

Trinitee G. Green (SBN 24081320)
Polsinelli PC
2950 N. Harwood, Suite 2100
Dallas, Texas 75201
Telephone: (214) 397-0030
Facsimile: (214) 397-0033
tggreen@polsinelli.com

Jeremy R. Johnson (*Pro Hac Vice* Pending)
Brenna A. Dolphin (*Pro Hac Vice* Pending)
Polsinelli PC
600 3rd Avenue, 42nd Floor
New York, New York 10016
Telephone: (212) 684-0199
Facsimile: (212) 684-0197
jeremy.johnson@polsinelli.com
bdolphin@polsinelli.com

PROPOSED COUNSEL TO THE DEBTORS
AND DEBTORS IN POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

Northwest Senior Housing Corporation, *et al.*,¹

Debtors.

Chapter 11

Case No. 22-30659 (MVL)

(Joint Administration Requested)

**DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) AUTHORIZING (A) CONTINUED USE OF DEBTORS' EXISTING
CASH MANAGEMENT SYSTEM, (B) MAINTENANCE OF DEBTORS'
EXISTING BANK ACCOUNTS, AND (C) CONTINUED USE OF DEBTORS'
EXISTING BUSINESS FORMS AND (II) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (the “**Debtors**”) hereby move (the “**Motion**”) for entry of an interim order (the “**Interim Order**”) and a final order (the “**Final Order**”), substantially in the forms attached hereto as Exhibit A and Exhibit B, respectively, pursuant to sections 105(a), 345(b), and 363(c) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), (i) authorizing the Debtors to (a) continue to use the Debtors’ existing

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Northwest Senior Housing Corporation (1278) and Senior Quality Lifestyles Corporation (2669). The Debtors’ mailing address is 8523 Thackery Street, Dallas, Texas 75225.



cash management system (the “**Cash Management System**”), including existing bank accounts, (b) honor certain prepetition obligations related thereto, (c) continue intercompany transactions, and (d) maintain the Debtors’ existing business forms, and (ii) granting related relief, including scheduling a hearing to consider approval of the Motion on a final basis (the “**Final Hearing**”). In support of the Motion, the Debtors rely upon the *Declaration of Nick Harshfield in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings* (the “**First Day Declaration**”),² filed concurrently herewith. In further support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this case pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtors confirm their consent to the entry of a final order or judgment by the Court in connection with this Motion if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory and other predicates for the relief requested herein are Bankruptcy Code Sections 105(a), 345(b), and 363(c) and Bankruptcy Rules 6003 and 6004.

BACKGROUND

4. On the date hereof (the “**Petition Date**”), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas (the “**Court**”).

5. The Debtors continue to operate and manage their businesses as debtors in possession pursuant to Bankruptcy Code Sections 1107(a) and 1108.

² Capitalized terms used but not defined in this Motion shall have the meanings given to them in the First Day Declaration.

6. No trustee, examiner, or official committee of unsecured creditors has been appointed.

7. The factual background regarding the Debtors and the events leading to the filing of the above-referenced chapter 11 cases (the “**Chapter 11 Cases**”) are set forth in the First Day Declaration, which is incorporated herein by reference.

RELIEF REQUESTED

8. By this Motion, the Debtors request entry of the Interim Order and the Final Order, substantially in the forms of Exhibit A and Exhibit B, respectively, authorizing, but not directing, the Debtors to (a) continue to use the Debtors’ existing Cash Management System, including existing bank accounts, (b) honor certain prepetition obligations related thereto, (c) continue intercompany transactions, (d) maintain the Debtors’ existing business forms, and (e) granting related relief, including scheduling the Final Hearing.

DEBTORS’ CASH MANAGEMENT SYSTEM

9. The Debtors maintain an integrated Cash Management System to collect, transfer and disburse funds generated by their operations. The Cash Management System facilitates the Debtors’ cash monitoring, forecasting and reporting functions, enabling the Debtors to administer cash through two (2) bank accounts (together with any other bank accounts that the Debtors may open in the ordinary course of their business or in connection with the Chapter 11 Cases, the “**Bank Accounts**”). The Bank Accounts are maintained at Bankers Trust Company (“**Bankers Trust**”).³

³ The trustees for (i) Edgemere’s Tarrant County Cultural Education Facilities Finance Corporation Retirement Facility Revenue Bonds (Northwest Senior Housing Corporation – Edgemere Project) Series 2015A and Series 2015B bonds and (ii) Edgemere’s Tarrant County Cultural Education Facilities Finance Corporation Retirement Facility Revenue Bonds (Northwest Senior Housing Corporation – Edgemere Project) Series 2017 Bonds (collectively, the “**Bonds**”) maintain certain bank accounts at UMB Bank, N.A. to receive payments from the Debtors on the Bonds, maintain certain reserves, and make payment on the Bonds to bondholders (collectively, the “**Trustee-Held Accounts**”).

10. Pursuant to that certain Management Services Agreement, dated August 15, 2019 (the “**Edgemere Management Services Agreement**”), Lifespace Communities, Inc. (“**Lifespace**”), as the sole and exclusive manager of Debtor Northwest Senior Housing Corporation (“**Edgemere**”), maintains daily oversight of the Cash Management System and implements controls for the collection, management and disbursement of funds. Through the Debtors’ Cash Management, the Debtors process a large number of transactions and, in connection therewith, maintain current and accurate records. The Cash Management System is similar to other cash management systems commonly employed by continuing care retirement communities.

I. The Bank Accounts

11. The Debtors maintain (a) a Revenue Account (as defined below) at Bankers Trust to receive funds from governmental, private pay, and insurance payors, and (b) a Disbursement Account (as defined below), which is used to make substantially all disbursements for such entity. Together, the Revenue and Disbursement Accounts function as the Debtors’ operating account. Since September 27, 2021, collections from potential new residents have been deposited into escrow accounts at Regions Bank (“**Regions**”).⁴

12. The Debtors’ Bank Accounts are summarized below. A schedule of the Bank Accounts, including the last four digits of the account number of each Bank Account, is attached as Exhibit 1 to each of the Interim Order and the Final Order.

