

RELEVANT BACKGROUND

1. On or around June 1, 2017, that certain Master Service Agreement for Environmental Services (the “Agreement”) by and between HHS and CHSPSC, LLC, dated April 1, 2015, was assigned to Batesville Regional Medical Center, Inc. d/b/a Panola Medical Center (“Panola” or “Debtor”), as necessitated by the change in Panola ownership to Curae Health, Inc., and as evidenced by a June 28, 2017 letter of assignment (the “Assignment”).

2. By letter dated January 31, 2018, HHS gave notice to Panola of material breach of the Statement of Work (“SOW”), which is governed by and incorporates by reference the terms and conditions contained in the Agreement, and provided the necessary steps for Panola to cure the breach set forth therein (the “Notice of Breach”).

3. Panola failed to cure the material breach thereby resulting in a termination of the Agreement and SOW. The total past due amount owed by Panola to HHS is no less than \$230,336.27, plus applicable interest pursuant to the Agreement and SOW. Such amount remains unpaid as of the date of this filing.

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

5. On November 6, 2018, the Debtors filed their *Motion for Entry of an Order (I) Authorizing and Approving Bidding Procedures for the Sale of Panola Medical Center, (II) Authorizing the Sale of Panola Medical Center Free and Clear of All Liens, Claims, Encumbrances and Other Interests, (III) Approving Stalking Horse Purchaser, Break-up Fee, and Overbid Protections, (IV) Establishing Certain Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (V) Scheduling an Auction, (VI) Scheduling a Hearing and Objections Deadlines with Respect to the Sale of the Panola*

Medical Center, (VII) Approving the Form and Manner of Notice Thereof, and (VIII) Granting Related Relief (the “Sale Procedures Motion”) [Dkt. No. 401].

6. In connection with the Sales Procedures Motion, the Debtors filed the Notice on November 30, 2018. The Notice lists two contracts with HHS: (a) “Service Agreement (Non-Clinical)” and (b) “Equipment Purchase Agreement.” For each of these two contracts, the cure amount is incorrectly listed as \$0.00.² As such, HHS files this Limited Objection to ensure that its cure claim, to the extent that either referenced contract was not terminated pre-petition, is properly preserved.

LIMITED OBJECTION

7. Based on HHS’s books and records, the Agreement and SOW (including any other contracts between HHS and Panola) terminated pre-petition and thus are unable to be assumed and assigned by the Debtors. Nonetheless, out of an abundance of caution and in the event that it is ultimately determined that such contracts have not terminated pre-petition, HHS files this limited objection to ensure that its cure claim is fully preserved. As stated above, HHS is owed no less than \$230,336.27 under the Agreement and SOW, and all such amounts must be cured prior to any assumption and assignment.

RESERVATION OF RIGHTS

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

WHEREFORE, HHS respectfully requests that the Court (i) sustain this Limited Objection and (ii) grant such other and further relief to which HHS is entitled, at law or in equity.

² While the Debtors list the cure amounts at \$0, the Debtors’ own schedules admit otherwise. *See* Case No. 18-bk-05676 at Dkt. 12 (Schedule F at Item 3.110 identifying Hospital Housekeeping Systems, Ltd. as an unsecured creditor in the amount of \$203,578.46).

Dated: December 10, 2018.

Respectfully submitted,

VEAZEY & TUCKER

By: /s/Thomas W. Tucker III

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on December 10, 2018, 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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