## IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF GEORGIA ROME DIVISION

IN RE:	)	CHAPTER 11
REGIONAL HOUSING & COMMUNITY SERVICES CORP., et al.,	) ) )	Jointly Administered Under CASE NO. 21-41034-pwb
Debtors.	) ) )	

# MOTION FOR ENTRY OF CONSENT ORDER EXTENDING MATURITY DATE FOR SECURED POSTPETITION FINANCING AND CONTINUED USE OF CASH COLLATERAL

COME NOW the above-captioned debtors and debtors and debtors-in-possession (collectively, the "**Debtors**")<sup>1</sup> by and through the undersigned counsel, and file this motion seeking entry of a consent order extending maturity date for secured postpetition financing and continued use of cash collateral (the "**Motion**"). In support of the Motion, the Debtors show the Court as follows:

### **Background**

1.

On August 26, 2021 (the "**Petition Date**"), the Debtors each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**") with the United States Bankruptcy Court for the Northern District of Georgia, Rome Division (the

The Debtors in these Chapter 11 cases include: Regional Housing & Community Services Corporation, RHCSC Columbus AL Holdings LLC, RHCSC Columbus Health Holdings LLC, RHCSC Douglas AL Holdings LLC, RHCSC Douglas Health Holdings LLC, RHCSC Gainesville AL Holdings LLC, RHCSC Gainesville Health Holdings LLC, RHCSC Montgomery I AL Holdings LLC, RHCSC Montgomery II Health Holdings LLC, RHCSC Rome AL Holdings LLC, RHCSC Rome Health Holdings LLC, RHCSC Savannah AL Holdings LLC, RHCSC Savannah Health Holdings LLC, RHCSC Social Circle AL Holdings LLC, and RHCSC Social Circle Health Holdings LLC.



"Court"). The Debtors are authorized to operate their businesses as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

2.

No committee, trustee or examiner has been requested or appointed in this Case.

3.

On or about August 27, 2021, the Debtors filed a Motion for Authority to Use Cash Collateral [Dkt. No. 11].

4.

On or about August 27, 2021, the Debtors filed a Motion for Interim and Final Orders (I) Authorizing Secured Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362 and 364(c) and (d); and (B) Granting Security Interests, Superpriority Claims and Adequate Protection, and (III) Scheduling a Final Hearing; and Memorandum of Points and Authorities [Dkt. No. 12].

5.

On September 2, 2021, the Court entered the Interim Order (I) Authorizing Secured Postpetition Financing; (B) Granting Security Interests to the Bondholders; (C) Superpriority Claims and Other Adequate Protection to the Bond Trustee; (II) Authorizing the Use of Cash Collateral by the Debtors and (III) Scheduling a Final Hearing [Dkt. No. 35] (the "First Interim DIP Order").

6.

On September 22, 2021, the Court entered a Second Interim Order (I) Authorizing Secured Postpetition Financing; (B) Granting Security Interests to the Bondholders; (C) Superpriority Claims and Other Adequate Protection to the Bond Trustee; (II) Authorizing the Use of Cash

Collateral by the Debtors and (III) Scheduling a Final Hearing [Dkt. No. 58] (the "**Second Interim DIP Order**").

7.

On September 30, 2021, the Court entered a Third Interim Order (I) Authorizing Secured Postpetition Financing; (B) Granting Security Interests to the Bondholders; (C) Superpriority Claims and Other Adequate Protection to the Bond Trustee; (II) Authorizing the Use of Cash Collateral by the Debtors and (III) Scheduling a Final Hearing [Dkt. No. 65] (the "Third Interim DIP Order").

8.

On October 18, 2021, the Court entered a Final Order (I) Authorizing Secured Postpetition Financing; (B) Granting Security Interests to the Bondholders; (C) Superpriority Claims and Other Adequate Protection to the Bond Trustee; (II) Authorizing the Use of Cash Collateral by the Debtors [Dkt. No. 80] (the "Final DIP Order" and together with the First Interim DIP Order, the Second Interim DIP Order and the Third Interim DIP Order, the "Orders").