Accounts	Description of Accounts
<u>Revenue Account</u> Bankers Trust account ended 6121	The Debtors maintain a deposit account at Bankers Trust (the “ Revenue Account ”) that is used to receive payment of the monthly and

⁴ Contemporaneously with the filing of this Motion, the Debtors filed the *Debtors’ Motion for Entry of an Order (I) Authorizing the Debtors to Continue (A) Escrowing Entrance Fees in the Ordinary Course and (B) Refunding Certain Entrance Fees During the Chapter 11 Cases and (II) Granting Related Relief* (the “**Escrow Motion**”). Additional information relating to the escrow accounts that are not a part of the Debtors’ cash management system but hold funds collected from new residents, which do not constitute property of the estate, may be found in the Escrow Motion.

Accounts	Description of Accounts
	ancillary charges to Residents, including private payments, Medicare reimbursements, Hospice payments, and private insurance reimbursements.
<u>Disbursement Account</u> Bankers Trust account ended 1479	The Debtors maintain a disbursement account at Bankers Trust (the “ Disbursement Account ”) that is used to pay all of the Debtors’ ordinary business disbursements, including, without limitation, payroll obligations, operating disbursements, taxes, and employee deductions and benefits. The Disbursement Account is funded from the Revenue Account via manual transfer on an as-needed basis.

II. The Flow of Funds Within the Cash Management System

13. A diagram of the movement of cash through the Cash Management System (the “**Cash Management Schematic**”) is attached as Exhibit 2 to each of the Interim Order and the Final Order. As depicted on the Cash Management Schematic, the main components of the Cash Management System are the receipt of cash by the Debtors in the Revenue Account, the funding of the Disbursement Account from the Revenue Account, and the disbursement of cash from the Disbursement Account.

A. Receipt of Cash.

14. In the ordinary course of their businesses, the Debtors receive payments and reimbursements from Residents, private pay insurance, Medicare and hospice on account of the goods and services the Debtors render to Residents. All such received payments are deposited into the Revenue Account.

B. Disbursement of Cash

15. The Debtors make substantially all payments out of the Disbursement Account including, without limitation, rent payments to the Debtors’ landlord, payments to vendors, payment of insurance premiums, payroll obligations, benefits program obligations, debt service

payments, payments to affiliates (as described below), taxes, and other obligations and expenses. Disbursements are made by check, ACH transfer, or wire transfer. Most disbursements are initiated by Lifespace, although certain ACH transfers are initiated automatically or by third parties, including, without limitation, payroll obligations⁵ and payments to certain utilities.

16. The Debtors currently use software from SAP Concur to manage most invoices. Invoices are uploaded to the system by the Debtors or vendors, after which such invoices are routed for payment approval by the appropriate Lifespace and Debtors' team members. Once approved, SAP Concur initiates the check writing or ACH transfer process from the Disbursement Account. ACH transfers can also be initiated, and checks written, outside of the SAP Concur system by Lifespace as needed to, among other things, satisfy refund obligations and/or meet emergency timetables for payment. Lifespace is in the process of transitioning itself and the communities it manages from the SAP Concur system to a system provided by Coupa Software Inc. ("**Coupa**"). By this Motion, the Debtors request authority to move to the Coupa system before the Debtors' contract with SAP Concur is terminated, in accordance with the Debtors' and Lifespace's pre-restructuring intent (the "**Systems Transfer**").

III. Intercompany Transactions.

17. Lifespace is the sole member of the Debtors. Pursuant to the Edgemere Management Services Agreement, Lifespace provides administrative services to Edgemere. Similarly, pursuant to substantially similar management services agreements, Lifespace provides

⁵ Additional details regarding the Debtors' employee wage and benefit obligations and payment thereof are set forth in the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Commissions, Employee Benefits, Prepetition Payroll Taxes, and Other Obligations, (B) Maintain Compensation and Benefits Programs, and Pay Related Administrative Obligations, and (C) Make Payroll Deductions, (II) Authorizing Applicable Banks and Other Financial Institutions to Honor and Process Related Checks and Transfers, and (III) Granting Related Relief*, filed concurrently herewith.

administrative services to non-Debtor affiliates (such non-Debtor affiliates, collectively with Lifespace and the Debtors, the “**Lifespace Group**”).

18. Pursuant to that certain Edgemere Management Services Agreement, Edgemere pays Lifespace an annual “**Corporate Overhead Fee**.” The aggregate amount of the annual Corporate Overhead Fee across the Lifespace Group is determined on an annual basis by Lifespace based on its historical and anticipated operating costs. Lifespace then allocates the Corporate Overhead Fee to Lifespace Group members based on such entity’s projected revenue for the upcoming year. The members of the Lifespace Group then pay their portion of the annual Corporate Overhead Fee to Lifespace on a monthly basis. At the end of each year, if Lifespace is under budget for such year, the allocation is adjusted to reflect the difference and payments are made among the Lifespace Group to account for such adjustment.

19. Lifespace also procures certain goods and services for the entirety of the Lifespace Group. In turn, the members of the Lifespace Group reimburse or prepay Lifespace for the cost of such goods and services using various methodologies based on the particular goods or services procured, or in some cases directly pay their allocated share to the third-party providing goods or services (such allocation and payment system, collectively with the determination, allocation, and payment of the Corporate Overhead Fee, the “**Intercompany Accounting Protocol**”). Lifespace allocates:

- The salaries and related obligations for the Debtors’ Executive Director, Associate Director, and Administrator to such entity at cost;
- The cost of certain third-party vendors for the Lifespace Group, including marketing, audit, and cost reporting vendors that invoice by entity, to the applicable entity at cost;
- The cost of the Lifespace Group’s network security, crime, fiduciary, environmental, and workers’ compensation insurance by the employee head count at each community;

- The cost of the Lifespace Group's property, and auto insurance by the relative value of the property covered by the insurance;
- The cost of accounts payable-related software based on the number of invoices processed for such member of the Lifespace Group in the rolling prior 12 months;
- The cost of software charged by the vendor based on the number of communities covered, evenly among such communities;
- The cost of software charged by the vendor based on the number of residents covered, based on the number of units in each community;
- The cost of all other software based on the number of budgeted full time employees for each member of the Lifespace Group;
- The cost of certain IT and HR services, including IT support and retirement plan administration, by the number of budgeted full-time employees for each member of the Lifespace Group;
- The cost of the marketing department maintained by Lifespace for the Lifespace Group by the number of budgeted closings for Lifespace Group members; and
- The cost of internet service to Lifespace Group members based on an estimate of usage completed by Lifespace's IT team.

