AAMC UNIFORM CLINICAL TRAINING AFFILIATION AGREEMENT
IMPLEMENTATION LETTER

The purpose of this Implementation Letter ("Letter") is to provide a record of the clinical training affiliation agreement between Texas A&M Health Science Center (TAMHSC), a health-related institution under the administration of Texas A&M University, a member of the Texas A&M University System, an agency of the State of Texas, on behalf of the College of Medicine (SCHOOL) and Baylor Scott & White Health (HOST AGENCY or BS&W), acting on behalf of its affiliates, with respect to a clinical training experience (PROGRAM) for one or more of the SCHOOL'S students and the agreement of the parties to abide by all terms and conditions of the AAMC Uniform Clinical Training Affiliation Agreement, dated June 16, 2014 (the "Agreement"), which is hereby incorporated by reference, without modification or exception except as specified below.

Preamble
Whereas SCHOOL and Scott & White Memorial Hospital (S&W) initially entered into an Affiliation Agreement dated August 24, 2000, which has been amended and supplemented at various times, including without limitation, the Memorandum of Understanding Relating To Affiliation Agreement with an effective date of August 13, 2013, and subsequently entered into the AAMC Clinical Training Affiliation Agreement and Implementation Letter on February 1, 2014, and Program Letter Addendum No. 1, which became effective on September 1, 2014. This Affiliation Agreement together with all amendments and supplements and the AAMC Clinical Training Agreement and Implementation Letter are herein collectively called the "S&W AA". SCHOOL and Baylor University Medical Center (BUMC) initially entered into an Affiliation Agreement for Student Clinical Training on December 3, 2010 with modifications on four (4) separate occasions (February 15, 2011, September 9, 2011, April 23, 2012 April 25, 2013, and January 15, 2015). This Affiliation Agreement together with all modifications are herein collectively called the "BUMC AA"; and

NOW, THEREFORE, the parties desire to supersede and replace the educational affiliation and experience related provisions of the S&W AA and the BUMC AA with the AAMC Uniform Clinical Training Affiliation agreement, dated June 16, 2014, and this Letter.

Modifications or Exceptions.

To the extent of any conflict between the terms of the Agreement and the terms of this Letter, the terms of this Letter shall control. The following terms of this Letter shall modify, amend or augment those contained in the Agreement:

1. Delete Section B.4 of the Agreement and insert the following:
The HOST AGENCY will provide for the orientation of SCHOOL’s participating students as to the HOST AGENCY’s rules, regulations, procedures, and policies of the HOST AGENCY, including its HIPPA policies and procedures.

2. Program Letter Addendum
For each academic year, a separate Program Letter Addendum will be prepared and executed for each HOST AGENCY training location that specifies student headcount, financial compensation, and any other items that are specific to each training location.

3. Insurance
HOST AGENCY acknowledges that, because SCHOOL is an agency of the State of Texas, liability for the tortious conduct of employees of SCHOOL or for injuries caused by conditions or use of tangible state property is provided solely by the provisions of the Texas Tort Claims Act (Texas Civil Practice and Remedies Code), Chapters 101 and 104; and that Workers’ Compensation Insurance coverage for employees of SCHOOL is provided by SCHOOL as mandated by the provisions of Chapter 502, Texas Labor Code. SCHOOL shall have the right, at its option, to (a) obtain liability insurance protecting SCHOOL and its employees and property insurance protecting SCHOOL's buildings and contents, to the extent authorized by Section 51.906, Texas Education Code, or other law, or (b) self-insure against any risk that may be incurred by SCHOOL as a result of its operations under the Agreement.
HOST AGENCY recognizes that medical students, upon payment of a pre-set fee at time of enrollment, are provided limited medical liability coverage under the HSC-COM Medical Liability Program. Such policy shall provide for coverage during such times as the medical students are on the premises of HOST AGENCY.

At no time shall medical students be considered legal representatives, employees or agents of SCHOOL or HOST AGENCY. Medical students are not entitled to receive payment for services rendered, replace or substitute for a SCHOOL or HOST AGENCY health care provider, or possess authority to enter into any form of agreement on behalf of SCHOOL or HOST AGENCY.

4. Public Information
HOST AGENCY acknowledges that SCHOOL is obligated to strictly comply with the Public Information Act, Chapter 552, Texas Government Code, in responding to any request for public information pertaining to this Letter or the Agreement.

