

proposed buyer for the Waterford Facility. The proposed sale of the Waterford Facility subsequently fell through so the Debtors now seek approval to retain SVN to market said facility. In making this Application, the Debtors have relied upon the Affidavit of Justin Toomey, a copy of which is attached hereto as Exhibit A (the “**Toomey Affidavit**”). In further support of this Application, the Debtors respectfully represent as follows:

Background

1. On August 26, 2021 (the “**Petition Date**”), the Debtors 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**”). The Debtors are authorized to operate their businesses as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

2. No committee, trustee or examiner has been requested or appointed in this Case.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C § 157(b)(2). Venue of the Debtors’ Chapter 11 cases (collectively, the “**Case**”) and this Application are proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. On or about April 1, 2022, the Debtors filed an Application for Authority to Retain SLIB II, Inc. d/b/a Senior Living Investment Brokerage as Investment Broker to the Debtors [Dkt. No. 126].

5. On or about April 15, 2022, the Court entered an order approving the retention of SLIB II, Inc. d/b/a Senior Living Investment Brokerage [Dkt. No. 128].

6. Pursuant to the terms of the Representation Agreement with SLIB II, Inc. d/b/a Senior Living Investment Brokerage (“**SLIB II**”), SLIB II had the exclusive right to market the

Debtors' assets for sale through and including August 16, 2022. The Representation Agreement expired without the Debtors consummating a sale transaction for the Waterford Facility.

7. On or about January 9, 2023, the Debtors filed an Application for Authority to Retain Senior Housing Services, LLC (“SHS”) as Exclusive Broker Agent to the Debtors [Dkt. No. 226].

8. On or about January 30, 2023, the Court entered an order approving the retention of SHS [Dkt. No. 236].

9. Pursuant to the terms of the Representation Agreement with SHS, SHS had the exclusive right to market the Debtors' assets for sale through and including October 8, 2023. The Representation Agreement expired without the Debtors consummating a sale transaction for the Waterford Facility.

10. On or about January 9, 2023, the Debtors filed an Application for Authority to Retain SVN as Exclusive Broker Agent to the Debtors [Dkt. No. 326] with respect to certain senior living facilities owned and operated by the Debtors. The proposed retention did not include the Waterford Facility.

11. On or about November 26, 2024, the Court entered an order approving the retention of SVN [Dkt. No. 329].

Relief Requested

12. The Debtors now desire to employ SVN as their exclusive broker agent for the Waterford Facility, pursuant to Section 328(a) of the Bankruptcy Code, and Bankruptcy Rules 2014 and 2016, and to obtain approval of the terms under which SVN will be compensated, at the expense of the Debtors' estates and on the terms set forth in the engagement agreement with SVN (the “**Engagement Agreement**”), a copy of which is attached hereto as Exhibit B, to provide the

Debtors with brokerage services with respect to one or more transactions focusing on a sale of the Debtors' assets.

Basis for Relief

13. Under Sections 327 and 328 of the Bankruptcy Code, a trustee, debtor in possession and committee appointed under Section 1102 of the Bankruptcy Code may employ one or more professionals, that do not hold or represent an interest adverse to the estate and that are disinterested persons, to assist such parties in carrying out their duties under the Bankruptcy Code. Specifically, Section 328(a) of the Bankruptcy Code provides that the Debtors:

with the court's approval, may employ or authorize the employment of a professional person under section 327 or 1103 of this title, as the case may be, on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.

11 U.S.C. § 328(a). Further, Bankruptcy Rule 2014(a) requires that an application for retention include:

specific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant's knowledge, all of the [firm's] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

Fed. R. Bankr. P. 2014(a).

14. By this Application, the Debtors request that the Court approve the compensation arrangements described in the Engagement Agreement pursuant to Section 328(a) of the Bankruptcy Code. The compensation arrangement contained in the Engagement Agreement is beneficial to the Debtors' estates as it provides certainty and proper inducement for SVN to act expeditiously and prudently with respect to the matters for which it will be employed.