20. Under the Intercompany Accounting Protocol, each member of the Lifespace Group (a) directly pays third-party vendors that invoice by specific Lifespace Group entity for the amounts invoiced to it by such third-party vendor, and (b) reimburses or prepays Lifespace for the remainder of costs allocated to such member of the Lifespace Group. The Debtors make such payments from the Disbursement Account. For the purposes of this Motion, transactions by and between the Debtors and their non-Debtor affiliates shall be referred to as “**Intercompany Transactions.**”

BASIS FOR RELIEF

I. Continued Use of the Debtors' Existing Cash Management System and Bank Accounts is in the Best Interest of the Debtors' Estates.

21. The Region 6 United States Trustee's Guidelines for Chapter 11 Cases (January 1, 2020) (the “**UST Guidelines**”) are designed to provide a clear demarcation between a debtor's

prepetition and post-petition operations and require, among other things, that a debtor: (a) close all existing bank accounts; and (b) move all funds to new accounts designated as “debtor in possession” accounts. *See* 28 U.S.C. § 586; UST Guidelines.

22. The Debtors request authority to continue to use their Cash Management System and maintain the Bank Accounts, consistent with prepetition business practices and procedures. The maintenance and use of the Debtors’ Cash Management System is an ordinary course, essential business practice of the Debtors, and absent the requested relief, the Debtors would have to significantly alter their Cash Management System to comply with the UST Guidelines. Bankruptcy courts treat requests for authority to continue utilizing existing cash management systems as a relatively “simple matter,” *see In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987), and have often waived the requirements of the UST Guidelines, recognizing that they are in certain chapter 11 cases impractical and potentially detrimental to a debtor’s post-petition business operations and restructuring efforts. *See, e.g., Southmark Corp. v. Grosz (In re Southmark Corp.)*, 49 F.3d 1111, 1114 (5th Cir. 1995) (finding that the cash management system allows the debtor “to administer more efficiently and effectively its financial operations and assets”); *Official Comm. of Unsecured Creditors of the Columbia Gas Transmission Corp. v. Columbia Gas Sys. Inc. (In re Columbia Gas Sys., Inc.)*, 997 F.2d 1039, 1061 (3d Cir. 1993) (finding that a requirement to maintain all accounts separately “would be a huge administrative burden and economically inefficient”).

23. Bankruptcy Code Section 363(c)(1) authorizes a debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” The purpose of section 363(c)(1) is to provide a debtor in possession with the flexibility to engage in the ordinary transactions required to operate its business without unneeded oversight by its creditors

or the court. *See Med. Malpractice Ins. Ass’n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997) (“Section 363 is designed to strike [a] balance, allowing a business to continue its daily operations without excessive court or creditor oversight and protecting secured creditors and others from dissipation of the estate’s assets.”) (internal quotation omitted); *see also Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.)*, 207 B.R. 406, 409 (S.D.N.Y. 1997); *In re Nellson Nutraceutical, Inc.*, 369 B.R. 787, 796 (Bankr. D. Del. 2007); *In re Enron Corp.*, No. 01-16034 (ALG), 2003 WL 1562202, at *15 (Bankr. S.D.N.Y. Mar. 21, 2003). Accordingly, the Debtors seek authority under section 363(c)(1) to continue the collection, concentration and disbursement of cash pursuant to their Cash Management System, subject to modifications described in this Motion.

24. This Court also has authority to grant the relief requested in this Motion under Bankruptcy Code Section 105(a), which empowers bankruptcy courts to enter “any order, process, or judgment that is necessary or appropriate” to carry out the provisions of the Bankruptcy Code. 11 U.S.C. § 105(a). Bankruptcy Code Section 105(a) codifies the “equitable power” of bankruptcy courts and provides “broad authority” to accomplish tasks important to the implementation of the Bankruptcy Code. *See United States v. Energy Res. Co.*, 495 U.S. 545, 549 (1990) (stating that the statutory directive of section 105(a) is “consistent with the traditional understanding that bankruptcy courts, as courts in equity, have broad authority to modify creditor-debtor relationships”).

25. The Chapter 11 Cases will be more orderly if the Debtors are permitted to maintain the Bank Accounts with the same account numbers during the Chapter 11 Cases. By preserving business continuity and avoiding the disruption and delay to the Debtors’ disbursement obligations, all parties in interest, including employees, secured creditors, vendors, and customers,

will be best served by the relief requested. In addition, to the extent necessary, the Debtors request authorization to open new bank accounts at their existing Banks or other authorized depositories designated by the United States Trustee for the Northern District of Texas (the “**U.S. Trustee**”), to close Bank Accounts in the ordinary course, and to implement ordinary course changes to the Cash Management System, including the Systems Transfer.

26. Given the nature of the Debtors’ businesses, any disruption of the accounting and cash management procedures would be enormously burdensome and disruptive, and could adversely impact the Debtors’ (a) efforts to transition into chapter 11 smoothly, and (b) operations during the pendency of the Chapter 11 Cases, which would impact the Debtors’ ability to provide the necessary care to Residents. At this critical juncture, the Debtors must be able to conduct “business as usual” to the extent possible. To this end, it is essential that the Debtors be permitted to continue to use the Debtors’ existing Cash Management System and the Bank Accounts.

27. The Cash Management System and Bank Accounts provide numerous benefits to the Debtors. Among other benefits, the Cash Management System and Bank Accounts permit the Debtors to centrally control and monitor the collection and transfer of funds, to ensure cash availability, and to reduce administrative burden and expense. Moreover, the Debtors generate detailed and accurate reports through the Cash Management System.

28. For the reasons stated above, the Debtors respectfully submit that under the circumstances, closing existing accounts and opening new accounts would be overly burdensome and provide limited, if any, benefit to the Debtors’ estates.

II. The Court Should Authorize Banks Participating in the Cash Management System to Honor Transfers, and Charge Bank Fees and Certain Other Amounts.

29. As discussed above, strict application of the UST Guidelines in the Chapter 11 Cases would disrupt the Debtors’ business operations and impair the Debtors’ efforts to preserve

the value of their estates and reorganize in an efficient manner. For this reason, the Debtors request that the Banks be authorized to accept and honor all representations from the Debtors as to which checks, drafts, wires or ACH transfers should be honored or dishonored consistent with any order of this Court and governing law, whether such checks, drafts, wires or ACH transfers are dated prior to, on or after the Petition Date. Pursuant to the relief requested in this Motion, the Banks shall not be liable to any party on account of (a) following the Debtors' instructions or representations as to any order of this Court; (b) honoring any prepetition check or item in a good-faith belief that the Court has authorized such prepetition check or item to be honored; or (c) making an innocent mistake made despite implementation of reasonable item handling procedures. Such relief is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular item may be paid in accordance with a Court order or otherwise.

