

**THE UNIVERSITY OF CALGARY MEDICAL GROUP
AGENCY AGREEMENT (Formerly the TRIPARTITE AGREEMENT)**

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THIS AGENCY AGREEMENT (AS A SECOND AMENDED AND RESTATED TRIPARTITE AGREEMENT) IS MADE EFFECTIVE AS OF JUNE 15, 2000,

BETWEEN:

THE GOVERNORS OF THE UNIVERSITY OF CALGARY,
a corporation created pursuant to the *Universities Act* (Alberta), as amended (the "University")

- and -

**ALL MEMBERS OF THE UNIVERSITY OF CALGARY
MEDICAL GROUP** (the "Members")

WHEREAS the University of Calgary Medical Group (the "Group") was created pursuant to a clinic agreement dated October 16, 1987, as amended and restated effective as of January 1, 1996 and June 15, 2000 (the "Member Agreement");

AND WHEREAS the University, the Members and Calgary Ambulatory Care Centre Ltd. ("CACCL") entered into a tripartite agreement dated December 2, 1985, pursuant to which each Member appointed CACCL as his or her administrative agent to conduct and perform such billing and administrative functions as set forth therein (the "1985 Tripartite Agreement");

AND WHEREAS the 1985 Tripartite Agreement was amended and restated by the University, the Members and CACCL effective as of January 1, 1996 (the "1996 Tripartite Agreement");

AND WHEREAS the University has decided to dissolve CACCL and assume CACCL's obligations pursuant to the 1996 Tripartite Agreement;

AND WHEREAS the parties hereto desire to amend and restate the 1996 Tripartite Agreement in its entirety, effective June 15, 2000 (this "Agreement") such that the same will be upon and subject to the terms, conditions and provisions herein contained and not those contained in the 1996 Tripartite Agreement;

AND WHEREAS the University and the Members have agreed that certain administrative services should be made available to the Members by the University, acting as administrative agent, for, among other things, the purposes of billing and collecting accounts on behalf of Members and thereafter dispersing same, all in accordance with the terms, conditions and provisions set forth in this Agreement.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that for good and valuable consideration the parties agree as follows:

1. INTERPRETATION

1.1 Definitions

- (a) **“Affected Parties”** has the meaning ascribed to in Section 6.2.
- (b) **“Agreement”** means this Agency Agreement (formerly the Tripartite Agreement), dated effective as of June 15, 2000, which includes the Appendices hereto as the same may be amended from time to time pursuant to the provisions of Section 9.3.
- (c) **“Associate Dean”** means the person holding the office of Associate Dean (Clinical Affairs) of the Faculty of Medicine at the University of Calgary.
- (d) **“Associate Member”** has the meaning ascribed to it in the Member Agreement.
- (e) **“Authority and Affiliated Facilities”** means the Calgary Regional Health Authority and any other teaching medical institutions, each of which has medical and clinical facilities and services.
- (f) **“Cessation Date”** has the meaning ascribed to in it Section 7.1(a).
- (g) **“Clinical Department”** means a department of the Faculty of Medicine at the University of Calgary with which a Member has a major affiliation.
- (h) **“Clinical Practice Levy”** means the levy on Medical Revenue charged to Members pursuant to Section 3.1 herein.
- (i) **“Clinical Supplement”** means an income supplement paid to Voting Members to offset reduced Net Medical Revenue because of an increased time commitment to an administrative activity, administered in accordance with Appendix I.
- (j) **“Distributable Clinical Practice Levy”** means the Clinical Practice Levy less direct and indirect operating expenses, Clinical Supplements and Transitional Allowances, as more particularly described in Appendix III.
- (k) **“Executive Council”** has the meaning ascribed to it in the Member Agreement.
- (l) **“Fiscal Year”** means the fiscal year commencing on the 1st day of January in each year and terminating on the 31st day of December in each such year.
- (m) **“Former Member”** has the meaning ascribed to in Section 7.1.
- (n) **“Full-Time Voting Member”** has the meaning ascribed to it in the Member Agreement.
- (o) **“Group”** means The University of Calgary Medical Group.

