

(the “**Bid Procedures Order**”) entered on May 11, 2022. In support of the Motion, the Debtors respectfully show the Court as follows:

Jurisdiction And Venue

1. This Court has jurisdiction of this Motion pursuant to 28 U.S.C. Sections 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. Sections 157(b)(2)(A), (N) and (O). Venue of the Debtors’ Chapter 11 cases and this Motion in this District is proper pursuant to 28 U.S.C. Sections 1408 and 1409. The statutory predicates for the relief sought herein are Sections 105(a), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9006 and 9007.

Background

2. 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.

3. No committee, trustee or examiner has been requested or appointed in these cases.

4. On or about April 28, 2022, the Debtors filed *Debtors’ First Motion (A) For Authority To Sell Assets Free And Clear Of Liens, Claims, And Encumbrances (B) To Assume And Assign Certain Executory Contracts, Leases And Licenses And Establish Cure Costs In Connection Therewith; (C) To Establish Procedures With Respect To Such Sale And The Assumption And Assignment Of Executory Contracts And Leases, (D) To Consider Approval Of Breakup Fee, And (E) To Shorten And Limit Notice* [Dkt. No. 141] (the “**Sale Motion**”).

5. On May 10, 2022, the Court held a hearing to consider the Debtors’ requests for (i) approval of the proposed bid procedures attached to the Sale Motion as Exhibit B, which include,

among other things, requirements and deadlines for submitting initial bids and overbids, selection of one or more “stalking horses,” scheduling an auction, and identifying potential successful bidders and back-up bidders; (ii) authorization for the Debtors to award certain “stalking horse” protections to one or more “stalking horse” bidders (each, a “**Stalking Horse Bidder**”) which protections include a break-up fee not to exceed 3% of a proposed purchase price; and (iii) scheduling a hearing (the “**Sale Hearing**”) for the approval of one or more sales of the Debtors’ assets to one or more successful bidders.

6. On May 11, 2022, the Court entered an order (i) setting forth certain deadlines, (ii) approving certain procedures to govern the sale process and (iii) approving certain bidder protections for one or more proposed Stalking Horse Bidders with whom one or more of the Debtors reach agreement to sell any or all of their assets [Dkt. No. 145] (the “**Bid Procedures Order**”).

7. The Debtors are currently negotiating the terms of an asset purchase agreement with a proposed Stalking Horse Bidder. In order to allow the time needed to conduct environmental studies and title surveys and to accommodate the proposed Stalking Horse Bidder’s requirements with respect to bidder protections, the Debtors seek to modify certain deadlines with respect to the sale and modify the bidder protections approved by the Bid Procedures Order.

Relief Requested

8. The Debtors seek entry of an amended Bid Procedures Order substantially in the form attached hereto as Exhibit A (the “**Proposed Amended Order**”).

9. The Proposed Amended Order (i) extends the deadline for submission of Qualified Bids from June 22, 2022 through and including July 21, 2022; (ii) reschedules the hearing to consider approval of the Sale Motion from June 29, 2022 to July 27, 2022 at 11:00 a.m., and (ii)

modifies the Break Up Fee to allow for an expense reimbursement. All other provisions and deadlines of the Bid Procedures Order remain unchanged.

Basis for Relief

10. The Debtors believe it is in the best interest of the Estates to modify the deadlines and procedures as set forth in the Proposed Amended Order. The Bid Procedures were developed to further the Debtors' dual needs to expedite the sale process and to foster competitive bidding among financially capable bidders who demonstrate the ability to close a transaction. The proposed modifications will enable the Debtors to better meet these goals. Additionally, the modification of the Break Up Fee is necessary to encourage the prospective bidder to serve in the capacity as a "stalking horse" and establish a starting point for further competitive bidding.

WHEREFORE, the Debtors respectfully requests that the Court (i) grant this Motion, (ii) enter the Proposed Amended Order, and (iii) grant such other and further relief as may be just and proper.

This 21st day of June, 2022.

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Respectfully submitted,

SCROGGINS & WILLIAMSON, P.C.