### **Relief Sought**

9.

The Final DIP Order authorized the Debtors to use cash collateral and DIP Financing through the earlier of (a) an occurrence of an Event of Default or (b) the Maturity Date. The Maturity Date thereunder is January 15, 2022.

10.

The Debtors and the Trustee have agreed to extend the Maturity Date through and including March 12, 2022 as set forth in the proposed consent order attached hereto as Exhibit B.

11.

The Debtors and the Trustee have further agreed that the Budget attached hereto as Exhibit A shall modify and supplement the Budget attached as Exhibit A to the Final DIP Order.

12.

The Debtors and the Trustee have further agreed that Paragraph 24(d) of the Final DIP Order shall be replaced and superseded by the following:

By no later than February 15, 2022, the Debtors shall file an amendment to the Final Order which shall include additional milestones for the sale or reorganization of the Debtors' assets, which milestones shall be subject to the consent of the Bond Trustee.

WHEREFORE, the Debtors respectfully request entry of the proposed Consent Order and such other and further relief as is just and proper.

This 12th day of January, 2022.

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Counsel for the Debtors

### EXHIBIT A

Ending	Net Cash Flow		Cash P	Total C											Cash D	Total C			Cash Receipts	Beginn	Many	Week	Cash Pl	
Ending Balance	th Flow		Cash Flow From Operations w DIP	Total Cash Disbursements											Cash Disburrements BK Category	Total Cash Receipts			ceipts	Beginning Cash Balance	sees chail Date	Week Beginning Date	ash Flow WorkShee	
		DIP Lender US Trustee Bankrupto	perations	ements	Other	Utilities	Food an	Residen	Rental /	Manage	Bank Fees	Petty Cash	Insurance	Payroll 6	ts BK Cate	iii.	Provider	Draw on DIP	BK Category Cash Collections	lance		ate		l
		DIP Lender US Trustee Bankruptcy Professionals	w DIP				Food and Other Supplies	Resident Refund	Rental / Lease Equipment	Management Fee	8	ş	ĸ	Payroll & Payroll Tax	gery		Provider Relief Funds	DIP	gory lections					
		fonals					oplies		pment					×			#							١
102	to.	1		\$ (2	L	_							(2					9	_	45	we we	8/29		١
\$481.346	438,281 \$		438,281	(288,859) \$	(16,262)	(15,712)	(7,212)	4	(1,086)	ě	*	77	(240,306)	(8,358)		727,140	Ť	000,000	127,140	\$43,064	Week 2			
\$311.092	(170,247) \$	600	(170,247)	(493,090) \$	(13,670)	(9,779)	(1,371)	06	(143)	ij	(6)	30	(283,827)	(184,300)		322,843	( a)	Œ.	322,843	\$481,346	9/11/2021 Week 3		Actual	
100.001		(5,000)	53,902		(1,517)	(14,897)	(1,976)	÷	(62)	ŧ		(60)	•	(9,126)		81,539	<b>1</b> 9%		81,539	\$311,099	Week 4			
\$265,366	(94,635) \$	. 539	(94,635)	(27,637) \$ (251,301) \$	(1,837)	(11,571)	(47,640)	*	(3,874)	61.	(3,096)	78	(3,772)	(179,590)		156,666		150,000	6,666	\$360,001	Week 5			
