

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 5, 2017



**Cross Country Healthcare, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or Other  
Jurisdiction  
of Incorporation)

**0-33169**

(Commission

File Number)

**13-4066229**

(I.R.S. Employer

Identification No.)

**5201 Congress Avenue, Suite 100B, Boca Raton, FL 33487**

(Address of Principal Executive Office) (Zip Code)

**(561) 998-2232**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR Â§230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR Â§240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Introductory Note

On July 5, 2017, Cross Country Healthcare, Inc. (the "Company") completed its previously announced acquisition of substantially all of the assets and business of Advantage RN, LLC and its subsidiaries (collectively, "Advantage") pursuant to the terms of an Asset Purchase Agreement, dated as of June 13, 2017, among the Company, Advantage and certain of the members of Advantage (the "Acquisition"). The matters described herein relate to the closing of the Acquisition and financing thereof.

### Item 1.01. Entry into a Material Definitive Agreement

#### *Amendment to Credit Facility*

On July 5, 2017, the Company entered into a Second Amendment to its Credit Agreement dated June 22, 2016 among the Company, all of its wholly-owned subsidiaries, the lenders party thereto and SunTrust Bank, as administrative agent, swingline lender and an issuing bank, to permit the acquisition of Advantage.

#### *Incremental Term Loan*

Also in connection with the acquisition of Advantage, on July 1, 2017, pursuant to the Credit Agreement, the Company entered into an Incremental Term Loan Agreement, by and among the Company, all of its wholly-owned subsidiaries and SunTrust Bank as lender and administrative agent. The Incremental Term Loan Agreement provided the Company with an incremental term loan of \$40.0 million to pay for part of the consideration of the acquisition. The maturity date for the Incremental Term Loan is June 22, 2021.

Borrowings under the Incremental Term Loan are payable in quarterly installments, commencing September 30, 2017, with each such installment being in the aggregate principal amount (subject to adjustment as a result of prepayments) for the first eight installments equal to 1.875% and 2.5% of the principal amount of the Incremental Term Loan for the remaining installments; provided that, to the extent not previously paid, the aggregate unpaid principal balance share be due and payable on the maturity date.

Borrowings shall be either Eurodollar Loans, LIBOR Index Rate Loans or Base Rate Loans. Eurodollar Loans bear interest from the applicable borrowing date at a rate per annum equal to the Adjusted LIBOR for the applicable Interest Period *plus* the Applicable Margin. LIBOR Index Rate Loans bear interest from the applicable borrowing date at a rate per annum equal to the One Month LIBOR Index Rate *plus* the Applicable Margin. Base Rate Loans bear interest from the applicable borrowing date at a rate per annum equal to the Base Rate *plus* the Applicable Margin. The Applicable Margins are subject to performance pricing adjustments pursuant to a pricing matrix based on the Consolidated Total Leverage Ratio, and could increase by 200 basis points if an Event of Default exists. As of July 5, 2017 the Applicable Margin for Eurodollar Loans and LIBOR Index Rate Loans was 2.25% and the Applicable Margin for Base Rate Loans was 1.25%.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment as filed as Exhibit 10.1 and Exhibit 10.2 to this Form 8-K.

### Item 2.01. Completion of Acquisition or Disposition of Assets

On July 5, 2017, pursuant to the terms of the Asset Purchase Agreement, the Company completed the acquisition of substantially all of the assets of Advantage effective July 1, 2017. Founded in 2003 and headquartered in West Chester, Ohio, Advantage is one of the largest independent travel nurse staffing companies in the United States. Advantage deploys many of its nurses through Managed Service Providers and Vendor Management Systems and maintains strong direct relationships with many hospitals. The founder and CEO of Advantage, Matt Price, will remain with the business.

The Company acquired substantially all of the assets of Advantage for a total purchase price of \$88 million, which is subject to a final net working capital adjustment. At closing, the Company paid \$86.8 million, net of cash acquired, using \$19.9 million in available cash and \$66.9 million in borrowing under its Credit Facility, including a \$40 million incremental term loan. The amount paid at closing was subject to an initial net working capital adjustment of \$0.6 million, and an additional \$0.6 million was deferred and is due to the seller within 20 months, less any COBRA and healthcare expenses incurred by Cross Country on behalf of the former sellers.

The foregoing description of the Purchase Agreement is qualified entirely by reference to the full terms and provision of the Purchase Agreement that was previously filed as an exhibit to the Company's Current Report on Form 8-K dated June 13, 2017.

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**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information provided in Item 1.01 of this Current Report on Form 8-K is incorporated into 2.03 by reference.

**Item 7.01. Regulation FD Disclosure**

Incorporated by reference is a press release issued by the Company on July 5, 2017 and attached hereto as Exhibit 99.1. The information is being furnished under Item 7.01 and Exhibit 99.1 and shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended or otherwise subject to the liability of such section.

