

STANDARD STUDENT AGREEMENT

THIS AGREEMENT, made and entered into this the 17 day of June, 2008 by and between Fayetteville Technical Community College ("School"), and Cumberland County Hospital System, Inc., d/b/a Cape Fear Valley Health System, Fayetteville, North Carolina, ("Health System").

WITNESSETH:

For and in consideration of the mutual agreements made between the parties, they hereby agree as follows:

I. Term

This Agreement between the School and Health System will be effective for a period of three (3) years and this Agreement shall automatically renew for successive one (1) year terms; provided, however, that this Agreement may be terminated in accordance with the termination provisions herein contained. The parties may amend or modify the terms of this Agreement by written addendum when both parties agree to such amendment or modification. Either party may terminate this Agreement at any time, without cause, upon sixty (60) days written notice in advance of termination; provided, however, that termination by either party shall not affect students currently in clinical rotations at Health System at the time of termination. Such students shall be afforded the opportunity to complete their then-current rotation according to the agreed-upon schedule, unless such student shall not be permitted to complete his or her rotation, as contemplated by another provision of this Agreement.

II. Instructional Program

- A. Students registered in the Associate Degree Nursing, Central Sterile Processing, Computed Tomography/Magnetic Resonance Imaging, Dental Assisting, Emergency Medical Science, Interventional Cardiac and Vascular Technology, Nuclear Medicine Technology, Pharmacy Technology, Phlebotomy, Physical Therapist Assistant, Practical Nursing, Nursing Assistant, Radiography, Respiratory Therapy and Surgical Technology curricula at the School may utilize for clinical training the appropriate department(s) of the Health System as available and agreed upon by the Health System. The days and hours of the clinical experiences are to be planned by the faculty of the School and the administrator or his designee of the Health System. The Health System reserves the right to limit the number of students and the scope of student clinical training.

Additionally, notwithstanding anything to the contrary anywhere else in this Agreement, Health System reserves the right to immediately terminate any student if Health System feels such termination is necessary in the interest of patient welfare.

- B. The purpose of the internship program is to reinforce academic training.

III. Specific Responsibilities of the Health System

- A. To provide adequate space, equipment, records, instruction/supervision and caseload, as available, needed for the clinical education experience.
- B. To provide a planned program of learning experience appropriate to the reasonable and stated clinical education objectives provided by the School.
- C. To provide, as a clinical supervisor, a Preceptor who meets state licensure requirements as the Health System deems appropriate, requirements established by the School, and who is acceptable to School and Health System.
- D. To provide and approve the use of any available instructional materials owned by the Health System.
- E. To provide meaningful work for the students to perform which is relevant to the students' level of academic training.
- F. To provide reasonable opportunities for the students to participate in various meetings within the Health System if such participation would enhance the students' work.
- G. To allow the students and instructors to use the cafeteria facilities in the Health System at their own expense.
- H. To periodically evaluate each student's performance through written evaluations and consultation with School representatives, and to complete evaluation forms and other pertinent forms reasonably requested and provided by School, for inclusion in the students' educational record.
- I. To promptly notify the proper School representative in matters relating to any potential discipline of the students.
- J. To promote among Health System personnel an attitude of helpfulness to students and instructors.
- K. To provide the students and instructors, prior to the beginning of their affiliation, a written orientation to its policies and procedures, with comments on expected standards of appearance and conduct. The Health System shall make available to the School appropriate written orientation materials including relevant Health System policies, procedures, rules and regulations the Health System wishes to bring to the attention of students and instructors. Policies, procedures, rules and regulations include any policy, procedure, rule or regulation which has orally been made known to the student and also includes the written, administrative policies and personnel policies and any other written policies, procedures, rules and regulations made known to the student.

- L. To require students and instructors of School to maintain pertinent records and forms provided by the Health System and to respect the confidential nature of their contents.
- M. To provide emergency health care for students and instructors at the Health System, on the premises, when an accident or illness occurs in the line of duty, at the students' or School faculty members' expense respectively, unless the School makes other arrangements.
- N. To provide reasonable notification when feasible to the School of changes in rules, regulations, policies, procedures, caseload, staff or staffing patterns that may affect student's clinical experience.

