

# EXHIBIT A

## BUSINESS ASSOCIATE AGREEMENT

This Agreement is made the 21 day of June 2006, by and between Narconon International, hereinafter referred to as Business Associate, which has as its address 7060 Hollywood Boulevard, Suite 220, Los Angeles, California 90028 and Narconon of Georgia Inc., hereinafter referred to as Facility, which has as its address 5688 Peachtree Parkway, Building 5688, Suite B1, Norcross, Georgia 30071.

### RECITALS

Business Associate licenses Facility to use the trademarks of Narconon and provides Facility with quality assessment and improvement actions and general administration activities. Facility is a residential drug and alcohol rehabilitation center and requires the services of Business Associate. Based on mutual consideration and benefits to the parties, they enter into this Agreement. This Agreement does not in any way supersede the License Agreement entered into by the parties on

### TERM

The term of the Agreement shall begin on 21 June 2006 and continue throughout the duration of Facility's Narconon license, during which time Business Associate shall perform the services described herein as well as those services outlined in Attachment A – Duties and Responsibilities.

This Agreement may be renewed at the end of the initial term by written agreement of both parties.

### HIPAA COMPLIANCE

Business Associate represents that its personnel are knowledgeable as to current HIPAA regulations and agrees to comply with the applicable provisions of the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and the requirements of any regulations promulgated there under including without limitation the federal privacy regulations as contained in CFR Part 164 (the "Federal Privacy Regulations") and the federal security standards as contained in 45 CFR Part 142 (the "Federal Security Regulations"). Business Associate agrees not to use or disclose any protected health information, as defined in 45 CFR 164.504, or individually identifiable health information, as defined in 45 U.S.C. § 1230d (collectively, the "Protected Health Information"), regulations promulgated under HIPAA including without limitation the Federal Privacy Regulations and the Federal Security Regulations. Business Associate agrees to implement appropriate safeguards to prevent the use or disclosure of a client's Protected Health Information other than as provided for by this Agreement.

COMPLIANCE WITH LAWS AND REGULATIONS

In the event that any local, state, or federal governmental agency promulgates regulations which may effect the validity or enforceability of the terms hereof, the provision so affected shall be immediately subject to renegotiations upon the initiative of either party, and the remaining provisions hereunder shall continue in full force and effect.

REPRESENTATIONS, WARRANTIES, AND CERTIFICATION REGARDING  
DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION  
FROM COVERED CONTRACTS

Business Associate represents and warrants to Facility, upon execution and throughout the Term of this Agreement, as follows:

- a) Business Associate's personnel are each in full compliance with all pertinent federal and state requirements, including but not limited to, immigration, certification, health and immunizations status, in order to perform the functions assigned to him or her in connection with Business Associate's obligations under this Agreement.
- b) Business Associate certifies, by entering into this Agreement, that neither it, its principals, employees, nor independent contractors, if any, are presently under investigation for wrongdoing, nor debarred, suspended, declared ineligible, voluntary or involuntarily excluded from participation in health care reimbursement programs by any state or federal department or agency.
- c) Business Associate agrees to provide to Facility immediate notice and explanatory information as it develops, of any change of circumstance relative to this certification.
- d) Business Associate certifies it does not have a direct or indirect financial relationship with any of its subcontractors, business associates, etc. or Facility that precludes the Business Associate from providing services in accordance with current regulations governing referrals and kickbacks.
- e) Business Associate understands that this certification is a necessary condition for the continuation of this Agreement.

Facility represents and warrants to Business Associate, upon execution and throughout the Term of this Agreement, as follows:

- a) Each of Facility's employees is in full compliance with all pertinent federal and state requirements, including but not limited to, immigration, certification, health and immunizations status, in order to perform the functions assigned to him or her, which are required in connection with this Agreement.

- b) Facility certifies, by entering into this Agreement, that neither its principals, employees, nor independent contractors, if any, are presently under investigation for wrongdoing, nor debarred, suspended, declared ineligible, voluntary or involuntarily excluded from participation in health care reimbursement programs by any state or federal department or agency.
- c) Facility certifies that it does not have a direct or indirect financial relationship with Business Associate or any of its subcontractors, business associates, etc. or Facility that precludes Facility from using the services provided by Business Associate in accordance with current regulations governing referrals and kickbacks.
- d) Facility further agrees to provide to Business Associate immediate notice and explanatory information as it develops, of any change or circumstances relative to this certification.

INDEMNIFICATION

Business Associate agrees to save, defend, indemnify and hold Facility harmless of and from any and all liability, loss, cost or expenses incurred directly or indirectly from any act or omission by the Business Associate or Business Associate's agents, employees, subcontractors or invitees from any cause or causes arising from or relating to Business Associate's performance under this Agreement.

ASSIGNABILITY

It is understood and agreed that the services to be performed by Business Associate are personal in character and neither this Agreement nor any duties or obligations hereunder shall be assigned or delegated by the Business Associate without prior written consent from Facility.

