

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.	)	
	)	
	)	

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**REPORT OF SALE TO R & R PROPERTY HOLDINGS, LLC**

COME NOW the above-captioned debtors and debtors and debtors-in-possession (collectively, the “**Debtors**”)<sup>1</sup> by and through the undersigned counsel, in the above-styled jointly administered cases (collectively, the “**Case**”), and pursuant to Bankruptcy Rule 6004(f) hereby make and file this Report of Sale, showing as follows:

1.

On August 26, 2021 (the “**Petition Date**”), the Debtors each filed voluntary petitions for relief with the United States Bankruptcy Court for the Northern District of Georgia, Rome Division (the “**Court**”) under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to operate their business as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

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<sup>1</sup> 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.



2.

No committee, trustee or examiner has been appointed in this Case. No request has been made for the appointment of a trustee or examiner.

3.

On August 5, 2022, the Court entered its *Order Establishing Notice and Objection Procedures With Respect to Debtors' Motion for Authority to Sell Assets Free and Clear of Liens, Claims, and Encumbrances* [Dkt. No. 173] (the "**Sales Procedures Order**"), which provided certain procedures for the Debtors to sell some or all of their assets.

4.

On December 7, 2023, the Debtors filed the *Notice of Filing Asset Purchase Agreement* [Dkt. No. 274], and the *Notice of Proposed Sale, Hearing and Deadline to Object* [Dkt. No. 275], whereby, pursuant to the terms of the Sales Procedures Order, the Debtors provided notice of their intention to sell the assets of Debtors RHCSC Gainesville AL Holdings LLC and RHCSC Gainesville Health Holdings LLC (the "**Gainesville Debtors**") to R & R Property Holdings, LLC (the "**Buyer**").

5.

On December 15, 2023, the Court entered its *Order (I) Approving the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (II) Authorizing the Assumption and Assignment of Contracts and Leases, and (III) Granting Related Relief* [Dkt. No. 276] (the "**Sale Order**"), which approved the sale of the assets of the Gainesville Debtors to the Buyer.

6.

The transactions authorized by the Sale Order were closed effective as of 12:01 a.m. on December 15, 2023.

7.

Pursuant to the terms of the Sale Order, \$111,279.75 of the sales proceeds were paid to various parties on account of various closing costs, \$300,000 was paid to the DIP Lender's<sup>2</sup> counsel, \$15,000 was paid to the Bond Trustee, \$100,000 was paid to the Debtors' counsel to be held in escrow to satisfy certain administrative expenses of the Gainesville Debtors, \$615,000 was paid to the Debtors to be used to fund budgeted expenses, and the balance, \$1,109,075.55, was paid to the DIP Lender. A copy of the Closing Statement is attached hereto as Exhibit A.

This 26th day of July 2024.

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  
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*Counsel for the Debtors*

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Sale Order.

**EXHIBIT A**

**Closing Statement**

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**CLOSING STATEMENT**

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**Purchaser:** **R & R Property Holdings, LLC**, a Georgia limited liability company  
2350 Limestone Pkwy, NE, Gainesville, GA 30501, Attn: Chris Recknor

**Sellers:** **RHCSC Gainesville AL Holdings LLC** and  
**RHCSC Gainesville Health Holdings LLC**  
Attn: Ashley R. Ray, Scroggins & Williamson, P.C.  
4401 Northside Parkway, Suite 450, Atlanta, GA 30327

**Trustee:** **UMB Bank, N.A.**, as Trustee Attn: Mark Heer, Senior Vice President  
928 Grand Blvd., Kansas City, MO 64106

**Property:** **The Landings of Gainesville (i.e., 2030 Windward Lane,  
Gainesville, Georgia 30501 and related parcels),**  
Together with all improvements located thereon.  
Said property being designated as Hall County, Georgia  
Tax Parcels # 09124 000201, 09124 000084, 09124 000190, 09124 000200

**Settlement Agent:** **WALKER, BALL & DIMO, LLC**, a Georgia limited liability company  
as an agent of *Chicago Title Insurance Company*  
340 Jesse Jewell Pkwy, Ste 650, GA, Georgia 30501, Attn: Carla J. Walker, Esq.

**Settlement Date:** **December 15, 2023**

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**I. SELLER'S SETTLEMENT STATEMENT:**

**A. Gross Amount Due to Seller:**

Purchase Price for Real Property: \$2,150,000.00

**B. Plus Credit(s) to Seller:**

Credit for Buyer's portion of City tax proration (12/15 – 12/31): +\$304.80

**Gross Amount Due to Seller before deductions: \$2,150,304.80**

**C. Less Deductions from Seller's Proceeds:**

State of Georgia Transfer Tax (per Sec. 3.8 of APA): \$2,150.00  
City Tax Proration for three subject parcels for 2023 (1/1/2020 to 12/31/2023): \$6,954.25  
Senior Housing Services, LLC: \$59,125.00  
SVN Hokayem Company, Inc.: \$43,000.00  
Bond Trustee on account of fees and charges: \$15,000.00  
Greenberg Traurig, LLP as counsel to the Bond Trustee: \$300,000.00  
RHCSC to fund disbursement through February 3, 2024: \$615,000.00

**Total Reduction to Seller's Proceeds: -\$1,041,229.25**

**Total Net Proceeds Payable to Seller: \$1,109,075.55**

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**CLOSING STATEMENT**

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**II. PURCHASER'S SETTLEMENT STATEMENT:**

