

AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT (the "Agreement") is entered into and takes effect this 1st day of July, 2014 (the "Effective Date") by and between LP Orange Park, LLC d/b/a Signature HealthCARE of Orange Park ("Facility") and School Board of Clay County ("School").

RECITALS

WHEREAS, Facility is a skilled nursing facility licensed in the State of Florida; and

WHEREAS, School is currently conducting a curriculum requiring professional practice experience and the use of clinical and non-clinical facilities, and desires to obtain experiential education for students enrolled in the Occupational Therapy Assistant Program ("Program"); and

WHEREAS, Facility recognizes the importance of training and educating students, and possesses and is willing to provide the necessary facilities for students' achievement of experience in the practice of occupational therapy assistant.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, **IT IS HEREBY AGREED AS FOLLOWS:**

ARTICLE I RESPONSIBILITIES OF SCHOOL

A. **School Responsibilities**. The specific responsibilities of the School are:

1. To plan, develop, implement and evaluate the Program at Facility, and to provide Facility with copies of current course outlines, course objectives, and curriculum philosophy.
2. To obtain Facility's consent and any other necessary authorization prior to the implementation of any Program project or activity.
3. To provide qualified faculty (in a number to be agreed upon between the Facility and the School) (the "Faculty"), who will be responsible for the assignment and evaluation of all student Program experiences. Upon request of Facility, School shall furnish to the Facility proof of educational qualifications and licenses for any such Faculty, if applicable.
4. To appoint a principal liaison between the School and the Facility for all matters concerning the Program.
5. To plan with the Facility and mutually agree upon the scheduling of students at the Facility.
6. To require all Faculty to abide by all policies, procedures, rules and regulations of the Facility.
7. To require students participating in the Program to carry professional liability insurance with a single limit of no less than \$1,000,000 per claim and \$3,000,000 in the annual aggregate. School will assure that such professional liability insurance in full force and effect to respond to any claims arising out of the actions of the students during the term of this Agreement and for the two year period immediately following the termination or expiration of this Agreement. School shall provide

Facility with a certificate of insurance evidencing such coverage upon Facility's request. School will assure that written notice within ten (10) days of any changes, modification, cancellation or non-renewal of student's insurance.

8. To recommend for placement at Facility only those students who have earned a satisfactory record and who have met the minimum requirements established by School, and to require that its students:

- (a) Provide their own housing, transportation, parking, and meals;
- (b) Abide by all applicable policies, procedures, rules and regulations of Facility and those of state and federal regulatory agencies;
- (c) Assume the responsibility for personal illness and obtaining medical care for any injuries sustained as a direct or indirect result of his/her affiliation with the Facility;
- (d) Present medical certification of immunizations, vaccinations and consent to any required physical examinations;
- (e) Present Basic Life Support certification, where applicable; and
- (f) Meet the personal, ethical and professional standards required of employees of the Facility and consistent with the applicable professional Code of Conduct or Ethics and the applicable standards of any applicable governmental or healthcare accrediting agencies.

9. To provide insurance as described below, *check either (a) or (b) as applicable*:

___ (a) School shall maintain, during the term of this Agreement, for itself and its Faculty, a policy of professional liability insurance, with a single limit of no less than \$1,000,000 per claim and \$3,000,000 in the annual aggregate. School further warrants that it will keep such professional liability insurance in full force and effect to respond to any claims arising out of the actions of School and its Faculty during the term of this Agreement and for the two year period immediately following the termination or expiration of this Agreement. School shall provide Facility with a certificate of insurance evidencing such coverage upon execution of this Agreement and upon Facility's request. School shall give Facility written notice within ten (10) days of any changes, modification, cancellation or non-renewal of such insurance.

___ (b) School is a sovereign entity and further warrants that it will maintain for itself, its faculty and students, a policy of self-insurance providing coverage in an amount not less than the statutory limits. School further warrants that it will keep such self-insurance in full force and effect to respond to any claims arising out of the actions of the School, its faculty and students during the term of this Agreement and for the two year period immediately following the termination or expiration of this Agreement. School shall provide Facility with confirmation of such self-insurance upon execution of this Agreement and upon Facility's request.

10. To secure from each Faculty and student participating in the Program the necessary written documentation that each (a) acknowledges the absolute confidentiality of the information made available to them with respect to Facility's patients and records, as set forth in state and federal laws and regulations; and (b) agrees to obtain Facility's prior written approval in order to publish any material relating to their experience with the Program.

11. To require agreement from its Faculty and students that neither shall represent themselves as agents or employees of Facility.

12. To assume final responsibility for the educational experience and grades of the student.

13. To require its Faculty and students to submit to and provide a criminal background check and drug screen that is reasonably acceptable to the Facility prior to placement at the Facility.'

14. To require its Faculty and students to provide evidence that he or she has met all applicable requirements of TB Mantoux testing.

