

Fill in this information to identify the case:

Debtor 1 Clarksdale Regional Medical Center, Inc. (DBA Northwest Mississippi Medical Center)

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: Middle District of Tennessee

Case number 18-05678

Official Form 410**Proof of Claim**

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>HHS Environmental Services, LLC</u> Name of the current creditor (the person or entity to be paid for this claim)		
	Other names the creditor used with the debtor <u>Hospital Housekeeping Systems, LLC and HHS, LLC</u>		
2. Has this claim been acquired from someone else?	<input type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____		
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? <u>Jason L. Boland - Norton Rose Fulbright</u> Name <u>1301 McKinney St., Suite 5100</u> Number Street <u>Houston TX 77010</u> City State ZIP Code Contact phone <u>713-651-3769</u> Contact email <u>jason.boland@nortonrosefulbright.com</u>	Where should payments to the creditor be sent? (if different) <u>Hospital Housekeeping Systems, LLC</u> Name <u>216 E. 4th Street</u> Number Street <u>Austin TX 78701</u> City State ZIP Code Contact phone <u>512-478-1888</u> Contact email <u>jefft@hhs1.com</u>	
Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____			
4. Does this claim amend one already filed?	<input type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____		Filed on _____ MM / DD / YYYY
5. Do you know if anyone else has filed a proof of claim for this claim?	<input type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____		

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ 200,857.95 Does this amount include interest or other charges?
☒ No
☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.

Services provided; see attached Exhibits A-E.

9. Is all or part of the claim secured? ☒ No
☐ Yes. The claim is secured by a lien on property.
- Nature of property:**
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☐ Other. Describe: _____
- Basis for perfection:** _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
- Value of property:** \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)
- Amount necessary to cure any default as of the date of the petition:** \$ _____
- Annual Interest Rate** (when case was filed) _____ %
☐ Fixed
☐ Variable

10. Is this claim based on a lease? ☒ No
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? ☒ No
☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☒ No

☐ Yes. Check one:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

\$ _____

☐ Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ _____

☐ Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

\$ _____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.

☒ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date

12/14/18
MM / DD / YYYY

Signature



Print the name of the person who is completing and signing this claim:

Name	Jeff Totten		
	First name	Middle name	Last name
Title	President, Risk & Compliance		
Company	Hospital Housekeeping Systems, LLC		
	Identify the corporate servicer as the company if the authorized agent is a servicer.		
Address	216 E. 4th Street		
	Number	Street	
	Austin	TX	78701
	City	State	ZIP Code
Contact phone	512-478-1888	Email	jefft@hhs1.com



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

In re:)	
)	Chapter 11
)	
CURAE HEALTH, INC., <i>et al.</i> , ¹)	Case No. 18-05665
)	Judge Walker
1721 Midpark Road, Suite B200)	
Knoxville, TN 37921)	(Jointly Administered)
)	
Debtors.)	
)	

EXHIBIT A TO PROOF OF CLAIM OF HHS ENVIRONMENTAL SERVICES, LLC

1. This Exhibit A supplements the information stated in the accompanying Proof of Claim (the “Claim”) filed by HHS Environmental Services, LLC (together with its affiliated entities, “HHS”) and is incorporated as part of the Claim for all purposes.

BASIS FOR CLAIM

2. On or around April 1, 2015, HHS and Northwest Mississippi Regional Medical Center d/b/a Clarksdale Hospital (“Clarksdale” or “Debtor”) entered into a certain Statement of Work (“SOW”) which was governed by and which incorporated by reference certain terms and conditions contained in a Master Service Agreement for Environmental Services by and between HHS and CHSPSC, LLC, also dated April 1, 2015 (“Agreement”). True and correct copies of the Agreement and the SOW are attached hereto as **Exhibit B** and **Exhibit C**, respectively, and are incorporated herein by reference for all purposes.

3. Pursuant to the SOW, HHS agreed to provide certain housekeeping services to Clarksdale pursuant to an agreed upon contract price and rate schedule. The SOW remained in

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Curae Health, Inc. (5638); Amory Regional Medical Center, Inc. (2640); Batesville Regional Medical Center, Inc. (7929); and Clarksdale Regional Medical Center, Inc. (4755); Amory Regional Physicians, LLC (5044); Batesville Regional Physicians, LLC (4952); Clarksdale Regional Physicians, LLC (5311).

effect for an initial period through March 31, 2018; thereafter, the SOW automatically renewed on a one year basis.

4. On January 31, 2018, HHS sent a letter to Clarksdale informing it that it was in material breach of the SOW for non-payment of fees (the “Notice of Breach”). A true and correct copy of the Notice of Breach is attached hereto as **Exhibit D** and is incorporated herein by reference for all purposes.

5. A follow up letter was sent on February 9, 2018, wherein HHS and Clarksdale agreed to extend the breach period; the parties also agreed to a payment schedule for the past-due amounts owed to HHS. A true and correct copy of this letter is attached hereto as **Exhibit E** and is incorporated herein by reference for all purposes.

6. The total pre-petition past due amount owed by Clarksdale to HHS is no less than \$200,857.95, plus applicable interest as provided in the Agreement and SOW, as shown in the chart below:

Transaction Type	Date	Document Number	Due Date	Open Balance
Invoice	5/1/2018	EVS93266INV	6/15/2018	6/15/2018
Invoice	6/1/2018	EVS93986INV	7/15/2018	7/15/2018
Invoice	5/1/2018	EVS93266INV	8/15/2018	6/15/2018
			TOTAL	\$200,857.95

7. HHS reserves, without limitation, all setoff, recoupment, netting and similar rights under any applicable contract, statute, common law or equitable principle. HHS reserves, without limitation, the right to amend or supplement this Claim to add such information in the future.

8. HHS and the Debtor may also be parties to other contracts and/or agreements not specifically described herein. HHS hereby expressly reserves its rights to assert any and all claims under such contracts or agreements.

9. HHS may also have additional pre- and post-petition claims that are unliquidated as of the date hereof.

RESERVATION OF RIGHTS

10. HHS reserves, without limitation and to the fullest extent allowed by applicable law, the right to amend, modify, renew, extend, restate and/or supplement, for any reason, this Claim. HHS also reserves, without limitation and to the fullest extent allowed by applicable law, the right to file all other Proofs of Claim.

11. This Claim is also being submitted without prejudice to the rights of HHS to assert that any portion of its claim constitutes an administrative expense claim.

12. HHS reserves the right in the future to assert any and all claims that it might have against the Debtor, including, without limitation, imposition of constructive trust, equitable liens, security interests, subrogation, marshaling, or other legal or equitable remedies to which it may be entitled.

13. Furthermore, the filing of this Claim is not and shall not be deemed or construed as:

- a. A waiver of HHS's rights to: (i) file or otherwise assert a claim for rejection damages under Section 502 of the Bankruptcy Code; (ii) file or otherwise assert an administrative claim under Section 503 of the Bankruptcy Code; or (iii) file or otherwise assert a claim under Section 365(b) of the Bankruptcy Code;
- b. A waiver or release of HHS's rights against any person, entity, or property, or a waiver of the right to compel the Debtor to return property of HHS currently in the possession of the Debtor;

- c. A consent by HHS to the jurisdiction of this Court or any other court with respect to proceedings, if any, commenced in any case against or otherwise involving HHS;
- d. A waiver or release of HHS's right to trial by jury in this Court or any other court in any proceeding as to any and all matters so triable herein, whether or not the same be designated legal or private rights or in any case, controversy, or proceeding related hereto, notwithstanding the designation or not of such matters as "core proceedings" pursuant to 28 U.S.C. § 157(b)(2), and whether such jury trial right is pursuant to statute or the United States Constitution;
- e. A consent by HHS to a jury trial in this Court or any other court in any proceeding as to any and all matters so triable herein or in any case, controversy, or proceeding related hereto, pursuant to 28 U.S.C. § 157 or otherwise;
- f. A waiver or release of HHS's right to have any and all final orders in any and all non-core matters or proceedings entered only after de novo review by a United States District Court Judge;
- g. A waiver of HHS's rights to move to withdraw the reference with respect to the subject matter of this Proof of Claim, any objection thereto or other proceeding that may be commenced in these cases against or otherwise involving HHS; or
- h. An election of remedies.



MASTER SERVICE AGREEMENT FOR ENVIRONMENTAL SERVICES

This Master Service Agreement for Environmental Services ("**Agreement**") is made as of the 1st of April 2015 ("**Effective Date**"), by and between and HHS Environmental Services, LLC. ("**VENDOR**"), Hospital Housekeeping Systems, LLC, 216 E. 4th Street, Austin, Texas 78701 and CHSPSC, LLC ("**CHS**"), whose principal office is located at 4000 Meridian Blvd, Franklin TN, 37067. VENDOR and CHS are referred to herein individually as a "**Party**" and collectively referred to herein as the "**Parties.**"

1. Scope of Services.

1.1 Engagement. The Parties agree that VENDOR shall provide the environmental services for the Facilities identified in the Client's SOW, on behalf of Client.

1.2 Scope of Services. Each CHS-affiliated entity ("**Client**") that will utilize VENDOR's Services will enter into a separate SOW on its behalf which shall set forth the locations ("**Facilities**") at which the Services will be provided. Exhibit A is a list of Facilities that Clients contemplate having VENDOR provide Services. Exhibit A is for references purposes only and does not bind any of the Clients to have services provided at its facilities. Subject to the terms and conditions of this Agreement, VENDOR shall perform the services ("**Services**") for CHS-affiliated facilities which are set forth in a Statement of Work that references this Agreement ("**SOW**"). Such SOW will be generally in accordance with Schedule 1, the Statement of Work template, which is incorporated herein and made a part hereof.

1.3 Service Days. VENDOR shall provide the Services during each Service day as set forth in the SOW.

1.4 Personnel.

1.4.1 VENDOR will furnish management personnel (the "**Management Personnel**") to provide the Services on-site at each Facility set forth herein and the SOW. CHS or Client may request removal of any VENDOR Management Personnel and VENDOR will comply, provided such request is lawful, reasonably justified in writing, and VENDOR is first given an opportunity to respond and address such issues consistent with this Agreement. The costs incurred by VENDOR in connection with the Management Personnel will be included in the Contract Price listed in the SOW.