- (p) **“Major Clinical Voting Member”** has the meaning ascribed to it in the Member Agreement.
- (q) **“Medical Revenue”** means the aggregate amount of all monies earned during a Fiscal Year from professional services performed or rendered by a Member to or for an individual patient or client, including Senior Residents’ Clinics Revenue, but excluding Other Professional Revenue. Appendix II attached hereto provides examples of Medical Revenue.
- (r) **“Member”** means a member of the Group and includes a Voting Member and an Associate Member.
- (s) **“Member Agreement”** means the clinic agreement dated October 16, 1987, as amended and restated effective as of January 1, 1996 and June 15, 2000, and from time to time thereafter, creating the Group.
- (t) **“Net Medical Revenue”** means the amount earned in a Fiscal Year by a Member from Medical Revenue after deducting the Clinical Practice Levy for that Fiscal Year.
- (u) **“Other Professional Revenue”** means the aggregate amount of all monies (other than Medical Revenue) earned during a Fiscal Year from or in connection with activities by a Member which are related to medicine. Appendix II attached hereto provides examples of Other Professional Revenue.
- (v) **“Senior Residents’ Clinics”** means the clinics from which those Members who have voluntarily agreed to act as preceptors and to supervise residents as they provide medical services to individual patients or clients of such clinics, with the understanding that any income earned from the provision of such services would be paid to the University after deducting the Clinical Practice Levy to be used to support the educational and research activities of the respective Clinical Department’s residents.
- (w) **“Senior Residents’ Clinics Revenue”** means the aggregate amount of all monies earned during a Fiscal Year from professional services performed or rendered by a Member to or for an individual patient or client through a Senior Residents’ Clinic.
- (x) **“SRC Levy”** means the Senior Residents’ Clinics Revenue less the amount that would be calculated as the Clinical Practice Levy levied thereon.
- (y) **“Termination Date”** has the meaning ascribed to it in Section 8.1.
- (z) **“Transitional Allowance”** means the allowance provided to selected new Full-Time Voting Members to assist such Member in establishing a clinical practice, administered in accordance with Appendix I.

- (aa) “**UCMG Accounting Services**” has the meaning ascribed to it in the Member Agreement.
- (bb) “**Voting Member**” has the meaning ascribed to it in the Member Agreement.

1.2 Appendices The following appendices are annexed to this Agreement and form an integral part of this Agreement:

- Appendix I Administration of Clinical Supplements and Transitional Allowances
- Appendix II Medical Revenue and Other Professional Revenue
- Appendix III Distribution of Distributable Clinical Practice Levy
- Appendix IV Calculation of Clinical Practice Levy

1.3 Construction In this Agreement, unless expressly stated:

- (a) References to a “party” or “parties” are references to a party or parties to this Agreement, and references to “herein”, “hereby”, “hereunder”, “hereof” and similar expressions are references to this Agreement and not to any particular section, subsection or schedule.
- (b) References to an “Article”, “Section”, “subsection”, “paragraph”, “Appendix” or “Schedule” are references to an Article, Section, subsection, paragraph, Appendix or Schedule of or to this Agreement.
- (c) Words importing the singular shall include the plural and vice versa, words importing gender shall include the masculine, feminine and neuter genders, and references to a “person” or “persons” shall include individuals, corporations, partnerships, associations, bodies politic and other entities, all as may be applicable in the context.
- (d) The use of headings is for convenience of reference only and shall not affect the construction and interpretation hereof.
- (e) Where a word or phrase is defined, its derivatives or other grammatical forms have a corresponding meaning.
- (f) Where a word or phrase appears in quotation or parenthesis or both, that word or phrase is deemed to be a defined word or phrase and gets its meaning from the words or phrases that immediately precede or follow that word or phrase.
- (g) References to a Statute, Regulation or other legal enactment include all of its amendments and re-enactments.
- (h) References to a manner of conduct include, without limitation, any omission, representation, statement or undertaking, whether or not in writing.

- (i) Unless specifically stated otherwise, all references in this Agreement to currency or dollar amounts mean Canadian currency or dollar amounts, and all payments and receipts shall be recorded in Canadian currency.