B. Confidential Information. School and its agents, employees, students and representatives acknowledge that in connection with performance under this Agreement, School and its agents, employees, students, and representatives will be privy to and have access to certain patient information and confidential information and trade secrets of Facility, including, without limitation, patient medical records, vendor lists, customer lists, financial information and other materials, records and/or information of a proprietary nature ("Confidential Information"). Therefore, in order to protect the Confidential Information, School and its agents and employees, students and representatives shall not, unless otherwise required by law, divulge, disclose, publicize or disseminate the Confidential Information to any third party and shall not use any of the Confidential Information on its own behalf or with or on behalf of any other entity. The obligations of this Paragraph B shall survive the termination or expiration of this Agreement.

ARTICLE II RESPONSIBILITIES OF FACILITY

A. Facility Responsibilities: The specific responsibilities of Facility are:

(1) To accept a certain number of students for participation in the Program. The number shall be determined at the sole discretion of the Facility, based upon Facility's space, patient population, and upon any other considerations as determined by Facility.

(2) To provide adequate conference room or teaching space for the Faculty and students.

(3) To provide educational experiences and opportunities in accordance with the objectives of the Program as mutually agreed upon by the School and the Facility.

(4) To provide a liaison officer between Facility and School.

(5) Facility will not allow students to replace the Facility staff and will not allow students to render service except as identified in the jointly planned clinical experience. A member of the staff of the Facility will supervise contact between a Student and a resident and the Facility will remain responsible for patient care at all times.

(6) If required for the clinical or learning experience and depending on the Program, appoint a suitably experienced and qualified licensed professional employee of Facility to service as a preceptor to administer the clinical or learning experience at the Facility ("Preceptor"). The Facility will identify the potential Preceptors, who will be subject to the approval of the School and any applicable

governmental or accrediting body. The Preceptor will work closely with the School, which will be responsible for coordinating student placements, and will maintain contact with the School.

(7) Facility will provide the students and the School an orientation to the Facility, including, without limitation, its rules, regulations, administrative policies, standards and practices relevant to the Program.

(8) Facility will take all measures necessary to guard against improper disclosures of information in its possession regarding the School's students who train at the Facility pursuant to this Agreement and will comply with the applicable provisions of the Family Educational Rights and Privacy Act of 1974, 20 USC 1232 (g), otherwise known as FERPA or the Buckley Amendment.

ARTICLE III MUTUAL RESPONSIBILITIES

A. **Indemnification.** To the extent permitted by Florida law, School agrees to indemnify and hold Facility, its agents, servants, and employees harmless from and against all claims, damages, costs and expenses, including attorney's fees, arising in connection with any negligent acts or omissions by School in the performance of its obligations under this Agreement. Nothing contained herein shall be construed or interpreted to expand the scope or increase the dollar limit of the School Board of Clay County, Florida's liability beyond that which is set forth in Florida Statute 768.28, or to otherwise waive the School Board's sovereign immunity. Facility agrees to indemnify and hold School, its agents, servants, and employees harmless from and against all claims, damages, costs and expenses, including attorney's fees, arising in connection with any negligent acts or omissions by the Facility in the performance of its obligations under this Agreement.

B. **HIPAA Requirements.** Each party agrees to comply with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d ("HIPAA") and any current and future regulations promulgated thereunder, including without limitation the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164 (the "Federal Privacy Regulations"), the federal security standards contained in 45 C.F.R. Part 142 (the "Federal Security Regulations"), the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162 and the amendments in Subtitle D of the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), as Title XIII of Division A and Title IV of Division B of the American Reinvestment and Recovery Act of 2009 and subsequent regulations, all collectively referred to herein as "HIPAA Requirements". Each party agrees not to use or further disclose any Protected Health Information, other than as permitted by HIPAA Requirements and the terms of this Agreement. Each party will make its internal practices, books and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with the Federal Privacy Regulations.

C. **Elder Justice Act Abuse Reporting Requirements.** If applicable, each party agrees to comply with the reporting requirements under Section 6703(b)(3) of the Elder Justice Act ("EJA"), a reporting requirement mandated under Subtitle H of the Patient Protection and Affordable Care Act ("PPACA"), which provides that any owner, operator, employee, manager, agent, or contractor ("Covered Individual") of a long-term care facility that receives at least \$10,000 in federal funds annually, must report any reasonable suspicion of a crime committed against any individual who is a resident of, or is receiving care from, the facility. Each covered individual shall report the suspected crime to one or more local law enforcement agencies and to the Secretary of the Department of Health and Human Services (Secretary) or to the agency designated by the Secretary to receive such reports.

The report must be made within two hours of forming a reasonable suspicion that a crime has occurred if there is a serious bodily injury and within 24 hours of forming a reasonable suspicion that a crime has occurred if there is no serious bodily injury. Covered individuals who fail to report shall be subject to a civil money penalty of up to \$200,000 and may be excluded from participation in any Federal health care program. If a covered individual's failure to report a crime results in further injury to the victim of the crime or results in harm to another individual, the civil monetary penalty may be increased to \$300,000.

A long-term care facility may not retaliate against, discharge, demote, suspend, threaten, harass, or deny a promotion or other employment-related benefit to an employee, or in any other manner discriminate against an employee in the terms and conditions of employment; or file a complaint or a report against a nurse or other employee with a State professional disciplinary agency against the nurse or employee for making a report as required by the EJA. An employee has the right to file a complaint with the Secretary or the agency designated by the Secretary, against a long-term care facility that violates the reporting requirements of the EJA. A long-term care facility that violates the anti-retaliation provisions of the EJA shall be subject to a civil monetary penalty of up to \$200,000 and may be excluded from participation in any Federal health care program for a period of two years.