**Item 9.01. Financial Statements and Exhibits**

**(a) Financial Statements of businesses acquired.**

The required financial statements with respect to the Acquisition will be filed no later than 71 days after the required filing date of this Current Report on Form 8-K.

**(b) Pro forma financial information**

The required pro forma financial information with respect to the Acquisition will be filed no later than 71 days after the required filing date of this Current Report on Form 8-K.

**(d) Exhibits**

<b>Exhibit</b>	<b>Description</b>
10.1	Second Amendment dated July 5, 2017 to Credit Agreement, dated June 22, 2016, by and among Cross Country Healthcare, Inc., as borrower, certain of its domestic subsidiaries as guarantors, the Lenders referenced therein, and SunTrust Bank, as agent
10.2	Incremental Term Loan Agreement dated as of July 1, 2017 to Credit Agreement, dated June 22, 2016, by and among Cross Country Healthcare, Inc., as borrower, certain of its domestic subsidiaries as guarantors, and SunTrust Bank, as Lender and in its capacity as Administrative Agent
10.3	Purchase Agreement, dated as of June 13, 2017, by and among Cross Country Healthcare, Inc., Advantage RN, LLC, Advantage On Call, LLC, Advantage Locums, LLC and Advantage RN Local Staffing, LLC and certain of Advantage's members*
99.1	Press release issued by the Company on July 5, 2017

\* Previously filed as an exhibit to the Company's Form 8-K dated June 13, 2017, and incorporated by reference herein.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

**CROSS COUNTRY HEALTHCARE, INC.**

Dated: July 5, 2017

By: /s/ William J. Burns  
Name: William J. Burns  
Title: EVP, Chief Financial Officer

## SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT, dated July 5, 2017 (this "Amendment"), is entered into among CROSS COUNTRY HEALTHCARE, INC., a Delaware corporation (the "Borrower"), the Guarantors, the Lenders party hereto and SunTrust Bank, as Administrative Agent, Swingline Lender and an Issuing Bank. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrower, the Guarantors, the Lenders and SunTrust Bank, as Administrative Agent, Swingline Lender and an Issuing Bank, entered into that certain Credit Agreement dated as of June 22, 2016 (as amended by that certain First Amendment dated as of May 16, 2017 and as further amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement");

WHEREAS, the Borrower has requested an amendment to the Credit Agreement;

WHEREAS, the Lenders (by act of the Required Lenders) agree to such requested amendment subject to the terms and conditions of this Amendment;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to Credit Agreement.

(a) The definition of "Applicable Margin" in Section 1.1 of the Credit Agreement is amended by adding the following sentence to the end of the first paragraph therein:

Notwithstanding anything to the contrary in the foregoing, in the event the Specified Acquisition is consummated, the Applicable Margin from the date of such consummation until the second Business Day after which the financial statements and Compliance Certificate for the Fiscal Quarter ending September 30, 2017 are required to be delivered shall be at Level III as set forth in the table below.

(b) In the definition of "Permitted Acquisition" in Section 1.1 of the Credit Agreement, the lead-in text of such definition immediately preceding the colon is amended and restated to read as follows:

"Permitted Acquisition" shall mean (I) the Specified Acquisition, so long as (x) the Specified Acquisition has occurred on or before July 31, 2017 and (y) the Specified Acquisition satisfies clauses (a) through (e) below (subject to the last paragraph of Section 2.23) and (II) any other Acquisition that has either been approved in writing by the Required Lenders or with respect to which all of the following conditions shall have been satisfied:

(c) Section 1.1 of the Credit Agreement is amended to include, in appropriate alphabetical order, the following new definition:

"Specified Acquisition" shall mean the Acquisition by the Borrower or one or more of its wholly-owned Subsidiaries of substantially all of the assets of Advantage RN, LLC, an Ohio limited liability company, and its Subsidiaries (the "**Specified Acquired Business**") in a transaction that will result in the Borrower (or one or more of its wholly-owned Subsidiaries) owning substantially all of the assets of the Specified Acquired Business and its Subsidiaries.

(d) Section 5.10 of the Credit Agreement is amended by inserting the text ", upon the reasonable request of the Administrative Agent," immediately prior to the text "opinions of counsel" therein.

(e) The first sentence of Section 5.12 of the Credit Agreement is amended in its entirety to read as follows:

The Borrower shall, and shall cause its Domestic Subsidiaries to, maintain all cash management and treasury business (other than Excluded Accounts) with SunTrust Bank or another Lender or any of their respective Affiliates, including, without limitation, all deposit accounts, disbursement accounts, investment accounts and lockbox accounts; provided however, that with respect to all cash management and treasury business accounts maintained with financial institutions other than SunTrust Bank or any other Lender (or their respective Affiliates) by the Specified Acquired Business or any of its Subsidiaries in existence as of the date of consummation of the Specified Acquisition, the Loan Parties shall have ninety (90) days (or such later date as the Administrative Agent may agree in its sole discretion) to close such accounts and open new or replacement accounts in compliance with this Section 5.12.