1.4.2 The SOW for each Client will identify whether VENDOR or the Client will provide the non-supervisory personnel for a Client's Department (the "**Hourly Personnel**"). If VENDOR is providing the Hourly Personnel for a Client's Department, then VENDOR will pay all expenses in connection with the Hourly Personnel on VENDOR's payroll. The costs incurred by VENDOR in connection with the Hourly Personnel on VENDOR's payroll, including all wages and VENDOR's Hourly Percentage Rate charge, will be included in VENDOR's Contract Price for that Client. If the Hourly Personnel are on a Client's payroll, then the Client will pay all expenses in connection with the Hourly Personnel on the Client's payroll. The costs related to any Hourly Personnel who are on a Client's payroll will not be included in VENDOR's Contract Price for that Client listed in the SOW.

1.5 VENDOR Personnel Requirements. VENDOR personnel shall meet all of the following requirements prior to performing Services:

1.5.1 Is, and for the Term will be, eligible to participate in any and all federal healthcare programs, and has not been, and during the term of this Agreement will not be, sanctioned by the Health and Human Services Office of the Inspector General as set forth on the Cumulative Sanctions Report, or excluded by the General Services Administration as set forth on the List of Excluded Providers [see <http://oig.hhs.gov/fraud/exclusions.html> and <http://epls.arnet.gov>];

1.5.2 If VENDOR personnel work within a Facility, then such personnel shall have all immunizations and TB screening pursuant to Facility policy and procedure;

1.5.3 If VENDOR personnel work within a Facility, then such personnel shall have completed Facility's HIPAA compliance training, at Client's expense;

1.5.4 Have a negative drug screen test within seven (7) days prior to the commencement of Services provided hereunder; and

1.5.5 Have passed a criminal background check.

1.6 Required Disclosures. VENDOR shall notify CHS in writing within three (3) days after any of the following events occur:

1.6.1 VENDOR becomes the subject of an investigatory, disciplinary, or other proceeding before any governmental entity, or

1.6.2 An event occurs that substantially interrupts all or a portion of any VENDOR's ability to perform its obligations hereunder; or

1.6.3 VENDOR's conviction of a criminal offense related to health care or listing by a federal agency as being debarred, excluded or otherwise ineligible for federal program participation.

1.7 Purchasing.

1.7.1 The following "Cost Allocation Table" lists the Party responsible for paying third-party vendors directly for the following items:

EMPLOYEE PAYROLL	Vendor	Client	N/A
Wages and Salaries and fringe benefits for Vendor employees	X		
Wages and Salaries and fringe benefits for Client employees		X	
CLEANING CHEMICALS	Vendor	Client	N/A
Germicidal Disinfectant	X		
Bowl Cleaner	X		
All-Purpose Cleaner	X		
Window Cleaner	X		
Stainless Steel Polish	X		
Floor Finish	X		
Stripper	X		
Carpet Spotter	X		
Shampoo	X		

All other necessary cleaning chemicals	X		
EXPENDABLE AND OTHER SUPPLIES	Vendor	Client	N/A
Regular Trash Liners		X	
Paper Hand Towels		X	
Toilet Tissue		X	
Bio Hazardous Waste (Red) Bags		X	
Bio Hazardous Linen & Laundry Bags		X	
Sanitary Napkins		X	
Solid Deodorant		X	
Sterile Surgical Supplies		X	
Non-Surgical Liquid Hand Soap		X	
Surgical Hand Soaps		X	
Hand Sanitizer (Waterless Hand Gel)		X	
Dispensers for hand soap, sanitizer, paper towels, toilet tissue and all restroom/hand washing supplies		X	
Trash Containers		X	
Office Supplies/Stationary		X	
All other expendable supply items		X	
EXTERNAL SERVICES	Vendor	Client	N/A
Dumpster and Compactor Service		X	
Offsite Hazardous Waste Removal		X	
Outside Window Washing		X	
Floor Pad Service		X	
Walk-Off Mats		X	
Pest Extermination		X	
Messenger service, ice delivery and non-housekeeping supply delivery.		X	
HAZMAT Contracting		X	
Laundering of Mop Heads		X	
Purchase of Linen		X	
Replacement of Linen		X	
Laundering of Linen		X	
EQUIPMENT	Vendor	Client	N/A
Cleaning Carts		X	
Buckets		X	
Wringers		X	
Vacuums		X	
Floor Machines (power equipment)		X	
Trash Carts		X	
Linen Carts		X	
Mop Sticks		X	
Buffing Pads		X	
Mop Heads		X	
Wet Mops		X	
Micro Mop Equipment (directly impacts staffing)		X	
Dust Mops		X	
Cleaning Rags		X	
Minor Hand Tools		X	
Equipment replacement and repair for Vendor owned equipment	X		
Equipment replacement and repair for Client owned equipment		X	
Other Misc. Housekeeping Equipment (as required)		X	

MISCELLANEOUS	Vendor	Client	N/A
Sufficient Office Space for Vendor's operations		X	
Utilities		X	
Business Licenses and Permits		X	
Third Party Service Contracts for Purchased Services		X	
Third Party Bed Tracking Software		X	
Employee Screenings (to include: Drug Screen, TB/PPD, Background Check) and any required annual re-screenings for Vendor employees	X		
Employee Screenings (to include: Drug Screen, TB/PPD, Background Check) and any required annual re-screenings for Client employees		X	
Employee Uniforms provided to Vendor employees	X		
Telephone equipment and service (access to local lines and long distance)		X	
Access to each Client's Secure Wireless Network and email use		X	
Copier		X	
Rented/Leased Equipment		X	
Wheel Chairs		X	
Stretchers		X	
Pagers & Other Communication Devices	X		
Tablets and Cell Phones for Vendor management personnel	X		
Armored Car Service		X	
Postage		X	
Parking		X	

"Wages and Salaries" means all wages and salaries including regular pay, vacation pay, sick pay, bereavement pay and legal holiday pay for VENDOR'S employees working at the Facilities.

1.7.2 VENDOR'S Contract Price for each Client includes costs for VENDOR's standard background checks, testing, and physicals and management travel and education programs based on VENDOR's policies and procedures. If a Client requests that VENDOR provide background checks, testing, or physicals or additional education programs that exceed VENDOR's standard policies or procedures, then the Client will reimburse VENDOR for the additional costs incurred by VENDOR to comply with the Client requirements in excess of or in addition to VENDOR's standard policies and procedures. Likewise, VENDOR will be entitled to charge a Client for any vaccinations required by a Client if VENDOR has not included the cost of such vaccinations in VENDOR's Contract Price for that Client.

1.7.3 The VENDOR is responsible for the items in the second column of the Cost Allocation Table directly to the third-party vendors and such expenses are included in VENDOR's Contract Price. If VENDOR purchases any of the items in the Cost Allocation Table for which a Client is responsible for paying the third-party vendor directly (i.e., items identified in the third column of the Cost Allocation Table, then VENDOR shall bill the Client for the cost of those items. VENDOR shall retain title to the items purchased by VENDOR at a Facility until the Client reimburses VENDOR for those items. Each Client will retain title to all items it purchases. Notwithstanding anything to the contrary, all computer hardware and software furnished by or through VENDOR, as well as any of VENDOR's Proprietary Information, shall remain the property of VENDOR (even if fully depreciated). Each Client will provide high speed/broadband internet access to VENDOR in the Facility's Department at no cost to VENDOR.

1.7.4 In connection with its Services provided hereunder, VENDOR shall purchase inventory, equipment, and services from various sellers and vendors selected by VENDOR at its sole discretion. VENDOR is entitled to utilize its national account or other vendor systems. If third-party vendors extend to VENDOR any company-wide credits, fees or discounts, including, without limitation, any early payment discounts, administrative fees or volume discounts, VENDOR will be entitled to retain such credits, fees or discounts.

2. Invoices and Payment.

2.1 **Service Fees.** As consideration for VENDOR's performance of the Services, each Client agrees to pay VENDOR for the Services rendered hereunder, as set forth on the applicable SOW (the "**Service Fees**"). Any applicable sales tax with respect to Client's purchase of any Service, will be invoiced to Client in addition to the Service Fees, provided however, Clients will not be obligated to pay any tax imposed upon or measured by VENDOR's net income.

2.2 **Performance Standards.** VENDOR and Client shall establish a service quality monitoring program with performance standards to measure effectiveness and responsiveness of VENDOR's housekeeping program at Client. As set forth in the performance schedule below, VENDOR will pay Client penalty fees or receive from Client reward payments. Penalties and rewards will first be effective for the calendar quarter after VENDOR has provided six (6) months of service to the respective Client. Payments will be made annually. Scores will be measured quarterly and compared against the average score calculated on the SOW Effective Date and reset on an annual basis. If a Client reaches the 90th percentile or above in its EVS-related HCAHPS score, the highest tier of reward will be paid annually based on maintaining that score for all quarters:

HCAHPS Score Change	Quarterly Penalty / Reward
Greater than 12% increase	Client pays Vendor \$1,875 (\$7,500 annual cap)
+4.01% to +11.99% increase	Client pays Vendor \$1,250 (\$5,000 annual cap)
+4.00% to -4.00% change	No penalty and no reward
-4.01% to -11.99% decrease	Vendor pays Client \$1,250 (\$5,000 annual cap)
Less than -12.00% decrease	Vendor pays Client \$1,875 (\$7,500 annual cap)

2.3 **Change in Service.** Should a Client request a change in Services for reason of opening new units or buildings or permanent closings of units or buildings or a change in housekeeping tasks or frequencies to be performed or a significant change in the patient activity or use of the Client, or any other similar change in Services, and should such change in Services result in an increase or decrease in costs to VENDOR, the Contract Price shall be increased or decreased by the actual changes in costs, based on the agreed upon Facility hourly rate, for additional services, to VENDOR, such increases or decreases taking effect from the date of the change in Services. Any amendments to the SOW will need to have prior approval by the CHS Corporate Director of Outsourced Purchased Services, prior to implementation.

2.4 Volume Discounts. Volume discounts. Vendor will extend discounts based on volume commitments for Client facilities within the Divisions outlined below that are awarded after April 1st, 2015, according to the following schedule.

Volume Discounts will be applied to each Client's total annual Contract Price as provided on a separate line item titled "Volume Discount" on Vendor's bid. Volume Discounts will be applied, only going forward and not retroactively, at which time total volume business is awarded to Vendor. Total volume is defined as every Client facility in each Division.