30. Finally, the Debtors request authority for the Banks to charge, and the Debtors to pay or honor, both prepetition and post-petition service and other fees, costs, charges and expenses to which the Banks may be entitled under the terms of and in accordance with their contractual arrangements with the Debtors (collectively, the “**Bank Fees**”). The Debtors also request the Banks be authorized to charge back returned items to the Bank Accounts in the normal course of business. The Debtors require this relief to minimize the disruption to the Cash Management System and their Bank Accounts and to assist them in accomplishing a smooth transition to operating as debtors and debtors in possession in the Chapter 11 Cases.

III. Cause Exists to Waive the Requirements of Bankruptcy Code Section 345 to the Extent the Bank Accounts Do Not Strictly Comply Therewith.

31. Bankruptcy Code Section 345(a) governs a debtor's cash deposits during a chapter 11 case and authorizes deposits of money as “will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” 11 U.S.C. § 345(a).

With respect to deposits or investments that are not “insured or guaranteed by the United States or by a department, agency or instrumentality of the United States or backed by the full faith and credit of the United States,” section 345(b) requires debtors to obtain, from the entity with which the money is deposited, a bond in favor of the United States and secured by the undertaking of an adequate corporate entity, or “the deposit of securities of the kind specified in section 9303 of title 31.” 11 U.S.C. § 345(b).⁶

32. As discussed above, each of the Bank Accounts is maintained at a bank that is an authorized depository under the UST Guidelines, and the Bank Accounts are each insured by the Federal Deposit Insurance Corporation. Therefore, the Bank Accounts comply with Bankruptcy Code Section 345(b). Out of an abundance of caution, however, to the extent that the Bank Accounts do not strictly comply with section 345, the Debtors submit that cause exists to extend the time to bring the Bank Accounts into compliance with until June 14, 2022, without prejudice to the Debtors’ ability to request a further interim waiver or a final waiver of such requirement, because all funds are deposited safely and prudently at a financially-stable banking institution in a manner specifically designed to preserve capital, maintain liquidity, and generate return.

IV. The Court Should Authorize the Debtors to Continue to Participate In and Satisfy Their Obligations Under the Intercompany Accounting Protocol in the Ordinary Course of Business and Grant Administrative Priority Status to Post-petition Intercompany Claims.

33. Claims arising under the Intercompany Accounting Protocol (“**Intercompany Claims**”) routinely arise in connection with the ongoing operation of the Intercompany Accounting Protocol and Cash Management System as business is transacted between and among

⁶ Strict compliance with the requirements of Bankruptcy Code Section 345(b) would, in cases such as the Chapter 11 Cases, be inconsistent with section 345(a), which permits a debtor in possession to make such investments of money of the estate “as will yield the maximum reasonable net return on such money.” Thus, in 1994, to avoid “needlessly handcuff[ing] larger, more sophisticated debtors,” Congress amended Bankruptcy Code Section 345(b) to provide that its strict investment requirements may be waived or modified if the Court so orders “for cause.” 140 Cong. Rec. H. 10,767 (Oct. 4, 1994), 1994 WL 54773.

the Debtors and certain non-Debtor affiliates. Certain of these Intercompany Claims are quickly settled in cash in the ordinary course, and others are reflected as journal entry receivables and payables, as applicable, in the Debtors' accounting records and settled at month-end. These regularly occurring Intercompany Transactions are an essential aspect of the Cash Management System. Even a temporary disruption in the Debtors' ability to continue such Intercompany Transactions would impose an insurmountable financial and logistical burden on the Debtors and have a material, negative impact on the value of the Debtors' estates.

34. To ensure that the Debtors will not, at the expense of their creditors, fund the operations of another entity, and to induce the Debtors' non-Debtor affiliates to continue engaging in the Intercompany Transactions, the Debtors request, pursuant to Bankruptcy Code Section 503(b)(1), that all post-petition payments between Debtors and their non-Debtor affiliates, on account of an Intercompany Transaction be accorded administrative expense status. This relief will ensure that the Debtor receiving payments from another Debtor will continue to bear ultimate repayment responsibility for such ordinary course transactions, thereby reducing the risk that such transactions would jeopardize the recoveries available to each Debtor's respective creditors. This relief will also ensure that the Debtors' non-Debtor affiliates are appropriately protected when transacting business with the Debtors in the ordinary course of business, and will avoid the significant disruptions and loss of value that would occur if the Debtors' non-Debtor affiliates were to suddenly stop transacting with the Debtors in an ordinary course manner. The Debtors will continue to maintain current records with respect to all transfers of cash so that all transactions, including Intercompany Transactions, may be readily ascertained, traced and recorded on applicable intercompany accounts.

V. The Debtors Should be Authorized to Use Preprinted Business Forms.

35. In the ordinary course of business, the Debtors use numerous preprinted Business Forms (including, but not limited to, checks, deposit slips, invoices, and other similar business forms). To minimize expense to their estates, the Debtors request that the Court authorize the Debtors to continue to use all existing Business Forms as such Business Forms existed immediately before the Petition Date.

36. No party in interest would be prejudiced in any way by the Debtors' continued use of their existing Business Forms. The Debtors believe that even without a "debtor in possession" designation on Business Forms, the notices that are being issued in connection with the filing of the Chapter 11 Cases, and which will continue to be issued throughout the course of the Chapter 11 Cases, would be sufficient to put interested parties on notice that the Debtors are operating as debtors in possession. The Debtors have no desire to conceal the fact that the Debtors are operating under chapter 11 protection, and parties doing business with the Debtors undoubtedly will be aware of the Debtors' bankruptcy proceeding. Given these circumstances, requiring the Debtors to order new Business Forms would be unnecessary and unduly burdensome.

37. Courts in this district routinely approve the post-petition continuation of a debtor's cash management system and use of business forms. *See, e.g., In re GVS Texas Holdings I, LLC, et al.*, Case No. 21-31121 (MVL) (Bankr. N.D. Tex. Nov. 17, 2021) (authorizing continued use of prepetition cash management system and business forms); *In re Tuesday Morning Corp., et al.*, Case No. 20-31476 (HDH) (Bankr. N.D. Tex. June 1, 2021) [Docket No. 116] (same); *In re Bainbridge Uinta, LLC, et al.*, Case No. 20-42794 (MXM) (Bankr. N.D. Tex. Oct. 30, 2020) [Docket No. 137] (same); *In re PHI, Inc., et al.*, Case No. 19-30923 (HDH) (Bankr. N.D. Tex. Apr. 17, 2019) [Docket No. 271] (same); *In re Senior Care Centers, LLC, et al.*, Case No. 18-33967 (BJH) (December 7, 2018) [Docket No. 72] (same).

