

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
)	
Debtors.)	CASE NO. 21-41034-pwb
)	

STIPULATION (I) EXTENDING MATURITY DATE FOR SECURED POSTPETITION FINANCING, (II) INCREASING BORROWING AUTHORITY AND (III) AUTHORIZING CONTINUED USE OF CASH COLLATERAL

WHEREAS on August 26, 2021 (the “**Petition Date**”), the above-captioned debtors and debtors and debtors-in-possession (collectively, the “**Debtors**”)¹ 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 “**Court**”).

WHEREAS on or about August 27, 2021, the Debtors filed a Motion for Authority to Use Cash Collateral and 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 (the “**Financing Motion**”).

¹ 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 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.



WHEREAS the Court entered various interim orders with regard to the Financing Motion (the “**Interim DIP Orders**”), and, on October 15, 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* (the “**Final DIP Order**”) authorizing the Debtors to borrow up to \$2,350,000 from the DIP Lender, with an original maturity date of January 15, 2022, which date has been extended by stipulation between the DIP Lender and the Debtors to May 14, 2022.

WHEREAS on May 11, 2022, the Court entered a *Final Order (A) Extending Maturity Date of DIP Facility; and (B) Increasing Borrowing Authority Thereunder* dated May 11, 2022 [Dkt. No. 146] (the “**Amended Final DIP Order**”), authorizing the Debtors to borrow up to \$3,150,000 from the DIP Lender, with an original maturity date of July 2, 2022.

WHEREAS on July 1, 2022, pursuant to the terms of the Amended Final DIP Order, the DIP Lender and the Debtors filed a *Stipulation (I) Extending Maturity Date for Secured Postpetition Financing, (II) Increasing Borrowing Authority and (III) Authorizing Continued Use of Cash Collateral* [Dkt. No. 163], which extended the maturity date of the DIP Facility to August 6, 2022 and increased the borrowing limit by \$320,000.

WHEREAS on August 18, 2022, the Court entered a *Final Order (A) Further Extending Maturity Date of DIP Facility; and (B) Further Increasing Borrowing Authority Thereunder* [Dkt. No. 181] (the “**Second Amended Final DIP Order**”), authorizing the Debtors to borrow up to \$4,170,000 from the DIP Lender, with an original maturity date of October 1, 2022.

WHEREAS on September 30, 2022, pursuant to the terms of the Second Amended Final DIP Order, the DIP Lender and the Debtors filed a *Stipulation (I) Extending Maturity Date for*

Secured Postpetition Financing, (II) Increasing Borrowing Authority and (III) Authorizing Continued Use of Cash Collateral [Dkt. No. 195], which extended the maturity date of the DIP Facility to November 12, 2022.

WHEREAS, on November 9, 2022 the Court entered a *Third Interim Order (A) Further Extending Maturity Date of DIP Facility; and (B) Further Increasing Borrowing Authority Thereunder* [Dkt. No. 206] (the “**Third Interim Order**”).

WHEREAS on November 29, 2022, the Court entered a *Final Order (A) Extending Maturity Date of DIP Facility, and (B) Increasing Borrowing Authority Thereunder* (the “**Third Amended Final DIP Order**”). The Third Amended Final DIP Order, *inter alia*, extended the maturity date of the DIP Facility through and including January 7, 2023, increased the borrowing limit, and authorized the Debtors and UMB Bank, as successor trustee for certain bonds (the “**Bond Trustee**”) to further extend the maturity date and further increase the borrowing limit by stipulation.

WHEREAS on January 6, 2023, the Debtors and the Bond Trustee entered into a *Stipulation (I) Extending Maturity for Secured Postpetition Financing, and (II) Authorizing Continued Use of Cash Collateral* [Dkt. No. 225] (the “**January 6, 2023 Stipulation**”) which, *inter alia*, extended the Maturity Date through and including April 29, 2023 and increased the borrowing limit to \$6,720,000.

WHEREAS on April 28, 2023, the Debtors and the Bond Trustee entered into a *Stipulation (I) Extending Maturity for Secured Postpetition Financing, and (II) Authorizing Continued Use of Cash Collateral* [Dkt. No. 246] (the “**April 28, 2023 Stipulation**”) which, *inter alia*, extended the Maturity Date through and including July 1, 2023 and increased the borrowing limit to \$7,570,000.

WHEREAS on June 30, 2023, the Debtors and the Bond Trustee entered into a *Stipulation (I) Extending Maturity for Secured Postpetition Financing, and (II) Authorizing Continued Use of Cash Collateral* [Dkt. No. 250] (the “**June 30, 2023 Stipulation**”) which, *inter alia*, extended the Maturity Date through and including July 31, 2023 and increased the borrowing limit to \$7,970,000.

WHEREAS on July 28, 2023, the Debtors and the Bond Trustee entered into a *Stipulation (I) Extending Maturity for Secured Postpetition Financing, and (II) Authorizing Continued Use of Cash Collateral* [Dkt. No. 255] (the “**July 28, 2023 Stipulation**”) which, *inter alia*, extended the Maturity Date through and including September 2, 2023.