Volume Scenario	Proposed Discount
Bidder is awarded all volumes of all facilities in all states	2%
Bidder is awarded both Food Services and Environmental Services contracts at a single facility	2%
If awarded Divisions 3, 4 or 6	1%
If awarded Division 5	2%

2.5 Annual Inflation Modifications. On every anniversary of the Effective Date of this Agreement, the Service Fees shall be increased by the same percentage increase as the Consumer Price Index for All Urban Consumers: U.S. City Average, Category of "all items – not seasonally adjusted", not to exceed 2%, for the most recently published twelve (12) month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics. Should the applicable inflation rate over the most recently published twelve (12) month period decrease, the Service Fees shall not change from the previous year.

2.6 Labor Modifications. VENDOR's Service Fees will be subject to change in the event of: (i) a change to existing or new federal, state or local payroll taxes (including changes to any payroll based taxes or withholdings such as, Federal Insurance Contribution Act "FICA", State Unemployment Insurance "SUI" and Federal Unemployment Insurance "FUI"; (ii) an increase in the minimum wage rate or the enactment of any "living wage" laws by an applicable governmental entity; and/or (iii) new or additional fees, taxes, assessments or other charges or costs incurred by VENDOR arising out of changes to existing or new federal, state or local legislation or legal requirements related to employee medical insurance or other employee benefits. VENDOR's Service Fees will be increased to account for the change in such costs effective from the date the Parties mutually agree in writing to such change. The specific amount of any increase will be mutually agreed upon by the Parties in writing.

2.7 Invoicing. The Monthly Invoice will be invoiced by VENDOR and provided to Client by the 1st of the previous month for which services are performed and all payments are due by the 15th of the month for which services are rendered. Example: VENDOR invoices Client for January services on December 1st and payment is due by January 15th. Payments shall be made by check or electronic transfer of funds to:

ACH (Wire Transfer):

Frost Bank
401 Congress Avenue
Austin, Texas 78701
Routing: 114000093
Account: 591147609
Remittance info to be sent to: remit@hhs1.com

Physical Address (Overnight delivery):

Frost Bank - Texas Processing Center
Attn: Manager - Lockbox 826
Priority Processing
2735 Austin Highway
San Antonio, TX 78218

P.O. Box Address (USPS delivery):

HHS Environmental Services, LLC
P.O. Box 826
San Antonio, Texas 78293-0826

2.8 Non Payment. In the event that Client does not pay any invoice on or before the due date, Client agrees to pay interest at the rate of one and one-half percent (1.5%) per month (provided that if such rate exceeds the maximum permitted by law, then the highest lawful rate) on all outstanding invoices until VENDOR receives payment in full. VENDOR may, after providing fourteen (14) days prior written notice, terminate the Client's SOW or suspend the performance of Services, with respect to that specific Client only, unless all outstanding amounts are paid within the notice period.

3. Exclusivity. Client agrees that during the term of its SOW, Client shall not, either directly or indirectly, alone or in association or affiliation with any other person or entity, perform the Services, nor shall Client engage any other third party to perform any Services that VENDOR is performing as the exclusive provider under the Client's SOW.

4. Term and Termination of Agreement. Either Party may terminate this Agreement or a SOW, as follows:

4.1 Term. The initial term of this Agreement will extend from the Effective Date for a period of three (3) years ("**Initial Term**"). Thereafter, this Agreement will automatically renew each year thereafter on a one (1) year basis ("**Renewal Term**", together with the Initial Term the "**Term**") unless either Party provides written notice to the other Party at least ninety (90) days prior to the expiration of the Initial Term, or any Renewal Term, of its election not to renew this Agreement.

4.2 Termination in the Event of Breach: Either Party may terminate this Agreement or a SOW upon a material breach by the other Party of the terms and conditions set forth herein (except as to a payment default by Client, which shall be governed by Section 2.8 above), on sixty (60) days prior written notice of its intention to terminate this Agreement if such breach has not been corrected within that time period (the "**Cure Period**"). At the end of the Cure Period, the non-breaching Party shall determine that either (i) the breach has been corrected, in which case the Agreement or SOW will continue in full force and effect subsequent to the Cure Period, or (ii) the breach has not been corrected, in which event the non-breaching Party may, by further written notice, cancel this Agreement or SOW thirty (30) days from the end of the Cure

Period. In the event that the non-breaching Party does not act pursuant to either (i) or (ii) above, the breach shall be deemed corrected and the Agreement or SOW shall continue in full force and effect thereafter.

4.3 Immediate Termination by CHS: CHS may terminate this Agreement immediately by written notice to VENDOR upon the occurrence of any of the following events:

4.3.1 the failure of VENDOR to make a timely disclosure required pursuant to the Section 4.3. hereof; or

4.3.2 breach by VENDOR of any of its confidentiality obligations including, but not limited to those specified in Section 5.1 or 5.2; or

4.3.3 VENDOR's conviction of a criminal offense related to health care; or

4.3.4. VENDOR's listing by a federal agency as being debarred, excluded or otherwise ineligible for federal program participation.

4.4 Termination for Convenience: This Agreement may be terminated by either Party without cause provided that the Party seeking such termination provides at least ninety (90) days prior written notice to the other Party;

4.5 Early Termination Payment: The Parties agree that VENDOR has incurred a substantial investment in order to provide service to Clients and that VENDOR will suffer significant damage that will be difficult to calculate if a SOW is terminated prior to the completion of the second year of the SOW Term, as applicable. Therefore, in the event a SOW is terminated for any reason other than pursuant to Sections 4.1 or 4.2 of this Agreement, prior to completing two (2) years of the SOW Term, Client shall make an early termination payment to VENDOR ("**Early Termination Payment**"). The Early Termination Payment shall be calculated by multiplying the number of weeks remaining in the initial twenty-four (24) months of the SOW, as of the date of termination multiplied by the immediately preceding twenty-six (26) week average weekly revenue; the result shall then be multiplied by forty percent (40%) which shall be the Early Termination Payment. The Parties agree that the amounts set out in this Section 4.5 are a reasonable assessment and reimbursement of the damages that VENDOR incurs and are not intended as a penalty

4.6 Effect of Termination or Expiration. Any termination or expiration of a specific SOW shall not terminate or affect the obligations of VENDOR or the other Clients under existing SOWs issued during the Term, and such SOWs shall continue in full force and effect and shall continue to be governed by the terms of this Agreement until the expiration of the SOW Term or unless and until any such SOWs are themselves terminated pursuant to this Agreement.

5. Confidentiality.

5.1 Confidentiality Generally. The Parties agree to keep strictly confidential all Confidential Information provided by one Party to the other Party or its employees, shareholders, directors, officers, or agents ("**Representatives**") in the course of the performance of this Agreement. Confidential Information shall be defined as the terms and conditions of this Agreement, operating manuals, policies and procedures, business plans, pricing, product/service specifications, computer programs, sales data, models, marketing plans, financial data, employee information and the like. "**Confidential Information**" shall specifically exclude

confidential information i) to the extent expressly authorized by either Party; (ii) to the extent that at the time of disclosure, such Confidential Information is in the public domain, or after disclosure, enters the public domain other than by breach of the terms of this Agreement; (iii) that is in the possession of either Party at the time of disclosure and is not acquired directly or indirectly from the other Party; (iv) that is subsequently received on a non-confidential basis from a third party having a right to provide such information; or (v) as required by order during the course of a judicial or regulatory proceeding or as required by a governmental authority. Each Party shall be responsible for any breach of this Agreement by it or its Representatives and shall indemnify and hold the other Party harmless from any such breach, including attorney's fees and costs arising from any such breach.

5.2 Patient Information. VENDOR shall not disclose to any third party, except where permitted or required by law or where such disclosure is expressly approved by Facility in writing, any patient or medical record information regarding Facility patients, and VENDOR shall comply with all federal and state laws and regulations and all bylaws, rules, regulations, and policies of Facility regarding the confidentiality of such information. VENDOR acknowledges that in receiving or otherwise dealing with any information from Facility about Facility's patients receiving treatment for alcohol or drug abuse, VENDOR is fully bound by the provisions of the federal regulations governing Confidentiality of Alcohol and Drug Abuse Patient Records (42 C.F.R. Part 2, as amended from time to time).

5.3 Survival. The provisions of this Section 6 shall survive expiration or other termination of this Agreement, regardless of the cause of such termination.

6. Employment Restriction.

6.1 Protection for Client Employees. During this Agreement and for one year after its termination or expiration (the "**Period of Restriction**"), VENDOR will not, either directly or indirectly, on its own behalf or for others, divert, solicit or hire away, without prior written approval of Client, any management or professional employee working in a Facility's laundry department and on the payroll of Client at any time during the term of this Agreement (the "**Protected Hospital Employees**"). Provided, however, the term Protected Hospital Employees shall not include: (a) management personnel employed by VENDOR and (b) employees provided by VENDOR for assignment to the laundry department. If VENDOR violates this paragraph 6.1, then VENDOR agrees to pay an amount equal to two (2) years' salary of such personnel, as liquidated damages and not as a penalty. Acceptance of such payment does not constitute a waiver of any other remedies or rights Client may have either at law or in equity, including temporary restraining orders or injunctive relief.

6.2 Protection for VENDOR Employees. During the Period of Restriction, Client will not, either directly or indirectly, on their own behalf or for others, divert, solicit or hire away, without VENDOR's prior written approval, any then current or former VENDOR management or professional personnel, or allow such personnel to perform services directly or indirectly for Client. If Client violates this paragraph 6.2, then Client agrees to pay an amount equal to two (2) years' salary of such personnel, as liquidated damages and not as a penalty. Acceptance of such payment does not constitute a waiver of any other remedies or rights VENDOR may have either at law or in equity, including temporary restraining orders or injunctive relief.

6.3 Incumbents. The liquidated damages provision set forth in paragraph 6.2 shall not apply to VENDOR management or professional personnel who were employed by the Client immediately prior to being hired by VENDOR.

6.4 Hourly Personnel. The employment restrictions set forth above do not apply to hourly personnel who work in a Client's laundry department.

7. Independent Contractor. The Parties agree that the relationship between VENDOR and Client arising from this Agreement is that of independent contractors. The Parties shall conduct their business at their own initiative, responsibility and expense and nothing herein shall be construed creating the relationship of principal and agent or partners or co-ventures.

8. Indemnification.

8.1 Indemnification in General. Each Party shall protect, indemnify and hold the other Party harmless from and defend against any and all claims, demands, actions, settlements, costs, damages, judgments, liability and expense of any kind, including reasonable attorney's fees and litigation expenses, based upon or arising from injuries or damages to persons or property in connection with the provision of Services by indemnifying party hereunder.

8.2 Indemnification as to Compensation and Related Taxes. VENDOR shall indemnify, defend and hold CHS and Client harmless from and against any and all claims for wages, salaries, benefits, taxes and all other withholdings and charges payable to, or in respect to, VENDOR for Services provided under the Agreement.