IV. Bankruptcy Rule 6003 Has Been Satisfied and Bankruptcy Rule 6004 Should Be Waived.

38. Certain isolated aspects of the relief requested herein may, if granted, be subject to Bankruptcy Rule 6003. Pursuant to Bankruptcy Rule 6003, as court may grant such relief if it is necessary to avoid immediate and irreparable harm. The Debtors submit that facts set forth herein demonstrate that the relief requested is necessary to avoid immediate and irreparable harm to the Debtors, and, thus, Bankruptcy Rule 6003 has been satisfied.

39. Additionally, to the extent that any aspect of the relief sought herein constitutes a use of property under Bankruptcy Code Section 363(b), the Debtors request a waiver of the fourteen-day stay under Bankruptcy Rule 6004(h). As described above, the relief that the Debtors seek in this Motion is immediately necessary for the Debtors to be able to continue to operate their businesses and preserve the value of their estates. The Debtors thus submit that the requested waiver of the fourteen-day stay imposed by Bankruptcy Rule 6004(h) is appropriate.

RESERVATION OF RIGHTS

40. Nothing contained herein is intended or should be construed as an admission of the validity of any claim against the Debtors; a waiver of the Debtors' right to dispute any claim; or an approval, assumption, or rejection of any agreement, contract, or lease under Bankruptcy Code Section 365. Likewise, if this Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

NOTICE

41. Notice of this Motion will be provided to (a) the U.S. Trustee; (b) the holders of the thirty (30) largest unsecured claims against the Debtors on an aggregate basis, (c) UMB Bank, N.A., as Trustee and counsel thereto, (d) Lifespace Communities, Inc. and counsel thereto, (e) the

United States Attorney's Office for the Northern District of Texas, (f) the Internal Revenue Service, (g) the United States Department of Justice, (h) the Texas State Attorney General, (i) the United States Securities and Exchange Commission, (j) the Banks, and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002.

42. The Debtors respectfully submit that such notice is sufficient and that no further notice of this Motion is required.

NO PRIOR REQUEST

43. No previous request for the relief sought herein has been made to this Court or any other court.

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WHEREFORE, the Debtors respectfully request that the Court enter the Interim Order and Final Order, substantially in the forms attached hereto as Exhibit A and Exhibit B, respectively, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: _____, 2022
Dallas, Texas

POLSINELLI PC

/s/ DRAFT
Trinitee G. Green (SBN 24081320)
2950 N. Harwood, Suite 2100
Dallas, Texas 75201
Telephone: (214) 397-0030
Facsimile: (214) 397-0033
tggreen@polsinelli.com

-and-

Jeremy R. Johnson (*Pro Hac Vice* Pending)
Brenna A. Dolphin (*Pro Hac Vice* Pending)
600 3rd Avenue, 42nd Floor
New York, New York 10016
Telephone: (212) 684-0199
Facsimile: (212) 684-0197
jeremy.johnson@polsinelli.com
bdolphin@polsinelli.com

PROPOSED COUNSEL TO THE DEBTORS
AND DEBTORS IN POSSESSION

Exhibit A

Proposed Interim Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

Northwest Senior Housing Corporation, *et al.*,¹

Debtors.

Chapter 11

Case No. 22-____ (____)

(Joint Administration Requested)

**INTERIM ORDER (I) AUTHORIZING
(A) CONTINUED USE OF THE DEBTORS' EXISTING
CASH MANAGEMENT SYSTEM, (B) MAINTENANCE OF THE
DEBTORS' EXISTING BANK ACCOUNTS, AND (C) CONTINUED USE OF THE
DEBTORS' EXISTING BUSINESS FORMS, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the debtors and debtors in possession in the above-captioned chapter 11 cases (the “**Debtors**”) for entry of an interim order (this “**Interim Order**”), pursuant to Bankruptcy Code Sections 105(a), 345(b), and 363(c) and Bankruptcy Rules 6003 and 6004, (i) authorizing the Debtors to (a) continue to use the Cash Management System, including

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Northwest Senior Housing Corporation (1278) and Senior Quality Lifestyles Corporation (2669). The Debtors’ mailing address is 8523 Thackery Street, Dallas, Texas 75225.

² All capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

existing bank accounts, (b) honor certain prepetition obligations related thereto, (c) continue intercompany transactions, and (d) maintain the Debtors' existing business forms and (ii) granting related relief, including scheduling a hearing to consider approval of the Motion on a final basis (the "**Final Hearing**"); and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and this Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of this proceeding and the Motion in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and the opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and all objections, if any, to the Motion having been withdrawn, resolved or overruled; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The relief requested in the Motion is GRANTED on an interim basis as set forth herein.
2. The Final Hearing on the Motion shall be held on _____, 2022 at ____:____ __.m., prevailing Central Time. Any objections or responses to entry of a final order (the "**Final Order**") on the Motion shall be filed with the Court and served on the following parties at least seven (7) days prior to the commencement of the Final Hearing: (a) the Debtors, 8523 Thackery

Street, Dallas, Texas 75225 (attn: Nick Harshfield); (b) proposed counsel to the Debtors, Polsinelli PC, 2950 N. Harwood, Suite 2100, Dallas, TX 75201 (attn: Trinitee G. Green) and 600 3rd Avenue, 42nd Floor, New York, NY 10016 (attn: Jeremy R. Johnson and Brenna A. Dolphin); (c) the Office of the United States Trustee for the Northern District of Texas (Dallas Division), Earle Cabell Federal Building, 1100 Commerce Street, Room 976, Dallas, TX 75242; (d) counsel to UMB Bank N.A., as Trustee, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, MA 02111 (attn: Daniel Bleck); (e) counsel to Lifespace Communities, Inc., Dorsey & Whitney LLP, 801 Grand Avenue, Suite 4100, Des Moines, IA 50309 (attn: David D. Grossklaus) and Perkins Coie, 110 N. Wacker Dr., 34th Floor, Chicago, IL 60606 (attn: Eric E. Walker), (f) counsel to any statutory committee appointed in these Chapter 11 Cases; and (g) any party that has requested notice pursuant to Bankruptcy Rule 2002.