2. Conditions Precedent. This Amendment shall be effective upon receipt by the Administrative Agent of each of the following:

(a) a counterpart of this Amendment signed by the Administrative Agent, the Required Lenders, the Borrower and each Guarantor; and

(b) an amendment fee (the "**Amendment Fee**") for the account of each of the Lenders consenting to this Amendment on or before June 19, 2017 in an amount equal to five basis points (0.05%) on the sum of such Lender's Revolving Commitments and its portion of the outstanding principal amount of the Term Loan A (but excluding any Incremental Term Loan incurred in connection with the Specified Acquisition).

3. Miscellaneous.

(a) This Amendment shall be deemed to be, and is, a Loan Document.

(b) Effective as of the date hereof, all references to the Credit Agreement in each of the Loan Documents shall hereafter mean the Credit Agreement as amended by this Amendment.

(c) Each Loan Party (i) acknowledges and consents to all of the terms and conditions of this Amendment, (ii) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Credit Agreement or the other Loan Documents or any certificates, documents, agreements and instruments executed in connection therewith, (iii) affirms all of its obligations under the Loan Documents, (iv) agrees that this Amendment shall in no manner impair or otherwise adversely affect any of the Liens granted in or pursuant to the Loan Documents and (v) affirms that each of the Liens granted in or pursuant to the Loan Documents are valid and subsisting.

(d) Each of the Loan Parties hereby represents and warrants to the Administrative Agent and the Lenders as follows:

(i) such Loan Party has taken all necessary action to authorize the execution, delivery and performance of this Amendment;

(ii) this Amendment has been duly executed and delivered by such Loan Party and constitutes such Loan Party's legal, valid and binding obligations, enforceable in accordance with its terms;

(iii) no consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by any Loan Party of this Amendment;

(iv) all representations and warranties of each Loan Party set forth in the Loan Documents are true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties are true and correct in all respects) except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties are true and correct in all respects) as of such earlier date; and

(v) no Default or Event of Default exists.

(e) This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile transmission or by any other electronic imaging means (including pdf), shall be effective as delivery of a manually executed counterpart of this Amendment.

(f) This Amendment and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be construed in accordance with and be governed by the Law of the State of New York.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

BORROWER:

CROSS COUNTRY HEALTHCARE, INC.,  
a Delaware corporation

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: President and Chief Executive Officer

GUARANTORS:

CEJKA SEARCH, INC.,  
a Delaware corporation

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

CROSS COUNTRY STAFFING, INC.,  
a Delaware corporation

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

CROSS COUNTRY SUPPORT SERVICES, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

MDA HOLDINGS, INC.,  
a Delaware corporation

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

CROSS COUNTRY HEALTHCARE, INC.  
SECOND AMENDMENT TO CREDIT AGREEMENT

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ASSIGNMENT AMERICA, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

TRAVEL STAFF, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

LOCAL STAFF, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

MEDICAL DOCTOR ASSOCIATES, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

CREDENT VERIFICATION AND LICENSING  
SERVICES, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

OWS, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

CROSS COUNTRY HEALTHCARE, INC.  
SECOND AMENDMENT TO CREDIT AGREEMENT

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NEW MEDISCAN II, LLC,  
a California limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Vice President

MEDISCAN NURSING STAFFING, LLC,  
a California limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Vice President

MEDISCAN DIAGNOSTIC SERVICES, LLC,  
a California limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Vice President

ADMINISTRATIVE SUNTRUST BANK,  
AGENT:

as Administrative Agent, as an Issuing Bank, as  
Swingline Lender and as a Lender

By:

/s/ Sheryl Squires Kerley

Name: Sheryl Squires Kerley

Title: Vice President

CROSS COUNTRY HEALTHCARE, INC.  
SECOND AMENDMENT TO CREDIT AGREEMENT

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LENDERS:

BMO HARRIS BANK, N.A.

By: /s/ L.M. Junior Del Brocco

Name: L.M. Junior Del Brocco

Title: Senior Vice President

CROSS COUNTRY HEALTHCARE, INC.  
SECOND AMENDMENT TO CREDIT AGREEMENT

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BANK UNITED, N.A.

By: /s/ Vanessa C. Civalero

Name: Vanessa C. Civalero

Title: Senior Vice President

CROSS COUNTRY HEALTHCARE, INC.  
SECOND AMENDMENT TO CREDIT AGREEMENT

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FIFTH THIRD BANK

By: /s/ Tamara Dowd

Name: Tamara Dowd

Title: Director

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CROSS COUNTRY HEALTHCARE, INC.  
SECOND AMENDMENT TO CREDIT AGREEMENT

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BANK OF AMERICA, N.A.