9. Federal, State and Local Rules and Regulations.

9.1 Compliance With Law. VENDOR shall perform all duties under this Agreement in strict compliance with federal, state and local law, rules and regulations, including without limitation all laws relating to the Services in the state where Client is located, and, if applicable, Facility's bylaws, policies, procedures, rules and regulations, and the applicable standards of the Joint Commission or American Osteopathic Association ("AOA"). This includes establishing and maintaining an environment free from disruption, intimidation, coercion and harassment (including without limitation sexual harassment). VENDOR shall notify the Chief Executive Officer of the Facility promptly of any incidents in which the rights of Facility employees, patients, visitors or other practitioners may have been violated.

9.2 Licenses. VENDOR will be responsible for procuring and paying for business licenses, if any, that VENDOR needs to provide the Services.

9.3 Unlawful Discrimination. Neither Party will discriminate in any unlawful manner.

10. Insurance. VENDOR shall, at its own cost and expense, procure and maintain in full force and effect during the term of this Agreement, policies of insurance, of the type(s) and in the minimum amount(s) stated herein, with responsible insurance carriers duly qualified in those states (locations) where the Services are to be performed, covering the operations of VENDOR, pursuant to this Agreement.

TYPES OF INSURANCE	LIMITS OF LIABILITY (Minimum Amounts)
Comprehensive or Commercial General Liability and Third Party Property Damage	\$1,000,000 per occurrence, \$3,000,000 aggregate
Excess Liability insurance	\$2,000,000 per occurrence, \$2,000,000 aggregate
Comprehensive or Business Automobile Liability; Personal Injury (including bodily injury) and Third Party Property Damage	\$500,000 per occurrence
Workers' Compensation	Statutory limits
Employer's Liability	\$500,000 per accident
Professional Errors and Omissions Insurance	\$1,000,000 per occurrence, \$3,000,000 aggregate

The policies of insurance shall be primary without right of contribution from any insurance by CHS. VENDOR agrees to give CHS not less than thirty (30) days prior written notice of any cancellation thereof or material change therein. CHS shall have the right to request and require an adjustment of the types of insurance and applicable limits as VENDOR's exposure to CHS increases. Upon CHS's request, VENDOR shall provide CHS with certificates of insurance evidencing all of the above coverage and shall provide CHS with certificates of insurance evidencing renewal or substitution of such insurance thirty (30) days prior to the effective date of such renewal or substitution. During the Term of the SOW, each Facility, where Services are being provided, shall keep and maintain professional and general liability coverage for the acts and omissions of Facility, its officers, directors, employees, and agents (excluding VENDOR, should VENDOR be deemed to be an agent notwithstanding the contrary intent of the parties). All such insurance shall be issued upon such forms and in such amounts that are customary in Facility's industry.

11. Notices. All notices and communications concerning this Agreement shall be addressed to:

If to CHS or Client:
CHSPSC, LLC
Attn: Tim Marlette CPO
4000 Meridian BLVD
Franklin, TN 37067

If to VENDOR:
HHS Environmental Services, LLC
216 E. 4th Street
Austin, Texas 78701
Attn: Chief Executive Officer

With a copy to:
CHSPSC, LLC
Attn: General Counsel
4000 Meridian BLVD
Franklin, TN 37067

or at such address as may be designated in writing to the other Party.

Notices shall be sent by registered or certified U.S. Mail, or by commercial overnight delivery service and shall be deemed delivered to the recipient's address on the date of return receipt acknowledgment, in the case of notices sent via U.S. Mail; or on the next day after the date the notice was sent, in the case of notices sent by overnight delivery service.

12. Force Majeure.

12.1 Force Majeure Events. Neither VENDOR nor Client shall have any liability for failing to perform this Agreement when performance is prevented by force majeure. The term "force majeure" shall mean any government requirement or request, war, public disorders, acts of enemies, terrorism, sabotage, strikes, lockouts, picketing, protected, concerted labor activity or other labor or employment difficulties, fires, floods, earthquakes, acts of God, natural disasters, epidemics or pandemics accidents or breakdowns (whether or not preventable), or any other cause beyond the reasonable control of either Party.

12.2 Services Under Force Majeure. Client and VENDOR understand and agree that force majeure events may, instead of preventing performance, interfere with the efficient performance and contemplated operations under this Agreement, and will result in direct and indirect costs not reflected in the above rates and charges. The Parties agree that under such conditions, VENDOR will work together with the affected Client(s) in good faith to provide services and develop appropriate responses and courses of action, as is practical and reasonable under the circumstances. If a Client requests that VENDOR provide the Services during a force majeure event, then VENDOR's Service Fees for that Client and any other financial or performance guarantees or incentive penalties to VENDOR will not apply under these conditions and instead the affected Client will be responsible for, and hold VENDOR harmless from, all costs and expenses associated with the services, responses, courses of action, and operations, whether directly or by reimbursement to VENDOR.

13. General Provisions

13.1 Entire Agreement; Conflict in Terms. This Agreement and the Exhibits and Schedules attached hereto constitute the entire and exclusive agreement between the Parties pertaining to the subject matter hereof and supersede all prior practice, agreements, understandings, negotiations and discussions with respect to the subject matter hereof whether oral or written. In the event of a conflict in terms between the Agreement and any SOW, the Agreement shall control unless the SOW specifically states it will control over the Agreement. If either Party provides forms, tickets, purchase orders or the like for the work being performed under this Agreement, the Parties agree that only the terms and conditions of this Agreement apply and that any term contained in any such form, ticket, purchase order or the like shall be void.

13.2 Modifications; Severability. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by each of VENDOR and CHS's authorized representatives. The invalidity or unenforceability of any provision of this Agreement or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant herein contained and any such invalid provision covenant shall be deemed to be severable.

13.3 Survival. Upon cancellation, expiration or termination, all rights and obligations under this Agreement will end, except for amounts due under the terms of this Agreement, and any provisions that explicitly extend beyond the cancellation, expiration or termination of this Agreement, including, but not limited to Sections 5,6,8,9, and 13.9.

13.4 Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of Tennessee without regard to its choice of law provisions.

13.5 Mediation. For any dispute between the Parties relating to this Agreement, they will first try to resolve it through good faith negotiations. If it cannot be resolved by negotiation, it will be mediated. Thereafter, any unresolved dispute shall be handled in court upon agreement of both Parties. Mediation will take place in the Nashville, Tennessee metropolitan area. The Parties agree to exercise their best efforts to promptly settle such disputes in order to minimize costs.

13.6 Execution. This Agreement and any amendments thereto may be executed in one or more counterparts. Each counterpart shall be deemed an original, but all counterparts together constitute one and the same instrument.

13.7 Third-Party Vendors. In connection with Services provided hereunder, VENDOR shall purchase any inventory, equipment, and services it is responsible for providing hereunder from various sellers and vendors selected by VENDOR at its sole discretion. Client accepts that VENDOR may receive volume, trade or cash discounts or volume allowances for items or services purchased as part of providing Services under this Agreement and that those discounts/volume allowances will accrue to VENDOR and will not be credited back to Client.

13.8 Legal Fees. In the event that either Party resorts to legal action to enforce the terms and provisions of this Agreement, the prevailing Party shall be entitled to recover the costs of such action so incurred, including, without limitation, reasonably attorney's fees.

13.9 Medicare Access. As and to the extent required by law, upon the written request of the Secretary of Health and Human Services, the Comptroller General or any of their duly authorized representatives, VENDOR shall make available those contracts, books, documents and records necessary to verify the nature and extent of the costs of providing Services under this Agreement. Such inspection shall be available for up to four (4) years after the rendering of such Services. If VENDOR carries out any of the duties of this Agreement through a subcontract with a value of \$10,000.00 or more over a twelve (12) month period with a related individual or organization, VENDOR agrees to include this requirement in any such subcontract. This section is included pursuant to and is governed by the requirements of 42 U.S.C. Section 1395x(v)(1) and the regulations thereto. No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by CHS, Client, Facility or VENDOR by virtue of this Agreement.

13.10 Assignment; Binding Effect. VENDOR shall not assign or transfer, in whole or in part, this Agreement or any rights, duties or obligations under this Agreement without the prior written consent of CHS, and any assignment or transfer by VENDOR without such consent shall be null and void. This Agreement shall inure to the benefit of and is binding upon the Parties hereto and their respective heirs, representatives, successors and permitted assigns. This Agreement is assignable by CHS without consent, provided that CHS provides written notice of the assignment.

13.11 Financial Obligation. VENDOR shall not incur any financial obligation on behalf of CHS, Client or Facility without the prior written approval of CHS.

IN WITNESS WHEREOF, the Parties hereby have caused this Agreement to be executed by their duly authorized representative on the date first written above.

CHS: CHSPSC, LLC

By: Tim G. Marlette

Printed Name: Tim G. Marlette

Title: Chief Purchasing Officer Date: April 14th, 2015

HHS Environmental Services, LLC:

By: Bobby Floyd

Printed Name: Bobby Floyd

Title: Chief Operating Officer Date: April 14th, 2015

EXHIBIT A

Facility Listing

Facility Name
Barrow Regional Medical Center
Bartow Regional Medical Center
Bayfront Health St. Petersburg
Biloxi Regional Medical Center
Bluefield Regional Medical Center
Brooksville Regional Hospital
Brownwood Regional Medical Center
Byrd Regional Hospital
Carlisle Regional Medical Center
Carlsbad Medical Center
Cedar Park Regional Medical Center
Central Mississippi Medical Center
Charlotte Regional Medical Ctr
Chester Regional Medical Center
Chestnut Hill Hospital
Clearview Regional Medical Center
College Station Medical Center
Crossgates River Oaks Hospital
Davis Regional Medical Center
Dyersburg Regional Medical Center
East Georgia Regional Medical Center
Evanston Regional Hospital
Florence Hospital
Forrest City Medical Center
Gilmore Memorial Regional Medical Center
Harton Regional Medical Center
Heartland Regional Medical Center
Heart of Florida Regional Medical Center
Heart of Lancaster Regional Medical Center
Helena Regional Medical Center
Highlands Regional Medical Center
Hill Regional Hospital
INTEGRIS Blackwell Regional Hospital
INTEGRIS Clinton Regional Hospital
INTEGRIS Mayes Medical Center
INTEGRIS Seminole Medical Center