2. THE UNIVERSITY AS ADMINISTRATIVE AGENT

2.1 Administrative Agent

- (a) Each Member hereby appoints the University, and the University agrees to act, as the administrative agent for and on behalf of the Member. As administrative agent, the University agrees to, without limiting the foregoing, perform any and all administrative duties related to the practice of medicine through a clinic or otherwise. The scope and level of service to be provided by the University shall not be less than the scope and level of services formerly provided to Members by CACCL under the 1996 Tripartite Agreement.
- (b) Each Member hereby directs the University, and the University hereby agrees, to render and submit accounts to Alberta Health and other payers for and on behalf of the Member for all professional services performed by the Member in accordance with the policies established by the Executive Council. Accounts are to be submitted according to billing practices of the Group, as administered by the Executive Council.
- (c) The University agrees to collect, to the extent collectable, accounts receivable arising from fees billed by, for, or on behalf of a Member; provided however that the University will not be liable or responsible for the failure of any person, firm, corporation or organization to pay any accounts receivable.
- (d) Each Member acknowledges that the University has the ability to use any and all independent third parties and external resources it deems necessary in its sole discretion, including but not limited to billing agencies, auditors and legal counsel, in performance of its administrative duties.
- (e) It is not the purpose nor the intention of this Agreement to create any partnership or any other similar association among the Members and neither this Agreement nor the conduct of the University or the terms hereunder shall be construed as creating such a relationship.
- (f) The University, through the Associate Dean, shall provide to the Executive Council regular reports concerning the current status and planning of any changes in the operation of the UCMG Accounting Services.

2.2 Disbursement of Net Medical Revenue

The University shall, unless otherwise agreed to by the Members and the University, on a monthly basis distribute to each Member that portion of the Member's Net Medical Revenue collected for and on behalf of the Member by the University in the particular month. In determining the Net Medical Revenue to be so distributed, the University may

withhold such amounts as is necessary to pay that portion of the Clinical Practice Levy that relates to the particular month.

2.3 Limitation of Services

The services to be performed by the University shall not, without the mutual agreement of the University and the Group, exceed the services agreed to be performed by the University pursuant to the provisions of this Agreement.

2.4 Bank Account

The University agrees to receive and deposit monies collected from Medical Revenue into an interest-bearing bank account in the name of the University. The University agrees to record interest earned from this interest-bearing bank account in a separate account named "Professional Development Fund" in the accounting records of the University. The Members agree to forego any rights to this interest in consideration for the services to be rendered by the University in connection therewith.

2.5 Maintenance and Provision of Records

- (a) The University agrees to maintain accounting records of all transactions and operations conducted for and on behalf each Member.
- (b) The University agrees to provide access to all accounting books, records and statements of all transactions and operations conducted for and on behalf of each Member to the particular Member and to the Executive Council.
- (c) The University agrees to provide each Member within 90 days after the end of a Fiscal Year with a statement of account for that Fiscal Year outlining the calculation of Net Medical Revenue for that Member and the amount of any outstanding accounts receivable as of the end of the Fiscal Year.
- (d) The University agrees to account to the Executive Council for all transactions and operations conducted by the University for and on behalf of the Members on such periodic basis as the Executive Council and the University may from time to time agree.

3. LEVIES CHARGED FOR ADMINISTRATIVE SERVICES

3.1 Clinical Practice Levy

In consideration for the University's agreement to act as administrative agent and in consideration for the administrative services to be rendered by the University in connection therewith, and subject to Section 9.12, each Member agrees to pay the University an annual levy charged against Medical Revenue calculated in accordance with Appendix IV attached hereto (the "Clinical Practice Levy").

3.2 Payment of Clinical Practice Levy

Each Member agrees that the University may deduct the Clinical Practice Levy from all monies collected on behalf of the Member from Medical Revenue.

3.3 Revenue Earned Before Becoming a Member

For greater certainty, any Medical Revenue earned by a person prior to the effective date that person became a Member shall not be subject to the Clinical Practice Levy.

3.4 Review of Clinical Practice Levy

The Executive Council shall review, at least once each Fiscal Year, the levy rates for the calculation of the Clinical Practice Levy described in Appendix IV and make any recommendations to amend Appendix IV to the Group. Notwithstanding Section 9.3, Appendix IV may be amended to reflect any recommended changes to the calculation of the Clinical Practice Levy, as the case may be, upon the approval of a majority of Voting Members who are present or by proxy at the next duly constituted meeting of the Group.

4. DISTRIBUTION OF CLINICAL PRACTICE LEVY

4.1 Distribution of Distributable Clinical Practice Levy

The University agrees that it will disburse the Distributable Clinical Practice Levy in the manner specified in Appendix III attached hereto.