By: /s/ Mark Hardison

Name: Mark Hardison

Title: Senior Vice President

CROSS COUNTRY HEALTHCARE, INC.  
SECOND AMENDMENT TO CREDIT AGREEMENT

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CADENCE BANK

By: /s/ William H. Crawford

Name: William H. Crawford

Title: EVP

CROSS COUNTRY HEALTHCARE, INC.  
SECOND AMENDMENT TO CREDIT AGREEMENT

## INCREMENTAL TERM LOAN AGREEMENT

THIS INCREMENTAL TERM LOAN AGREEMENT (this "Agreement"), dated as of July 1, 2017, to the Credit Agreement referenced below is by and among Cross Country Healthcare, Inc., a Delaware corporation (the "Borrower"), the Guarantors, SunTrust Bank (the "Incremental Term Loan Lender") and SunTrust Bank, in its capacity as Administrative Agent (in such capacity, the "Administrative Agent").

## WITNESSETH

WHEREAS, the Borrower, the Guarantors identified therein, the Lenders party thereto and the Administrative Agent entered into that certain Credit Agreement, dated as of June 22, 2016 (as amended by that certain First Amendment to Credit Agreement dated as of May 16, 2017, that certain Second Amendment to Credit Agreement dated as of the date hereof and as further amended, modified, supplemented, increased and extended from time to time, the "Credit Agreement");

WHEREAS, pursuant to Section 2.23 of the Credit Agreement, the Borrower may increase the Aggregate Revolving Commitments or establish one or more additional term loans (each such term loan, an "Incremental Term Loan") by up to \$50,000,000 in the aggregate;

WHEREAS, the Borrower or one or more of its wholly-owned Subsidiaries intends to acquire substantially all of the assets of Advantage RN, LLC, an Ohio limited liability company, and its Subsidiaries (the "Specified Acquired Business") in a transaction that will result in the Borrower (or one or more of its wholly-owned Subsidiaries) owning substantially all of the assets of the Specified Acquired Business and its Subsidiaries (the "Specified Acquisition") pursuant to that certain Asset Purchase Agreement dated as of June 13, 2017 by and among the Borrower, as buyer, Advantage RN, LLC and certain of its subsidiaries and affiliates, the signing members and the seller representative (the "Specified Acquisition Agreement");

WHEREAS, in connection with the Specified Acquisition, the Borrower notified the Administrative Agent in accordance with the provisions of Section 2.23 of the Credit Agreement that it intends to establish an Incremental Term Loan in the aggregate principal amount of \$40,000,000 the proceeds of which will be used solely to pay part of the consideration for the Specified Acquisition and associated costs and expenses; and

WHEREAS, the Borrower has notified the Administrative Agent that pursuant to Section 2.23 of the Credit Agreement, the Incremental Term Loan Lender has agreed to provide an additional term loan in the amount of \$40,000,000 on the terms and conditions set forth herein, which increase shall constitute an Incremental Term Loan under the Credit Agreement.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Introductory Paragraph and Recitals. The above introductory paragraph and recitals of this Agreement are incorporated herein by reference as if fully set forth in the body of this Agreement.
  2. Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement.
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3. Incremental Term Loan.

(a) The Incremental Term Loan (as defined herein) constitutes an "Incremental Term Loan", a "Term Loan" and a "Loan" as such terms are defined and used in the Credit Agreement.

(b) The Incremental Term Loan Lender agrees that the aggregate principal amount of its Incremental Term Loan Commitment is set forth on Exhibit A attached hereto.

(c) The proceeds of the Incremental Term Loan shall be used solely to pay part of the consideration for the Specified Acquisition and associated costs and expenses.

(d) Subject to the terms and conditions set forth herein, the Incremental Term Lender agrees to make its portion of the Incremental Term Loan to the Borrower in one advance on any Business Day from the date hereof through and including July 7, 2017 (the "Incremental Term Loan Funding Date") in a principal amount equal to the Incremental Term Loan Commitment of such Incremental Term Lender. The Incremental Term Loan may be, from time to time in the Borrower's discretion (subject to the terms of the Credit Agreement), Base Rate Loans, LIBOR Index Rate Loans or Eurodollar Loans or a combination thereof. Amounts repaid on Incremental Term Loan may not be reborrowed.

(e) The Maturity Date for the Incremental Term Loan is the earlier of (i) June 22, 2021 or (ii) the date on which the principal amount of all outstanding Term Loans has been declared or automatically has become due and payable pursuant to Section 8.1 of the Credit Agreement (whether by acceleration or otherwise).

