

**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.)	
)	
)	

REPORT OF SALE TO HIGHLANDS SENIOR LIVING ROME, LLC

COME NOW the above-captioned debtors and debtors and debtors-in-possession (collectively, the “**Debtors**”)¹ 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.

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.



214103424111500000000001

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 September 3, 2024, the Debtors filed the *Notice of Filing Asset Purchase Agreement* [Dkt. No. 308], and on September 4, 2024, the Debtors filed the *Notice of Proposed Sale, Hearing and Deadline to Object* [Dkt. No. 309], whereby, pursuant to the terms of the Sales Procedures Order, the Debtors provided notice of their intention to sell the assets of Debtors RHCSC Rome AL Holdings LLC and RHCSC Rome Health Holdings LLC (the “**Rome Debtors**”) to Highlands Senior Living Rome, LLC (the “**Buyer**”).

5.

On September 19, 2024, 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. 314] (the “**Sale Order**”), which approved the sale of the assets of the Rome Debtors to the Buyer.

6.

The transactions authorized by the Sale Order were closed effective as of 12:01 a.m. on October 21, 2024.

7.

Pursuant to the terms of the Sale Order, the sale proceeds were disbursed as follows:

- (i) \$83,125 to Senior Housing Services, LLC on account of the Transaction Advisory Fee (as defined in the Advisory Services Listing Agreement attached as Exhibit B to the Application for Authority to Retain Senior Housing Services, LLC as Exclusive Broker Agent to the Debtors [Docket No. 226]) authorized by this Court's Order Granting Application for Authority to retain Senior Housing Services, LLC as Exclusive Broker Agent to the Debtors [Docket No. 236];
- (ii) \$15,000 to the Bond Trustee on account of fees and charges;
- (iii) \$150,000 to Greenberg Traurig, LLP as counsel to the Bond Trustee;
- (iv) \$70,000 to the Rome Debtors, which amount is reserved to fund certain operating administrative expenses of the Rome Debtors; and
- (v) \$1,405,332.18 to the DIP Lenders to be applied to the DIP Loan.

8.

A copy of the Closing Statement is attached hereto as Exhibit A.

This 15th day of November, 2024.

SCROGGINS, WILLIAMSON & RAY, P.C.

By: /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

4401 Northside Parkway
Suite 230
Atlanta, GA 30327
T: (404) 893-3880
F: (404) 893-3886
E: rwilliamson@swlawfirm.com
aray@swlawfirm.com
mlevin@swlawfirm.com

Counsel for the Debtors

EXHIBIT A

Closing Statement



A. Settlement Statement

U.S. Department of Housing
and Urban Development

OMB Approval No. 2502-0265

B. Type of Loan			7. Loan Number	8. Mortgage Insurance Case Number
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input checked="" type="checkbox"/> Conv. Unins.	24-242	
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.			
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for information purposes and are not included in the totals.				
D. Name and Address of Borrower Highlands Senior Living Rome, LLC		E. Name and Address of Seller RHCSG Rome Health Holdings, LLC RHCSG Rome AL Holdings LLC		F. Name and Address of Lender Millenium Investment Group 1949 Peeler Road, Unit D Dunwoody, GA 30338
G. Property Location 1168 Chulio Road Rome, GA 30161			H. Settlement Agent John J. Maurer, LLC 4167 Roswell Road Ste A Flr 1, Atlanta, GA 30342	
I. Settlement Date 10/21/2024			DD: 10/21/2024	
J. SUMMARY OF BORROWER'S TRANSACTION:				
100. GROSS AMOUNT DUE FROM BORROWER		400. GROSS AMOUNT DUE TO SELLER		
101. Contract sales price		1,750,000.00		
102. Personal property		401. Contract sales price		
103. Settlement charges to borrower (line 1400)		402. Personal property		
104.		71,402.50		
105.		403.		
		404.		
		405.		
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance		
106. City/town taxes		406. City/town taxes		
107. County taxes		407. County taxes		
108. Assessments		408. Assessments		
109. Property Exempt from Real Property Tax		409. Property Exempt from Real Property Tax		
110. Current Use is Charity Hospital		410. Current Use is Charity Hospital		
111.		411.		
112.		412.		
120. GROSS AMOUNT DUE FROM BORROWER		1,821,402.50		
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER		420. GROSS AMOUNT DUE TO SELLER		
201. Deposit or earnest money		500. REDUCTIONS IN AMOUNT TO SELLER		
202. Principal amount of new loan(s)		146,500.00		
203. Existing loan(s) taken subject to		501. Excess Deposit (see instructions)		
204.		1,350,000.00		
		502. Settlement charges to seller (line 1400)		
		503. Existing loans taken subject to		
		504. Payoff of first mortgage loan		
		505. Payoff of second mortgage loan		
		506. Transaction Fee Senior Housing Svcs		
		507. Fees to Bond Trustee		
		508. Attorney Fee Greenberg Traurig LLP		
		509. Rome Reserve		
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller		
210. City/town taxes		510. City/town taxes		
211. County taxes		511. County taxes		
212. Assessments		512. Assessments		
213.		513. Remaining to DIP Lender		
214. AR Proration		514. AR Proration		
215.		515.		
216.		516.		
217.		517.		
218.		518.		
219.		519.		
220. TOTAL PAID BY / FOR BORROWER		1,522,167.82		
300. CASH AT SETTLEMENT FROM OR TO BORROWER		520. TOTAL REDUCTION AMOUNT DUE SELLER		
301. Gross amount due from borrower (line 120)		600. CASH AT SETTLEMENT TO OR FROM SELLER		
302. Less amounts paid by/for borrower (line 220)		1,821,402.50		
		601. Gross amount due to seller (line 420)		
		1,522,167.82		
		602. Less reduction amount due to seller (line 520)		
303. CASH		603. CASH		
FROM BORROWER		TO SELLER		
299,234.68				

SUBSTITUTE FORM 1099 SELLER STATEMENT: The information contained herein is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported. The Contract Sales Price described on Line 401 above constitutes the Gross Proceeds of this transaction.