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ASHLEY REYNOLDS RAY
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Counsel for the Debtors

Exhibit A

Proposed Amended Order

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

AMENDED ORDER (A) ESTABLISHING BIDDING AND OTHER PROCEDURES IN CONNECTION WITH THE SALE OF ASSETS OF THE DEBTORS, (B) AUTHORIZING THE DEBTORS TO AWARD STALKING HORSE PROTECTIONS TO POTENTIAL BUYERS AND (C) PROVIDING NOTICE OF HEARING ON MOTION TO (1) APPROVE SALE OF CERTAIN ASSETS OF THE DEBTORS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS; (2) AUTHORIZE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES; (3) ESTABLISH CURE AMOUNTS THEREFOR; AND (4) APPROVE OTHER RELATED RELIEF

THIS MATTER came before the Court to consider the *Debtors' Motion to Amend Order (a) Establishing Bidding and Other Procedures in Connection with the Sale of Assets of the Debtors, (b) Authorizing the Debtors to Award Stalking Horse Protections to Potential Buyers and (c) Providing Notice of Hearing on Motion to (1) Approve Sale of Certain Assets of the Debtors Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (2) Authorize*

Assumption and Assignment of Executory Contracts and Unexpired Leases; (3) Establish Cure Amounts Therefor; and (4) Approve Other Related Relief (the “**Motion to Amend**”) filed by the above-captioned debtors and debtors and debtors-in-possession (collectively, the “**Debtors**”) ¹ on June 21, 2022. Pursuant to the Motion, the Debtors seek entry of a Proposed Amended Order modifying certain deadlines with respect to the sale and modifying the bidder protections approved by the bid procedures order entered on May 11, 2022 [Dkt. No. 145] (the “**Bid Procedures Order**”) ².

The Court having considered the Motion, the record in the case, and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion is GRANTED as set forth herein.
2. Subject to objections as set forth below, the Bid Procedures Order is amended as

follows:

- a. The Debtors are authorized, in their discretion, to award a Stalking Horse Bidder (or Stalking Horse Bidders) a break-up fee of up to 3% of the cash purchase price set forth in such Stalking Horse APA plus actual documented out-of-pocket expenses for title reports, environmental reports, surveys, and other reports approved by the Seller (collectively, the “**Third Party Reports**”) up to a cap of \$85,000 (the “**Break-Up Fee**”) and other customary bid protections without further order of this Court. The Third Party Reports shall be posted in the data room and available for review by other potential bidders.

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.

² Terms used but not otherwise defines herein shall have the meaning ascribed to such term in the Bid Procedures Order.

- b. The deadline for any Potential Bidders to submit bids intending to compete with the Stalking Horse APA, if any, shall be **July 21, 2022 at 4:00 p.m. (prevailing Eastern Time)** (the “Revised Bid Deadline”). Such bids must be received on or before the Revised Bid Deadline by the Notice Parties.
 - c. The Auction shall take place at **10:00 a.m. (prevailing Eastern Time) on July 26, 2022** or such later date as may be determined by the Debtors in consultation with the Bond Trustee (the “Revised Auction Date”). The Debtors shall conduct the Auction at the offices of Scroggins & Williamson, P.C., 4401 Northside Parkway, Suite 450, Atlanta, Georgia 30327, or such other location in Atlanta, Georgia, as shall be selected by the Debtors and communicated to all Qualified Bidders at least one day prior to the Auction.
 - d. The Sale Hearing will be conducted on **July 27, 2022 at 11:00 .m.** The Sale Hearing will be conducted via Zoom using Judge Bonapfel’s Virtual Hearing Room. A link to connect to Judge Bonapfel’s Virtual Hearing Room is available on his webpage at <https://www.ganb.uscourts.gov/content/honorable-paul-w-bonapfel>. Please join the virtual room 10 minutes prior to the hearing. If you experience difficulty in connection, please contact the law clerk via email at Beth_Harrill@ganb.uscourts.gov or by telephone at (404) 215-1020.
3. All other deadlines, terms and provisions of the Bid Procedures Order remain unchanged.
 4. This Amended Order is entered subject to objections filed within ten (10) days of the date the Amended Order is entered. If an objection to this Amended Order is timely filed, a hearing will be set upon notice to the Debtors, counsel for the Bond Trustee, the Office of the United States Trustee and the objecting party. If no objection is timely filed, this Amended Order shall be effective as of the date of its entry.

[END OF DOCUMENT]

Prepared and presented by:

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No Opposition by :

*OFFICE OF THE UNITED STATES
TRUSTEE*

/s/ Vanessa A. Leo (with express permission by ARR)

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CERTIFICATE OF SERVICE

This is to certify that on this date a true and correct copy of the within and foregoing *Debtors' Motion to Amend Order (a) Establishing Bidding and Other Procedures in Connection with the Sale of Assets of the Debtors, (b) Authorizing the Debtors to Award Stalking Horse Protections to Potential Buyers and (c) Providing Notice of Hearing on Motion to (1) Approve Sale of Certain Assets of the Debtors Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (2) Authorize Assumption and Assignment of Executory Contracts and Unexpired Leases; (3) Establish Cure Amounts Therefor; and (4) Approve Other Related Relief* was served (i) by the Court's CM/ECF system on all counsel of record registered in this case through CM/ECF, and (ii) by causing same to be deposited in the United States Mail with adequate postage affixed thereon and addressed to the following:

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This 21st day of June, 2022.

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