(f) The Applicable Margin for the Incremental Term Loan shall be, as of any date, a percentage per annum determined by reference to the applicable Consolidated Net Leverage Ratio in effect on such date as set forth in the table below:

Level	Consolidated Net Leverage Ratio	Eurodollar Loans, LIBOR Index Rate Loans and Letter of Credit Fee	Base Rate Loans
I	< 1.50:1.00	1.75%	0.75%
II	≥ 1.50:1.00 but < 2.00:1.00	2.00%	1.00%
III	≥ 2.00:1.00 but < 2.50:1.00	2.25%	1.25%
IV	≥ 2.50:1.00 but < 3.00:1.00	2.50%	1.50%
V	≥ 3.00:1.00	2.75%	1.75%

Changes in the Applicable Margin resulting from a change in the Consolidated Net Leverage Ratio shall be made pursuant to the definition of "Applicable Margin" set forth in Section 1.1 of the Credit Agreement and other applicable provisions in the Credit Agreement (which are hereby incorporated by references, *mutatis mutandis*, as if set forth herein) in the same manner as other Loans under the Credit Agreement, including any imposition of an Accurate Applicable Margin in accordance with the terms of the Credit Agreement. For the avoidance of doubt, upon consummation of the Specified Acquisition, the Applicable Margin from the date of such consummation until the second Business Day after which the financial statements and Compliance Certificate for the Fiscal Quarter ending September 30, 2017 are required to be delivered shall be at Level III as set forth in the table above consistent with the Credit Agreement.

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(g) The Borrower unconditionally promises to pay to the Administrative Agent, for the account of the Incremental Term Loan Lender, the then unpaid principal amount of the Incremental Term Loan in quarterly installments, commencing with the first full Fiscal Quarter ending after the Incremental Term Loan is funded, with each such installment being in the aggregate principal amount (as such installment may be adjusted as a result of prepayments made pursuant to Sections 2.11 and 2.12 of the Credit Agreement) for the Incremental Term Lender equal to (i) 1.875% of the principal amount of the Incremental Term Loan actually advanced for the first eight (8) installments and (ii) 2.50% of the principal amount of the Incremental Term Loan actually advanced for the remaining installments (and on such other date(s) and in such other amounts as may be required from time to time pursuant to this Agreement); provided, that, to the extent not previously paid, the aggregate unpaid principal balance of the Incremental Term Loan shall be due and payable on the Maturity Date.

4. Conditions Precedent. This Agreement shall become effective as of the date hereof upon satisfaction of each of the following conditions precedent:

(a) Documentation. Receipt by the Administrative Agent of counterparts of this Agreement executed by the Borrower, the Guarantors, the Incremental Term Loan Lender and the Administrative Agent.

(b) Authorization. Receipt by the Administrative Agent of a certificate of the Borrower signed by a Responsible Officer of the Borrower certifying and attaching resolutions adopted by the board of directors (or equivalent governing body) of such Loan Party approving this Agreement.

(c) Consummation of Specified Acquisition. Substantially concurrent with or prior to the funding of the Incremental Term Loan on the Incremental Term Loan Funding Date, the following shall have occurred:

(i) the proceeds of the borrowings made on the Incremental Term Loan Funding Date pursuant to Incremental Term Loan, proceeds from Revolving Loans and cash on hand of the Borrower and its Subsidiaries shall be sufficient, and shall have been applied solely, to consummate the Specified Acquisition and reasonable out-of-pocket costs associated therewith.

(ii) the Specified Acquisition shall have been consummated in accordance with the terms of the Specified Acquisition Agreement, and all conditions precedent to the consummation of the Specified Acquisition, as set forth in the Specified Acquisition Agreement, shall have been satisfied in all material respects without any waiver, amendment, supplement or other modification that is materially adverse to the interests of the Incremental Term Loan Lender; provided that any increase in the purchase price not in excess of \$5,000,000 or any decrease of the purchase price not in excess of \$5,000,000 shall not be deemed to be materially adverse to the interests of the Incremental Term Loan Lender; provided further, any change in definition of "Material Adverse Effect" (as defined in the Specified Acquisition Agreement) shall be deemed to be materially adverse to the interest of the Incremental Term Loan Lender.

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(d) Opinions of Counsel. Receipt by the Administrative Agent of written opinions of counsel to the Loan Parties addressed to the Administrative Agent and the Incremental Term Loan Lender regarding, among other things, the binding effect and enforceability of this Incremental Term Loan Agreement and otherwise in form and substance reasonably satisfactory to the Administrative Agent.

(e) Specified Acquisition. Receipt by the Administrative Agent of a copy of the Specified Acquisition Agreement (including, all schedules, exhibits, annexes, amendments and modifications thereto or thereof), together with all other material documents related thereto.

(f) Specified Acquisition Agreement Representations. The representations and warranties in the Specified Acquisition Agreement made by or with respect to the Acquired Business that are material to the interests of the Lenders are true and correct in all material respects, but only to the extent that the Borrower and/or any of its Subsidiaries, as applicable, has the right to terminate its or their obligations under the Specified Acquisition Agreement or not consummate the Specified Acquisition as a result of a breach of such representations in the Specified Acquisition Agreement.

(g) Specified Representations of Loan Parties. At the time of and immediately after giving effect to such Borrowing of the Incremental Term Loan, the representations and warranties set forth in Sections 4.1, 4.2, 4.3(b) (insofar as they relate to the execution, delivery and performance of the Loan Documents), 4.8, 4.10, 4.16 and 4.19 of the Credit Agreement shall be true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties are true and correct in all respects), except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties are true and correct in all respects) as of such earlier date.