3. The Debtors are authorized, but not directed, pursuant to Bankruptcy Code Sections 105(a) and 363(c)(1), to (a) maintain and continue using in the ordinary course, subject to the terms of this Interim Order and any other orders of this Court, the Cash Management System, including those Bank Accounts identified on the schedule attached hereto as Exhibit 1, substantially as depicted on the Cash Management Schematic attached hereto as Exhibit 2.

4. The Debtors are authorized to implement changes to the Cash Management System and procedures in the ordinary course of business, including by (a) opening additional bank accounts and closing any Bank Accounts in their sole discretion without further order of this Court and (b) completing the Systems Transfer; provided that the Debtors will provide notice to the U.S. Trustee within five (5) business days of opening any new bank account. The provisions in this Interim Order which apply to Bank Accounts will apply to any such newly-opened bank accounts as if they had been open on the date hereof.

5. The Debtors are further authorized, but not directed, to: (a) continue to use, with the same account numbers, each of the Bank Accounts in existence as of the Petition Date, including each of the accounts identified on Exhibit 1 attached hereto, and need not comply with certain guidelines relating to bank accounts set forth in the UST Guidelines; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including, without limitation, by check, wire transfer and other methods; (d) pay the Bank Fees, including, without limitation, any prepetition Bank Fees and any other Bank Fees for prepetition transactions that are charged to the Debtors on or after the Petition Date; and (e) otherwise perform obligations under the documents governing the Bank Accounts.

6. To the extent any of the Bank Accounts are not in compliance with Bankruptcy Code Section 345(b) or any of the UST Guidelines, the Debtors shall have until June 14, 2022, without prejudice to seeking an additional extension, to come into compliance with Bankruptcy Code Section 345(b) and any of the U.S. Trustee's requirements or guidelines; provided that nothing herein shall prevent the Debtors or the U.S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached. The Debtors may obtain a further extension of such period referenced above by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order.

7. The Debtors are authorized, in their reasonable discretion, to continue the Intercompany Transactions between and among the Debtors and affiliated Non-Debtor entities arising from or relating to the operation of the Debtors' businesses in the ordinary course and consistent with the practices in place prior to the Petition Date; provided that the Debtors shall (a) continue to maintain current records with respect to all transfers of cash so that all Intercompany

Transactions may be readily ascertained, traced and properly recorded on applicable intercompany accounts and (b) implement accounting procedures to distinguish between prepetition and post-petition Intercompany Transactions. All post-petition payments between and among the Debtors and their affiliates as authorized by this Paragraph are hereby accorded administrative priority under Bankruptcy Code Section 503(b).

8. The Debtors are authorized to use, in present form, all preprinted correspondence and Business Forms (including checks).

9. The Banks are authorized but not directed to (i) continue to service and administer the Bank Accounts as accounts of the Debtors, as debtors in possession, without interruption and in the usual and ordinary course, and to receive, process, and honor and pay, to the extent of available funds, any and all checks, drafts, wires, or ACH transfers drawn on the Bank Accounts on or after the Petition Date by the holders or makers thereof, as the case may be (the “**Disbursements**”); provided however, the Debtors shall take all reasonable steps to stop payment on any checks, drafts, wires, or ACH transfers drawn or issued by the Debtors before, but which did not clear the Bank Accounts prior to, the Petition Date, except checks approved to be paid by an order of this Court.

10. The Banks are authorized to charge back to the appropriate accounts of the Debtors any amounts resulting from returned checks or other returned items, including, without limitation, returned items that result from automated clearing house transactions (“**ACH Transfers**”), wire transfers, or other electronic transfers of any kind (collectively, the “**Returned Items**”), regardless of whether such items were deposited or transferred prepetition or post-petition and regardless of whether the Returned Items relate to prepetition or post-petition items or transfers.

11. The Banks shall not be required to honor any Disbursements unless there are collected and immediately available funds in the Bank Accounts sufficient to cover such requests. The Banks are authorized to rely on the representations of the Debtors as to which Disbursements are authorized to be honored or dishonored, whether or not such Disbursements are dated prior to, on, or after the Petition Date, and whether or not the Bank believes the payment is authorized by an order of the Court. The Banks shall not be liable to any party or otherwise deemed in violation of this Interim Order on account of (a) following the Debtors' instructions or Debtors' representations as to any order of this Court; (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored despite implementation of reasonable item handling procedures; or (c) making an innocent mistake made despite implementation of customary item handling procedures.

12. To the extent that the Debtors direct that any Disbursement be dishonored or the Banks inadvertently dishonor any Disbursements, the Debtors are authorized to issue replacement Disbursements consistent with the orders of this Court.

13. The Banks are authorized to continue to honor any standing instructions of the Debtors with respect to daily or periodic wires, ACH Transfers or other debits made to the Bank Accounts in accordance with the Debtors' prepetition instructions. The Banks are further authorized to debit the Bank Accounts in the ordinary course of business and without further order of this Court on account of all checks drawn on the Debtors' accounts which were cashed at the counter of the Banks or exchanged for cashier's or official checks by the payees thereof prior to the Petition Date.

14. Within four (4) business days after the date of entry of this Interim Order, the Debtors shall contact each of the Banks, (i) providing the Debtors' employer identification number

and the bankruptcy case number and identifying each of their Bank Accounts held at such Banks as being held by a debtor in possession in a bankruptcy case, and (ii) advising the Banks not to honor checks issued by the Debtors prior to the Petition Date, except as otherwise expressly permitted by an order of the Court and identifying those checks that are permitted to be cashed by an order of the Court.

15. The Debtors' credit card processors are authorized to process payments in the ordinary course of business, including the netting out of any fees and/or chargebacks arising before, on or after the Petition Date.

16. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed as (a) an admission as to the validity or priority of any claim or lien against the Debtors, (b) a waiver of the Debtors' rights to subsequently dispute such claim or lien on any grounds, (c) a promise or requirement to pay any prepetition claim, (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or this Interim Order, (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to Bankruptcy Code Section 365, or (f) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law.

17. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b) because the relief granted in this Interim Order is necessary to avoid immediate and irreparable harm to the Debtors' estates.

18. Notice of the Motion shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice or waived.

19. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

20. All payments made pursuant to this Order shall be subject to any interim or final order entered by the Court governing the Debtors' right to the use the cash collateral of UMB Bank, N.A., as Trustee, including the budget attached thereto.

21. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

22. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

End of Order

Submitted by:

Trinitee G. Green (SBN 24081320)
Polsinelli PC
2950 N. Harwood, Suite 2100
Dallas, Texas 75201
Telephone: (214) 397-0030
Facsimile: (214) 397-0033
tggreen@polsinelli.com

and

Jeremy R. Johnson (*Pro Hac Vice* Pending)
Brenna A. Dolphin (*Pro Hac Vice* Pending)
Polsinelli PC
600 3rd Avenue, 42nd Floor
New York, New York 10016
Telephone: (212) 684-0199
Facsimile: (212) 684-0197
jeremy.johnson@polsinelli.com
bdolphin@polsinelli.com

*Proposed Counsel to Debtors and
Debtors-in-Possession*

Exhibit 1

Bank Accounts

	Bank	Account Number(s)	Account Type
1.	Bankers Trust	6121	Revenue Account
2.	Bankers Trust	1479	Disbursement Account
3.	Regions Bank	0381	Escrow Account
4.	Regions Bank	5305	Escrow Account

Exhibit 2

Cash Management Schematic

**Northwest Senior Housing Corporation
Cash Flow Chart**

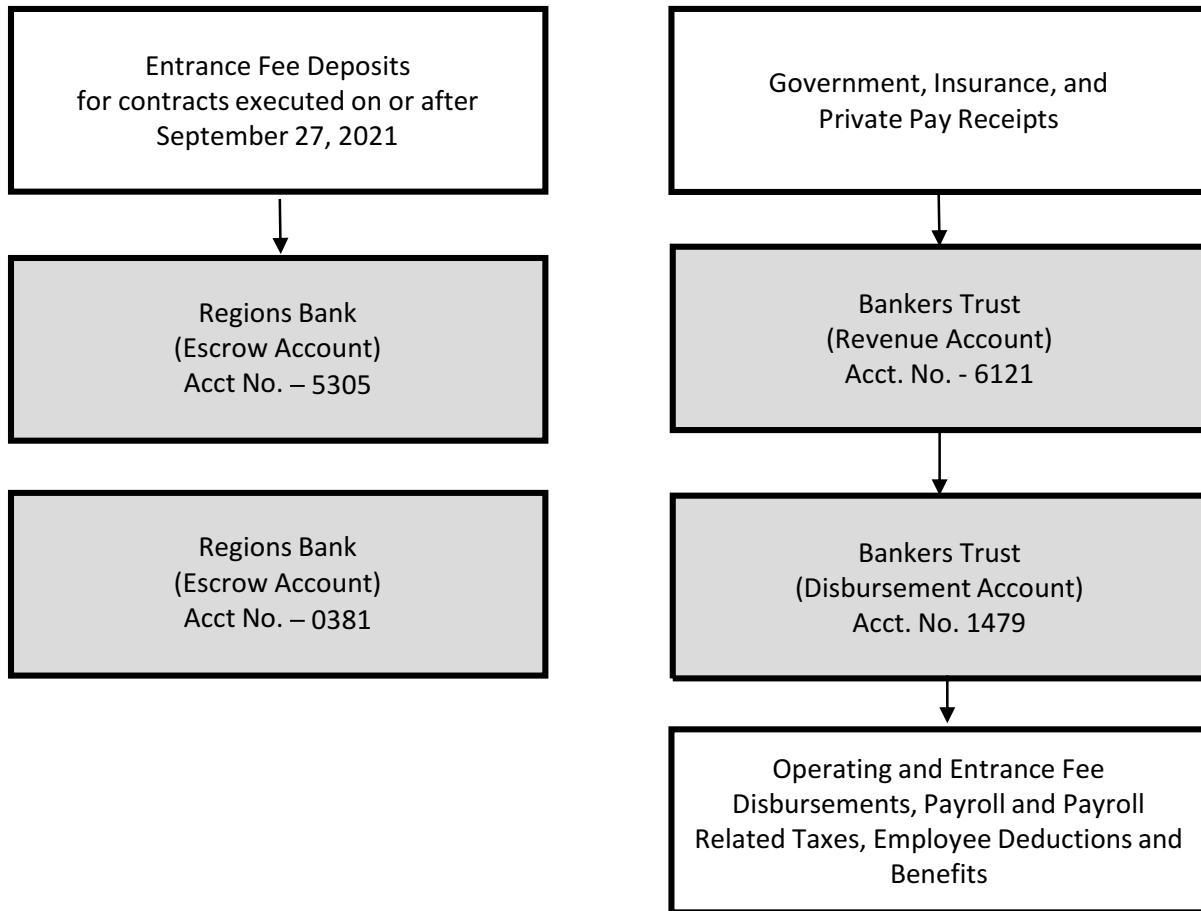


Exhibit B

Proposed Final Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

Northwest Senior Housing Corporation, *et al.*,¹

Debtors.

Chapter 11

Case No. 22-____ (____)

(Joint Administration Requested)

**FINAL ORDER (I) AUTHORIZING
(A) CONTINUED USE OF THE DEBTORS' EXISTING
CASH MANAGEMENT SYSTEM, (B) MAINTENANCE OF THE
DEBTORS' EXISTING BANK ACCOUNTS, AND (C) CONTINUED USE OF THE
DEBTORS' EXISTING BUSINESS FORMS, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the debtors and debtors in possession in the above-captioned chapter 11 case (the “**Debtors**”) for entry of a final order (this “**Final Order**”), pursuant to Bankruptcy Code Sections 105(a), 345(b), and 363(c) and Bankruptcy Rules 6003 and 6004,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Northwest Senior Housing Corporation (1278) and Senior Quality Lifestyles Corporation (2669). The Debtors’ mailing address is 8523 Thackery Street, Dallas, Texas 75225.

² All capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

(i) authorizing the Debtors to (a) continue to use the Cash Management System, including existing bank accounts, (b) honor certain prepetition obligations related thereto, (c) continue intercompany transactions, and (d) maintain the Debtors' existing business forms and (ii) granting related relief; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and this Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of this proceeding and the Motion in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and the opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at an interim hearing and, if necessary, a final hearing, before this Court; and all objections, if any, to the Motion having been withdrawn, resolved or overruled; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The relief requested in the Motion is GRANTED on a final basis as set forth herein.
2. The Debtors are authorized but not directed, pursuant to Bankruptcy Code Sections 105(a) and 363(c)(1), to (a) maintain and continue using in the ordinary course, subject to the terms of this Final Order and any other orders of this Court, the Cash Management System, including those Bank Accounts identified on the schedule attached hereto as Exhibit 1, substantially as depicted on the Cash Management Schematic attached hereto as Exhibit 2.

