size or the specific communities in the region that are applicable, scope of practice, call rotation, remuneration, etc.

For example:

- 1) Upon graduation the Student will begin practice as a Family Practitioner in either the community of Neepawa or Minnedosa.
- 2) Physician compensation will be on a fee for service basis billed through Manitoba Health.
- 3) Call rotation will not exceed one in five.
- 4) The practice will include a minimum of one week of ER coverage every six weeks
- 5) The practice will also include providing clinic support in the community of Erickson one day per week.
- 6) Etc.

TEMPLATES  
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7) IN WITNESS WHEREOF the said parties have hereunto set the hands and seals the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Student

\_\_\_\_\_  
Authority

\_\_\_\_\_  
Signing Authority

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I, \_\_\_\_\_, of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Manitoba, \_\_\_\_\_,

MAKE OATH AND SAY THAT:

1. I was personally present and did see the within Agreement executed by \_\_\_\_\_ (Student), one of the Parties thereto.
2. The within Agreement was executed by the said Party at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Manitoba and I know the said Party and am satisfied that they are of the full age of eighteen (18) years.
3. I am the subscribing witness to the agreement.

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_, in the Province of )  
Manitoba this \_\_\_\_\_ day of )  
\_\_\_\_\_ 200 )  
\_\_\_\_\_ )

\_\_\_\_\_  
A Commissioner of Oaths in and  
For the Province of Manitoba  
My Commission expires:

TEMP LATE  
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