5. Non-Waiver
HOST AGENCY expressly acknowledges that SCHOOL is an agency of the State of Texas and nothing in the Agreement will be construed as a waiver or relinquishment by SCHOOL of its right to claim such exemptions, privileges, and immunities as may be provided by law.

6. Dispute Resolution
The dispute resolution process provided in Chapter 2260, Texas Government Code, and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, shall be used by the parties to attempt to resolve and claim for breach of contract made by HOST AGENCY against SCHOOL that cannot be resolved in the ordinary course of business. HOST AGENCY shall submit written notice of a claim of breach of contract under this Chapter to Texas A&M University Health Science Center, which shall examine such claim and any counterclaim and negotiate with HOST AGENCY in an effort to resolve the claim.

7. No Referral Obligation
The parties acknowledge and agree that the Agreement does not require, and shall not be construed to require (directly or indirectly, explicitly or implicitly), any party to use HOST AGENCY facilities, or the admission or referral of any patients to HOST AGENCY or any other facility or service related to HOST AGENCY.

8. Force Majeure
Neither Party is required to perform any term, condition, or covenant of the Agreement, if performance is prevented or delayed by a natural occurrence, a fire, an act of God, an act of terrorism, or other similar occurrence, the cause of which is not reasonably within the control of such Party and which by due diligence it is unable to prevent or overcome.

9. Governing Law
The validity of the Agreement and all matters pertaining thereto, including but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and determined by the Constitution and the laws of the State of Texas.

10. Venue
Pursuant to Section 85.18, Texas Education Code, venue for any suit filed against SCHOOL shall be in the county in which the primary office of the chief executive officer of SCHOOL is located. At the execution of the Agreement, such county is Brazos County, Texas.

11. Term
This Letter and the Agreement shall be effective on the date stated herein for an aggregate period not to exceed five (5) years provided either party may terminate the Agreement, in whole or in part, without cause by giving ninety (90) days written notice to the other.
Such written notice must assure that educational commitments to students are met for a period of up to five (5) years. In the event of termination, all students then enrolled or officially accepted into TAMHSC programs who have selected HOST AGENCY as their clinical training site shall have the right to complete their degrees and clinical training at HOST AGENCY, provided that reasonable financial terms continue to be met.

12 Use of Name
Each party agrees not to use the name, service mark or logo of the other party without the other party's prior written consent. The parties will mutually agree in advance upon any public announcements, advertising, marketing, or communications to the media regarding the Agreement or the relationship created by (or the services to be provided pursuant to) the Agreement.

13. Faculty Appointment
Physicians who wish to teach Students at HOST AGENCY must be approved by SCHOOL and appointed to the faculty of SCHOOL prior to performing any teaching or preceptor services to Students.

14 Confidentiality
The parties mutually agree, to the maximum extent permitted by law, to keep this LETTER and the contents of this LETTER confidential and not to disclose such contents either to any third party, unless required by law, without the written consent of the other party, however either party may disclose relevant parts of the LETTER to any of its employees, students, agents, representatives, advisers, and legal counsel when reasonably necessary to determine its rights and remedies under the LETTER or to carry out the terms of the LETTER or as required by law. In addition, either party may provide a copy of this LETTER to the Liaison Committee on Medical Education (LCME) or any other entity, if required, for accreditation or regulatory reasons.

The parties will mutually agree in advance upon any public announcements, advertising, marketing, and communications to the media regarding this LETTER or the relationship created by (or the services to be provided pursuant to) this LETTER.

The parties acknowledge that in connection with the performance of the services under this LETTER, either party may be acquiring and making use of certain confidential information and trade secrets of the other party which may include management reports, financial statements, internal memoranda, reports, patient records and patient lists, confidential technology and other materials, records and/or information of a proprietary nature ("Confidential Information"). Therefore, in order to protect the Confidential Information, neither party shall, after the date hereof, use the Confidential Information of the other party except in connection with the performance of the services pursuant to this Agreement, or divulge the Confidential Information to any third party, unless the other party consents in writing or such use or divulgence or disclosure is required by law. In the event either party receives a request or demand for the disclosure of Confidential Information, the party receiving such request or demand shall immediately provide to the other party written notice of such request or demand, including a copy of any written element of such request or demand. Upon termination of this LETTER, neither party will take or retain, without prior written authorization from the other party, any papers, patient lists, fee books, patient records, files, or other documents or copies thereof or other Confidential Information of any kind belonging to the other party pertaining to patients, business, sales, financial condition, or products of the other party. Without limiting other possible remedies for the breach of this covenant, the parties agree that injunctive or other equitable relief shall be available to enforce this covenant, such relief to be without the necessity of posting a bond, cash or otherwise.