4.2 Clinical Supplements and Transitional Allowances

Clinical Supplements and Transitional Allowances distributed out of the Clinical Practice Levy in accordance with Appendix III shall be administered in accordance with Appendix I. The Executive Council shall review the administration of the Clinical Supplements and Transitional Allowances contained in Appendix I every second Fiscal Year. Notwithstanding Section 9.3, Appendix I may be amended to reflect the Executive Council's recommended changes to the administration of the Clinical Supplements and Transitional Allowances upon the approval of a majority of Voting Members who are present or represented by proxy at a duly constituted meeting of the Group.

4.3 Reporting to the Group

The University agrees that it will report to the Group at least once in each Fiscal Year on the disbursement of monies it receives from the Clinical Practice Levy.

4.4 Annual Review of Distribution

The disbursement of the Distributable Clinical Practice Levy set out in Appendix III shall be reviewed by the Executive Council on an annual basis. Notwithstanding Section 9.3, Appendix III may be amended to reflect the Executive Council's recommended changes upon the approval of a majority of Voting Members who are present or represented by

proxy at any special or general meeting of the Group held in accordance with the Member Agreement.

5. REPORTING REQUIREMENT FOR MEMBERS

Each Member shall certify the annual statement of that Member's Net Medical Revenue prepared by the University, via UCMG Accounting Services, as and when requested by the University.

6. INDEMNITY AND CONFLICT RESOLUTION

6.1 Indemnity

Each Member hereby agrees to indemnify and to save harmless the University of and from all manner of actions, causes of action, proceedings, claims, demands, losses, costs (including legal fees on a solicitor and his or her own client basis and disbursements, subject always to taxation), damages and expenses whatsoever (the foregoing being collectively "Claims or Losses") which may be brought or made against the University or which the University may suffer, sustain, pay or incur as a result of or in connection with:

- (a) the practice of medicine by the Member; or
- (b) the use or occupation by the Member of any premises or facilities of the University or of the Authority and Affiliated Facilities.

In addition, and without limiting or affecting any of the foregoing, each Member hereby agrees to indemnify and save harmless the University of and from all manner of Claims or Losses which may be brought or made against the University or which the University may suffer, sustain, pay or incur as a result of or in connection with the performance by the University of its duties and obligations as administrative agent hereunder, if such Claims or Losses are caused by or attributable to an act or omission of the Member and are not caused by or attributable to negligence on the part of the University.

Notwithstanding anything to the contrary, no Member shall be liable to the University for any Claim or Loss which:

- (i) has been recovered by the University under the University's insurance;
- (ii) has been caused by the University's negligence or wilful act; or
- (iii) has been caused by any other Member's practice of medicine, use or occupation of premises or facilities, or other act or omission.

The University agrees to place and maintain such insurance as the Executive Council may reasonably require. The University further agrees to use reasonable commercial efforts to claim recovery from its insurers in respect of any Claims or Loss for which a Member may have liability to the University pursuant to this Section 6.1.

6.2 Conflict Resolution

- (a) All disputes, controversies and differences, whether tortious or contractual in nature, between one or more Members and the University (the "**Affected Parties**") and arising out of or in connection with the performance or default of this Agreement will be determined by binding arbitration.
- (b) Any arbitration will be governed by and conducted in accordance with the Arbitration Act (Alberta).
- (c) When either Affected Party requests that a dispute under this Agreement be submitted to arbitration, the request shall be made in writing to the other Affected Party.
- (d) Within 10 days of the giving of such notice of arbitration, the Affected Parties shall immediately appoint a single arbitrator.
- (e) In the event that the Affected Parties are unable to agree upon an arbitrator, either Affected Party shall be entitled to give to the other Affected Party notice of such dispute, and after giving such notice of dispute, each Affected Party shall at once appoint an arbitrator and such appointees shall jointly appoint a third arbitrator.
- (f) The decision of the arbitrators so appointed shall be final and binding upon the Affected Parties.
- (g) If within a reasonable time the arbitrators appointed by the Affected Parties do not agree upon a third arbitrator or if the Affected Party who has been notified of a dispute fails to appoint an arbitrator, then a third arbitrator may be appointed by a judge of the Court of Queen's Bench of the Province of Alberta.
- (h) The costs of arbitration shall be proportioned between the Affected Parties as the arbitrators may decide.