\$193,695	48,902 \$ (94,635) \$ (71,671) \$		(71,671)	(75,307) \$	(37,492)	(1,633)	(24,742)	(5)	(921)	ì	7	$\widetilde{\mathfrak{g}}$	(1,541)	(8,978)		3,636	-	1.5	3,636	\$265,366	10/2/2021	9/26/2021	Actual	
\$422,755	229,060 \$	9	229,060	(393,865) \$	(12,481)	(12,267)	(539)	*	(B42)	ě	ě	ij	(191,831)	(175,905)		622,925	10.	200,000	422,925	\$193,695	Week 7	10/3/2021	Actual	
\$316,644	(106,111) \$	(90,000)	(16,111)	(42,209) \$	(6,603)	(13,899)	(497)	v	(62)	g	(a)	(440)	(12,789)	(7,920)		26,098		2	26,098	\$422,755	10/16/2021	10/10/2021	Actual	
\$430.332	\$ 113,688 \$	(4,250)	117,938	\$ (184,872) \$	(1,753)	(14,715)	(1,725)	ě.	(5,533)	3	(1,913)	228	Ď.	(161,461)		302,810		250,000	52,810	\$316,644	10/23/2021	10/17/2021	Actual	
\$281,485	\$ (148,848) \$	(100,143)	(48,705)	\$ (51,766) \$	(1,879)	(22,572)	(3,680)	×	(365)	90	•	15	60	(23,285)		3,061	e	O.	3,061	\$430,332	10/30/2021	10/24/2021		
\$492,229	\$ 210,744 \$	@	210,744	\$ (200,994) \$	(15,111)	(14,916)	(7,351)	(*)	(567)	Œ.	(4)	(666)		(162,382)		411,738		250,000	161,738	\$281,485	11/6/2021 Week 11	w		
\$702.849		0	210,620		(10,424)	(7,479)	(12,753)	3	(618)	6	W.	ű)	ii.	(15,227)		257,122			257,122	\$492,229	Week 12			
\$577.313	210,620 \$ (125,537) \$	(2,256)	(123,281)	(46,502) \$ (185,079) \$	(2,208)	(5,834)	(11,473)		(3,162)	N.	(2,623)	(600)	100	(159,179)		61,798 \$	· ·	- \$	61,798 \$		Week 13			
\$602.571	25,058 \$	(90,000)	115,058	(67,920) \$	(5,659)	(11,947)	(9,180)	00	(634)	19	(*)	(600)	(25,895)	(14,005)		182,978 \$		150,000 \$	32,978 \$		11/2//2021 1 Week 14			
\$588,342	(14,029) \$	r - 100	(14,029)	(76,078) \$ (248,865) \$	(9,006)	(6,953)	(11,706)	*	(1,072)	1	*	e	50	(47,340)		62,050 \$	, s	- \$	62,050 \$	- "	Week 15 1			
\$654,696	66,353	9	66,353	(248,665)	(13,453)	(13,500)	(10,672)	ž.	(587)	Ų.	e	(799)	10	(209,655)		315,018	ļ.		315,018	\$588,342	12/11/2021 Week 16	12/5/2021	Actual	
\$2,070,742	66,353 \$ 1,416,047 \$ (493,850)	(133,816)	1,549,863		(12,039)	(16,535)	(13,100)	(4)	(501)	ě	(12)	(240)	ĝ,	(5,309)		315,018 \$ 1,597,600 \$	\$ 1,148,404	\$ 350,000	\$ 99,196	\$654,696	Week 17		Actual	
\$654,696 \$2,070,747 \$1,576,892	\$ (493,850)	Nº Alsa	(493,850)	(47,737) \$ (510,520)	(1B, 262)	(17,723)	(18,559)		(5,502)	14	(3,995)	(500)	(241,204)	(204,675)		\$ 16,669		\$	\$ 16,669	\$2,070,742	12/25/2071 Week 18	12/19/2021	Actual	
\$1.576.892	\$ 1,533,828	\$ (6,506) \$ (418,959)	1,959,293	\$ (3,192,399)	\$ (179,654)	\$ (211,932)	\$ (184,177)	**	\$ (23,632)		5 (11,639)	\$ (3,508)	\$ (1,001,164)	\$ (1,576,693)		\$ 5,151,692	\$ 1,148,404	\$ 1,950,000	\$ 2,053,287	\$43,064	1.1/25/2021 Weeks 2-17	8/29/2021	Actual	

Manor House (RHCSC)
From the Period 8.29.2021 - 12.25.2021
Facility:

A

Ending Balance	Net Cash Flow		Cash Flow	Total Cash D	Cash Disbur	Cash Receipts Total Cash Receipts	Cash Flow WorkSheet Week Beginning Date Week Ending Date Beginning Cash Balance
nce	WC	DIP Lender US Trustee Bankruptcy Professionals	Cash Flow From Operations w DIP	Resident Refund Food and Other Supplies Utilities Other Total Cash Disbursements	Cash Disbursements <i>BK Category</i> Payroll & Payroll Tax Insurance Petty Cash Bank Fees Management Fee Rental / Lease Equipment	S BK Category Cash Collections Draw on DIP Provider Relief Funds	vorkSheet Ping Date B Date
\$1,436,529	\$ (140,364) \$	r 1 3	(140,364)		(125,324) (151) (1,221)	\$ 22,916 : \$ - : \$ - :	Projections 12/26/2021 1/1/2022 Week 19 \$1,576,892
\$1,341,528	\$ (95,000) \$	r: 1 - 00:1	(95,000)	(2,939) (10,834) (13,713) (22,807) \$ (386,896) \$	(209,237) (22,994) (151) (105,000) (1,221)	\$ 293,896 \$ - \$ -	Projections 1/2/2022 1/8/2022 Week 20 \$1,436,529
\$1,342,526	\$ 998	(18,000)	18,998	E	(60,511) (151) (1,221)	\$ 124,923 \$ - \$ - \$ - \$ -	Projections 1/9/2022 1/15/2022 Week 21 \$1,341,528
\$1,035,891	\$ (306,635) \$	(90,000)	(216,635)	2	(209,934) (9,106) (151) (3,000)	\$ 44,197 \$ - \$ - \$ -	Projections 1/16/2022 1/22/2022 Week 22 \$1,342,526
\$936,952	\$ (98,939) \$	(40,000)	(58,939)		(33,239) - (151) - - - - (1,221)	\$ 19,848 \$ - \$ - \$ 19,848	Projections 1/23/2022 1/29/2022 Week 23 \$1,035,891
\$943,265	6,313		6,313	(1,743) (10,834) (14,337) (15,807) (167,973)	(47,344) (76,537) (151) - - - (1,221)	\$ 174,287 \$ - \$ - \$ 174,287	Projections 1/30/2022 2/5/2022 Week 24 \$936,952
\$889,918	\$ (53,347)	*	(53,347)	(2,324) (10,834) (14,337) (11,807) \$ (285,701)	(210,028) (151) (35,000) (1,221)	\$ 232,354 \$ - \$ - \$ - \$ - \$ -	Projections 2/6/2022 2/12/2022 Week 25 \$943,265
\$782,241	(53,347) \$ (107,677) \$ (286,497) \$	(90,000)	(17,677)	₩	(47,344) (151) (1,221)	\$ 69,081	Projections 2/13/2022 2/19/2022 Week 26 \$889,918
\$495,744	\$ (286,497)	(40,000)	(246,497)	(691) (234) (873) (2,832) (10,834) (10,834) (10,834) (10,834) (10,834) (10,834) (11,711) (14,711) (14,711) (11,807) (11,807) (11,807) (11,807) (11,807) (1287,153)	(211,830) (9,106) (151) (3,000) (1,221)	\$ 23,397 \$ \$ - \$ \$ - \$ \$ - \$	Projections P 2/20/2022 : 2/26/2022 2/26/2022 Week 27 \$782,241
\$419,391	\$ (76,354) \$	,	(76,354)	(873) (10,834) (14,711) (11,807) \$ (163,635) \$	(47,502) (76,537) (151)	87,282 \$ - \$ - \$ 87,282 \$	Projections P 2/27/2022 3 3/5/2022 3 Week 28 \$495,744
\$415,464	\$ (3,926)		(3,926)	(2,832) (10,834) (14,711) (11,807) \$ (287,153)	(210,598) - (151) - (35,000) (1,221)	283,227	Projections 3/6/2022 3/12/2022 Week 29 \$419,391

