

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

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| <p>IN RE:</p> <p>REGIONAL HOUSING & COMMUNITY SERVICES CORP., et al.,</p> <p style="text-align: center;">Debtors.</p> | <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> | <p>CHAPTER 11</p> <p>Jointly Administered Under</p> <p>CASE NO. 21-41034-pwb</p> |
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NOTICE OF PROPOSED SALE, HEARING AND DEADLINE TO OBJECT

PLEASE TAKE NOTICE that the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”)¹ filed a Notice of Filing Asset Purchase Agreement [Dkt. No. 274] (the “**Notice**”) on December 7, 2023. A copy of the Notice is available upon request to the undersigned counsel, or by downloading at <http://www.kccllc.net/RegionalHousing>.

PLEASE TAKE FURTHER NOTICE that the Debtors seek approval of the proposed asset purchase agreement (the “**APA**”), attached as Exhibit 1 to the Notice, and the sale transaction contemplated therein. A summary of the material terms of the proposed sale are as follows:

- **Sellers-** RHCSC Gainesville AL Holdings LLC and RHCSC Gainesville Health Holdings LLC;
- **Buyer-** R & R Property Holdings, LLC;
- **Purchase Price-** Two Million One Hundred Fifty Thousand Dollars (\$2,150,000.00), subject to certain prorations set forth in the APA;
- **Purchased Assets-** Substantially all real and certain personal property, other than the Excluded Assets, owned by the Sellers and used in connection with the facility located at 2030 Windward Lane, Gainesville, GA 30501 and known as The Landings of Gainesville (the “**Gainesville Facility**”);
- **Excluded Assets-** The following are excluded assets: (i) any cash or cash equivalents, (ii) accounts receivable existing as of the Proration Time (defined

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.



below); (iii) any funds held by the Trustee; (iv) Sellers' rights under this Agreement, (v) any funds in the accounts being maintained by the Sellers, (vi) any rights to any tax refunds owed to the Sellers or any affiliates thereof related in any way to the Purchased Assets, including but not limited to Employee Retention Tax Credits; (vii) any prepaid expenses or deposits (other than security deposits); (viii) any causes of action existing as of the Proration Date, (ix) any tangible personal property removed from the Project by Sellers prior to the Closing Date; and (x) any other items set forth on Schedule 1.2 to the APA;

- **Proposed Closing Date-** December 15, 2023;
- **Facility Closure and Post-Closing Occupancy License Agreement-** As a condition of the transactions evidenced by the APA, notwithstanding the occurrence of the Closing Date, Sellers have agreed to relocate all residents at the Project and to close the Project. Upon execution of the APA, the Sellers will no longer accept new residents at the Project. Upon entry of the Sale Order, Sellers will initiate the process of relocating all existing residents and closing the facility in accordance with applicable law. After the Closing, Sellers will occupy the Project pursuant to a Post-Closing Occupancy License Agreement by and between Buyer and Sellers in form acceptable to the Trustee. Sellers, through its manager HMP Senior Solutions, will provide all required notices to residents and governing authorities and shall continue to manage the Project until the Operations Transfer Date. Following entry of the Sale Order, Sellers will inform residents of their intent to close the Project and will file all required notices. Sellers will afford Buyer an opportunity to assist and/or provide reasonable requests in the relocation notices and process given the exposure of the Operating Expenses Escrow as connected to said process; provided, however, the Sellers shall maintain control over all decisions related to moving of the residents to ensure the health, safety and privacy of the residents.

PLEASE TAKE FURTHER NOTICE that the Court will hold a hearing on approval of the proposed sale and APA and any objections thereto at **1:30 p.m. on December 14, 2023 (the "Hearing")** in Courtroom 1401, U.S. Courthouse, 75 Ted Turner Drive SW, Atlanta, Georgia, 30303. The Hearing may be attended in person or via the Court's Virtual Hearing Room. You may join the Virtual Hearing Room through the "Dial-in and Virtual Bankruptcy Hearing Information" link at the top of the homepage of the Court's website, www.ganb.uscourts.gov, or the link on the judge's webpage, which can also be found on the Court's website. Please also review the "Hearing Information" tab on the judge's webpage for further information about the hearing. Parties and counsel should be prepared to appear at the hearing via video but may leave the camera in the off position until the Court instructs otherwise. Unrepresented persons who do not have video capability may use the telephone dial-in information on the judge's webpage.

PLEASE TAKE FURTHER NOTICE that if you oppose approval of the proposed sale on the terms and conditions set forth in the Notice and the APA, you **must** attend the Hearing. Additionally, you may file an objection with the Bankruptcy Clerk at Clerk, U.S. Bankruptcy Court, 600 East First Street, Room 339, Rome, Georgia 30161-3187, and serve a copy on counsel for the

Debtors, Ashley R. Ray, Scroggins & Williamson, P.C., 4401 Northside Parkway, Suite 450, Atlanta, GA 30327, but are not required to do so.

Your rights may be affected. You should read these papers carefully and discuss with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

This 7th day of December, 2023.

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

Respectfully submitted,

SCROGGINS & WILLIAMSON, P.C.

/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

CERTIFICATE OF SERVICE

This is to certify that on this date a true and correct copy of the within and foregoing **Notice of Proposed Sale, Hearing and Deadline to Object** was served by the Court's CM/ECF system on all counsel of record registered in this case through CM/ECF.

This 7th day of December, 2023.

Respectfully submitted,

SCROGGINS & WILLIAMSON, P.C.

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

/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

Counsel for the Debtors