Necessity

14. The Debtors, in consultation with UMB Bank, National Association, as trustee (the “**Bond Trustee**”), have chosen SVN to act as their exclusive broker agent. SVN has substantial expertise in distressed mergers and acquisitions, and is well qualified to perform these services and represent the interests of the Debtors in this Chapter 11 Case.

Qualifications

15. Justin Toomey is the broker in charge of SVN. He has served as a commercial real estate broker for 18 years, and is licensed in Florida, Georgia, Louisiana, Alabama, and Mississippi. He has worked with banking institutions and some of the largest owners/operators in the industry.

Services To Be Rendered

16. As more fully set forth in the Engagement Agreement, the services that SVN will provide to the Debtors include, but shall not be limited to, assistance in marketing the estates’ assets for sale, identification of potential buyers and negotiation of terms for one or more potential sale transactions.

Compensation

17. Subject to the Court’s approval, and in accordance with Section 328(a) of the Bankruptcy Code, SVN will be paid a commission solely from the proceeds of sale, upon the occurrence of certain events more particularly described in the Engagement Agreement, in the amount of 6.0% of the Sales Price.

18. The overall compensation structure described above is comparable to compensation generally charged by brokerage firms of similar stature to SVN for comparable engagements, both in and out of court.

Conflicts

19. To the best of the Debtors' knowledge, information, and belief, and based upon the Toomey Affidavit, SVN is a "disinterested person" as that term is defined in Section 101(14) of the Bankruptcy Code.

20. As described in detail in the Toomey Affidavit, SVN has, among other things, searched its client databases to determine whether it represents, or has represented, certain of the Debtors' creditors or other parties in interest in these proceedings and/or matters wholly unrelated to these proceedings. Due to the size of SVN and the number of creditors and other parties in interest involved in the case, however, SVN may have represented certain of the Debtors' creditors or other parties in interest in matters wholly unrelated to this Chapter 11 Case. Except as may be described in the Toomey Affidavit, SVN does not, to its knowledge, represent any party with an interest materially adverse to the Debtors.

Notice

21. Notice of this Motion has been provided to the Office of the United States Trustee, counsel to the Bond Trustee and all parties who have appeared in this case under the Bankruptcy Court's Electronic Case Filing Program. In light of the nature of the relief requested, the Debtors submit that no further notice is necessary.

WHEREFORE, based on the facts and disclosures above, the Debtors respectfully request that the Court:

- (a) grant the Debtors authority to employ and retain SVN as its exclusive broker agent for the Waterford Facility;
- (b) approve the terms of employment set forth in the Engagement Agreement, pursuant to the provisions of Section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014;

(c) approve the compensation of SVN at the expense of the Debtors' estate on the terms set forth in the Engagement Agreement, pursuant to the provisions of Section 328(a) of the Bankruptcy Code and Bankruptcy Rule 2016; and

(d) grant such other and further relief as is just and proper.

This 27th day of February, 2025.

SCROGGINS, WILLIAMSON & RAY, P.C.

/s/ Ashley R. Ray

J. ROBERT WILLIAMSON

Georgia Bar No. 765214

ASHLEY REYNOLDS RAY

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Counsel for the Debtors

Exhibit A

Declaration

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ROME DIVISION

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

**DECLARATION OF JUSTIN TOOMEY IN SUPPORT OF APPLICATION FOR
AUTHORITY TO RETAIN SVN | TOOMEY PROPERTY ADVISORS AS EXCLUSIVE
BROKER AGENT TO THE DEBTORS FOR THE WATERFORD FACILITY**

I, Justin Toomey, declare under penalty of perjury as follows:

1.

I am the CEO of SVN | Toomey Property Advisors (“SVN”), and in that capacity, I have personal knowledge of, and authority to speak on behalf of, SVN with respect to the matters set out herein. This Declaration is offered in support of the Application of the above-captioned debtors (collectively, the “Debtors”)¹ to retain SVN as their exclusive broker agent during the pendency of their Chapter 11 cases (the “Application”), and the matters set out herein are true and correct to the best of my knowledge, information and belief.