ADDRESSES FOR NOTICES

Any and all notices required or permitted to be given hereunder shall be considered to have been given if in writing and delivered to the respective party designated below upon the date of such delivery by certified mail, return receipt requested, addressed to the respective party at the respective address set forth below, or at such other address as either party may furnish the other for the purpose of written notification delivered or mailed to the other herein provided:

Notices to Business Associate at:

Narconon International  
7060 Hollywood Boulevard  
Suite 220  
Los Angeles, California 90028  
Director of Legal Affairs

Notices to Facility at:

Narconon of Georgia, Inc.  
Building 5688, Suite B1,  
Norcross, Georgia 30071  
Attn: Director of Legal Affairs

CIVIL RIGHTS

Business Associate agrees to comply with Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973 in that Business Associate shall provide its services to all Facility clients without regard to race, color, creed, national origin, age, sex, religion, disability, marital status, or payment status.

CONFIDENTIALITY, USE, AND RELEASE OF PROTECTED HEALTH INFORMATION

Business Associate and Facility agree that the terms of this Agreement shall be kept confidential. In addition, Business Associate agrees not to disclose any of Facility's proprietary information to any other party, including Facility's competitors, without Facility's written consent.

Business Associate agrees to:

- i. Use protected health information only for the purpose of fulfilling the service requirements of this Agreement;
- ii. To prohibit the use or disclosure of protected health information in any way that would violate current privacy standards;
- iii. Establish appropriate safeguards to prevent the use or disclosure of protected health information stored or maintained by the Business Associate whether in written or electronic format;
- iv. Report any misuse or unauthorized disclosure of protected health information to Facility and to the affected client(s) within twenty-four (24) hours of discovering such misuse or disclosure; and
- v. Require its subcontractors or agents to which it provides protected health information to agree to the same restrictions and standards of the Business Associate as set forth in this Agreement.

PARTIAL INVALIDITY

If any non-material term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

INDEPENDENT PARTIES

This Agreement is an independent contract between Facility and Business Associate. Neither party, nor any employ or either party, shall be construed in any manner whatsoever to be an employee or agent of the other, nor shall this Agreement be construed as a contract of employment or agency. Facility shall be under no obligation to provide Worker's Compensation, disability, health, surgical or other insurance, or to provide unemployment benefits for Business Associate or to withhold, deduct or pay income or social security taxes for Business Associate.

TERMINATION

This Agreement may be terminated with or without cause by either party giving sixty (60) days prior written notice.

GOVERNING LAW

This Agreement shall be governed by the laws of the State of Georgia except as such laws may have been pre-empted by applicable federal law.

AMENDMENTS

This Agreement may be amended or modified at any time by the written consent of both parties.

WAIVER

The waiver by either party of any breach or any provision of this Agreement, or of any representation set forth herein, shall not be construed as a waiver of any subsequent breach of the same or any other provision, or representation. The failure to exercise any right hereunder shall not operate as a waiver of such right. All rights and remedies provided herein are cumulative.

INTEGRATION

This Agreement supersedes all previous agreements, oral or written, between the Business Associate and Facility and embodies the complete Agreement between both parties. However, this Agreement does not supersede the License Agreement executed by the parties on April 23, 2001 for use of specific trademarks.

FACILITY

Narconon of Georgia, Inc.

BY: Mary Rieser

Its Pres / Director

Printed Name: Mary Rieser

Date: June 21, 2006

Witness: BMoney

Printed Name: Bernadette Money

BUSINESS ASSOCIATE

Narconon International

BY: Claudia Arcabascio

Its Secretary

Printed Name: Claudia Arcabascio

Date: June 27/06

Witness: \_\_\_\_\_

Printed Name: \_\_\_\_\_

ATTACHMENT A – BUSINESS ASSOCIATE DUTIES AND RESPONSIBILITIES

Business Associate shall provide periodic on-site reviews of Facility's drug rehabilitation services in order to assess and improve the quality of care provided to its clients. These review activities include, but are not limited to:

1. On-site health and safety inspections.
2. Review of case folders of Facility's clients to verify standards of technology and application thereof.
3. Review of personnel files of Facility's personnel and trainees to verify all required training has been completed and other legal requirements.
4. Correction of Facility personnel regarding any non-optimum situations that are determined to exist.
5. Implementation of programs to increase program delivery and quality of care.

COMPLIANCE WITH LAWS AND REGULATIONS

In the event that any local, state, or federal governmental agency promulgates regulations which may effect the validity or enforceability of the terms hereof, the provision so affected shall be immediately subject to renegotiations upon the initiative of either party, and the remaining provisions hereunder shall continue in full force and effect.

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FACILITY

Narconon of Georgia, Inc.

BY: Mary Rieser

Its Pres / Director

Printed Name: Mary Rieser

Date: June 21, 2006

Witness: B. Money

Printed Name: Bernadette Money

BUSINESS ASSOCIATE

Narconon International

BY: Claudia Arcabasocio

Its Secretary

Printed Name: Claudia Arcabasocio

Date: \_\_\_\_\_

Witness: [Signature]

Printed Name: Ron Ken [Signature]