(h) No Material Adverse Effect. Since December 31, 2016, no "Material Adverse Effect" (as defined in the Specified Acquisition Agreement) shall have occurred.

(i) Pro Forma Compliance Certificate. At least five (5) Business Days prior to the date on which the Specified Acquisition Agreement is executed and delivered, receipt by the Administrative Agent of a Pro Forma Compliance Certificate from a Responsible Officer of the Borrower demonstrating that, after giving effect to the incurrence of such Incremental Term Loan on a Pro Forma Basis, the Loan Parties are in compliance with the financial covenants set forth in Sections 6.1 and 6.2 of the Credit Agreement recomputed as of the date on which the Specified Acquisition Agreement was entered into (which is not more than ninety (90) days prior to the consummation of the Specified Acquisition).

(j) No Specified Event of Default. No Specified Event of Default shall exist at the date the Specified Acquisition is consummated.

(k) Note. A fully executed Note for the Incremental Term Loan Lender.

(l) Second Amendment. Receipt by the Administrative Agent of counterparts of that certain Second Amendment to the Credit Agreement executed by the Borrower, the Guarantors, the Administrative Agent and the Lenders constituting Required Lenders party thereto.

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(m) Borrowing Notice. Delivery by the Borrower of a written notice to the Incremental Term Loan Lender at least one Business Day prior to the requested Incremental Term Loan Funding Date.

(n) Fees. Receipt by the Administrative Agent of payment of all fees, expenses and other amounts due and payable on or prior to the Incremental Term Loan Funding Date in connection with the establishment of the Incremental Term Loan.

5. Representations of the Loan Parties. Each of the Loan Parties hereby represents and warrants to the Administrative Agent and the Incremental Term Loan Lender as follows:

(a) as of the date of execution and delivery of the Specified Acquisition Agreement, no Default or Event of Default existed;

(b) as of the date of execution and delivery of the Specified Acquisition Agreement, the representations and warranties made by each of the Loan Parties in each Loan Document were true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects); and

(c) the Specified Acquisition satisfies clauses (a) through (d) (subject to the last paragraph of Section 2.23) of the definition of "Permitted Acquisition" set forth in Section 1.1 of the Credit Agreement.

6. Miscellaneous

(a) This Agreement shall be deemed to be, and is, a Loan Document.

(b) Effective as of the date hereof, all references to the Credit Agreement in each of the Loan Documents shall hereafter mean the Credit Agreement after giving effect to the Incremental Term Loan.

(c) Each Loan Party (i) acknowledges and consents to all of the terms and conditions of this Agreement, (ii) agrees that this Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Credit Agreement or the other Loan Documents or any certificates, documents, agreements and instruments executed in connection therewith, (iii) affirms all of its obligations under the Loan Documents, (iv) agrees that this Agreement shall in no manner impair or otherwise adversely affect any of the Liens granted in or pursuant to the Loan Documents and (v) affirms that each of the Liens granted in or pursuant to the Loan Documents are valid and subsisting.

(d) Except as modified hereby, all of the terms and provisions of the Loan Documents shall remain in full force and effect.

(e) This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission or by any other electronic imaging means (including pdf), shall be effective as delivery of a manually executed counterpart of this Agreement.

(f) This Agreement and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be construed in accordance with and be governed by the Law of the State of New York.

[SIGNATURE PAGES FOLLOW]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

CROSS COUNTRY HEALTHCARE, INC.,  
a Delaware corporation

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: President and Chief Executive Officer

GUARANTORS:

CEJKA SEARCH, INC.,  
a Delaware corporation

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

CROSS COUNTRY STAFFING, INC.,  
a Delaware corporation

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

CROSS COUNTRY SUPPORT SERVICES, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

MDA HOLDINGS, INC.,  
a Delaware corporation

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

CROSS COUNTRY HEALTHCARE, INC.  
INCREMENTAL TERM LOAN AMENDMENT

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ASSIGNMENT AMERICA, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

TRAVEL STAFF, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

LOCAL STAFF, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

MEDICAL DOCTOR ASSOCIATES, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

CREDENTIAL VERIFICATION AND LICENSING SERVICES, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

OWS, LLC,  
a Delaware limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Executive Vice President

CROSS COUNTRY HEALTHCARE, INC.  
INCREMENTAL TERM LOAN AMENDMENT

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NEW MEDISCAN II, LLC,  
a California limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Vice President

MEDISCAN NURSING STAFFING, LLC,  
a California limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Vice President

MEDISCAN DIAGNOSTIC SERVICES, LLC,  
a California limited liability company

By:

/s/ William J. Grubbs

Name: William J. Grubbs

Title: Vice President

CROSS COUNTRY HEALTHCARE, INC.  
INCREMENTAL TERM LOAN AMENDMENT

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ADMINISTRATIVE AGENT:

SUNTRUST BANK, as Administrative Agent

By:

