

2015 AMENDMENT
TO
HEALTH SERVICES AGREEMENT

This 2015 AMENDMENT, to Health Services Agreement dated August 1, 2007, between Chatham County, North Carolina (hereinafter referred to as "County"), and Southern Health Partners, Inc., a Delaware Corporation, (hereinafter referred to as "SHP"), is entered into as of the 15 day of June, 2015.

WITNESSETH:

WHEREAS, County and SHP desire to amend the Health Services Agreement dated August 1, 2007, between County and SHP.

NOW THEREFORE, in consideration of the covenants and promises hereinafter made, the parties hereto agree as follows:

Section 7.1 is hereby replaced in its entirety by the following:

7.1 Base Compensation. Effective July 1, 2015, County will compensate SHP based on the twelve-month, annualized price of \$110,333.52 during the term of this Agreement, payable in monthly installments. Monthly installments based on the twelve month annualized price of \$110,333.52 will be in the amount of \$9,194.46 each. SHP will bill County approximately thirty days prior to the month in which services are to be rendered. County agrees to pay SHP prior to the tenth day of the month in which services are rendered. In the event this Agreement should commence or terminate on a date other than the first or last day of any calendar month, compensation to SHP will be prorated accordingly for the shortened month.

Section 7.2 is hereby replaced in its entirety by the following:

7.2 Increases in Inmate Population. County and SHP agree that, effective July 1, 2015, the annual base price is calculated based upon an average daily inmate population of up to 85. If the average daily inmate population exceeds 85 inmates for any given month, the compensation payable to SHP by County shall be increased by a per diem rate of \$1.50 for each inmate over 85. The average daily inmate resident population shall be calculated by adding the population or head count totals taken at a consistent time each day and dividing by the number of counts taken. The excess over an average of 85, if any, will be multiplied by the per diem rate and by the number of days in the month to arrive at the increase in compensation payable to SHP for that month. In all cases where adjustments become necessary, the invoice adjustment will be made on the invoice for a subsequent month's services. For example, if there is an average population for any given month of 90 inmates, resulting in an excess of five (5) inmates, SHP shall receive additional compensation of five (5) times the per diem rate times the number of days in that month. The resulting amount will be an addition to the regular base fee and will be billed on a subsequent monthly invoice.

This per diem is intended to cover additional cost in those instances where minor, short-term changes in the inmate population result in the higher utilization of routine supplies and services. However, the per diem is not intended to provide for any additional fixed costs, such

as new fixed staffing positions that might prove necessary if the inmate population grows significantly and if the population increase is sustained. In such cases, SHP reserves the right to negotiate for an increase to its staffing complement and its contract price in order to continue to provide services to the increased number of inmates and maintain the quality of care. This would be done with the full knowledge and agreement of the Jail Administrator, Sheriff and other involved County officials, and following appropriate notification to County.

(The remainder of this page intentionally left blank)

Section 9.3 is hereby replaced in its entirety by the following:

9.3 Notice. Unless otherwise provided herein, all notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand or sent by certified mail, return receipt requested, postage prepaid, and addressed to the appropriate party(s) at the following address or to any other person at any other address as may be designated in writing by the parties:

- a. County: Chatham County Manager
12 East Street
Pittsboro, North Carolina 27312
- b. SHP: Southern Health Partners, Inc.
2030 Hamilton Place Boulevard, Suite 140
Chattanooga, Tennessee 37421
Attn: President

Notices shall be effective upon receipt regardless of the form used.

IN WITNESS WHEREOF, the parties have executed this Agreement in their official capacities with legal authority to do so.

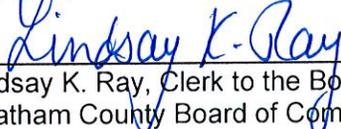
CHATHAM COUNTY, NC



Charlie Horne, County Manager

Date: 6/16/15

ATTEST:

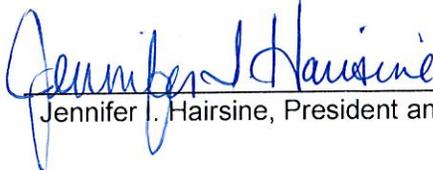

Lindsay K. Ray, Clerk to the Board
Chatham County Board of Commissioners



SOUTHERN HEALTH PARTNERS, INC.

ATTEST:


Secretary



Jennifer I. Hairsine, President and CEO

Date: 6-5-15

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.


Finance Director

Date: 6/16/15