



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 June 13, 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)

**ORDER ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

Upon the motion (the “**Motion**”)² of the Debtors, pursuant to Bankruptcy Code sections 105(a) and 331, Bankruptcy Rule 2016, and Local Rule 2016-1, seeking entry of an order authorizing, but not directing, the Debtors to establish procedures for the interim compensation

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 Capitalized terms used but not defined herein shall have the meaning provided in the Motion.



and reimbursement of expenses of professionals, all as further described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that the Debtors consent to entry of a final order under Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion and the hearing thereon being adequate and appropriate under the particular circumstances; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest and 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, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED, as set forth herein.
2. Except as otherwise provided in an order of the Court authorizing the retention of a Professional, the Professionals may seek interim payment of compensation and reimbursement of expenses in accordance with the following Compensation Procedures:
 - a. All Monthly Fee Applications shall comply with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable orders of the Court.
 - b. Each Notice Party shall have 21 days after service of a Monthly Fee Application to object (the "**Objection Deadline**"). If no objections are raised prior to the expiration of the Objection Deadline, the Professional submitting the Monthly Fee Application shall file a certificate of no objection with the Court, after which the Debtors shall be authorized to pay such Professional an amount equal to 80% of the fees and 100% of the expenses requested in its Monthly Fee Application (the "**Maximum Interim Payment**"). If an objection is properly filed pursuant to subparagraph (c) below, the Debtors shall be authorized to pay the Professional 80% of the fees and 100% of the expenses not subject to an objection (the

“Actual Interim Payment”). The first Monthly Fee Application submitted by each Professional shall cover the period from the Petition Date through and including April 30, 2022.

- c. If any Notice Party objects to a Professional’s Monthly Fee Application, the objecting Notice Party shall be required, on or before the expiration of the Objection Deadline, to file with the Court and serve on such Professional and each Notice Party a written objection so as to be received on or before the Objection Deadline. Any such objection shall identify with specificity the objectionable fees and/or expenses, including the amount of such objected to fees and/or expenses, and the basis for such objection. If the parties are unable to reach a resolution within fourteen (14) days after service of the objection, the affected Professional may either: (i) file a response to the objection with the Court or (ii) forego payment of fees subject to the objection until the next Interim Fee Application Request (as defined below) hearing or final fee application hearing.
- d. Any Professional that fails to file a Monthly Fee Application for a particular month or months may subsequently submit a consolidated Monthly Fee Application including any prior month or months.
- e. Beginning with the approximate three-month period from the Petition Date and ending on June 30, 2022, and at the end of each four-month period thereafter, each Professional shall file with the Court and serve on the Notice Parties a request (an **“Interim Fee Application Request”**), pursuant to Bankruptcy Code section 331, for interim Court approval and allowance of compensation for services rendered and reimbursement of expenses sought in the Monthly Fee Applications filed during such period (the **“Interim Fee Period”**). The Interim Fee Application Request shall include a summary of the Monthly Fee Applications that are the subject of the request and any other information requested by the Court or required by the Local Rules. Each Interim Fee Application Request shall be filed with the Court and served on the Notice Parties by no later than 30 days after the end of the applicable Interim Fee Period (the **“Interim Fee Application Deadline”**). The first Interim Fee Application Deadline shall be July 31, 2022 and the first Interim Fee Application Request shall cover the Interim Fee Period from the Petition Date through and including June 30, 2022. If a party in interest objects to a Professional’s Interim Fee Application Request, the objecting party shall be required, on or before the expiration of the applicable objection deadline, to file with the Court and serve on such Professional and each Notice Party a written objection so as to be received on or before the objection deadline. Any such objection shall be required to identify with specificity the objectionable fees and/or expenses, including the amount of such objected to fees and/or expenses, and the basis for such objection.
- f. The Debtors requests that the Court schedule a hearing on Interim Fee Application Requests at least once every four (4) months or at such other intervals as the Court deems appropriate. The Court, in its discretion, may approve an uncontested Interim Fee Application Request without the need for a hearing,

upon the Professional's filing of a certificate of no objection. Upon allowance by the Court of a Professional's Interim Fee Application Request, the Debtors shall be authorized to promptly pay such Professional all fees (including the 20% holdback) and expenses set forth in the Interim Fee Application Request, to the extent such fees and expenses have not been previously paid.

- g. The pendency of an objection to payment of compensation or reimbursement of expenses shall not disqualify a Professional from the future payment of compensation or reimbursement of expenses pursuant to the Compensation Procedures.
 - h. Neither (a) the payment of nor the failure to pay, in whole or in part, monthly interim compensation and reimbursement of expenses under the Compensation Procedures, nor (b) the filing of nor the failure to file an objection to any Monthly Fee Application or Interim Fee Application Request shall bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation for services rendered and reimbursement of expenses of Professionals. All fees and expenses paid to Professionals in accordance with the Compensation Procedures shall be subject to disgorgement until final allowance by the Court.
 - i. Service of the Monthly Fee Applications, Interim Fee Application Requests, final fee applications, and notices of any hearing thereon (the "**Hearing Notices**") shall be as follows: (x) the Notice Parties will receive the Monthly Fee Applications, Interim Fee Application Requests, final fee applications, and Hearing Notices; and (y) the parties in interest requesting notice pursuant to Bankruptcy Rule 2002 shall receive only the Interim Fee Application Requests, final fee applications, and the Hearing Notices. Providing notice in this manner will permit the parties most active in the Chapter 11 Cases to monitor the fees and expenses incurred by Professionals, while avoiding unnecessary duplication and mailing expenses. For the avoidance of doubt, counsel for Intercity Investment Properties, Inc. is a Notice Party.
 - j. The Committee is permitted to submit statements of expenses (excluding the fees and expenses of third-party counsel to the individual Committee members) and supporting vouchers to the Committee's counsel, which counsel shall collect and submit the Committee members' requests for reimbursement in accordance with the Compensation Procedures as if such Committee members were Professionals; provided, however, that the approval of the Compensation Procedures does not authorize payment of such expenses to the extent that such authorization does not exist under the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, or other applicable law.
3. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

4. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014, or otherwise, this Order shall be immediately effective and enforceable upon entry.

5. 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.

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

7. The Court shall retain jurisdiction over any and all matters arising from the interpretation, implementation, or enforcement of this Order.

###End of Order###

Submitted by:

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