/s/ Sheryl Squires Kerley

Name: Sheryl Squires Kerley

Title: Vice President

INCREMENTAL  
TERM LOAN  
LENDER:

SUNTRUST BANK,  
as a Lender

By:

/s/ Sheryl Squires Kerley

Name: Sheryl Squires Kerley

Title: Vice President

CROSS COUNTRY HEALTHCARE, INC.  
SECOND AMENDMENT TO CREDIT AGREEMENT

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EXHIBIT A

Lender	Incremental Term Loan Commitment
SunTrust Bank	\$40,000,000
Total:	\$40,000,000

**Cross Country Healthcare Completes Acquisition of Advantage RN & Reaffirms Second Quarter 2017 Guidance****Company to Host Webex and Conference call on July 6 to Discuss Transaction**

BOCA RATON, Fla.--(BUSINESS WIRE)--July 5, 2017--Cross Country Healthcare, Inc. (NASDAQ:CCRN) (“Company” or “Cross Country”), a leading provider of healthcare staffing and workforce solutions, announced today that it has completed the acquisition of Advantage RN, LLC and its subsidiaries (collectively, “Advantage”), effective July 1, 2017. This acquisition provides Cross Country with another well-respected brand and go-to-market approach, and also increases the supply of healthcare professionals to support Cross Country’s diverse customer base, most notably its many Managed Service Provider programs. Cross Country expects the transaction to result in meaningful earnings accretion in 2017 through increased scale and accelerated growth opportunities.

William J. Grubbs, President and Chief Executive Officer of Cross Country Healthcare stated, “We welcome Advantage RN to the Cross Country family. Our companies are a great match with complementary capabilities to better serve all of our customers. Together, we are better positioned to pursue our collective strategy for market expansion, revenue growth and enhanced shareholder value.”

“Advantage RN has enjoyed a long and successful working relationship with Cross Country, and our cultures and goals are closely aligned – to deliver quality services to our customers, create more opportunities for our candidates, provide a great working environment for our employees, and ultimately, better patient care,” said Matthew R. Price, President and CEO of Advantage RN. “While we retain the Advantage RN name and the recognition it carries in the industry, we now boast a new identity as part of the Cross Country family and the bright future we will build together.”

Cross Country acquired substantially all of the assets of Advantage for a total purchase price of \$88 million, which is subject to a final net working capital adjustment. At closing, the Company paid \$86.8 million, net of cash acquired, using \$19.9 million in available cash and \$66.9 million in borrowing under its Credit Facility, including a \$40 million incremental term loan. The amount paid at closing was subject to an initial net working capital adjustment of \$0.6 million, and an additional \$0.6 million was deferred and is due to the seller within 20 months, less any COBRA and healthcare expenses incurred by Cross Country on behalf of the former sellers. Based on the total net leverage ratio, the combined interest rate at close is expected to be 3.5%.

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	<u>Q2 2017 Range</u>
Revenue	\$207 million - \$212 million
Gross profit margin	26.0% - 26.5%
Adjusted EBITDA	\$8 million - \$9 million
Adjusted EPS	\$0.08 - \$0.10

The Company also reaffirms its second quarter 2017 guidance, issued on May 3, 2017, and now expects Revenue to be in the middle of the range and Gross profit margin, Adjusted EBITDA and Adjusted EPS to be towards the upper end of the respective ranges.

#### **INVITATION TO WEBEX AND CONFERENCE CALL**

Cross Country will present a live WebEx on July 6, 2017 at 9 A.M. Eastern Time to discuss this transaction and its second quarter 2017 guidance. This WebEx can be accessed through the following link:

<https://e-meetings.verizonbusiness.com/nc/join.php?i=PWXW4722700&p=CROSSCOUNTRY&t=c>.

The live audio WebEx and presentation for this conference will also be available on the Company's website at [www.crosscountryhealthcare.com](http://www.crosscountryhealthcare.com) in the Investors Relations section under 'Events and Presentations'. Please log in at least 10 minutes prior to the WebEx in order to download applicable software. For audio only, please dial 800-857-6331 from anywhere in the U.S. or by dialing 517-623-4781 from non-U.S. locations – Passcode: CROSSCOUNTRY. A replay of the Call will be available by telephone by calling 800-925-3903 from anywhere in the U.S. or 402-220-4159 from non-U.S. locations – Passcode: 2017. Following the conclusion of the call, a replay of the webcast will be available at the Company's website. A net replay of the WebEx will be available for 30 days, ending August 5, 2017 at:

<https://e-meetings.verizonbusiness.com/nc/join.php?i=PWXW4722700&p=CROSSCOUNTRY&t=r>