IV. Specific Responsibilities of School

- A. To abide by all the existing rules, regulations, policies and procedures of the Health System made known to the students and instructors, as set forth in III.K. above.
- B. (1) To provide or ensure professional liability insurance coverage with a minimum of \$1,000,000 per occurrence for each student and instructor, and an aggregate amount of \$3,000,000 for each student and instructor assigned to Health System; (2) to provide to Health System certificates of insurance evidencing such coverage; and (3) to provide notification of: (a) any lapse in, restriction or modification of coverage, (b) change in student's enrollment or placement status, including probation or other disciplinary action. To the extent professional liability insurance is provided on a "claims made" basis, School shall purchase or ensure purchase of tail coverage or a prior acts' endorsement for an unlimited reporting period effective on the termination of professional liability coverage if student and/or instructor is unable to, or does not, acquire new insurance providing for insurance coverage for all prior acts. School shall provide to Health System certificates of required coverage under this Agreement.
- C. To provide an evaluation form(s) to be completed by Health System.
- D. To handle any disciplinary matters relating to the students, provided that the student is notified of the disciplinary matter and given an opportunity to respond.
- E. To notify Health System in advance concerning the number of students to be assigned to the Health System, subject to Health System's discretion as set out in Section II.A. of this Agreement.
- F. Based upon the student evaluation and other relevant factors, to determine a grade for the internship.
- G. To contact the Health System at least once per period, for consultation with Health System personnel concerning the students' progress.

- H. To teach the students to respect the confidential nature of all information related to clients and Health System records and business information.
- I. To assume full responsibility for curriculum design, quality of students enrolled, maintenance of records and reports, the acceptance, promotion and dismissal of students and the awarding of degrees.
- J. To maintain the student to instructor ratio in the clinical setting at a level that is reasonably related to the capabilities of the students in relation to the clinical area of Health System to which students are assigned, and which is acceptable to Health System.
- K. To provide objectives for the clinical education period(s), evaluation and other pertinent forms, and an outline of current academic curricula pertinent to the affiliation.
- L. To require the student(s) and instructors to maintain pertinent records and forms provided to them.
- M. To advise the students and instructors of the requirement to follow and adhere to all appropriate rules, regulations, policies and procedures which are set forth or referred to in III. K. above.
- N. To provide Health System with appropriate personal data on the student affiliate and instructor, provided, however, that the provisions of the Family Educational Rights and Privacy Act (20 U.S.C. 1232g) and implementing regulations (34 C.F.R. Part 99) relating to release of such data are incorporated into this Agreement and the parties agree to comply with said Act and regulations. The Health System agrees that all personally identifiable information provided by the School relating to students or instructors shall be used only in furtherance of this Agreement, and shall not be further disclosed without the student's or instructor's written consent except as required by law.
- O. To provide time and expense funds for the Health System's Clinical Supervisor or his representative to attend conferences and make visits at the request of the School, in connection with the clinical education program as required.
- P. To provide the Health System with results of the students' evaluation of the affiliation experience.
- Q. Until the expiration of four (4) years after the furnishing of services pursuant to this Agreement, School shall make available, upon written request, to the Health System, Secretary of the Department of Health and Human Services (the "Secretary"), or upon request, to the Comptroller General, or any of their duly authorized representatives, this Agreement and books, documents, and records of School that are necessary to certify the nature and extent of costs incurred with respect to any services furnished for which payments may be made under the Medicare or Medicaid programs. If School carries out any of the duties of this

Agreement through a subcontract, having a value or cost of \$10,000 or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request, to the Health System, Secretary, Comptroller General, or any of their duly authorized representatives, the subcontract and books, documents, and records of such organization that are necessary to verify the nature and extent of costs incurred with respect to any services furnished for which payments may be made under the Medicare or Medicaid programs.

