

Exhibit C

COMPENSATION/ADJUSTMENTS

7.0 **ANNUAL AMOUNT/MONTHLY PAYMENTS.** The base annual amount to be paid by the County to THE CONTRACTOR under this Contract is Three Million Three Hundred Forty-One Thousand Sixty-Seven Dollars and no cents (\$3,341,528.00) for a period of twelve (12) months. Each monthly payment shall be at Two Hundred Seventy-Eight Thousand Four Hundred Sixty dollars and sixty six cents (\$278,460.66), pro-rated for any partial months and subject to any reconciliations as set forth below. Contractor will invoice the County 30 days prior to payment due. Invoice will be due the last day of the month for services completed in that time frame. In the event this Contract should commence or terminate on a date other than the first or last day of any calendar month, compensation to Contractor will be prorated accordingly for the shortened month. To ensure accurate accounting of expenses and to permit audit and expense allocation between programs, Contractor will separate medical and pharmacy expenses for both adult inmate and juvenile health care services.

Year 2. Effective February 1, 2017, the base annual amount to be paid by the County to THE CONTRACTOR in Year 2 shall be the base annual amount of Year 1, plus the lesser of (i) 5% of the Year 1 base annual amount and (ii) a CPI increase (as defined below).

Year 3. Effective February 1, 2018, the base annual amount to be paid by the County to THE CONTRACTOR in Year 3 shall be the base annual amount of Year 2, plus the lesser of (i) 5% of the Year 2 base annual amount and (ii) a CPI increase (as defined below).

Renewal Years. For any year that this Contract is renewed, the base annual amount to be paid by the County to THE CONTRACTOR shall be the base annual amount paid in the previous year, plus the lesser of (i) 5% of the base annual amount of the immediately preceding year and (ii) a CPI increase (as defined below).

CPI Increase. A CPI Increase shall be calculated by multiplying the annual amount of the previous year by a fraction, the numerator of which is the Price Index (as defined below) for the month which is four (4) months immediately preceding the first day of the upcoming Contract year, and the denominator of which is the Price Index for the same month of the prior year. However, the annual amount due for any year will not be less than the annual amount for the prior year. The "Price Index" is defined as the Consumer Price Index – All Urban Consumers, U.S. City Average, Medical Care Services (1982-84=100), published by the Bureau of Labor Statistics of the U.S. Department of Labor.

QUARTERLY RECONCILIATION PROCESS. THE CONTRACTOR will provide a quarterly reconciliation with the County for any amounts owed by either party pursuant to the terms of this Contract, including, but not limited to:

ADJUSTMENT FOR ADP. The quarterly reconciliation shall include a per diem adjustment based on the ADP of seven hundred fifty (750) INMATES/DETAINEES. For each month in the quarter reconciled, if the JAIL's MADP is greater than seven hundred fifty (750) INMATES/DETAINEES, the compensation payable to THE CONTRACTOR by the County shall be increased by the number of INMATES/DETAINEES over seven hundred fifty (750) at the per diem rate of Two Dollars (\$2.00) per INMATE per day. If the JAIL's MADP is less than Six Hundred fifty (650) INMATES/DETAINEES, then THE CONTRACTOR will issue a credit to the County for the number of INMATES/DETAINEES under six hundred fifty (650) at the per diem rate of Two Dollars (\$2.00) per INMATE per day.

ADJUSTMENT FOR STAFFING. The quarterly reconciliation shall include an adjustment based on staffing hours provided in Exhibit A. If actual staffing hours worked are less than those in Exhibit A, then THE CONTRACTOR will issue a credit to the County for the difference between the hours contracted and the hours provided at the current hourly rate, plus fringe benefits, paid to the HEALTH CARE STAFF in the reconciled position.