WHEREAS on August 23, 2023, the Debtors and the Bond Trustee entered into a *Stipulation (I) Extending Maturity for Secured Postpetition Financing, (II) Increasing Borrowing Authority and (III) Authorizing Continued Use of Cash Collateral* [Dkt. No. 268] (the “**August 23, 2023 Stipulation**”) which, *inter alia*, extended the Maturity Date through and including October 28, 2023, increased the borrowing limit in accordance with the budget attached thereto, and provided that no later than September 30, 2023, the Debtors and the DIP Lender shall agree to and submit to the Court an amended budget for the period through in including at least December 2, 2023.

WHEREAS on October 3, 2023, the Debtors and the Bond Trustee entered into a *Stipulation (I) Extending Maturity for Secured Postpetition Financing, (II) Increasing Borrowing Authority and (III) Authorizing Continued Use of Cash Collateral* [Dkt. No. 270] (the “**October 3, 2023 Stipulation**”) which, *inter alia*, extended the Maturity Date through and including December 2, 2023, increased the borrowing limit in accordance with the budget attached thereto, and provided that no later than November 1, 2023, the Debtors and the DIP Lender shall agree to

and submit to the Court an amended budget for the period through and including at least January 6, 2024.

WHEREAS on November 2, 2023, the Debtors and the Bond Trustee entered into a *Stipulation (I) Extending Maturity for Secured Postpetition Financing, (II) Increasing Borrowing Authority and (III) Authorizing Continued Use of Cash Collateral* [Dkt. No. 272] (the “**November 2, 2023 Stipulation**”) which, *inter alia*, extended the Maturity Date through and including January 13, 2024, increased the borrowing limit in accordance with the budget attached thereto, and provided that the Debtors and the DIP Lender shall use best efforts to agree to an amended budget that shall become the Budget and shall go through at least February 10, 2024, with such Budget being submitted to the Court by no later than December 1, 2023;

WHEREAS on December 18, 2023, the Debtors and the Bond Trustee entered into a *Stipulation (I) Extending Maturity for Secured Postpetition Financing, (II) Increasing Borrowing Authority and (III) Authorizing Continued Use of Cash Collateral* [Dkt. No. 278] (the “**December 18, 2023 Stipulation**”) which, *inter alia*, extended the Maturity Date through and including February 3, 2024, increased the borrowing limit in accordance with the budget attached thereto, and provided that the Debtors and the DIP Lender shall use best efforts to agree to an amended budget that shall become the Budget and shall go through at least February 29, 2024, with such Budget being submitted to the Court by no later than December 31, 2023;

WHEREAS on January 29, 2024, the Debtors and the Bond Trustee entered into a *Stipulation (I) Extending Maturity for Secured Postpetition Financing, (II) Increasing Borrowing Authority and (III) Authorizing Continued Use of Cash Collateral* [Dkt. No. 286] (the “**January 29, 2024 Stipulation**”) which, *inter alia*, extended the Maturity Date through and including March 2, 2024, increased the borrowing limit in accordance with the budget attached thereto, and

provided that the Debtors and the DIP Lender shall use best efforts to agree to an amended budget that shall become the Budget and shall go through at least March 31, 2024, with such Budget being submitted to the Court by no later than February 9, 2023;

WHEREAS on February 12, 2024, the Debtors and the Bond Trustee entered into a *Stipulation (I) Extending Maturity for Secured Postpetition Financing, (II) Increasing Borrowing Authority and (III) Authorizing Continued Use of Cash Collateral* [Dkt. No. 287] (the “**February 12, 2024 Stipulation**”) which, *inter alia*, extended the Maturity Date through and including April 6, 2024, increased the borrowing limit in accordance with the budget attached thereto, and provided that the Debtors and the DIP Lender shall use best efforts to agree to an amended budget that shall become the Budget and shall go through at least May 4, 2024, with such Budget being submitted to the Court by no later than April 6, 2024;

WHEREAS the Debtors and the Bond Trustee have now agreed to extend further the Maturity Date and increase the borrowing limit in accordance with the terms of this Stipulation.

WHEREFORE, the Debtors and the Bond Trustee stipulate and agree as follows:

1. Except as otherwise modified herein, the Interim DIP Orders, the Final DIP Order, the Amended Final DIP Order, the Second Amended Final DIP Order, the Third Amended Final DIP Order, the January 6, 2023 Stipulation, the April 28, 2023 Stipulation, the June 30, 2023 Stipulation, the July 28, 2023 Stipulation, the August 23, 2023 Stipulation, the October 3, 2023 Stipulation, the November 2, 2023 Stipulation, the December 18, 2023 Stipulation, the January 29, 2024 Stipulation and the February 12, 2024 Stipulation shall remain in effect in accordance with their terms.
2. The Maturity Date shall be extended through and including May 11, 2024.