- R. To cooperate with Health System in fulfilling its duties under the federal Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. § 1320d - 1320d-8 & 45 C.F.R. Parts 160 and 164 (hereinafter the "Privacy Rule") with respect to any individually identifiable health information ("PHI") disclosed to School or the students under this Agreement. In fulfilling their respective responsibilities, School and students shall: (i) use or disclose any PHI solely for meeting their obligations as set forth in this Agreement or as otherwise approved by the Hospital; (ii) report to the Hospital any use or disclosure of Protected Health Information which is not in compliance with the terms of this section of which they become aware; (iii) make available PHI in the possession of School or students in accordance with Hospital policy and the requirements of Section 164.524 of the Privacy Rule; (iv) make PHI in the possession of School or students available for amendment and incorporate any amendments to Protected Health Information in accordance with Hospital policy and the requirements of Section 164.526 of the Privacy Rule; (v) make PHI in the possession of School or students available for purposes of accounting for disclosures in accordance with Hospital policy and the requirements of Section 164.528 of the Privacy Rule; and (vi) at termination of this Agreement or upon request of the Hospital, whichever occurs first, to return all PHI received from or created or received on behalf of the Hospital to the Hospital, or, if School and students determine that it is not possible to return or destroy some or all of the Protected Health Information, School and students shall extend the provisions of this section after the expiration or termination of this Agreement and shall use such Protected Health Information only as required and only to the extent consistent with local, state and federal law for such period of time as its return or destruction remains impossible.
- S. To ensure that each student/faculty member who rotates through the Health System under this Agreement has been immunized in accordance with the requirements Appendix 1, attached hereto and incorporated into this Agreement. Additionally, School shall maintain a signed, immunization record, in the form of Appendix 1, for each student/faculty member who rotates through the Health System under this Agreement, and shall ensure that such immunization record is in place before such student/faculty begins his or her duties at Health System. School shall provide documentation, in the form of Appendix 1, for each student/faculty member to Health System upon request.

- T. As specified in 42 U.S.C. § 1396a(a)(68), School and each student and instructor adopt, as it relates to the provision of services to the Health System as set forth herein, and acknowledges having received the Health System's written policies regarding compliance with the federal False Claims Act, 31 U.S.C. §§ 3729-3733, administrative remedies for false claims and statements, 31 U.S.C. Chapter 38, state laws pertaining to civil or criminal penalties for false claims and statements, and whistleblower protections under such federal and state false claims laws, as well as detailed information regarding the Health System's policies and procedures for detecting and preventing fraud, waste, and abuse.
- U. To ensure compliance with EPLS and OIG requirements, and all other applicable laws, regulations, and accreditation standards, the School shall verify that each student meets all applicable student health requirements. The School shall also require each of its students to request, at the student's own expense, a criminal background check from Microfax Secure Check. The parties acknowledge that Microfax Secure Check is expected to identify for Health Systems any student or instructor which it believes fails to meet the standards of Health Systems. The School acknowledges that any student which fails secure a criminal background check or fails to meet the standards of Health System shall be excluded from participation in clinical training at Health System.

V. Mutual Responsibilities

With due respect for the administrative autonomy of the Health System, School and Health System mutually agree as follows:

- A. The Department of Human Resources of Health System and the faculty of the Health Programs at FTCC will cooperate in an ongoing evaluation of the internship program.
- B. Each shall maintain standards established by the recognized and appropriate accreditation bodies.
- C. Each shall cooperate in long and short term planning necessary to provide a clinical/field education experience at Health System for students enrolled in the professional programs of School.
- D. The number of students eligible to participate in the clinical/field education program at Health System, the hours and days of their involvement per week, and the inclusive date(s) of the affiliation period(s) shall be determined by mutual agreement of both parties, subject to Health System's discretion as set out in Section II.A. of this Agreement.
- E. An overall clinical education program will be established based upon the stated objectives and level of didactic education at the time of affiliation within the resources available at the Health System and/or Health System's Department.

F. If the student's behavior, performance or attitude relative to the quality of patient care or the student's level of learning experience is unacceptable to Health System, appropriate corrective action will be determined by designated representatives for School and Health System. These representatives are designated as follows:

School's Contact Person: Eldon Mechem, Associate Vice President for Curriculum Programs

Health System's Contact Person: William Pryor, Senior Vice President for Human Resources

They will confer to determine appropriate corrective action. Further, if a student has a complaint that is not resolved to his satisfaction, a conference will be held with him/her by the said representatives. In all cases, the student should be given a reasonable opportunity to express his/her position concerning the issue. Notwithstanding the above, in the event that Health System believes that a student's participation in his/her rotation at the Health System endangers the safety or well-being of its patients or employees, the Health System, at its sole discretion, may immediately terminate the student's rotation at the Health System.

