

**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.)	

**HHS ENVIRONMENTAL SERVICES LLC'S LIMITED OBJECTION
AND RESERVATION OF RIGHTS WITH RESPECT TO NOTICE OF
(I) DEBTORS' INTENT TO ASSUME AND ASSIGN CERTAIN EXECUTORY
CONTRACTS, UNEXPIRED LEASES OF PERSONAL PROPERTY, AND
UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY; AND
(II) CURE AMOUNTS RELATED TO THE FOREGOING
[RELATES TO DKT. NO. 970]**

HHS Environmental Services LLC (together with its affiliates, "HHS"), by and through its undersigned counsel, hereby files this limited objection and reservation of rights (together, the "Limited Objection") to the *Notice of (I) Debtors' Intent to Assume and Assign Certain Executory Contracts, Unexpired Leases of Personal Property, and Unexpired Leases of Nonresidential Real Property; and (II) Cure Amounts Related to the Foregoing* (the "Notice") [Dkt. No. 970], and specifically to the Debtors' proposed cure amount for the executory contract with HHS. In support of this Limited Objection, HHS respectfully states as follows:

RELEVANT BACKGROUND

1. 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

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).

Work (“SOW”), which was governed by and which incorporated by reference certain terms and conditions contained in a Master Service Agreement for Environmental Services (together with the SOW, the “Agreement”) by and between HHS and CHSPSC, LLC, also dated April 1, 2015.

2. 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 effect for an initial period through March 31, 2018; thereafter, the SOW automatically renewed on a one year basis. The SOW and Agreement remain active contracts to date.

3. On August 24, 2018 (the “Petition Date”), Curae Health, Inc. and its affiliated debtors, including Clarksdale, (collectively, the “Debtors”) each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

4. On April 24, 2019, the Debtors filed their *Motion for Entry of an Order (I) Authorizing the Sale of Northwest Mississippi Regional Medical Center Free and Clear of All Liens, Claims, Encumbrances and Other Interests, (II) Approving the Clarksdale AP, (III) Authorizing the Assumption and Assignment of Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief* (the “Sale Motion”) [Dkt. No. 962].

5. In connection with the Sale Motion, the Debtors filed the Notice on April 25, 2019. The Notice lists one contract with HHS, “Service Agreement (Housekeeping Services),” and the cure amount is incorrectly listed as \$0.00.² As such, HHS files this Limited Objection.

LIMITED OBJECTION

6. HHS files this limited objection to ensure that its cure claim is fully preserved.

² While the Debtors list the cure amounts at \$0, the Debtors’ own schedules admit otherwise. See Case No. 18-bk-05676 at Dkt. 13 (Schedule F at Item 3.125 identifying Hospital Housekeeping Systems, Ltd. as an unsecured creditor in the amount of \$267,810.60, which is not contingent, unliquidated, or disputed).

7. As of the date of this filing, the total outstanding amount owed by Clarksdale to HHS pursuant to the Agreement is no less than **\$317,485.08**, which includes amounts for both pre- and post-petition services (with additional amounts continuing to accrue thereafter).

8. Such amount remains unpaid as of the date of this filing and must be cured prior to any assumption and assignment.

RESERVATION OF RIGHTS

9. HHS reserves its rights to supplement this Limited Objection to add additional sums that may accrue and/or become due under the Agreement after the date hereof.

WHEREFORE, HHS respectfully requests that the Court (i) sustain this Limited Objection, (ii) require payment of the cure amounts set forth herein as a condition of the assumption and assignment of the Agreement, and (iii) grant such other and further relief to which HHS is entitled, at law or in equity.

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Dated: May 3, 2019.

Respectfully submitted,

By: /s/Thomas W. Tucker III

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Counsel For HHS Environmental Services LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on May 3, 2019, a true and correct copy of the above Limited Objection was served via the Bankruptcy Court's Electronic Case Filing System on those parties that have consented to such service and on the Notice Parties listed in Paragraph 3 of the Notice.

/s/Thomas W. Tucker III

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