



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

A handwritten signature in cursive script, reading "Michelle V. Larson".

Signed May 12, 2022

United States Bankruptcy Judge

**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)

(Jointly Administered)

**SECOND INTERIM 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**

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 order (this "**Second Interim Order**"), pursuant to Bankruptcy Code Sections 105(a), 363, 1107 and 1108 (i) authorizing the Debtors to continue (a) escrowing New Reservation Deposits and New Entrance Fees in the Debtors' Escrow

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 such terms in the Motion.



Accounts in the ordinary course during the pendency of these Chapter 11 Cases and (b) refunding certain New Reservation Deposits and New Entrance Fees under certain circumstances during these Chapter 11 Cases, and (ii) granting related relief; and upon consideration of the First Day Declaration; and this Court having jurisdiction to consider the Motion and the relief requested therein under 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding under 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 adequate and appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and this Court having heard the statements in support of the relief requested therein at a hearing before this Court; and this Court having reviewed the Motion and having 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 Motion is granted on an interim basis as set forth herein.
2. Within the first forty-two (42) days of the Chapter 11 Cases, no new liens may be asserted against the Escrow Accounts or proceeds being released from the Escrow Accounts.
3. The Final Hearing on the Motion shall be held on May 26, 2022 at 9:30 a.m., prevailing Central Time. Any objections or responses to entry of a final order (the "**Final Order**") shall be filed 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, TX 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 LLP, 110 North Wacker Drive, 34th Floor, Chicago, IL 60606 (attn: Eric E. Walker), (f) counsel to the Official Committee of Unsecured Creditors, Foley & Lardner LLP, 2021 McKinney Avenue, Ste. 1600, Dallas, Texas 75201 (attn: Stephen A. McCartin, Thomas C. Scannell, and Mark C. Moore); and (g) any party that has requested notice pursuant to Bankruptcy Rule 2002.

4. The Debtors are authorized to continue holding New Reservation Deposits and New Entrance Fees in the Escrow Accounts at Regions Bank after the Petition Date.

5. The Escrow Agent is authorized, without further order of this Court, to refund New Reservation Deposits held in the Escrow Accounts to the Prospective Resident who deposited the New Reservation Deposit.

6. Upon the occurrence of a Refund Event, the Escrow Agent is authorized, without further order of this Court, to refund New Entrance Fees held in the Escrow Accounts to the New Resident who deposited the New Entrance Fees.

7. The Debtors are authorized to continue escrowing and refunding Reservation Deposits and Entrance Fees consistent with the prepetition practices described in the Motion.

8. Except as provided in Paragraph 2 hereof, the Trustee has a continuing first priority lien on Edgemere's interest in the New Entrance Fees and all proceeds thereof, subject to the rights of the Residents to such New Entrance Fees as set forth in the applicable New Residency Agreements, the Escrow Agreement, and this Order.

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

10. 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.

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

12. 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 (Admitted *Pro Hac Vice*)
Brenna A. Dolphin (Admitted *Pro Hac Vice*)
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