- G. It is understood between School and Health System that the education and training activities performed by the student under supervision of Health System's employees does not qualify the student as an employee of Health System. Notwithstanding the foregoing, student shall be required to comply with all rules, regulations, policies and procedures applicable to Health System employees.
- H. The parties shall review this Agreement as needed to determine its continuing relevance to the objectives and goals of the clinical education program. Changes and modifications may be recommended by the School's Clinical Education Coordinator and the Health System's Clinical Supervisor (or their equivalents) for approval by manager of department representing School and Health System.
- I. The parties agree not to discriminate against any person on the basis of race, color, creed, sex, national origin, age or disability in either the selection of students for participation in the program, or as to any aspect of the clinical training; provided, however, that with respect to disability, the disability must not be such as would, even with reasonable accommodation, in and of itself, preclude the student's effective participation in the program.
- J. 42 U.S.C. § 1320a-7 contains provisions relating to the exclusion of certain individuals and entities from participation in Medicare and State health care programs. Each party represents and warrants to the other that (1) neither party nor its subcontractor(s) (if applicable) nor its student(s) for this Agreement are excluded from participation under any federal health care program, for the provision of items or services for which payment may be made under a federal health care program; (2) neither has arranged or contracted (by employment or otherwise) with any employee, contractor, student or agent that the party knows or

should know is excluded from participation in any federal health care program; and (3) no final adverse action, as such term is defined under 42 U.S.C. § 1320a-7e, has occurred or is pending or threatened against the party, its student(s) or its subcontractor(s) (if applicable) for this Agreement or to their knowledge against any employee, student, contractor or agent engaged to provide items or services under this Agreement (collectively "Exclusions/Adverse Actions"). The parties agree, during the term of this Agreement to notify the other party in writing of any Exclusions/Adverse Actions within ten (10) days of learning of any such Exclusions/Adverse Actions and to provide the other party with the basis of the Exclusions/Adverse Actions.

- K. A breach of the Agreement by any party or any employee, student, agent or independent contractor utilized, directly or indirectly, in the performance of this Agreement may serve as the basis of termination of this Agreement, at the discretion of the non-offending party, and any such termination shall be effective immediately upon notification of the other party by the non-offending party, and shall be deemed a "for cause" termination.
- L. This agreement shall be governed by and construed by the laws of the State of North Carolina, and venue for any dispute arising hereunder is hereby deemed appropriate in Cumberland County.
- M. Any notices by either party to this Agreement which are required under the terms of this Agreement, or that are intended to affect the legal relationship of the parties, shall be sent by United States mail, postage prepaid, certified, return receipt requested, and addressed to the other party as set forth below:

If to SCHOOL: Fayetteville Technical Community College
Attn: Alisa E. Debnam, Dean of Health Programs
P.O. Box 35236
Fayetteville, NC 28303-0236
debnama@faytechcc.edu
910-678-8372

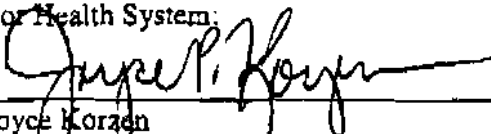
If to HEALTH SYSTEM: Cape Fear Valley Medical Center
Attn: William Pryor, Senior Vice President for HR
Administrative Office
1638 Owen Drive
Fayetteville, NC 28304-2000
910-609-6400 or 910-609-6805
wpryor@capefearvalley.com

VI. Indemnity

The parties hereto agree that in any suit against Health System or against School, there shall be no indemnity of either by the other, except as by law provided, and each party shall be obligated to present and pay for its own defense.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) given below.

For Health System:

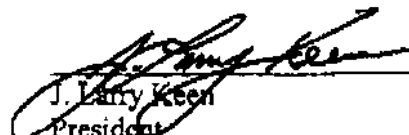


Joyce Korzen
Chief Operating Officer, CCHS, Inc

7/10/08

Date

For School:



J. Larry Keen
President

6-17-08

Date