7. CESSATION OF MEMBERSHIP

- 7.1 Where a person ceases to be a Member under the Member Agreement (such person, or where a person ceases to be a Member by virtue of the death of that person, their personal representative, shall be referred to as the "**Former Member**") in a Fiscal Year:
- (a) Subject to this Section 7.1, the Former Member's obligations pursuant to this Agreement, and the University's obligations vis-a-vis that person, shall cease as of the effective date the person ceases to be a Member ("**Cessation Date**");
 - (b) The Former Member shall be required to provide UCMG Accounting Services the information required under Section 5, as and when requested, for the period commencing on the first day of the Fiscal Year and ending on the Cessation Date;

- (c) The University shall finalize the Former Member's accounts and shall within 90 days from the Cessation Date pay the accounts of the Former Member, and any funds of such Member held by the University shall be disbursed by the University in accordance with the following priorities of payment:
 - (i) firstly, payment to applicable third parties of the Former Member's proportionate share of any financial obligations to third parties that had been incurred by the University on behalf of the Group as of the Cessation Date, provided the University has acted prudently and reasonably while incurring such financial obligations on behalf of the Group;
 - (ii) secondly, payment to the University of Clinical Practice Levy in respect of Medical Revenue earned by the Former Member from the commencement of the Fiscal Year and the Cessation Date, to the extent not previously paid to the University; and
 - (iii) thirdly, the remainder, if any, shall be paid to the Former Member;
- (d) If the accounts of a Former Member are not sufficient to pay the amounts described in paragraphs 7.1(c)(i) and (ii), the Former Member shall be required to pay the amount of such deficiency to the University within 90 days from the Cessation Date; and
- (e) In making the payment referred to in paragraph 7.1(c)(iii), the University may pay such amounts by transferring to the Former Member all rights to any accounts receivable in respect of billings for professional services that have been made on behalf of that Former Member but have not yet been collected.

8. TERMINATION

- 8.1 (a) This Agreement may be terminated by a written agreement between the University and the Members, where such agreement has been approved by a majority vote of the Voting Members present in person or by proxy at a duly constituted meeting of Members called and conducted in accordance with paragraph 8.1(b) hereof and the Member Agreement. The effective date of termination of this Agreement (the "**Termination Date**") shall be stipulated in the written agreement between the University and the Members.
 - (b) Members shall be provided at least 60 days prior notice of the meeting referred to in paragraph 8.1(a), and such notice shall outline the purpose of the meeting.
- 8.2 Upon termination of this Agreement:
- (a) Subject to this Section 8.2, all obligations pursuant to this Agreement shall cease as of the Termination Date;
 - (b) The University shall finalize each Member's accounts and shall within 90 days from the Termination Date pay the accounts of each Member, and any funds of

such Member held by the University shall be disbursed by University in accordance with the following priorities of payment:

- (i) firstly, payment to applicable third parties of each Member's proportionate share of any obligations to third parties that had been incurred by the University on behalf of the Group as of the Termination Date, provided the University has acted prudently and reasonably while incurring such financial obligations on behalf of the Group;
 - (ii) secondly, payment to the University of the Clinical Practice Levy in respect of Medical Revenue earned by the Member from the commencement of the Fiscal Year in which termination of this Agreement occurs and the Termination Date, to the extent not previously paid to the University; and
 - (iii) thirdly, the remainder, if any, shall be paid to the Member.
- (c) If the accounts of a Member are not sufficient to pay the amounts described in paragraphs 8.2(b)(i) and (ii), the Member shall be required to pay the amount of such deficiency to the University within 90 days from the Termination Date;
 - (d) Each Member shall be required to provide UCMG Accounting Services the information required under Section 5 for the period commencing on the first day of the Fiscal Year and ending on the Termination Date within 45 days from the Termination Date.

9. GENERAL

9.1 Conflict Between Agreement and Appendices

In the event of any conflict between any appendices annexed hereto and the provisions of this Agreement, the provisions of this Agreement shall prevail.

9.2 Assignment of Agreement

- (a) A Member may sell, assign, transfer, place in trust, pledge or otherwise dispose of the portion of Medical Revenue payable to the Member in accordance with Section 2.2, provided that such Member makes any assignee or transferee aware that payments of such Medical Revenue are subject to the Clinical Practice Levy.
- (b) Except as provided in paragraph (a), no Member shall be entitled at any time to assign or transfer any of his or her interests or obligations under this Agreement.
- (c) The University may not assign this Agreement or any benefits or obligations included herein to any person, firm, or corporation without the prior consent of the Group, such consent to be approved by a majority vote of the Voting Members present in person or by proxy at a meeting of the Group duly constituted. There shall be at least 60 days prior notice of the meeting

contemplated by this Section 9.2(c), and the notice shall outline the proposed terms of assignment.