2.

SVN has substantial experience in the sale of assets of businesses, on a going concern basis, both in and out of the jurisdiction of the bankruptcy court.

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.

3.

Neither SVN nor any of its principals, associates or other professional employees have any connection with the above-named estates, their creditors, or any party in interest, or their respective attorneys or accountants, other than serving as the exclusive broker to the Debtors in connection with the sale of certain other properties which was approved by order of the Bankruptcy Court on November 26, 2024 [Dkt. No. 329].

4.

Neither SVN nor any of its principals, associates or other professional employees represent any interest adverse to that of the estates or the Debtors-in-Possession in matters upon which SVN shall be engaged.

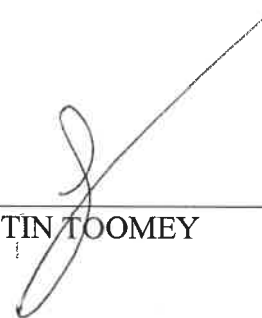
5.

Based on the foregoing, I believe that SVN is a “disinterested person” within the meaning of 11 U.S.C. § 101(14).

6.

I believe that the retention of SVN under the terms outlined herein and in the Application would be in the best interest of the Debtors and their creditors.

This 21 day of February, 2025.



JUSTIN TOOMEY

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §§152 and 3571.

Exhibit B

Engagement Agreement



EXCLUSIVE LISTING CONTRACT FOR SALE OF PROPERTY

1. The undersigned owner (hereinafter referred to as "Owner") hereby engages SVN | Toomey Property Advisors (hereinafter referred to as "Broker"), its successors and assigns, as Owner's exclusive Broker, to sell the following described Property: **Gardens of Waterford, 3920 Antoinette Drive, Montgomery, AL 36111**, including all improvements, business value, and all personal property used in connection with the operation of the property as an assisted living facility (the "Property") for a period commencing February 13, 2025, and ending midnight July 31, 2025.

Any Sale of the Property shall be determined on a case by case basis, and for any price or terms as may hereafter be agreed upon in writing by the Owner ("Sales Price") subject to the (i) consent of UMB Bank, N.A., as indenture trustee with respect to certain bonds related to the Property, and (ii) approval by the United States Bankruptcy Court for the Northern District of Georgia (the "Bankruptcy Court") in the Owner's pending Chapter 11 cases.

2. If a sale is negotiated and a contract executed and closes covering said Property as whole or individually, during the term of this contract, or within 90 days after the expiration of this contract with any party to whom Broker has submitted said Property during the term of this contract (or any affiliate, nominee or representative of such party) and Broker has provided Owner with written notice of all such potential buyers within ten (10) days of expiration of this Contract, Owner agrees to pay to Broker a commission as set forth below on the sales price of the Property. This commission shall be earned and paid for services rendered if, during the Term or any extensions thereto, any contract for the sale of any portion of the Properties is entered into by Owner, such contract is approved by the Bankruptcy Court, and the transaction is closed.

3. If a sale of the Property is consummated during the term of this contract, or within 90 days after the expiration of this contract or any extensions thereto, with any party to whom Broker has submitted said Property during the term of this contract (or any affiliate, nominee or representative of such party) and Broker has provided Owner with written notice of all such potential buyers within ten (10) days of expiration of this Contract, Owner agrees to pay the Broker 6% of the Sales Price; provided, however, that Broker shall be paid in any event a minimum commission of \$50,000 at closing as provided below. This commission shall be paid at the close of escrow, or if there is no escrow then upon recordation of the deed, subject to the approval of the Bankruptcy Court. Notwithstanding any other provision of this Agreement, any commission provided for herein shall be paid solely from proceeds of the sale of the Property. Upon execution of this Agreement, Owner shall request an order of the Bankruptcy Court approving this Agreement. Owner shall provide Broker any order of the Bankruptcy Court approving this Agreement.