Jamesstown Regional Medical Center
Jefferson Memorial Hospital
Jennersville Regional Hospital
LaFollette Medical Center
Lake Area Women & Children's Hospital
Lake Granbury Medical Center
Lake Norman Regional Medical Center
Lake Wales Medical Center
Lancaster Regional Medical Center
Lehigh Regional Medical Center
Longview Regional Medical Center
Lower Keys Medical Center
Madison River Oaks Medical Center
Marion Regional Healthcare System
Mary Black Health System
Medical Center Enterprise
Medical Center of SE Oklahoma
Medical Center of South Arkansas
Merit Health River Oaks Hospital and Women's Hospital
MetroSouth Medical Center
Midwest Regional Medical Center
Moberly Regional Medical Center
Mountain West Medical Center
Natchez Community Hospital
Natchez Regional Medical Center
Newport Medical Center
North Knoxville Medical Center
North Okaloosa Medical Center
Northern Louisiana Medical Center
Northwest Medical Center - Bentonville
Northwest Medical Center - Springdale
Northwest Medical Center - Willow Creek Women's Hospital
Northwest Mississippi Regional Medical Center
Pasco Regional Medical Center
Peace River Regional Medical Center
Physicians Regional Med Ctr Knoxville
Physicians Regional Medical Center - Collier
Physicians Regional Medical Center - Pine Ridge
Poplar Bluff Regional Medical Center

San Angelo Community Medical Center
Sandhills Regional Medical Center
Santa Rosa Medical Center
Sebastian River Medical Center
Seven Rivers Regional Medical Center
Shands Lake Shore Regional Medical Center
Shands Live Oak Regional Medical Center
Shands Starke Regional Medical Center
Siloam Springs Regional Hospital
SkyRidge Medical Center
South Texas Regional Medical Center
Sparks Regional Medical Center
Spring Hill Regional Hospital
St. Cloud Regional Medical Center
Stringfellow Memorial Hospital
Summit Medical Center
Tomball Regional Medical Center
Tri Lakes Medical Center
Trinity Hospital of Augusta
Turkey Creek Medical Center
Twin Rivers Regional Medical Center
University Medical Center
Venice Regional Bayfront Health
Woodland Heights Medical Center
Wuesthoff Medical Center-Melbourne
Wuesthoff Medical Center-Rockledge

**SAMPLE
SCHEDULE 1
STATEMENT OF WORK**

This SOW effective [insert the effective date of this SOW] ("SOW Effective Date") is an agreement by and between [insert client's legal name] ("Client") and Hospital Housekeeping Systems, LLC ("Vendor") and is governed by and incorporates by reference the terms and conditions contained in the Master Service Agreement for Environmental Services by and between Vendor and CHSPSC, LLC, dated [insert date of the Master Agreement] and describes the Services to be provided by Vendor to Client.

1. Services Provided by Vendor to Client see SOW-EXHIBIT A.
2. Minimum level of Services to be provided see SOW-EXHIBIT B.
3. Areas to be Serviced see SOW-EXHIBIT C.
3. Service Fees. In consideration of VENDOR's performance of its obligations under this SOW, Client shall make payments to VENDOR as described herein:
 - a. Contract Price and Monthly Installment Payment. The contract price and the "Installment Payments" for the Services shall be as set forth in the table below. Unless otherwise mutually agreed upon in writing between VENDOR, Client and CHS's Strategic Sourcing Department, the contract price shall be based on the CHS Cost Allocation Table, as set forth in the Master Services Agreement, and the Service Level Agreement ("SLA"), as stated in SOW-Exhibit B. Client shall pay the Installment Payments in accordance with the terms of Section 2 Invoices and Payment of the Master Services Agreement.
 - b. Hourly Rate. For additional services outside the scope of the SLA as stated in SOW-Exhibit B, the Client will be charged at an agreed upon hourly rate, which will be inclusive of taxes, insurance and benefits.

<u>Contract Price per Annual Period</u>	<u>Monthly Installment Payment</u>	<u>Hourly Rate</u>

[FOR NEW ACCOUNTS] [to be determined]

[FOR EXISTING ACCOUNTS] b. Start-Up Price. As of the Effective Date of this SOW, the outstanding principal of the opening costs from the prior agreement between Vendor and Client is \$_____, which shall be shall be invoiced and become payable within 30 days.

[FOR EXISTING ACCOUNTS ONLY] c. Equipment Purchase. On the Effective Date of this SOW, CHS or Client requests to be invoiced for any capital obligations remaining under the previous contract.

5. SOW Term. This SOW shall become effective on the SOW Effective Date and shall remain in effect for an initial period through _____ ("**SOW Initial Term**"). Thereafter, this Agreement will automatically renew on a one (1) year basis ("**SOW Renewal Term**") unless either party provides written notice to the other party at least ninety (90) days prior to the expiration of the SOW Initial Term, or any SOW Renewal Term, of its election not to renew this SOW. The SOW Initial Term and SOW Renewal Term shall collectively be called the "**SOW Term**").

6. Notices. All notices and communications concerning this SOW shall be addressed to:

If to Client:

If to VENDOR:

HHS Environmental Services, LLC
216 E. 4th Street
Austin, Texas 78701

With a copies to:

CHSPSC, LLC
Attn: Tim Marlette CPO
4000 Meridian BLVD
Franklin, TN 37067

And to:

CHSPSC, LLC
Attn: General Counsel
4000 Meridian BLVD
Franklin, TN 37067

or at such address as may be designated in writing to the other Party.

Notices shall be sent by registered or certified U.S. Mail, or by commercial overnight delivery service and shall be deemed delivered to the recipient's address on the date of return receipt acknowledgment, in the case of notices sent via U.S. Mail; or on the next day after the date the notice was sent, in the case of notices sent by overnight delivery service.

7. Modifications; Severability. No supplement, modification or waiver of this SOW shall be binding unless executed in writing by each of VENDOR and Client's authorized representatives.

IN WITNESS WHEREOF, the parties hereby have caused this SOW to be executed by their duly authorized representative on the date first written above.

CLIENT:

By:

Printed Name: _____

Title: _____ Date: _____

VENDOR:

By:

Printed Name: _____

Title: _____ Date: _____

SOW-EXHIBIT A
Services Provided by Vendor to Client

Services Provided by Vendor: VENDOR agrees to perform the minimum level of housekeeping Services described in SOW-Exhibit B, attached hereto, as applied to areas set forth in SOW-Exhibit C, attached hereto. In performing said Services, VENDOR shall do the following:

a. Furnish all Management Personnel as defined in the Master Service Agreement. All Hourly Personnel of the housekeeping department will be carried as part of [VENDOR's] OR [Client's] payroll. The Client shall have the right to require the replacement of any VENDOR employee working at the Client's Facility whose continued presence, in the reasonable judgment of the Facility's Administrator, is not in the best interest of the Client or Facility, its patients or staff, provided that such request for replacement does not contravene applicable laws, is reasonably justified in writing, and VENDOR is first given an opportunity to respond and address such issues consistent with the SOW and Master Service Agreement. VENDOR's obligation to comply with any such request shall also be subject to restrictions imposed upon VENDOR by any collective bargaining agreement or other contract affecting such employee.

b. Train, manage and direct the Hourly Personnel in the performance of the Services, in accordance with the Hourly Personnel's employer's policies and procedures.

c. Perform linen duties to include clean linen distribution and soiled linen collection.

d. Provide and maintain training materials to be used in training the Hourly Personnel.

e. Oversee and negotiate prices charged by third party providers to Facility for services for the housekeeping, ____ and ____ departments.

f. [OPTIONAL] Furnish appropriate modules of the VENDOR's proprietary software, _____ © (the "Software") for the housekeeping services. The Software shall remain the property of VENDOR at all times. Upon termination of this SOW, and provided Client has remained current in its payment obligations, VENDOR may license the Software for Client's own use, solely at the locations at which the Software is located at the termination of this SOW, subject to Client entering into a license agreement for the Software with terms and charges mutually agreeable to the parties. Nothing herein shall be deemed to vest or have vested in Client any right, title or interest in the Software in Client, and VENDOR is and shall remain the sole owner of said Software. Client will maintain the confidentiality of the Software and shall not reproduce, disseminate, modify or change the Software in any way and will not reverse engineer, reverse compile or disassemble the Software or any modification or enhancement thereto. VENDOR shall provide a copy of all software licenses to Client, which shall be attached to the Client's SOW.

SOW-Exhibit B

Housekeeping Service Level Agreement ("SLA")