9.3 Amendments

- (a) This Agreement may be amended only by the joint agreement of:
 - (i) the University; and
 - (ii) a majority vote of the Voting Members who are present in person or by proxy, at a duly constituted meeting of Members held in accordance with paragraph 9.3(b) hereof and the Member Agreement.
- (b) Members shall be provided at least 60 days prior notice of the meeting referred to in paragraph 9.3(a), and such notice shall outline the proposed amendment(s) to this Agreement.
- (c) Amendments approved as aforesaid shall be binding on the University and each and every Member.

9.4 Notice

- (a) Any notice to be given to the University or any Member pursuant to this Agreement may be given by mailing the same postage prepaid, addressed to the addressee at the place of business as on file at UCMG Accounting Services and any notice so mailed shall be deemed to have been received by the fifth day next following the mailing thereof.
- (b) Alternatively, any notice aforesaid may be delivered upon the addressee by way of the internal mail or courier systems of the University and of the Authority and Affiliated Facilities, including electronic mail, and any notice so mailed shall be deemed to have been received on the day next following the mailing thereof.

9.5 Amendment and Restatement of 1996 Tripartite Agreement

The 1996 Tripartite Agreement including all amendments thereto is hereby amended and restated in its entirety and renamed as the Agency Agreement such that the same will be upon and subject to the terms, conditions and provisions herein contained and, subject to Section 9.12 hereof, not those set forth in the 1996 Tripartite Agreement.

9.6 Binding Agreement

This Agreement and the provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

9.7 Unenforceable Term

Any term, condition or provision of this Agreement which is, or shall be deemed to be, void, prohibited or unenforceable shall be severable herefrom, be ineffective to the extent of such avoidance, prohibition or unenforceability without in any way invalidating the remaining terms, conditions and provisions hereof.

9.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, Canada.

9.9 Further Assurances

Each of the parties to this Agreement shall do all such further acts and shall execute and deliver all further documents, agreements, assurances, notices and instruments as may reasonably be required to assure the carrying out of the intent and purpose of this Agreement.

9.10 Counterpart Execution

This Agreement may be executed in counterpart, no one copy of which need be executed by the parties. A valid and binding contract shall arise if and when counterpart execution pages are executed and delivered by the parties.

9.11 Survival of Provisions

Each Member's indemnity obligations in Section 6.1 shall not merge on or as a result of the occurrence of a Cessation Date or a Termination Date, as the case may be, and shall with respect to the Member survive the Cessation Date or the Termination Date, as the case may be, in accordance with and as determined by applicable law, including the *Limitation Act*, S.A., c.L-15.1, as amended, supplemented or replaced from time to time.

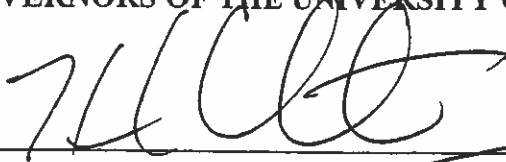
9.12 Transitional Provisions

- (a) Except as provided in Section 9.12(b), this Agreement becomes effective and is in full force and effect on and after June 15, 2000.
- (b) Subject to Section 9.12(c), Articles 3 and 4 and Appendices III and IV of this Agreement, and any other provisions of this Agreement directly relating to the assessment or distribution of the Clinical Practice Levy shall become effective and in full force and effect on and after January 1, 2001, and prior to such time (but not thereafter) the provisions of the 1996 Tripartite Agreement relevant to ceilings, and to assessments or distributions of charges or fees on Medical Revenue or Other Professional Revenue, remain in effect.
- (c) The imposition, assessment, payment and distribution of charges, fees, Medical Revenue and Other Professional Revenue is subject to such provisions as the

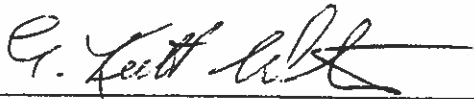
University and the Executive Council may approve to deal with and resolve issues arising in connection with the transition in respect of such matters from the 1996 Tripartite Agreement to this Agreement. In particular but without limitation, such provisions may include measures to treat payments for services performed before January 1, 2001, as subject to the 1996 Tripartite Agreement, notwithstanding that such services may be billed and/or paid for on or after January 1, 2001.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the day and year first above written.