4. As used in this Agreement the term "Sale" shall include an exchange of the Property, and also the granting of an option to purchase the Property. Owner agrees that in the event such an option is granted, Owner shall be pay Broker a sales commission paid for the option and for any extensions thereof. This commission shall be paid upon receipt by Owner of any such payments(s). In the event such an option is exercised, whether during the Term or thereafter Owner shall also pay Broker a sales commission on the gross sales price of the Property in accordance with the Commission Schedule above. Notwithstanding the foregoing, to the extent that all or part of the price paid for the option or any extension thereof is applied to the sales price of the Property, then any commission previously paid by Owner to Broker on account of such option payments shall be credited against the commission payable to Broker on account of the exercise of the option.

5. Owner agrees to cooperate with Broker in effecting sales of the Property and to immediately refer to Broker all inquiries of anyone interested in the Property. All negotiations are to be through Broker.

6. Broker **Will Not** place its "For Sale " signs on said Property. Should the Broker deem it necessary, the Owner authorizes the Broker to advertise the Property on a computerized system of public access such as the Internet. Owner further authorizes Broker to disseminate pertinent information about the property including, but not limited to, photos of the Property, sale price, property condition, Property financial information, and/or Owner's conditions affecting the Property. Broker shall determine, at its discretion, the extent to which said Property shall be advertised for sale, at Broker's cost, and Owner shall pay for the cost of all other advertising desired by Owner.

7. Owner represents that it is the owner of the Property and agrees to disclose to Broker and to prospective tenants/purchasers any and all information of which Owner has knowledge regarding the condition of the Property, including, but not limited to, the presence and location of asbestos, PCB transformers, other toxic, hazardous, or contaminated substances and underground storage tanks, in, on, or about the Property.

8. Owner(s) and Broker have mutually negotiated all terms of this agreement. Owner(s) and Broker agree that this agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. No amendment, alteration or withdrawal of this Agreement shall be valid or binding unless made in writing and signed by both Owner and Broker. This agreement shall be binding upon the heirs, successors and assignees of the parties.



9. It is understood that it is illegal for either Owner or Broker to refuse to display or lease the Property to any person because of race, color, religion, national origin, sex, marital status or physical disability.

10. Owner hereby consents to receiving correspondence from SVN | Toomey Property Advisors via email.

11. If Broker is required to bring legal action to enforce its rights under this contract, Owner agrees to pay the reasonable costs and attorneys fees.

12. Broker recognizes that the Property is being administered in bankruptcy, and that any sale while the Property remains in bankruptcy will be subject to approval of the Bankruptcy Court. Broker agrees to assist Owner, as needed, to obtain approval of any sale transaction by the Bankruptcy Court, including but not limited to testifying at any sale hearing regarding the marketing and sale process and selection of any proposed purchaser.

13. A licensee engaged in any real estate transaction shall be considered to be representing the person with whom he is working as a Designated Agent unless there is a written agreement between the Broker and the person providing that there is a different relationship or the licensee is performing only ministerial acts on behalf of the person. Broker designates and Owner accepts Justin Toomey with SVN | Toomey Property Advisors the Owner's Designated Agents. Owner acknowledges and agrees that Broker will be working with SVN Senior Living Advisors, LLC in connection with the transactions contemplated herein.

Received 2/27/2025 am/pm on, 2025.


Broker:

Owner:

SVN| Toomey Property Advisors

RHCSC Montgomery I AL Holdings LLC and RHCSC Montgomery I

Listed By: Justin Toomey

Signed:  _____
1BCED00129554C0...

Expiration Date: _____

Date: 2/27/2025 _____

Broker: _____
Justin Toomey

Telephone Number: 1,234,567.00 _____

Date: _____

Email Address: kgoodman@gggmgt.com _____

CERTIFICATE OF SERVICE

This is to certify that on this date a true and correct copy of the within and foregoing **Application For Authority To Retain SVN | Toomey Property Advisors As Exclusive Broker Agent To The Debtors for the Gardens of Waterford Facility** was served by the Court's CM/ECF system on all counsel of record registered in this case through CM/ECF

This 27th day of February, 2025.

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