CHS Community Health Systems		CHS Specification / Service Areas																												
		Dust Mop Damp Mop Drip Wipe High Dust Vacuum Vertical Surface Bleach/Borax Empty and Clean Traction Handrails/Wall Removal Water Fountain Chair/Bathroom Fixtures Shower/Curtains Glass Curtains Low-Level Glass Wire Stainless Steel Patient Stainless Steel Patient Furniture Window Walk Ways Police Sweep Shed Mop Radiation Supplies Carpets/Spotting Stairs and Ramps Strip and Refinish Burnish Spray Clean Shampoo Carpets																												
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
		General Cleaning														Police							Floor Care							
Clinical	Specification A - Patient Rooms	7	7	7	7	7	7	7	7	7	7	7	7	AR	AR	7	7	1	AR	AR	AR	7	7	7	AR	AR/3A	AR/A	1	1	AR
	Specification B - Patient Care Support / Exam Areas	5	5	5	1	5	5	5	5	7	5	5	AR	AR	AR	5	5	1	AR	AR	AR	5	5	5	AR	AR/3A	AR/A	1	1	AR
	Specification C - Isolation Room	7	7	7	7	7	7	7	7	7	7	7	7	AR	AR	7	7	1	AR	AR	AR	7	7	7	AR	AR/3A	AR/A	1	1	AR
	Specification D - Operating Room (Terminal only)	7	7	7	7	11A	7	7	7	7	7	7	7	AR	AR	7	7	1	AR	AR	AR	7	7	7	11A	AR/3A	AR/A	1	11A	11A
	Specification E - Specialty Units (CCU, NICU, SICU, PICU)	7	7	7	7	11A	7	7	7	7	7	7	7	AR	AR	7	7	1	AR	AR	AR	7	7	7	11A	AR/3A	AR/A	1	11A	11A
	Specification F - Emergency Department (Terminal only)	7	7	7	7	11A	7	7	7	7	7	7	7	AR	AR	7	7	1	AR	AR	AR	7	7	7	11A	AR/3A	AR/A	1	1	11A
	Specification G - Hemodialysis ¹	6*	6*	6*	6*	11A	6*	6*	6*	7	6*	6*	AR	AR	6*	6*	1	AR	AR	AR	6*	6*	6*	11A	AR/3A	AR/A	1	1	11A	
	Specification H - Labor & Delivery	7	7	7	7	11A	7	7	7	7	7	7	7	AR	AR	7	7	1	AR	AR	AR	7	7	7	11A	AR/3A	AR/A	1	11A	11A
	Specification I - Nurseries	7	7	7	7	7	7	7	7	7	7	7	7	AR	AR	7	7	1	AR	AR	AR	7	7	7	AR	AR/3A	AR/A	1	1	AR
	Specification J - Radiology Department	7	7	7	2	7	7	7	7	7	7	7	7	NA	AR	7	7	1	AR	AR	AR	7	7	7	AR	AR/3A	AR/A	1	1	AR
	Specification K - Lab Areas	5	5	5	2	5	5	5	5	7	5	5	AR	AR	5	5	1	AR	AR	AR	5	5	5	AR	AR/3A	AR/A	1	1	AR	
	Specification L - Therapy Areas	5	5	5	2	5	5	5	5	7	5	5	AR	AR	5	5	1	AR	AR	AR	5	5	5	AR	AR/3A	AR/A	1	1	AR	
	Specification M - Pharmacy	5	5	5	2	5	5	5	5	7	5	5	AR	AR	5	5	1	AR	AR	AR	5	5	5	AR	AR/3A	AR/A	1	1	AR	
	Specification N - Physician Sleeping Quarters	7	7	7	2	7	7	7	7	11A	7	7	AR	11A	7	7	1	AR	AR	AR	7	7	7	AR	AR/3A	AR/A	1	1	AR	
	Specification O - Waiting Rooms / Lobbies	7	7	7	1	7	7	7	14	11A	7	7*	NA	11A	7	7	1	1	AR	AR	7*	7*	7*	AR	AR/3A	AR/A	2	2	AR	
Non-Clinical	Specification P - Rest Rooms	7	14	14	2	11A	7	7	42	11A	7	7*	NA	11A	7	7	1	1	AR	AR	42	7*	7*	AR	AR/3A	AR/A	2	2	AR	
	Specification Q - Cafeteria / Dining Room	7	7	7	2	7	7	7	7*	11A	7	11A	11A	11A	7	7	1	AR	AR	AR	7*	7*	7*	AR	AR/3A	AR/A	2	2	AR	
	Specification R - Office Cleaning / Minimal Service Areas	1	1	1	1	1	1	1	5	11A	1	5	NA	11A	1	1	1	AR	AR	AR	AR	AR	AR	AR	AR/3A	AR/A	AR	AR	AR	
	Specification S - Miscellaneous Services (Conf/Class Rm)	5	5	5	5	5	5	5	5	11A	5	5	NA	11A	5	5	1	AR	AR	AR	AR	AR	AR	AR	AR/3A	AR/A	1	1	AR	
	Specification T - Stairs, Elevators (includes tracks) and Halls	7	7	7	1	7	7	7	11A	11A	11A	11A	11A	11A	AR	7	1	11A	AR	AR	AR	AR	AR	AR	AR/3A	AR/A	11A	11A	AR	
Specification U - Morgue		1*	1*	1*	1*	11A	1*	1*	1*	AR	11A	11A	11A	11A	1*	1*	1	11A	11A	11A	11A	11A	11A	11A	11A	11A	11A	11A	11A	

Legend

* Example: 7 times per week, and as required

1 Hemodialysis is Monday - Saturday

SA = Semi-Annual

A = Annual

AR = As Required

AR/3A = As Required but 3X Annually at a minimum

AR/A = As Required but Annually at a minimum

NA = Not Applicable

SOW-EXHIBIT C

Areas To Be Serviced

ADDENDUM TO MASTER SERVICE AGREEMENT FOR ENVIRONMENTAL SERVICES

This Master Service Agreement for Environmental Services Addendum ("Agreement Addendum") is made as of the 1st of April 2015 ("Effective Date"), by and between and **HHS Environmental Services, LLC** ("VENDOR"), Hospital Housekeeping Systems, LLC, 216 E. 4th Street, Austin, Texas 78701 and CHSPSC, LLC ("CHS"), whose principal office is located at 4000 Meridian Blvd, Franklin TN, 37067. VENDOR and CHS are referred to herein individually as a "Party" and collectively referred to herein as the "Parties."

1. Section 1.7 will be replaced with the following:

1.7 Purchasing.

1.7.1 The following "Cost Allocation Table" lists the Party responsible for paying third-party vendors directly for the following items:

EMPLOYEE PAYROLL	Vendor	Client	N/A
Wages and Salaries and fringe benefits for Vendor employees	X		
Wages and Salaries and fringe benefits for Client employees		X	
CLEANING CHEMICALS	Vendor	Client	N/A
Germicidal Disinfectant	X		
Bowl Cleaner	X		
All-Purpose Cleaner	X		
Window Cleaner	X		
Stainless Steel Polish	X		
Floor Finish	X		
Stripper	X		
Carpet Spotter	X		
Shampoo	X		
All other necessary cleaning chemicals	X		
EXPENDABLE AND OTHER SUPPLIES	Vendor	Client	N/A
Regular Trash Liners		X	
Paper Hand Towels		X	
Toilet Tissue		X	
Bio Hazardous Waste (Red) Bags		X	
Bio Hazardous Linen & Laundry Bags		X	
Sanitary Napkins		X	
Solid Deodorant		X	
Sterile Surgical Supplies		X	
Non-Surgical Liquid Hand Soap		X	
Surgical Hand Soaps		X	
Hand Sanitizer (Waterless Hand Gel)		X	
Dispensers for hand soap, sanitizer, paper towels, toilet tissue and all restroom/hand washing supplies		X	
Trash Containers		X	
Office Supplies/Stationary		X	
All other expendable supply items		X	
EXTERNAL SERVICES	Vendor	Client	N/A
Dumpster and Compactor Service		X	
Offsite Hazardous Waste Removal		X	
Outside Window Washing		X	

Floor Pad Service		X	
Walk-Off Mats		X	
Pest Extermination		X	
Messenger service, ice delivery and non-housekeeping supply delivery.		X	
HAZMAT Contracting		X	
Laundering of Mop Heads		X	
Purchase of Linen		X	
Replacement of Linen		X	
Laundering of Linen		X	
EQUIPMENT	Vendor	Client	N/A
Cleaning Carts		X	
Buckets		X	
Wringers		X	
Vacuums		X	
Floor Machines (power equipment)		X	
Trash Carts		X	
Linen Carts		X	
Mop Sticks		X	
Buffing Pads		X	
Mop Heads		X	
Wet Mops		X	
Micro Mop Equipment (directly impacts staffing)		X	
Dust Mops		X	
Cleaning Rags		X	
Minor Hand Tools		X	
Equipment replacement and repair for Vendor owned equipment	X		
Equipment replacement and repair for Client owned equipment		X	
Other Misc. Housekeeping Equipment (as required)		X	
MISCELLANEOUS	Vendor	Client	N/A
Sufficient Office Space for Vendor's operations		X	
Utilities		X	
Business Licenses and Permits		X	
Third Party Service Contracts for Purchased Services		X	
Third Party Bed Tracking Software		X	
Employee Screenings (to include: Drug Screen, TB/PPD, Background Check) and any required annual re-screenings for Vendor employees	X		
Employee Screenings (to include: Drug Screen, TB/PPD, Background Check) and any required annual re-screenings for Client employees		X	
Employee Uniforms provided to Vendor employees	X		
Telephone equipment and service (access to local lines and long distance)		X	
Access to each Client's Secure Wireless Network and email use		X	
Copier		X	
Rented/Leased Equipment		X	
Wheel Chairs		X	
Stretchers		X	
Pagers & Other Communication Devices for Vendor hourly personnel		X	
Pagers & Other Communication Devices (such as Tablets and Cell Phones) for Vendor management personnel	X		
Armored Car Service		X	
Postage		X	
Parking		X	

"Wages and Salaries" means all wages and salaries including regular pay, vacation pay, sick pay, bereavement pay and legal holiday pay for VENDOR'S employees working at the Facilities.

2. Section 2.1 will be replaced with the following:

2. Invoices and Payment.

2.1 Service Fees. As consideration VENDOR's performance of the Services, each Client agrees to pay VENDOR for the Services rendered hereunder, as set forth on the applicable SOW (the Service Fees"). Any applicable sales tax with respect to Client's purchase of any Service, will be invoiced to Client in addition to the Service Fees, provided however, Clients will not be obligated to pay any tax imposed upon or measured by VENDOR's net income. For each leap year during which this Agreement is in effect, the Clients will pay an additional fee equal to 1/365th of the annual Service Fees. This fee is due on the 15th day of February of such years.

3. Section 8. Will be replaced with the following:

8. Indemnification.

8.1 Indemnification in General. Each Party shall protect, indemnify and hold the other Party harmless from and defend against any and all claims, demands, actions, settlements, costs, damages, judgments, liability and expense of any kind, including reasonable attorney's fees and litigation expenses, based upon or arising from injuries or damages to persons or property in connection with the provision of Services by indemnifying party hereunder.

8.2 Indemnification as to Compensation and Related Taxes. VENDOR shall indemnify, defend and hold CHS and Client harmless from and against any and all claims for wages, salaries, benefits, taxes and all other withholdings and charges payable to, or in respect to, VENDOR for Services provided under the Agreement.

8.3 Needlesticks. CHS agrees to assume financial responsibility for any and all expenses (initial assessment and ongoing treatment) incurred as the result of needle stick incidents and/or incidents caused by exposure to potentially bio-hazardous material, sharps and/or communicable diseases, as may be encountered in the Hospital, to VENDOR management personnel and team members while working on site.

