

REGIONAL HEALTH PROPERTIES, INC
Form 8-K
February 01, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): January 28, 2019

Regional Health Properties, Inc.

(Exact Name of Registrant as Specified in Charter)

Georgia	001-33135	81-5166048
(State or Other Jurisdiction of	(Commission	(I.R.S.
Incorporation)	File Number)	Employer
		Identification
		No.)

454 Satellite Boulevard, NW

Suite 100

Suwanee, Georgia 30024

(Address of Principal Executive Offices)

(678) 869-5116

(Registrant's telephone number, including area code)

Not applicable.

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.02 Termination of a Material Definitive Agreement.

On January 28, 2019, and as contemplated by the previously disclosed new amended and restated Forbearance Agreement (the “A&R New Forbearance Agreement”), dated December 31, 2018, among Regional Health Properties, Inc. (the “Company”), certain of its subsidiaries and Pinecone Realty Partners II, LLC (“Pinecone”), the Company’s lease of two facilities located in Georgia (the “Facilities”), which leases were due to expire August 2025 and which Facilities the Company subleased to third party subtenants, was terminated by mutual consent of the Company and the lessor of the Facilities (the “Lease Termination”).

In connection with the Lease Termination, the Company transferred approximately \$0.4 million of all its integral physical fixed assets in the Facilities to the lessor and received from the lessor gross proceeds of approximately \$1.5 million, consisting of (i) a termination fee in the amount of \$1.2 million and (ii) approximately \$0.3 million to satisfy other net amounts due to the Company under the leases. The Company paid \$1.2 million of such Lease Termination proceeds to Pinecone on January 28, 2019, as required by the A&R New Forbearance Agreement, to reimburse Pinecone for approximately \$0.3 million of certain unpaid expenses and partially prepay \$0.9 million of Pinecone’s loan to AdCare Property Holdings, LLC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 1, 2019 REGIONAL HEALTH PROPERTIES, INC.

/s/ Brent Morrison
Brent Morrison
Interim Chief Executive Officer and Interim President