

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

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

**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 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 and the August 23, 2023 Stipulation shall remain in effect in accordance with their terms.

2. The Maturity Date shall be extended through and including December 2, 2023.
3. The Budget attached hereto as Exhibit A shall (i) modify and/or supplement the Budget attached as Exhibit A to the August 23, 2023 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 January 6, 2024, with such Budget being submitted to the Court by no later than November 1, 2023; 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.

END OF DOCUMENT

So stipulated this 3rd day of October, 2023.

SCROGGINS & WILLIAMSON, P.C.

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Exhibit A

Budget

RHSCC Cash Flow Budget
 From the Period 09.24.23 through 12.02.23
 Facility:

												ACTUAL PERIOD	ACTUAL PERIOD
Cash Flow Worksheet	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Actual	Projections
Week Beginning Date	9/24/2023	10/1/2023	10/8/2023	10/15/2023	10/22/2023	10/29/2023	11/5/2023	11/12/2023	11/19/2023	11/26/2023		8/29/2021	9/24/2023
Week Ending Date	9/30/2023	10/7/2023	10/14/2023	10/21/2023	10/28/2023	11/4/2023	11/11/2023	11/18/2023	11/25/2023	12/2/2023		9/23/2023	12/2/2023
	Week 110	Week 111	Week 112	Week 113	Week 114	Week 115	Week 116	Week 117	Week 118	Week 119		Week 2-109	Week 110-119
Beginning Cash Balance	\$482,662	\$302,925	\$301,778	\$452,311	\$369,493	\$338,645	\$351,107	\$276,113	\$275,970	\$284,648		\$43,064	\$482,662
Cash Receipts	<i>BK Category</i>												
Cash Collections	\$ 31,671	\$ 190,045	\$ 216,793	\$ 26,650	\$ 37,419	\$ 111,342	\$ 204,948	\$ 102,980	\$ 26,839	\$ 50,858		\$ 12,376,406	\$ 999,545
Draw on DIP	-	200,000	-	-	200,000	-	-	-	250,000	-		7,370,000	650,000
Provider Relief Funds	-	-	-	-	-	-	-	-	-	-		1,312,810	-
Total Cash Receipts	\$ 31,671	\$ 390,045	\$ 216,793	\$ 26,650	\$ 237,419	\$ 111,342	\$ 204,948	\$ 102,980	\$ 276,839	\$ 50,858		\$ 21,059,216	\$ 1,649,545
Cash Disbursements	<i>BK Category</i>												
Payroll & Payroll Tax	-	(220,000)	-	-	(220,000)	-	(220,000)	-	(220,000)	-		(11,247,744)	(880,000)
Insurance	(111,000)	(121,399)	-	-	-	(49,874)	-	-	-	-		(1,296,183)	(282,272)
Petty Cash	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)		(17,478)	(1,500)
Bank Fees	-	-	(2,200)	-	-	-	-	(2,200)	-	-		(69,840)	(4,400)
Management Fee	(50,000)	-	-	(48,000)	-	-	-	(48,000)	-	-		(1,087,560)	(146,000)
Rental / Lease Equipment	(1,371)	(1,118)	(1,118)	(1,118)	(1,118)	(1,118)	(1,118)	(1,118)	(1,118)	(1,118)		(146,504)	(11,430)
Resident Refund	(317)	(1,900)	(2,168)	(575)	(374)	(1,113)	(2,049)	(1,030)	(268)	(509)		(143,708)	(10,304)
Food and Other Supplies	(11,274)	(10,461)	(10,461)	(10,461)	(10,461)	(10,461)	(10,461)	(10,461)	(10,461)	(10,461)		(1,326,771)	(105,426)
Utilities	(13,461)	(12,327)	(12,327)	(12,327)	(12,327)	(12,327)	(12,327)	(12,327)	(12,327)	(12,327)		(1,646,823)	(124,406)
Other	(23,836)	(23,836)	(27,836)	(23,836)	(23,836)	(23,836)	(23,836)	(27,836)	(23,836)	(23,836)		(1,957,433)	(246,365)
Total Cash Disbursements	\$ (211,409)	\$ (391,192)	\$ (56,261)	\$ (96,468)	\$ (268,267)	\$ (98,880)	\$ (269,942)	\$ (103,123)	\$ (268,161)	\$ (48,401)		\$ (18,940,043)	\$ (1,812,103)
Cash Flow From Operations w DIP	(179,738)	(1,146)	160,532	(69,817)	(30,848)	12,462	(64,994)	(143)	8,678	2,456		2,119,173	(162,558)
DIP Lender	-	-	-	-	-	-	-	-	-	-		-	-
US Trustee	-	-	-	(13,000)	-	-	-	-	-	-		(95,136)	(13,000)
Bankruptcy Professionals	-	-	(10,000)	-	-	-	(10,000)	-	-	-		(1,584,440)	(20,000)
Net Cash Flow	\$ (179,738)	\$ (1,146)	\$ 150,532	\$ (82,817)	\$ (30,848)	\$ 12,462	\$ (74,994)	\$ (143)	\$ 8,678	\$ 2,456		\$ 439,598	\$ (195,558)
Ending Balance	\$302,925	\$301,778	\$452,311	\$369,493	\$338,645	\$351,107	\$276,113	\$275,970	\$284,648	\$287,104		\$482,662	\$287,104
Ending Balance Less Restricted Social Circle Funds	\$229,376	\$228,230	\$378,762	\$295,945	\$265,097	\$277,559	\$202,565	\$202,421	\$211,100	\$213,556		\$409,114	\$213,556
Variance to CF Detail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		(\$0)	\$0

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 3rd day of October, 2023.

SCROGGINS & WILLIAMSON, P.C.

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