The term "Confidential Information" shall not include information about a party which (i) becomes generally available to the public other than as a result of an improper disclosure by the other party, its affiliates or their representatives, (ii) was available to the other party on a non-confidential basis prior to its disclosure hereunder, or (iii) was or becomes available to the other party on a non-confidential basis from a source other than the party to which it relates, provided that such source is not known by the recipient to be bound by a confidentiality agreement and is otherwise not prohibited from transmitting the information to the recipient.
15. **Compliance with Laws and HOST AGENCY Mission Statement and Policies**

The parties acknowledge and agree that this LETTER and the PROGRAM contemplated by this Agreement shall comply with all laws and regulations, including but not limited to all applicable Stark and anti-kickback laws, and shall be consistent with (and shall not jeopardize) HOST AGENCY's status as a non-profit tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Further, this LETTER does not contemplate, and the PROGRAM shall not include, any services or activities, including but not limited to abortions or research consisting of stem cell harvesting from fetal tissue or any technologies that supplant natural reproduction excluding artificial insemination provided to legally married adults, that are prohibited by HOST AGENCY mission statement, policies, or its commitment to a Christian ministry of healing.

16. **Miscellaneous**

a. The LETTER does not create any third-party beneficiaries, including but not limited to any students, who shall not be considered, directly or indirectly, third party beneficiaries of the Agreement.

b. SCHOOL is and will continue to be fully accredited as a medical school. HOST AGENCY is now and will continue to be fully accredited by Joint Commission and other accreditation agencies as mutually agreed upon by the parties.

c. Each student shall be responsible for (and SCHOOL shall notify in advance each student that he or she is responsible for):

   - complying with all applicable laws, regulations, certification requirements, and accreditation standards;
   - obtaining any uniforms required by HOST AGENCY;
   - providing his or her own transportation and living arrangements;
   - reporting for PROGRAM activities on time;
   - maintaining his or her own health records;
   - complying with the policies, procedures, standards, and practices of SCHOOL;
   - complying with all medical record policies and requirements; and
   - complying with all HOST AGENCY or SCHOOL registration, notice, and documentation requirements relevant to the PROGRAM.

d. SCHOOL hereby acknowledges and agrees and shall ensure that its employees and students understand and agree that: (i) no SCHOOL employee or student shall be entitled to any salary or other compensation from HOST AGENCY or to any employee benefits provided by HOST AGENCY, including but not limited to, disability, life insurance, pension and annuity benefits, educational allowances, professional membership dues, and sick, holiday, or vacation pay; (ii) HOST AGENCY will not withhold income taxes or pay Social Security or unemployment taxes for such persons, and (iii) SCHOOL shall hold harmless HOST AGENCY against any and all liability related to withholding or failure to withhold income taxes or paying or not paying Social Security or unemployment taxes for such persons. If the Internal Revenue Service or any other governmental agency challenges the independent contractor status of such persons, each party agrees that the other party shall have the right to participate in any discussion or negotiation that occurs in the course of such challenge.

e. **Loss of Funding.** Performance by SCHOOL under this Agreement and Letter may be dependent upon the appropriation and allotment of funds by the Texas State Legislature (the "Legislature"). If the Legislature fails to appropriate or allot the necessary funds, SCHOOL will issue written notice to HOST AGENCY and SCHOOL may terminate this Agreement without further duty or obligation hereunder. HOST AGENCY acknowledges that appropriation of funds is beyond the control of SCHOOL.

f. Audits: HOST AGENCY understands that acceptance of funds under this Agreement and Letter constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, "Auditor"), to conduct an audit or investigation in connection with those funds pursuant to Section 51.9335(c), Texas Education Code. HOST AGENCY agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation, providing all records requested.
This LETTER and the Agreement are effective on September 1, 2014, regardless of the date when signed by all parties. The individuals executing this LETTER are authorized to sign on behalf of their institutions and certify that their institutions have accepted the terms of the Agreement and further agree to comply with its terms except as noted above.

SCHOOL: THE TEXAS A&M UNIVERSITY HEALTH SCIENCE CENTER ON BEHALF OF THE COLLEGE OF MEDICINE

Reviewed By: Paul E. Ogden, M.D.  
Title: Interim Dean  
Accepted by By: Brett P. Giroir, M.D.  
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