



IT IS ORDERED as set forth below:

Date: September 22, 2021

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

**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.)	
)	

FINAL ORDER (A) PROHIBITING UTILITIES FROM ALTERING, REFUSING, OR DISCONTINUING SERVICE ON ACCOUNT OF PREPETITION INVOICES, (B) DEEMING UTILITIES ADEQUATELY ASSURED OF FUTURE PERFORMANCE, AND (C) ESTABLISHING PROCEDURES FOR DETERMINING ADEQUATE ASSURANCE OF PAYMENT

Upon consideration of the motion [Dkt. No. 8] (the “**Motion**”)¹ of the Debtors² for a final order (a) prohibiting utilities from altering, refusing, or discontinuing service on account of

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

² 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 I Health Holdings LLC, RHCSC



prepetition invoices, (b) deeming utilities adequately assured of future performance, and (c) establishing procedures for determining adequate assurance of payment; and the court having granted the Motion on an interim basis on September 8, 2021 [Dkt. No. 44] and scheduled a final hearing for September 21, 2021; and jurisdiction existing for the Court to consider the Motion; and the Court having found that good and sufficient cause exists for granting the Motion; and upon consideration of the Goodman Declaration, and the files and records in these cases; and upon the arguments and statements in support of the Motion presented at the hearings before the Court; and it appearing that relief sought in the Motion will be in the best interests of the Debtors' estates, creditors, and other parties-in-interest; and it further appearing that notice of the Motion was adequate and proper under the circumstances of these cases and that no further notice of the Motion need be given;

IT IS HEREBY ORDERED as follows:

1. The Motion is GRANTED, as set forth herein.
2. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry. This Order is final in nature.
3. As adequate assurance, the Debtors shall deposit \$37,319.00 as the Adequate Assurance Deposit into the Adequate Assurance Account, which shall be separately allocated for, and payable to, each Utility Company and in the amounts set forth on Exhibit A to this Order, or as otherwise agreed with any Utility Company.

Montgomery II 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.

4. The portion of the Adequate Assurance Deposit attributable to each Utility Company shall be returned to the Debtors on the earlier of (i) the Debtors' termination of services from such provider, and (ii) the conclusion of these Chapter 11 cases, if not applied earlier.

5. If the Debtors fail to pay a utility bill when due (including the passage of any cure period), the relevant Utility Company shall provide notice of such default to the Debtors, and if within five (5) business days of the Debtors' receipt of notice, the bill is not paid, the Utility Company may file an application with the Court certifying that payment has not been made and requesting the amount due up to an aggregate maximum equal to the Adequate Assurance Deposit allocable to such Utility Company.

6. The Adequate Assurance Deposit in conjunction with the proposed debtor-in-possession financing, cash flow from operations, and cash on hand demonstrate the Debtors' ability to pay for future utility services in the ordinary course of business (together, the "**Proposed Adequate Assurance**") and constitute sufficient adequate assurance to the Utility Companies. The Proposed Adequate Assurance is hereby approved and is deemed adequate assurance of payment as the term is used in Section 366 of the Bankruptcy Code.

7. Absent compliance by the Debtors with the procedures set forth in the Motion and this Order, the Utility Companies are prohibited from altering, refusing or discontinuing service on account of any unpaid prepetition charges and are deemed to have received adequate assurance of payment in compliance with Section 366 of the Bankruptcy Code.

8. The Adequate Assurance Procedures set forth in the Motion are hereby approved.

9. All Utility Companies that have not filed a timely Adequate Assurance Request shall be: (a) deemed to have adequate assurance of payment "satisfactory" to such Utility Company within the meaning of Section 366 of the Bankruptcy Code except based upon a material

adverse change in circumstances as provided in the next paragraph; and (b) restrained from discontinuing, altering or refusing service to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.

10. The Debtors are authorized, in their sole discretion, to amend the utility services list attached as Exhibit A hereto to add or delete any Utility Company, and this Order shall apply to any Additional Utility Company that is subsequently added to the Utility Service List. The Debtors will serve a copy of this Order on any Additional Utility Companies, and deposit two weeks' worth of estimated utility costs in the Adequate Assurance Account for the benefit of such Additional Utility Company, and any such Additional Utility Company have twenty (20) days from the date of service of the Order to make an Adequate Assurance Request. If any Additional Utility Company makes no such timely request, then such Additional Utility Company shall be (a) deemed to have received adequate assurance of payment "satisfactory" to such subsequently added entity compliance with Section 366 of the Bankruptcy Code; and (b) forbidden to discontinue, alter, or refuse service to, or discriminate against, the Debtors on account of any unpaid prepetition charges, or require additional assurance of payment other than the Proposed Adequate Assurance. If a timely request is made, a hearing shall be scheduled with the Court to address any such Adequate Assurance Request that the Debtors and such Additional Utility Company cannot resolve; provided, however, that the Additional Utility Company shall be forbidden to discontinue, alter, or refuse service to, or discriminate against, the Debtors on account of any unpaid prepetition charges, or require additional assurance of payment other than the Proposed Adequate Assurance, pending such hearing.