4. Effective January 1st, 2016 Exhibit A will be replaced with the following:

EXHIBIT A
Facility Listing

Facility Name
Bartow Regional Medical Center
Bayfront Health St. Petersburg
Biloxi Regional Medical Center
Bluefield Regional Medical Center

Brooksville Regional Hospital
Brownwood Regional Medical Center
Byrd Regional Hospital
Carlisle Regional Medical Center
Carlsbad Medical Center
Cedar Park Regional Medical Center
Central Mississippi Medical Center
Charlotte Regional Medical Ctr
Chester Regional Medical Center
Chestnut Hill Hospital
College Station Medical Center
Crossgates River Oaks Hospital
Davis Regional Medical Center
Dyersburg Regional Medical Center
East Georgia Regional Medical Center
Florence Hospital
Gilmore Memorial Regional Medical Center
Harton Regional Medical Center
Heart of Florida Regional Medical Center
Heart of Lancaster Regional Medical Center
Highlands Regional Medical Center
Hill Regional Hospital
INTEGRIS Blackwell Regional Hospital
INTEGRIS Clinton Regional Hospital
INTEGRIS Mayes Medical Center
INTEGRIS Seminole Medical Center
Jamestown Regional Medical Center
Jefferson Memorial Hospital
Jennersville Regional Hospital
LaFollette Medical Center
Lake Area Women & Children's Hospital
Lake Granbury Medical Center
Lake Norman Regional Medical Center
Lake Wales Medical Center
Lancaster Regional Medical Center
Lehigh Regional Medical Center
Longview Regional Medical Center
Lower Keys Medical Center
Madison River Oaks Medical Center
Marion Regional Healthcare System
Mary Black Health System
Medical Center Enterprise
Medical Center of SE Oklahoma

Medical Center of South Arkansas
Merit Health River Oaks Hospital and Women's Hospital
Midwest Regional Medical Center
Moberly Regional Medical Center
Natchez Community Hospital
Natchez Regional Medical Center
Newport Medical Center
North Knoxville Medical Center
North Okaloosa Medical Center
Northern Louisiana Medical Center
Northwest Medical Center - Bentonville
Northwest Medical Center - Springdale
Northwest Medical Center - Willow Creek Women's Hospital
Northwest Mississippi Regional Medical Center
Pasco Regional Medical Center
Peace River Regional Medical Center
Physicians Regional Med Ctr Knoxville
Physicians Regional Medical Center - Collier
Physicians Regional Medical Center - Pine Ridge
Poplar Bluff Regional Medical Center
San Angelo Community Medical Center
Santa Rosa Medical Center
Sebastian River Medical Center
Seven Rivers Regional Medical Center
Shands Lake Shore Regional Medical Center
Shands Live Oak Regional Medical Center
Shands Starke Regional Medical Center
Siloam Springs Regional Hospital
SkyRidge Medical Center
South Texas Regional Medical Center
Sparks Regional Medical Center
Spring Hill Regional Hospital
St. Cloud Regional Medical Center
Stringfellow Memorial Hospital
Summit Medical Center
Tomball Regional Medical Center
Tri Lakes Medical Center
Turkey Creek Medical Center
Twin Rivers Regional Medical Center
University Medical Center
Venice Regional Bayfront Health

Woodland Heights Medical Center
Wuesthoff Medical Center-Melbourne
Wuesthoff Medical Center-Rockledge

5. Effective Date. This Agreement Addendum shall become effective on April 1st, 2015 ("Agreement Addendum Effective Date").

6. Modifications; Severability. No supplement, modification or waiver of this Agreement Addendum shall be binding unless executed in writing by each of VENDOR and Client's authorized representatives.

IN WITNESS WHEREOF, the parties hereby have caused this Agreement Addendum to be executed by their duly authorized representative on the date first written above.

CLIENT:

By: Tim Marlette
Tim Marlette (Dec 17, 2015)

Printed Name: _____ Tim MARlette

Title: _____ Date: Dec 17, 2015

CPO

VENDOR:

By: Bobby Floyd
Bobby Floyd (Dec 17, 2015)

Printed Name: Bobby Floyd

Title: COO Date: Dec 17, 2015

Adobe Document Cloud Document History

Document Name	Created	Modified	Version	Owner	Size	Download	Share	Print	History
CW2390183 - Addendum to the EVS_MSA_CHS_HHS_4-1-15_20151217.docx	12/17/2015 3:39:21 PM	12/17/2015 4:06:44 PM	1	Nichole Gavin	100 KB	Download	Share	Print	History

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December 17, 2015

Created: December 17, 2015
By: Nichole Gavin (nichole_gavin@chs.net)
Status: SIGNED
Transaction ID: CBJCHBCAABAAqghPhaxxOE13zLrxXL4ct8upfINU2y-5

"CW2390183 - Addendum to the EVS_MSA_CHS_HHS_4-1-15_20151217.docx" History

- Document created by Nichole Gavin (nichole_gavin@chs.net)
December 17, 2015 - 3:39:21 PM CST - IP address: 68.156.159.10
- Document emailed to Bobby Floyd (bobbyf@hhs1.com) for signature
December 17, 2015 - 3:40:20 PM CST
- Document viewed by Bobby Floyd (bobbyf@hhs1.com)
December 17, 2015 - 3:58:28 PM CST - IP address: 66.249.85.157
- Document e-signed by Bobby Floyd (bobbyf@hhs1.com)
Signature Date: December 17, 2015 - 3:59:05 PM CST - Time Source: server - IP address: 107.188.225.9
- Document emailed to Tim Marlette (tim_marlette@chs.net) for signature
December 17, 2015 - 3:59:06 PM CST
- Document viewed by Tim Marlette (tim_marlette@chs.net)
December 17, 2015 - 4:06:02 PM CST - IP address: 68.156.159.10
- Document e-signed by Tim Marlette (tim_marlette@chs.net)
Signature Date: December 17, 2015 - 4:06:44 PM CST - Time Source: server - IP address: 68.156.159.10
- Signed document emailed to diane_woodring@chs.net, Tim Marlette (tim_marlette@chs.net), Bobby Floyd (bobbyf@hhs1.com) and Nichole Gavin (nichole_gavin@chs.net)
December 17, 2015 - 4:06:44 PM CST



**SCHEDULE 1
STATEMENT OF WORK**

This SOW effective April 1st, 2015 ("SOW Effective Date") is an agreement by and between Northwest Mississippi Regional Medical Center ("Client") and HHS Environmental Services, LLC ("Vendor") and is governed by and incorporates by reference the terms and conditions contained in the Master Service Agreement for Environmental Services by and between Vendor and CHSPSC, LLC, dated April 1st, 2015 and describes the Services to be provided by Vendor to Client.

1. Services Provided by Vendor to Client see SOW-EXHIBIT A.
2. Minimum level of Services to be provided see SOW-EXHIBIT B.
3. Areas to be Serviced see SOW-EXHIBIT C.
3. Service Fees. In consideration of VENDOR's performance of its obligations under this SOW, Client shall make payments to VENDOR as described herein:
 - a. Contract Price and Monthly Installment Payment. The contract price and the "Installment Payments" for the Services shall be as set forth in the table below. Unless otherwise mutually agreed upon in writing between VENDOR, Client and CHS's Strategic Sourcing Department, the contract price shall be based on the CHS Cost Allocation Table, as set forth in the Master Services Agreement, and the Service Level Agreement ("SLA"), as stated in SOW-Exhibit B. Client shall pay the Installment Payments in accordance with the terms of Section 2 Invoices and Payment of the Master Services Agreement.
 - b. Hourly Rate. For additional services outside the scope of the SLA as stated in SOW-Exhibit B, the Client will be charged at an agreed upon hourly rate, which will be inclusive of taxes, insurance and benefits.

<u>Contract Price per Annual Period</u>	<u>Monthly Installment Payment</u>	<u>Hourly Rate</u>
\$803,431.74	\$66,952.65	\$10.97

- c. Equipment Purchase. On the Effective Date of this SOW, Client requests to be invoiced for any capital obligations remaining under the previous contract.

5. SOW Term. This SOW shall become effective on the SOW Effective Date and shall remain in effect for an initial period through March 31st, 2018 ("SOW Initial Term"). Thereafter, this Agreement will automatically renew on a one (1) year basis ("SOW Renewal Term") unless either party provides written notice to the other party at least ninety (90) days prior to the expiration of the SOW Initial Term, or any SOW Renewal Term, of its election not to renew this SOW. The SOW Initial Term and SOW Renewal Term shall collectively be called the "SOW Term").

6. Notices. All notices and communications concerning this SOW shall be addressed to:

If to Client:

Northwest Mississippi Regional Medical Center
1970 Hospital Drive
Clarksdale, Mississippi 38614

If to VENDOR:

HHS Environmental Services, LLC
216 E. 4th Street
Austin, Texas 78701

With a copies to:

CHSPSC, LLC
Attn: Tim Marlette CPO
4000 Meridian BLVD
Franklin, TN 37067

And to:

CHSPSC, LLC
Attn: General Counsel
4000 Meridian BLVD
Franklin, TN 37067

or at such address as may be designated in writing to the other Party.

Notices shall be sent by registered or certified U.S. Mail, or by commercial overnight delivery service and shall be deemed delivered to the recipient's address on the date of return receipt acknowledgment, in the case of notices sent via U.S. Mail; or on the next day after the date the notice was sent, in the case of notices sent by overnight delivery service.

7. Modifications; Severability. No supplement, modification or waiver of this SOW shall be binding unless executed in writing by each of VENDOR and Client's authorized representatives.

IN WITNESS WHEREOF, the parties hereby have caused this SOW to be executed by their duly authorized representative on the date first written above.

CLIENT:

By:

 CEO

Printed Name: Joel Southern CEO

Title: CEO Date: 4/23/15

VENDOR:

By:



Printed Name: Bobby Floyd

Title: COO Date: 4/21/15

SOW-EXHIBIT A

Services Provided by Vendor to Client

Services Provided by Vendor: VENDOR agrees to perform the minimum level of housekeeping Services described in SOW-Exhibit B, attached hereto, as applied to areas set forth in SOW-Exhibit C, attached hereto. In performing said Services, VENDOR shall do the following:

- a. Furnish all Management Personnel as defined in the Master Service Agreement. All Hourly Personnel of the housekeeping department will be carried as part of VENDOR's payroll. The Client shall have the right to require the replacement of any VENDOR employee working at the Client's Facility whose continued presence, in the reasonable judgment of the Facility's Administrator, is not in the best interest of the Client or Facility, its patients or staff, provided that such request for replacement does not contravene applicable laws, is reasonably justified in writing, and VENDOR is first given an opportunity to respond and address such issues consistent with the SOW and Master Service Agreement. VENDOR's obligation to comply with any such request shall also be subject to restrictions imposed upon VENDOR by any collective bargaining agreement or other contract affecting such employee.
- b. Train, manage and direct the Hourly Personnel in the performance of the Services, in accordance with the Hourly Personnel's employer's policies and procedures.
- c. Perform linen duties to include clean linen distribution and soiled linen collection.
- d. Provide and maintain training materials to be used in training the Hourly Personnel.
- e. Oversee and negotiate prices charged by third party providers to Facility for services for the housekeeping department.