3. The Debtors are authorized to implement changes to the Cash Management System and procedures in the ordinary course of business, including by (a) opening additional bank accounts and closing any Bank Accounts in their sole discretion without further order of this Court and (b) completing the Systems Transfer; provided that the Debtors will provide notice to the U.S. Trustee within five (5) business days of opening any new Debtor Bank Account. The provisions in this Final Order which apply to Bank Accounts will apply to any such newly-opened bank accounts as if they had been open on the date hereof.

4. The Debtors are further authorized, but not directed, to (a) continue to use, with the same account numbers, each of the Bank Accounts in existence as of the Petition Date, including each of the accounts identified on Exhibit 1 attached hereto, and need not comply with certain guidelines relating to bank accounts set forth in the UST Guidelines, (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession, (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including, without limitation, by check, wire transfer and other methods, (d) pay the Bank Fees, including, without limitation, any prepetition Bank Fees and any other Bank Fees for prepetition transactions that are charged to the Debtors on or after the Petition Date, and (e) otherwise perform obligations under the documents governing the Bank Accounts.

5. To the extent any of the Bank Accounts are not in compliance with Bankruptcy Code Section 345(b) or any of the UST Guidelines, the Debtors shall have until June 14, 2022, without prejudice to seeking an additional extension, to come into compliance with Bankruptcy Code Section 345(b) and any of the U.S. Trustee's requirements or guidelines; provided that nothing herein shall prevent the Debtors or the U.S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached. The Debtors may obtain a further

extension of such period referenced above by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order.

6. The Debtors are authorized, in their reasonable discretion, to continue the Intercompany Transactions between and among the Debtors and their affiliated Debtor and Non-Debtor entities arising from or relating to the operation of the Debtors' businesses in the ordinary course and consistent with the practices in place prior to the Petition Date; provided that the Debtors shall (a) continue to maintain current records with respect to all transfers of cash so that all Intercompany Transactions may be readily ascertained, traced and properly recorded on applicable intercompany accounts and (b) implement accounting procedures to distinguish between prepetition and post-petition Intercompany Transactions. All post-petition payments between and among the Debtors and their affiliates as authorized by this Paragraph are hereby accorded administrative priority under Bankruptcy Code Section 503(b).

7. The Debtors are authorized to use, in their present form, all preprinted correspondence and Business Forms (including checks).

8. The Banks are authorized, but not directed, to (a) continue to service and administer the Bank Accounts as accounts of the Debtors, as debtors in possession, without interruption and in the usual and ordinary course, and to receive, process, and honor and pay, to the extent of available funds, any and all checks, drafts, wires, or ACH transfers drawn on the Bank Accounts on or after the Petition Date by the holders or makers thereof, as the case may be (the "**Disbursements**"); provided however, the Debtors shall take all reasonable steps to stop payment on any checks, drafts, wires, or ACH transfers drawn or issued by the Debtors before, but which did not clear the Bank Accounts prior to, the Petition Date, except checks approved to be paid by an order of this Court.

9. The Banks are authorized to charge back to the appropriate accounts of the Debtors any amounts resulting from returned checks or other returned items, including, without limitation, returned items that result from automated clearing house transactions (“**ACH Transfers**”), wire transfers, or other electronic transfers of any kind (collectively, the “**Returned Items**”), regardless of whether such items were deposited or transferred prepetition or post-petition and regardless of whether the Returned Items relate to prepetition or post-petition items or transfers.

10. The Banks shall not be required to honor any Disbursements unless there are collected and immediately available funds in the Bank Accounts sufficient to cover such requests. The Banks are authorized to rely on the representations of the Debtors as to which Disbursements are authorized to be honored or dishonored, whether or not such Disbursements are dated prior to, on, or after the Petition Date, and whether or not the Bank believes the payment is authorized by an order of the Court. The Banks shall not be liable to any party or otherwise deemed in violation of this Final Order on account of: (a) following the Debtors’ instructions or Debtors’ representations as to any order of this Court; (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored despite implementation of reasonable item handling procedures; or (c) making an innocent mistake made despite implementation of customary item handling procedures.

11. To the extent that the Debtors direct that any Disbursement be dishonored or the Banks inadvertently dishonor any Disbursements, the Debtors are authorized to issue replacement Disbursements consistent with the orders of this Court.

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authorized to debit the Bank Accounts in the ordinary course of business and without further order of this Court on account of all checks drawn on the Debtors' accounts which were cashed at the counter of the Banks or exchanged for cashier's or official checks by the payees thereof prior to the Petition Date.

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14. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed as (a) an admission as to the validity or priority of any claim or lien against the Debtors, (b) a waiver of the Debtors' rights to subsequently dispute such claim or lien on any grounds, (c) a promise or requirement to pay any prepetition claim, (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or this Final Order, (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to Bankruptcy Code Section 365, or (f) a waiver of the Debtors or any other party in interest's rights under the Bankruptcy Code or any other applicable law.

15. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b) because the relief granted in this Final Order is necessary to avoid immediate and irreparable harm to the Debtors' estates.

16. Notice of the Motion shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice or waived.

17. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be immediately effective and enforceable upon its entry.

18. All payments made pursuant to this Order shall be subject to any interim or final order entered by the Court governing the Debtors' right to the use the cash collateral of UMB Bank, N.A., as Trustee, including the budget attached thereto.

19. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

20. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

End of Order

Submitted by:

Trinitee G. Green (SBN 24081320)
Polsinelli PC
2950 N. Harwood, Suite 2100
Dallas, Texas 75201
Telephone: (214) 397-0030
Facsimile: (214) 397-0033
tggreen@polsinelli.com

and

Jeremy R. Johnson (*Pro Hac Vice* Pending)
Brenna A. Dolphin (*Pro Hac Vice* Pending)
Polsinelli PC
600 3rd Avenue, 42nd Floor
New York, New York 10016
Telephone: (212) 684-0199
Facsimile: (212) 684-0197
jeremy.johnson@polsinelli.com
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*Proposed Counsel to Debtors and
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	Bank	Account Number(s)	Account Type
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**Northwest Senior Housing Corporation
Cash Flow Chart**