THE GOVERNORS OF THE UNIVERSITY OF CALGARY

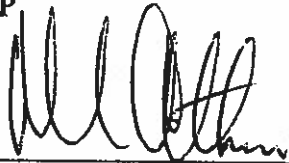


President



Vice-President (Finance and Services)

**ALL MEMBERS OF THE UNIVERSITY OF CALGARY
MEDICAL GROUP**



Associate Dean, as duly authorized agent and attorney for all Members

THE UNIVERSITY OF CALGARY MEDICAL GROUP AGENCY AGREEMENT

APPENDIX I - Administration of Clinical Supplements and Transitional Allowance

Clinical Supplements are periodically awarded to Voting Members to offset reduced Net Medical Revenue because of an increased time commitment to administrative activity. Transitional Allowances are periodically awarded on the advice of the Dean to selected Full-Time Voting Members to assist them in establishing a clinical practice.

Administration

1. Clinical Supplements and Transitional Allowances are recommended by the Voting Member's Department Head and approved by the Dean.
2. Clinical Supplements may be approved for those individuals who have agreed to accept an administrative responsibility which might reasonably be expected to result in a decrease in clinical earnings for the next calendar year.
3. Clinical Supplements may be approved for periods of 1 to 5 years. Normally, Clinical Supplements will not be renewed beyond the initial term unless re-justified by the Department Head to the Dean.
4. Transitional Allowances may be approved for periods of up to 3 years. Normally, Transitional Allowances will not be renewed beyond the initial term.
5. Clinical Supplements and Transitional Allowances are intended as short term commitments and should not be considered as a basic component of an individual's total remuneration.
6. Clinical Supplements will cease if the individual resigns from the administrative position or the position ceases to exist for any reason.

THE UNIVERSITY OF CALGARY MEDICAL GROUP AGENCY AGREEMENT

APPENDIX II – Medical Revenue and Other Professional Revenue

MEDICAL REVENUE

Medical Revenue shall mean the aggregate amount of all monies earned from professional services performed or rendered to or for an individual patient or client regardless of the site or time of the encounter. Medical Revenue includes Senior Residents' Clinics Revenue which is Medical Revenue earned from a Member's activities at a Senior Residents' Clinic. Medical Revenue is subject to the Clinical Practice Levy.

Nature of Professional Activity or Service and Examples:

1. Individual medical assessments covered by Alberta Health or other health care plans:
 - AHCIP fees
 - Sessional Payments
 - Department of National Defence (DND)
 - Royal Canadian Mounted Police (RCMP)
 - Out-of-Province billings
 - Out-of-Country billings to insurance companies
 - Fees for comprehensive care
 - Managed care payments
2. Individual medical assessment billed directly to the patient.
3. Individual medical assessments or reports as requested by a third party:
 - Lawyers
 - Insurance companies
 - Employers
 - Workers' Compensation Board (WCB)
4. Individual medical assessments paid by an institution or program, including alternative funding arrangements, regardless of the source of the funds or the site of the assessment (other than those cited in paragraph 1 above).
5. Individual medical assessments performed as part of a research protocol.
 - Individual medical assessments such as a clinical assessment or test as part of data collection in a research protocol for which the physician researcher receives a payment. (Note: Finders fees are unethical and unacceptable.)

OTHER PROFESSIONAL REVENUE

Other Professional Revenue shall mean the aggregate amount of all monies, other than Medical Revenue, earned from medical professional activities and services.

Nature of Professional Activity or Service and Examples:

1. Consultation fees for expert advice related to research development or administration (ie. no individual medical assessments).

Honoraria for research consultation or advice including activities such as service on steering committees, data and safety monitoring boards and other such committee work.

2. Administrative honoraria provided (in lieu of Medical Revenue) to manage a specific contractual responsibility.

Medical Teaching Unit or Medical Unit Director
Division Chief Honorarium

3. Medical-legal consultations on health related matters, ie. not related to individual medical assessment.

Expert Witness

4. Consultations to governmental agencies, corporations and other non-governmental agencies relating to the development of health related programs.

Epidemiology
Health Monitoring

5. Other Professional Revenue includes "net medical revenue" paid to Members who are considered "salaried" physicians whose income cannot be increased by increasing clinical activity levels.