3. The Budget attached hereto as Exhibit A shall (i) modify and/or supplement the Budget attached as Exhibit A to the February 12, 2024 Stipulation and (ii) increase the borrowing limit as set forth therein.
4. The Debtors and the DIP Lender further stipulate and agree that: (i) the Debtors and the DIP Lender shall use best efforts to agree to an amended budget that shall become the Budget and shall go through at least June 15, 2024, with such Budget being submitted to the Court by no later than April 11, 2024; and (ii) following submission of the budget set forth in the foregoing (i), the parties shall use best efforts to agree to and submit to the Court supplemental or amended budgets by the date that is not less than 30 days prior to the last day of the existing Budget, and that such extended budgets shall be for not less than 60 days.

So stipulated this 1st day of April, 2024.

SCROGGINS & WILLIAMSON, P.C.

GREENBERG TRAURIG, LLP

By: /s/ Ashley R. Ray

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, GA 30327
T: (404) 893-3880
F: (404) 893-3886
E: rwilliamson@swlawfirm.com
aray@swlawfirm.com
mlevin@swlawfirm.com

Counsel for the Debtors

By: /s/ Charles W. Azano (with express permission by ARR)

KEVIN J. WALSH
(admitted *pro hac vice*)
CHARLES W. AZANO
(admitted *pro hac vice*)

One International Place, Suite 2000
Boston, MA 02110
T: (617) 310-6000
F: (617) 310-6001
E: walshke@gtlaw.com
azano@gtlaw.com

JOHN D. ELROD
Georgia Bar No. 246604
Terminus 200
3333 Piedmont Road, NE, Suite 2500
Atlanta, GA 30305
T: (678) 553-2259
F: (678) 553-2212
E: elrodj@gtlaw.com

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

Exhibit A

Budget

Regional Housing and Community Services Corporation							
Budget Through 5/11/24							
		<i>Wk ending --</i>	4/13/24	4/20/24	4/27/24	5/4/24	5/11/24
			Week 138	Week 139	Week 140	Week 141	Week 142
Beginning Cash Balance			\$236,509	\$362,544	\$363,238	\$112,642	\$339,020
Cash Receipts	BK Category						
	Cash Collections		\$108,640	\$72,427	\$36,213	\$54,320	\$217,281
	Draw on DIP		\$300,000	\$0	\$0	\$250,000	\$0
	Provider Relief Funds		\$0	\$0	\$0	\$0	\$0
			\$0	\$0	\$0	\$0	\$0
Total Cash Receipts			\$408,640	\$72,427	\$36,213	\$304,320	\$217,281
Cash Disbursements	BK Category						
	Payroll & Payroll Tax		(\$209,010)	\$0	(\$209,010)	\$0	(\$209,010)
	Insurance		(\$8,000)	\$0	\$0	(\$42,892)	(\$8,000)
	Petty Cash		(\$100)	(\$100)	(\$100)	(\$100)	(\$100)
	Bank Fees		\$0	(\$2,500)	\$0	\$0	\$0
	Management Fee		\$0	\$0	(\$39,000)	\$0	\$0
	Rental / Lease Equipment		(\$509)	(\$509)	(\$509)	(\$509)	(\$509)
	Resident Refund		(\$1,086)	(\$724)	(\$362)	(\$543)	(\$2,173)
	Food and Other Supplies		(\$10,440)	(\$10,440)	(\$10,440)	(\$10,440)	(\$10,440)
	Utilities		(\$10,751)	(\$10,751)	(\$10,751)	(\$10,751)	(\$10,751)
	Bondholder Approved Emergency		\$0	\$0	\$0	\$0	\$0
	Other		(\$12,708)	(\$16,708)	(\$16,637)	(\$12,708)	(\$12,708)
Total Cash Disbursements			(\$252,605)	(\$41,732)	(\$286,810)	(\$77,943)	(\$253,691)
	DIP Lender		\$0	\$0	\$0	\$0	\$0
	US Trustee		\$0	(\$20,000)	\$0	\$0	\$0
	Bankruptcy Professionals		(\$30,000)	(\$10,000)	\$0	\$0	\$0
Net Cash Flow			\$126,036	\$694	(\$250,596)	\$226,377	(\$36,411)
Ending Balance			\$362,544	\$363,238	\$112,642	\$339,020	\$302,609

CERTIFICATE OF SERVICE

This is to certify that on this date a true and correct copy of the within and foregoing **Stipulation (I) Extending Maturity Date for Secured Postpetition Financing, (II) Increasing Borrowing Authority and (III) Authorizing 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 1st day of April, 2024.

SCROGGINS & WILLIAMSON, P.C.

By: /s/ Ashley R. Ray
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, GA 30327
T: (404) 893-3880
F: (404) 893-3886
E: rwilliamson@swlawfirm.com
aray@swlawfirm.com
mlevin@swlawfirm.com

Counsel for the Debtors