#### **ABOUT CROSS COUNTRY HEALTHCARE**

Cross Country Healthcare is a national leader in providing innovative healthcare workforce solutions and staffing services. Our solutions leverage our nearly 40 years of expertise and insight to assist clients in solving complex labor-related challenges while maintaining high quality outcomes. We are dedicated to recruiting and placing highly qualified healthcare professionals in virtually every specialty and area of expertise. With more than 8,000 active contracts, our diverse client base includes both clinical and nonclinical settings, servicing acute care hospitals, physician practice groups, outpatient and ambulatory-care centers, nursing facilities, both public schools and charter schools, rehabilitation and sports medicine clinics, government facilities, and homecare. Through our national staffing teams and network of 74 office locations, we are able to place clinicians on travel and per diem assignments, local short-term contracts and permanent positions. We are a market leader in providing flexible workforce management solutions, which include managed services programs (MSP), internal resource pool consulting and development, electronic medical record (EMR) transition staffing, recruitment process outsourcing, predictive modeling and other outsourcing and consultative services. In addition, we provide both retained and contingent placement services for healthcare executives, physicians, and other healthcare professionals.

Copies of this and other news releases as well as additional information about Cross Country Healthcare can be obtained online at [www.crosscountryhealthcare.com](http://www.crosscountryhealthcare.com). Shareholders and prospective investors can also register to automatically receive the Company's press releases, SEC filings and other notices by e-mail.

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## ABOUT ADVANTAGE

Founded in 2003 and headquartered in West Chester, Ohio, Advantage is one of the largest independent travel nurse staffing companies in the United States. Operating through 11 office locations, Advantage deploys many of its nurses through Managed Service Providers and Vendor Management Systems. Advantage also maintains strong direct relationships with many hospitals with more than 1,000 active hospital clients. The founder and CEO of Advantage, Matt Price, will remain with the business after the transaction closes. For the year ended December 31, 2016 Advantage had revenue of approximately \$100 million and a normalized EBITDA (refer to Non-GAAP financial measures below for definition) of approximately \$10.0 million.

## NON-GAAP FINANCIAL MEASURES

This press release references normalized EBITDA, a non-GAAP financial measure. Such non-GAAP financial measure is provided as additional information and should not be considered a substitute for, or superior to, financial measures calculated in accordance with U.S. GAAP. The Company defines normalized EBITDA as earnings before interest, income taxes, depreciation and amortization of the acquired company adjusted for items that have been identified in its due diligence process as items that are not expected to reoccur post acquisition. Management believes this non-GAAP measure is useful to investors as it is consistent with the measure it uses to evaluate its transactions. This non-GAAP financial measure may differ materially from the same non-GAAP financial measure used by other companies. The table that follows provides a reconciliation to the most directly comparable U.S. GAAP financial measure and includes a more detailed discussion of the financial measure:

### Reconciliation of Normalized EBITDA

Advantage	Year ended December 31, 2016 <u>(in thousands)</u>
Net income	\$ 8,535
Depreciation & Amortization	122
Interest expense	192
Legal fees (a)	462
Transaction related costs (b)	136
Restructuring costs	88
Other non-recurring adjustments (c)	435
Normalized EBITDA	<u>\$ 9,970</u>

(a) Legal fees relate to a specific liability the Company is not assuming in accordance with the terms of the asset purchase agreement.

(b) Transaction related costs are fees incurred by the Seller pertaining to the sale of business

(c) Other non-recurring adjustments are costs that are not anticipated to continue post acquisition such as employee stock plan distributions, board expenses, and certain other non-operating or immaterial prior period adjustments.

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## FORWARD-LOOKING STATEMENT

*In addition to historical information, this press release contains statements relating to our future results (including certain projections and business trends) that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are subject to the "safe harbor" created by those sections. Forward-looking statements consist of statements that are predictive in nature, depend upon or refer to future events. Words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "suggests", "appears", "seeks", "will" and variations of such words and similar expressions intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. These factors include, without limitation, the following: our ability to attract and retain qualified nurses, physicians and other healthcare personnel, costs and availability of short-term housing for our travel nurses and physicians, demand for the healthcare services we provide, both nationally and in the regions in which we operate, the functioning of our information systems, the effect of cyber security risks and cyber incidents on our business, the effect of existing or future government regulation and federal and state legislative and enforcement initiatives on our business, our clients' ability to pay us for our services, our ability to successfully implement our acquisition and development strategies, including our ability to successfully integrate acquired businesses and realize synergies from such acquisitions, the effect of liabilities and other claims asserted against us, the effect of competition in the markets we serve, our ability to successfully defend the Company, its subsidiaries, and its officers and directors on the merits of any lawsuit or determine its potential liability, if any, and other factors set forth in Item 1A. "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, and our other Securities and Exchange Commission filings made prior to the date hereof.*

*Although we believe that these statements are based upon reasonable assumptions, we cannot guarantee future results and readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date of this press release. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. The Company undertakes no obligation to update or revise forward-looking statements. All references to "we," "us," "our," or "Cross Country" in this press release mean Cross Country Healthcare, Inc., its subsidiaries and affiliates.*

### CONTACT:

Cross Country Healthcare, Inc.  
William J. Grubbs, 561-237-6202  
President and Chief Executive Officer  
wgrubbs@crosscountry.com