



Southern Health Partners

Your Partner In Affordable Inmate Healthcare

March 6, 2012

Sheriff Richard Webster
Chatham County Sheriff's Office
Post Office Box 429
Pittsboro, NC 27312

Re: Health Services Agreement

Dear Sheriff Webster:

SHP's Health Services Agreement with Chatham County is coming up for renewal in July, and we look forward to another year of providing services.

We are offering to continue the program at the facility with a two percent (2%) base fee and per diem rate increase beginning on July 1, 2012. Unfortunately, our fixed costs for employee wages and benefits continue to rise, and many of our other operating costs are higher, including those related to insurance, administration and travel. It is with these factors in mind we make our request. You will remember we have not had a renewal price increase on the contract since July 1, 2009. Without a price increase these last two years, we have fallen below in covering our fixed costs. The two percent (2%) increase will help SHP somewhat with overall operating expenses and allow us to maintain services there while still at a reasonable cost for the County.

The renewal pricing terms are noted below for your records:

Contract period:	July 1, 2012, through June 30, 2013
Base annualized fee:	\$105,746.64 (\$8,812.22 per month)
Per diem greater than 60:	\$2.02
Annual outside cost pool limits:	\$20,000.00 (first tier); \$40,000.00 (second tier)

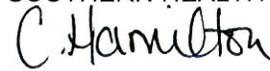
Please plan for the base contract fee and per diem rate to adjust beginning with SHP's invoice for July 2012 services. Rather than formally extending our Agreement for another year by contract Amendment, we are requesting a signature below on behalf of the County to acknowledge the new base price and per diem rate for the 2012-2013 period. Please return a signed copy to my attention by fax (704-583-9516) or email (carmen.hamilton@southernhealthpartners.com) no later than May 31, 2012. All provisions of the contract will remain in full force and effect during the renewal period unless amended or modified in writing by the parties.

Of course, if you have any concerns or would like to discuss the contract in further detail, I am glad to assist. I can be reached directly in our North Carolina regional office at 704-972-1533.

We appreciate the opportunity to continue a successful partnership with you and Chatham County.

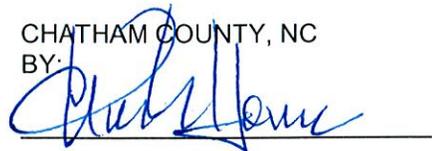
Sincerely,

SOUTHERN HEALTH PARTNERS, INC.


Carmen Hamilton
Contracts Manager

CHATHAM COUNTY, NC

BY:



/cph

cc: Capt. Mike Roberson