\$ (1,412,890) \$ (194,280) \$ (1,666) \$ (6,000) \$ (175,000) \$ (13,428) \$ (13,754) \$ (119,173) \$ (157,767) \$ (164,875)

\$ (1,161,428)

\$415,464

\*\*

(883,428)

(18,000)

\$ 1,375,406 \$ -

1,375,406

Period Projection 12/26/2021 3/12/2022 Week 19-29 \$1,576,892

EXHIBIT B

## IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF GEORGIA ROME DIVISION

IN RE:	)	CHAPTER 11
	)	Jointly Administered Under
REGIONAL HOUSING & COMMUNITY	)	CASE NO. 21-41034-pwb
SERVICES CORP., et al.,	)	
	)	
Debtors.	)	
	)	

### CONSENT ORDER EXTENDING MATURITY DATE FOR SECURED POSTPETITION FINANCING AND CONTINUED USE OF CASH COLLATERAL

THIS MATTER came before the Court to consider the *Motion for Entry of Consent Order*Extending Maturity Date for Secured PostPetition Financing and Continued Use of Cash

Collateral [Dkt. No. \_\_\_] filed by above-captioned debtors and debtors and debtors-in-possession

(collectively, the "**Debtors**")<sup>1</sup> on January 12, 2022. Terms not defined herein shall have the

The Debtors in these Chapter 11 cases include: Regional Housing & Community Services Corporation, RHCSC Columbus AL Holdings LLC, RHCSC Columbus Health Holdings LLC, RHCSC Douglas AL Holdings LLC, RHCSC Douglas Health Holdings LLC, RHCSC Gainesville AL Holdings LLC, RHCSC Gainesville Health Holdings LLC, RHCSC Montgomery I AL Holdings LLC, RHCSC Montgomery II Health Holdings LLC, RHCSC Rome AL Holdings LLC, RHCSC Rome Health Holdings LLC, RHCSC Savannah AL Holdings LLC, RHCSC Savannah Health Holdings LLC, RHCSC Social Circle AL Holdings LLC, and RHCSC Social Circle Health Holdings LLC.

meaning ascribed to such terms in the Motion. The Court having considered the Motion, the record, and for cause shown, and it appearing that the Debtor and UMB Bank, as successor trustee for certain bonds (the "Bond Trustee") have consented to entry of this Order:

#### IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

- 1. The Motion is granted, as set forth herein.
- 2. Except as otherwise modified herein, the First Interim DIP Order, the Second Interim DIP Order, the Third Interim DIP Order and the Final DIP Order shall remain in effect in accordance with their terms.
- 3. The Maturity Date shall be extended through and including March 12, 2022.

  The Budget attached hereto as Exhibit A shall modify and/or supplement the

  Budget attached as Exhibit A to the Final DIP Order. The Maturity Date may be
  extended by further Stipulation between the parties.
- 4. Paragraph 24(b) of the Final DIP Order shall be replaced and superceded by the following:
  - By no later than February 15, 2022, the Debtors shall file an amendment to the Final Order which shall include additional milestones for the sale or reorganization of the Debtors' assets, which milestones shall be subject to the consent of the Bond Trustee.
- 5. This Court shall retain jurisdiction to enforce the terms and provisions of this Order.

#### **END OF DOCUMENT**

Prepared and presented by:

Consented to by:

SCROGGINS & WILLIAMSON, P.C.

GREENBERG TRAURIG, LLP

J. ROBERT WILLIAMSON Georgia Bar No. 765214 ASHLEY REYNOLDS RAY Georgia Bar No. 601559 MATTHEW W. LEVIN Georgia Bar No. 448270

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Counsel for UMB Bank, N.A., as indenture trustee

#### **CERTIFICATE OF SERVICE**

This is to certify that on this date a true and correct copy of the within and foregoing Motion for Entry of Consent Order Extending Maturity Date for Secured Post-Petition Financing and Continued Use of Cash Collateral was served by the Court's CM/ECF system on all counsel of record registered in this case through CM/ECF.

This 12th day of January, 2022.

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