D. **Nondiscrimination.** The parties will comply with any applicable federal, state or local laws or regulations prohibiting discrimination; the parties will not discriminate against any Student or other participant in the Program with respect to race, color, national origin, religion, creed, sex, age, sexual orientation, veteran status or disability.

ARTICLE IV TERM AND TERMINATION

A. **Term; Termination.** The initial term of this Agreement shall be three (3) years commencing on the Effective Date ("Initial Term"). Following the Initial Term, this Agreement shall automatically renew for successive terms of one (1) year, unless terminated sooner as provided herein. Either party may terminate this Agreement at any time by giving the other party sixty (60) days written notice of its intention to terminate. Should notice of termination be given, students assigned to the Program shall be permitted to complete their previously scheduled assignments then in progress at the Facility.

B. **Participation in Program.** Facility may terminate the participation in the Program of any student or Faculty member whose behavior, competency, ability or other conditions, are, in Facility's sole discretion, detrimental to the operation of Facility, and/or to proper rendering of quality care to Facility patients. The Facility will notify the School of its actions and the reasons for its actions as soon as reasonably practicable.

ARTICLE V GENERAL PROVISIONS

A. **Independent Contractor.** School's students and Faculty participating in the Program shall not be deemed to be employees, servants, or agents of the Facility, nor shall any person on the staff or administration of Facility be deemed an employee, servant or agent of School.

B. **Proprietary Rights.** Each party reserves the right to control the use of any of its copyrighted materials, symbols, trademarks, service marks, and other proprietary rights presently existing or hereafter established. Each party agrees that it will not use such works, symbols, trademarks, service marks or other devices in advertising, promotional materials or otherwise and that it will not advertise or

display such devices without the prior consent of the other party, and will cease any and all such usage immediately upon termination of this Agreement.

C. **Notice.** Any notice, demand or consent required or permitted to be given hereunder shall be deemed given if hand-delivered, if sent by registered or certified mail, return receipt requested, or by overnight mail delivery for which evidence of delivery is obtained by the sender, at the address set forth below or such other address as either party may designate in writing:

To Facility: Signature HealthCARE of Orange Park
2029 Professional Center Drive
Orange Park, FL 32065
Attn: Administrator

With a copy to: LP Orange Park, LLC
c/o Signature Consulting Services, LLC
12201 Bluegrass Parkway
Louisville, KY 40299
Attn: Office of General Counsel

To School: School Board of Clay County
2300 Kingsley Ave.
Orange Park, FL 32073

Electronic mail ***shall not*** constitute written notice.

D. **Waiver.** No failure by either party to insist upon the strict performance of any covenant, term or condition of this Agreement or to exercise a right or remedy shall constitute a waiver. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, condition, and term of this Agreement shall continue in full force and effect with respect to any other existing or subsequent breach.

E. **Third Parties.** Nothing in this Agreement shall be construed as creating or giving rise to any right in any third parties or other persons other than the parties hereto.

F. **No Employee Benefits.** Students assigned to the Facility shall not be considered to be employees of Facility and shall not be covered, by virtue of this Agreement, by any of Facility's employee benefit programs including, but not limited to, social security, health insurance, unemployment compensation, disability insurance, or workers' compensation.

G. **Assignment.** This Agreement cannot be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Facility shall have the right to transfer this Agreement to its parent corporation, if any, or any of its subsidiaries or affiliates, or to a successor entity in the event of merger, consolidation, transfer, sale, stock purchase, or public offering as long as the surviving entity assumes all of that party's obligations hereunder.

H. **Amendment.** This Agreement may be amended at any time by mutual agreement of the parties, provided that before any amendment shall be operative or valid, it shall have been reduced to writing and signed by both parties.

I. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

J. **Governing Law.** This Agreement shall be construed and enforced under and in accordance with the laws of the state in which the Facility is located.

K. **Electronic Storage of Agreement.** The parties hereto agree and stipulate that the original of this Agreement, including the signature page, may be scanned and stored in a computer database or similar device, and that any printout or other output readable by sight, the reproduction of which is shown to accurately reproduce the original of this document, may be used for any purpose just as if it were the original, including proof of the content of the original writing.

L. **Counterparts; Electronically Transmitted Signatures.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same agreement. Any electronically transmitted signature or photocopy of a signature to this Agreement shall be deemed an original signature to this Agreement and shall have the same force and effect as an original signature. For purposes of this Section, an "electronically transmitted signature" means a manually-signed original signature that is sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message.

IN WITNESS WHEREOF, Facility and School have duly executed this Agreement on the date first set forth above.

SCHOOL:

School Board of Clay County

By: _____
Name: _____
Title: _____

FACILITY:

LP Orange Park, LLC d/b/a Signature
HealthCARE of Orange Park

By: _____
Sandra L. Adams,
Vice President and General Counsel