11. Any Utility Company that fails to request additional assurance in accordance with the Adequate Assurances Procedures shall be deemed to consent to the Proposed Adequate

Assurance and shall be bound by this Order. Notwithstanding the foregoing, any Utility Company may file a motion at any time seeking additional or alternative adequate assurance at variance with this Order or may otherwise seek relief from this Order on an expedited basis. Pending resolution of any such motion by entry of a final order by this Court, such Utility Company shall continue to be bound by the terms of this Order.

12. Notwithstanding anything to the contrary herein, any payment to be made or authorization contained hereunder shall be subject to the requirements imposed on the Debtors pursuant to any interim or final orders (including any related budgets) authorizing the Debtors' entry into post-petition debtor-in-possession financing and use of cash collateral, including, but not limited to, that the Bond Trustee and Bondholders (each as defined in such orders) shall be entitled to a lien on the Debtors' rights (if any) with regard to the return of any funds paid by the Debtors pursuant to this Order.

13. Nothing contained in the Motion or this Order or any payment made pursuant to the authority granted by this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute any claim, or (iii) an approval or assumption of any agreement, contract, program, policy, or lease under Section 365 of the Bankruptcy Code.

14. The requirements of Bankruptcy Rule 6003(b) have been satisfied to the extent applicable. To the extent the fourteen day stay of Bankruptcy Rule 6004(h) may be construed to apply to the subject matter of this Order, such stay is hereby waived.

15. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation and/or interpretation of this Order.

16. Counsel to the Debtors is directed to serve a copy of this Order on the Office of the United States Trustee, counsel to the Debtors' pre-petition secured lender, counsel to the Debtors' proposed debtor-in-possession lender, any other party asserting a security interest in assets of the Debtors, the Utility Companies and the Debtors' twenty (20) largest unsecured creditors on a consolidated basis promptly following the entry of this Order and to file a certificate of service with the Clerk of the Court.

[END OF DOCUMENT]

Prepared and presented by:

SCROGGINS & WILLIAMSON, P.C.

By: /s/ Matthew W. Levin
J. ROBERT WILLIAMSON
Georgia Bar No. 765214
ASHLEY REYNOLDS RAY
Georgia Bar No. 601559
MATTHEW W. LEVIN
Georgia Bar No. 448270

4401 Northside Parkway
Suite 450
Atlanta, Georgia 30327
T: (404) 893-3880
F: (404) 893-3886
E: rwilliamson@swlawfirm.com
aray@swlawfirm.com
mlevin@swlawfirm.com

Proposed Counsel for the Debtors

EXHIBIT A

List of Utility Companies and Allocated Deposits

UTILITY LIST

<u>Property Location</u>	<u>Vendor Name</u>	<u>Deposit Amount</u>
Rome	Georgia Power	\$1,675.00
Rome	One Source	\$1,455.00
Rome	True Natural Gas	\$ 200.00
Rome	Floyd County Water	\$2,500.00
Rome	Republic Services	\$1,000.00
Savannah	One Source	\$ 847.50
Savannah	Georgia Power	\$1,225.00
Savannah	Republic Services	\$ 200.00
Savannah	Georgia Natural Gas	\$ 275.00
Savannah	City of Savannah Revenue	\$ 250.00
Social Circle	One Source	\$ 772.00
Social Circle	City of Social Circle	\$ 850.00
Social Circle	Georgia Power	\$2,650.00
Social Circle	Roll off Systems	\$ 150.00
Montgomery I	Montgomery Water	\$ 925.00
Montgomery I	One Source	\$1,177.00
Montgomery I	Alabama Power	\$3,800.00
Montgomery I	Spire	\$ 237.50
Montgomery I	GFL	\$ 600.00
Columbus	One Source	\$3,000.00
Columbus	Georgia Power	\$2,050.00
Columbus	Columbus Water Works	\$ 875.00
Columbus	Advanced Disposal	\$ 150.00
Columbus	Liberty Utilities	\$ 450.00
Douglas	One Source	\$ 800.00
Douglas	City of Douglas	\$3,005.00
Gainesville	City of Gainesville	\$ 350.00
Gainesville	Georgia Power	\$1,500.00

Gainesville	One Source	\$ 600.00
Gainesville	Liberty Utilities	\$ 150.00
Gainesville	Waste Management	\$ 350.00
Montgomery II	Alabama Power	\$2,250.00
Montgomery II	Montgomery Water Works	\$1,000.00
	TOTAL	\$37,319.00

DISTRIBUTION LIST

Ashley R. Ray
SCROGGINS & WILLIAMSON, P.C.
4401 Northside Parkway
Suite 450
Atlanta, Georgia 30327

Vanessa A. Leo
OFFICE OF THE UNITED STATES TRUSTEE
362 Richard B. Russell Building
75 Ted Turner Drive, SW
Atlanta, GA 30303