Southern Alberta Regional Geriatric Program

6. Remuneration received from the specialist on-call program.

EXCEPTIONS TO OTHER PROFESSIONAL REVENUE

Exceptions to Other Professional Revenue are listed to recognize activities which are not declared to UCMG Accounting Service and are not subject to the Clinical Practice Levy.

1. Fees earned from speaking engagements
2. Honoraria earned as a visiting professor.

3. Royalties on medical books or medical productions except as defined by the University Intellectual Property Policy.
4. Examiner's fees, honoraria and stipends.
5. Honoraria for invited contributions to medical publications.

THE UNIVERSITY OF CALGARY MEDICAL GROUP AGENCY AGREEMENT

APPENDIX III – Distribution of Distributable Clinical Practice Levy

The Clinical Practice Levy is a levy on Medical Revenue. The Distributable Clinical Practice Levy is the Clinical Practice Levy less direct and indirect operating expenses, Clinical Supplements and Transitional Allowances. The Distributable Clinical Practice Levy shall be reviewed at least once each Fiscal Year by the Executive Council in accordance with Section 4.4 of the Agency Agreement, and shall be distributed by the University in the manner set forth below.

Distributable Clinical Practice Levy Collected: 100.0%

Distributed to:	100.0%
Dean's Fund	2.5%
Faculty Support	10.0%
Medical Trainee Fund	2.5%
Clinical Faculty Renewal Fund	14.0%
Department Allocation	15.0%
Member's Infrastructure Support	<u>56.0%</u>
	100.0%

Notes:

1. The Clinical Supplements are periodic payments awarded to Voting Members to offset reduced Net Medical Revenue because of an increased time commitment to administrative activity. Transitional Allowances are periodically awarded to selected new Full-Time Voting Members to assist them in establishing a clinical practice. Clinical Supplements and Transitional Allowances are administered in accordance with Appendix I.

Each SRC Levy levied on the Senior Residents' Clinics Revenue earned by a Member must be deposited into the University trust account established in the name of the Clinical Department to which that Member belongs to be used to support the educational and research activities of that Clinical Department's residents.

2. The Dean's Fund is a trust account established in the name of the Dean of the Faculty of Medicine at the University of Calgary, to be used primarily in support of the Faculty's academic mission with respect to research.
3. Faculty Support is to be used to partially support the Faculty's academic mission.
4. The Medical Trainee Fund is used to support research and related activities of trainees and international programs of the Faculty. The Medical Trainee Fund is intended to be a supplement to, and not a replacement of, awards from external granting agencies.

5. The Clinical Faculty Renewal Fund is intended to provide salary support for current or prospective clinical members of the Faculty. Preference will be given to current members who have previously been funded by extramural term support such as, but not limited to, Alberta Heritage Foundation for Medical Research, The Medical Research Council of Canada, the Heart and Stroke Foundation of Canada.
6. The Department Allocation represent amounts to be allocated to each Clinical Department to support each Clinical Department's academic mission. The portion of the Clinical Practice Levy (CPL) presently being distributed to departments be based on the percentage of each department's contribution to the CPL for the current year. Using this method, clinical departments would then directly receive their proportionate share according to what department members have contributed to the CPL.
7. Member's Infrastructure Support is intended to provide support for office overhead and administrative expenses of Members at the University and at other clinical facilities, including the Authority and Affiliated Facilities. Payments are based on the site at which a Member maintains an office. Payments will be made quarterly and adjusted at year-end.

Point 6, Amended January 10, 2002
UCMG General Membership Meeting #38

THE UNIVERSITY OF CALGARY AGENCY AGREEMENT

APPENDIX IV – Calculation of Clinical Practice Levy

The Clinical Practice Levy shall be calculated in respect of a Fiscal Year in the following manner:

- (a) Where the Member is a Full-Time Voting Member,
 - (1) 16% of the first \$100,000 of Medical Revenue;
 - (2) 19% of Medical Revenue that is greater than \$100,000 and not greater than \$200,000;
 - (3) 20% of Medical Revenue that is greater than \$200,000.
- (b) Where the Member is an Associate Member or a Major Clinical Voting Member,
 - (1) 14% of the first \$50,000 of Medical Revenue;
 - (2) 16% of Medical Revenue that is greater than \$50,000 and not greater than \$100,000;
 - (3) 17% of Medical Revenue that is greater than \$100,000 and not greater than \$200,000;
 - (4) 18% of Medical Revenue that is greater than \$200,000.