SOW-EXHIBIT B

Housekeeping Service Level Agreement ("SLA")

		ACHS Division																												
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CLIENT FACILITY AND ACTIVITY STATISTICS –

	<u>Statistics</u>
Average Daily Census:	46
Average Length of Stay:	3.85
Average Daily Discharges:	12
Average Daily Transfers:	3
Average Daily Observation Patients:	4
Inpatient Surgeries per year:	1,469
Outpatient Surgeries per year:	1,783
Deliveries per year:	903
ER Visits per year:	24,360
Percentage Tile Flooring:	Hospital (80%) MOB (40%)
Housekeeping Department Hours of Coverage:	24 Hours per Day / 7 Days per Week

SCOPE OF SERVICE RESPONSIBILITIES:

	<u>Vendor</u>	<u>Client</u>	<u>N/A</u>
<u>LABOR AND DELIVERY</u>			
Labor & Delivery Rooms – Post Schedule (evening & terminal cleaning)	X		
Labor & Delivery Rooms – Post Case (daytime & in-between case cleaning)	X		
Nursery Cleaning	X		
Cleaning of Isolettes in NICU	X		
<u>EMERGENCY</u>			
E.R. – General Cleaning	X		
E.R. – In-Between Case Cleaning		X	
<u>OUTPATIENT SURGERY</u>			
Day Surgery Area – Post Schedule (evening & terminal cleaning)	X		
Day Surgery Area – Post Case (daytime & in-between case cleaning)		X	
Cleaning of Day Surgery Support Areas	X		
Bed Making in Recovery and Day Surgery Holding Rooms	X		

	<u>Vendor</u>	<u>Client</u>	<u>N/A</u>
<u>CATH LAB</u>			
Cath Lab – Post Schedule (evening & terminal cleaning)	_____	X	_____
Cath Lab – Post Case (daytime & in-between case cleaning)	_____	X	_____
<u>SURGERY</u>			
Surgery Area - Post Schedule (evening & terminal cleaning)	_____	X	_____
Surgery Area - Post Case (daytime & in-between case cleaning)	_____	X	_____
Surgery Shelves and Technical Equipment Cleaning	_____	X	_____
Cleaning of Non-Sterile Surgical Support	X	_____	_____
<u>PATIENT AREA DUTIES</u>			
Cleaning of Patient Rooms	X	_____	_____
Trash Pick-Up in Patient's Rooms (2 nd Shift)	X	_____	_____
Bed Making of Occupied Patient Beds	_____	X	_____
Cleaning of Patient Care Support Areas	X	_____	_____
<u>PATIENT TRANSPORTATION</u>			
Patient Transportation	_____	X	_____
Wheelchair and Stretcher Cleaning	_____	X	_____
<u>KITCHEN</u>			
Main Dietary Kitchen Cleaning	_____	X	_____
Main Dietary Kitchen Trash Removal	_____	X	_____
Cleaning of Cafeteria (Walls & Floors Only)	X	_____	_____
Cleaning of Cafeteria Tables & Chairs	_____	X	_____
Cleaning of inside of refrigerators and microwaves	_____	X	_____
Trash Removal in Cafeteria	_____	X	_____

	<u>Vendor</u>	<u>Client</u>	<u>N/A</u>
<u>LINEN</u>			
Linen Distribution – Inventory & Distribution	<u>X</u>	<u></u>	<u></u>
Removal of Linen on Bed Upon Discharge	<u></u>	<u>X</u>	<u></u>
<u>OTHER AREAS</u>			
Cleaning of Specialty Units (CCU, SICU, NICU, PICU)	<u>X</u>	<u></u>	<u></u>
Cleaning of Public Areas (Lobby, Waiting, Etc.)	<u>X</u>	<u></u>	<u></u>
Cleaning of Office Areas	<u>X</u>	<u></u>	<u></u>
Cleaning of Laboratory Areas	<u>X</u>	<u></u>	<u></u>
Cleaning of Laboratory Glassware, Countertops & Sinks	<u></u>	<u>X</u>	<u></u>
Cleaning of Pharmacy Areas	<u>X</u>	<u></u>	<u></u>
Cleaning of Therapy Areas (PT, OT, RT)	<u>X</u>	<u></u>	<u></u>
Therapy Tub Cleaning & Polishing	<u></u>	<u>X</u>	<u></u>
Cleaning of PT and rehab equipment	<u></u>	<u>X</u>	<u></u>
Cleaning of Radiology Areas	<u>X</u>	<u></u>	<u></u>
Cleaning of Dialysis Areas	<u>X</u>	<u></u>	<u></u>
Cleaning of Morgue/Autopsy Areas (as needed)	<u>X</u>	<u></u>	<u></u>
Cleaning of Gift Shop	<u>X</u>	<u></u>	<u></u>
Autoclave & Sterilizer Cleaning	<u></u>	<u>X</u>	<u></u>
Cleaning of Central Sterile Supply	<u>X</u>	<u></u>	<u></u>
Cleaning of Engineering Shop Areas except for trash pick-up	<u></u>	<u>X</u>	<u></u>
Cleaning of Materials Management & Stores except for offices	<u></u>	<u>X</u>	<u></u>
<u>MISCELLANEOUS</u>			
Furniture Moving (5_dedicated hours/wk.)	<u>X</u>	<u></u>	<u></u>

	<u>Vendor</u>	<u>Client</u>	<u>N/A</u>
Meeting Room Setup (5 dedicated hours/wk.)	X		
Grounds and Parking Lot Policing (_dedicated hours/wk.)		X	
IV Pumps and Any Rolling Stock		X	
Cleaning of Portable Toilets		X	
Oscillating / Portable Fans		X	
Cubicle Curtains	X		
Computer Screens		X	
Hazardous Chemical Spills		X	
Emptying / Removal of Suction Canisters		X	
Messenger Service, Ice Delivery and Non-Housekeeping Supply Delivery		X	
Exterior Windows (Outside Contractor)		X	
Cleaning of toys & equipment in pediatric areas		X	

Clarification Notes:

Areas To Be Serviced

<u>Buildings to be serviced:</u>	<u># of Floors</u>	<u>Cleanable Square Footage</u>
Main Hospital	4	173,712
MOB	3	26,404
Inspirations		2,000
CLinic (weekly buffing)		2,000
TOTAL:		204,116

Bobby Floyd
COO



January 31, 2018

Northwest Mississippi Regional Medical Center
1970 Hospital Drive
Clarksdale, Mississippi 38614
Attn:
Joel Southern, CEO
Charles Hester, CFO

Via Certified Mail

Dear Sirs:

This letter is to inform you that Northwest Mississippi Regional Medical Center is in material breach of our Statement of Work ("SOW"), which is governed by and incorporates by reference the terms and conditions contained in the Master Service Agreement for Environmental Services ("MSA"), dated April 1st, 2015, as specifically defined in Section 2.8 of the MSA. Our basis for claiming material breach is as follows:

Section 2.7 of the MSA clearly states that our fee for services is due on the 15th of each month for which services are rendered. As of today, Northwest Mississippi Regional Medical Center owes HHS Environmental Services, LLC a total of \$200,857.95 in past due fees.

To restore pre-breach status, a total payment of \$200,857.95 must be postmarked by February 14th, 2018 to pay in full the past due invoices, #EVS88738INV, EVS8945INV, EVS90139INV. As this specific breach complaint is related to unpaid service fees, if payment has not been received by February 14th, 2018 (14 day period), this letter is provided to inform you that HHS Environmental Services, LLC will be exercising its' right to terminate the SOW between Northwest Mississippi Regional Medical Center and HHS Environmental Services, LLC dated April 1st, 2015, effective midnight on February 15th, 2018. Per Section 2.8 of the MSA, an additional interest charge of 1.5% per month will be applied to all past due amounts until payment has been received in full. Please understand that we have continued to provide services in good faith while your account balance has grown to an unacceptable level, but we must take available legal action to protect our company's best interests and simply cannot accept non-payment.

Please contact me to discuss this matter as soon as possible.

Sincerely,

Bobby Floyd
Bobby Floyd (Jan 31, 2018)

Bobby Floyd
COO, HHS

cc: Chris Nines, CFO, HHS
Steve Clapp, Curae Health, CEO, PO Box 358 Clinton, TN 37717 via regular mail

216 e. 4th street
austin, texas 78701
800|229|2028
hhs1.com



Bobby Floyd
COO

February 9, 2018

Northwest Mississippi Regional Medical Center
1970 Hospital Drive
Clarksdale, Mississippi 38614
Attn:
Joel Southern, CEO
Charles Hester, CFO

Dear Sirs:

Northwest Mississippi Regional Medical Center was notified by HHS Environmental Services, LLC of a material breach of contract, based upon nonpayment, in a letter dated, January 31st, 2018. Pursuant to that notice, the parties have amicably agreed to extend the breach period and waive any interest due so that Northwest Mississippi Regional may address the breach payment issues with the following payment schedule:

- February 12, 2018 = EVS88738INV - \$66,952.65, EVS89451INV - \$66,952.65;
- March 1, 2018 = EVS90139INV - \$66,952.65.

Payments will then continue, without interruption, effective March 15th, 2018, per the agreed upon payment terms as noted within the SOW, which is governed by the Master Service Agreement for Environmental Services dated April 1st, 2015. These terms will be enforced and in full effect thereafter. All subsequent invoices and associated payments will be due on the 15th of the month for which services are rendered, as stated in Section 2.7 of the MSA.

In the event that Northwest Mississippi Regional Medical Center defaults on this extended payment schedule and/or if future account balance status reaches delinquency, this Agreement is subject to immediate automatic termination and HHS Environmental Services, LLC will discontinue providing services to Northwest Mississippi Regional Medical Center. Please understand that HHS must take available legal action to protect our company's best interests should any subsequent defaults occur.

We are pleased that we are able to move forward with resolving this issue. To formally acknowledge your receipt of this notice and your mutual agreement to the terms and conditions contained herein, please sign in the space provided below and return one executed copy to my attention: Bobbyf@hhs1.com at your earliest convenience.

Sincerely,

Bobby Floyd
COO, HHS

cc: Chris Nines, CFO, HHS
Steve Clapp, Curae Health, CEO, PO Box 358 Clinton, TN 37717 via regular mail



**Curae Health Northwest Mississippi
Regional Medical Center**

Signature: _____

Print Name: _____

Title: _____

Date: _____

HHS Environmental Services, LLC

Signature: Bobby Floyd

Print Name: Bobby Floyd

Title: CDD

Date: 2/12/18