SELLER INSTRUCTIONS: To determine if you have to report the sale or exchange of your primary residence on your tax return, see the Schedule D (Form 1040) instructions. If the real estate was not your primary residence, complete the applicable parts of Form 4797, Form 6252, and for Schedule D (Form 1040).

You are required by law to provide the settlement agent with your correct taxpayer identification number. If you do not provide your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law.

I. SETTLEMENT CHARGES:				File Number: 24-242	
700. TOTAL SALES/BROKER'S COMMISSION based on price \$				@	=
Division of commission (line 700) as follows:					
701. \$	to				
702. \$	to				
703. Commission paid at Settlement					
704.					
P.O.C.					
800. ITEMS PAYABLE IN CONNECTION WITH LOAN					
801. Loan Origination Fee	4 %	Millenium Investment Group			54,000.00
802. Loan Discount	%				
803. Appraisal Fee	to				
804. Credit Report	to				
805. Lender's Inspection Fee	to				
806. Mtg. Ins. Application Fee	to				
807. Assumption Fee	to				
808. Wire Fee		Millenium Investment Group			50.00
809.					
810.					
811.					
812.					
813.					
814.					
815.					
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE					
901. Interest from	10/21/24	to	11/01/24	@ \$ 600.00 / day	11 day(s) 6,600.00
902. Mortgage Insurance Premium		to			
903. Hazard Insurance Premium		yrs. to			
904.					
905.					
1000. RESERVES DEPOSITED WITH LENDER FOR					
1001. Hazard Insurance	mo. @ \$			/ mo.	
1002. Mortgage Insurance	mo. @ \$			/ mo.	
1003. City property taxes	mo. @ \$			/ mo.	
1004. County property taxes	mo. @ \$			/ mo.	
1005. Annual Assessments	mo. @ \$			/ mo.	
1006.	mo. @ \$			/ mo.	
1007.	mo. @ \$			/ mo.	
1008. Aggregate Reserve for Hazard/Flood Ins. City/County					
1100. TITLE CHARGES					
1101. Settlement or closing fee	to				
1102. Abstract or title search	to				
1103. Title examination	to	John J. Maurer, LLC			1,000.00
1104. Title Insurance binder	to	John J. Maurer, LLC			75.00
1105. Document preparation	to				
1106. Notary fees	to				
1107. Attorney's fees	to	John J. Maurer, LLC			1,000.00
(includes above item No:)					
1108. Title insurance	to	CTIC/JJM, LLC			7,627.50
(includes above item No:)					
1109. Lender's coverage	1,350,000.00 --	4,227.50			
1110. Owner's coverage	1,750,000.00 --	3,400.00			
1111. Prepare/Record Docs		John J. Maurer, LLC			100.00
1112. Courier Fee		John J. Maurer, LLC			50.00
1113. Post Close Fee		John J. Maurer, LLC			25.00
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES					
1201. Recording fees	Deed \$; Mortgage \$	
1202. City/county/stamps	Deed \$; Mortgage \$	
1203. State tax/stamps	Deed \$	1,750.00		; Mortgage \$	875.00
1204.					
1205.					
1300. ADDITIONAL SETTLEMENT CHARGES					
1301. Survey	to				
1302. Pest inspection	to				
1303.					
1304.					
1305.					
1306.					
1307.					
1308.					
1400. TOTAL SETTLEMENT CHARGES (enter on lines 103 and 502, Sections J and K)					71,402.50
					875.00

I have carefully reviewed the HUD-1 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 this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement. In the event of a reparation of taxes is necessary for the current tax year said reparations will be settled between the buyers and sellers.

Highlands Senior Living Rome, LLC

RHCSC Rome Health Holdings, LLC



not

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

John J. Maurer, LLC

Date

10/24/24

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine or imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.
File # 24-242

I have carefully reviewed the HUD-1 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 this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement. In the event of a reparation of taxes is necessary for the current tax year said reparations will be settled between the buyers and sellers.

Highlands Senior Living Rome, LLC

By: _____
Name: _____
Title: _____

RHEG HOME AL HOLDINGS LLC
RHEG HOME AL HOLDINGS LLC

By: *R Goodman*
Name: *R Goodman*
Title: *CEO*

ACKNOWLEDGED BY THE TRUSTEE

UMB Bank, N.A., as Trustee

By: _____
Name: _____
Title: _____

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

[Signature]
John J. Maurer, LLC

Date: *11/15/24*

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine or imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.
File # 24-242

CERTIFICATE OF SERVICE

This is to certify that I have on this day electronically filed the foregoing **Report of Sale to Highlands Senior Living Rome, 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 15th day of November, 2024.

SCROGGINS, WILLIAMSON & RAY, P.C.

By: /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

4401 Northside Parkway
Suite 230
Atlanta, GA 30327
T: (404) 893-3880
F: (404) 893-3886
E: rwilliamson@swlawfirm.com
aray@swlawfirm.com
mlevin@swlawfirm.com

Counsel for the Debtors