A. Gross Amount Due from Purchaser:

Purchase Price for Real Property: **\$2,150,000.00**

B. Plus Closing Costs (i.e. additional amounts required from Purchaser):

Recording Fees for LWD & Bankruptcy Sale Order: \$50.50

Real Estate Property Tax Proration (12/15 – 12/31): \$304.80

Closing Fee to Settlement Agent: POC

Title Exam, Title Binder & Zoning Letter to Settlement Agent: POC

Owner's & Lender's Title Premium to CTIC/WBD (with Endorsement & CPL Fee): POC

Escrow Deposit to be held by Debtor's Counsel subject to Escrow Agreement: \$100,000.00

Total Closing Costs of Purchaser: **+\$100,355.30**

**Amount Due from Purchaser: \$2,250,355.30**

C. Minus Credits in favor of Purchaser:

Earnest Money: \$300,000.00

**Amount paid by, to or on Purchaser's Behalf: -\$300,000.00**

D. **Total Amount Due from Purchaser: \$1,950,355.30**

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**CLOSING STATEMENT**

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**III. RECONCILIATION OF DISBURSEMENTS BY SETTLEMENT AGENT:**

A. Total Funds Received:

Purchaser's cash-to-close:	\$1,950,355.30
EM Deposit:	<u>\$300,000.00</u>
<b>Total Funds Received:</b>	<b>\$2,250,355.30</b>

B. Disbursements:

To EDMOF for 70% of Seller's Net proceeds:	\$776,352.89
To TSIFX for 30% of Seller's Net proceeds:	\$332,722.66
To Debtor's Counsel per Escrow Agreement:	\$100,000.00
To Clerk of Court for State of Georgia Transfer Tax:	\$2,150.00
To City of Gainesville for Outstanding Taxes (including 2023 taxes):	\$6,954.25
To Senior Housing Services, LLC:	\$59,125.00
To SVN Hokayem Company, Inc.:	\$43,000.00
To Bond Trustee on account of fees and charges:	\$15,000.00
To Greenberg Traurig, LLP as counsel to the Bond Trustee:	\$300,000.00
To Clerk for recording fees:	\$50.50
To RHCSC to fund disbursement through February 3, 2024:	<u>\$615,000.00</u>
<b>Total Funds Disbursed:</b>	<b>\$2,250,355.30</b>
<b>Balance with Settlement Agent:</b>	<b><u>\$0.00</u></b>

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**CLOSING STATEMENT**


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I have carefully reviewed the foregoing Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in the transaction. I further certify that I have received a copy of this Settlement Statement and attached Addendum.

**Effective as of: December 15, 2023**

**BUYER:**

**R & R PROPERTY HOLDINGS, LLC,**  
a Georgia limited liability company

By:   
\_\_\_\_\_  
Chris Recknor, Manager

(Company Seal)



**CLOSING STATEMENT**

I have carefully reviewed the foregoing Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in the transaction. I further certify that I have received a copy of this Settlement Statement and attached Addendum.

Effective as of: December 15, 2023

**SELLERS:**

**RHCSC Gainesville Health Holdings LLC,**  
a Georgia limited liability company

By: [Signature]  
Name: Katie Goodman  
Its: Chief Restructuring Officer  
(Company Seal)

**RHCSC Gainesville AL Holdings LLC,**  
a Georgia limited liability company

By: [Signature]  
Name: Katie Goodman  
Its: Chief Restructuring Officer  
(Company Seal)

**TRUSTEE:**

**UMB Bank, N.A.**, as Trustee

By: \_\_\_\_\_ (L.S.)  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**CLOSING STATEMENT**

I have carefully reviewed the foregoing Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in the transaction. I further certify that I have received a copy of this Settlement Statement and attached Addendum.

Effective as of: December 15, 2023

**SELLERS:**

**RHCSC Gainesville Health Holdings LLC,**  
a Georgia limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

(Company Seal)

**RHCSC Gainesville AL Holdings LLC,**  
a Georgia limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

(Company Seal)

**TRUSTEE:**

**UMB Bank, N.A.**, as Trustee

By: Laura Roberson \_\_\_\_\_ (L.S.)

Name: Laura Roberson \_\_\_\_\_

Its: Senior Vice President \_\_\_\_\_

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**CLOSING STATEMENT**

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The Settlement Statement which I have prepared being a true and accurate account of this transaction, I have caused or will cause the funds to be disbursed in accordance with the same.

Effective as of: December 15, 2023

**SETTLEMENT AGENT:**

**Walker, Ball & Dimo, LLC,**  
a Georgia limited liability company

By: \_\_\_\_\_

  
Carla J. Walker, Esq., Manager

(Company Seal)

**CERTIFICATE OF SERVICE**

This is to certify that I have on this day electronically filed the foregoing **Report of Sale to R & R Property Holdings, LLC** using the Bankruptcy Court's Electronic Case Filing program, which sends a notice of this document and an accompanying link to this document to all parties who have appeared in this case under the Bankruptcy Court's Electronic Case Filing program.

This 26th day of July, 2024.

SCROGGINS & WILLIAMSON, P.C.

By: /s/ Matthew W. Levin

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Georgia Bar No. 765214  
ASHLEY REYNOLDS RAY  
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