

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](mailto:tggreen@polsinelli.com)

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](mailto:jeremy.johnson@polsinelli.com)  
[bdolphin@polsinelli.com](mailto:bdolphin@polsinelli.com)

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.*,<sup>1</sup>  
  
Debtors.

Chapter 11

Case No. 22-30659 (MVL)  
  
(Jointly Administered)

**MOTION OF DEBTORS FOR ENTRY OF AN ORDER EXTENDING THE  
EXCLUSIVITY PERIOD FOR THE FILING OF A CHAPTER 11 PLAN**

The above-captioned debtors and debtors-in-possession (the “**Debtors**”) hereby move (the “**Motion**”) for entry of an order substantially in the form attached hereto as Exhibit A (the “**Proposed Order**”) extending the period during which the Debtors have the exclusive right to file a chapter 11 plan (the “**Exclusivity Period**”) by 180 days through and including February 8, 2023, pursuant to section 1121(d) of title 11 of the United States Code (the “**Bankruptcy Code**”). In support of the Motion, the Debtors respectfully represent as follows:

<sup>1</sup> 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.

### **PRELIMINARY STATEMENT**

1. The Debtors have made substantial progress toward the goals that they set out to achieve through the filing of these Chapter 11 Cases. At the first day hearings, the Debtors, through counsel, represented their goals: (i) obtain legal relief against Intercity Investment Properties, Inc. (the “**Landlord**”); and (ii) restructure the Debtors’ existing bond debt. *See* April 18, 2022 Hearing Transcript at 19:20-25-20:1-14. In the Adversary Proceeding (defined below), Debtor Northwest Senior Housing Corporation (“**Edgemere**”) asserts claims against the Landlord that significantly impact the Chapter 11 Cases. Indeed, the resolution of the claims asserted in the Adversary Proceeding is a key component of the restructuring agreement upon which the Plan (defined below) is premised. Because disputes between the Debtors and the Landlord are inextricably tied to the Plan, resolution of such disputes will also limit, if not eliminate, contested confirmation issues relating to the Plan.

2. Under the Scheduling Order, the Adversary Proceeding is set for trial in December 2022. The Debtors believe the Adversary Proceeding can and should be decided before the Debtors proceed to confirmation on the Plan. Addressing the issues in the Adversary Proceeding before confirmation will promote judicial economy, conserve estate resources, and assist the parties in efforts to consensually resolve certain confirmation disputes.

3. Accordingly, the Debtors request an extension of 180 days of the Debtors’ exclusive period for obtaining acceptances of and confirming the Debtors’ Plan. This extension to February 8, 2023 will provide the parties with addition time to complete the litigation in the Adversary Proceeding and incorporate the Court’s rulings into the Plan, to the extent necessary. For these reasons and those more fully set forth below, the Debtors submit that under the circumstances there is justification and cause to extend the Exclusivity Period to February 8, 2023.

### **JURISDICTION AND VENUE**

4. The Court has jurisdiction over these Chapter 11 Cases (as defined below) 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.

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

6. The statutory basis for the relief requested herein is Bankruptcy Code section 1121(d).

### **BACKGROUND**

7. On April 14, 2022 (the “**Petition Date**”), each of the Debtors 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**”), commencing the above-captioned cases (the “**Chapter 11 Cases**”).

8. The Chapter 11 Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b). *See* Docket No. 88. The Debtors continue to operate and manage their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

9. On April 28, 2022, the Office of the United States Trustee for the Northern District of Texas (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Committee**”) pursuant to Bankruptcy Code section 1102(a)(1). *See* Docket No. 135.

10. No trustee or examiner has been appointed in the Chapter 11 Cases.

11. The factual background regarding the Debtors and the events leading to the filing of the Chapter 11 Cases is set forth in the *Declaration of Nick Harshfield in Support of the Debtors’*

*Chapter 11 Petitions and First Day Pleadings* (the “**First Day Declaration**”) [Docket No. 7], which is incorporated herein by reference.

**Adversary Proceeding Against Landlord**

12. On the Petition Date, in addition to filing its voluntary petition for relief, the Debtor Edgemere filed a Complaint, commencing the adversary proceeding (the “**Adversary Proceeding**”) against the Landlord and Kong Capital, LLC (the “**Defendants**”), wherein Edgemere asserted, among other things, claims for breach of contract, promissory fraud, tortious interference with existing and prospective contractual and business relations, civil conspiracy, equitable subordination, and reformation. *See* Adv. No. 22-03040, Dkt. No. 1.<sup>2</sup>

13. On June 3, 2022, Edgemere filed *Debtor’s Motion for Entry of Proposed Scheduling Order* (the “**Scheduling Order Motion**”) (Dkt. No. 38), wherein Edgemere requested a trial setting the week of December 12, 2022 and stated the proposed “deadlines and other dates in its proposed Scheduling Order are reasonable, achievable and necessary to facilitate the Debtor’s timely confirmation of a plan of reorganization in the chapter 11 proceedings.” *See* Adv. No. 22-03040, Dkt. No. 38, ¶ 8.

14. On June 17, 2022, the Court entered its order granting the Scheduling Order Motion (the “**Scheduling Order**”) (Dkt. No. 45), which, among other things, established (i) a trial setting the week of December 12, 2022; (ii) fact and expert discovery cutoff of October 14, 2022; and (iii) dispositive motions filing deadline of October 25, 2022. *See* Adv. No. 22-03040, Dkt. No. 45, ¶ 1, 12, and 13.

---

<sup>2</sup> Edgemere has voluntarily dismissed Count 3 of its Complaint, asserting tortious interference with existing contractual and business relations, without prejudice.

15. On June 1, 2022, the Defendants filed *Defendants' Motion to Dismiss for Failure to State a Claim and Defendants' Brief in Support of Motion to Dismiss for Failure to State a Claim* (collectively, the “**MTD**”) [Docket No. 35], which has been contested and fully briefed and is pending with the Court.

16. In accordance with the Scheduling Order, the parties have exchanged initial disclosures and commenced discovery in the Adversary Proceeding. As of the date hereof, Edgemere has produced more than 20,000 pages of documents in response to production requests from the Defendants, and the Debtors continue to commit considerable time and resources as discovery continues in light of the discovery cutoff date of October 14, 2022.

**DIP Financing Orders and Bankruptcy Milestones**

17. On the Petition Date, Debtors filed the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Use of Cash Collateral, (II) Authorizing Post-Petition Financing (III) Granting Adequate Protection, (IV) Modifying the Automatic Stay, (V) Scheduling the Final Hearing and Approving the Form and Method of Notice Thereof, and (VI) Granting Related Relief* [Docket No. 35] (the “**DIP Motion**”), pursuant to which, among other things, Debtors sought authorization to obtain DIP Financing, enter into a DIP Credit Agreement, and borrow amounts pursuant to the DIP Loans (as defined in the DIP Motion).

18. On April 20, 2022, the Court entered the *Interim Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; (4) Granting Liens, Security Interests and Superpriority Claims; and (5) Scheduling a Final Hearing* [Docket No. 112] (the “**First Interim DIP Order**”). On May 13, 2022, the Court entered the *Second Interim Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession*

*to Use Cash Collateral; (3) Providing Adequate Protection; (4) Granting Liens, Security Interests and Superpriority Claims; and (5) Scheduling a Final Hearing* [Docket No. 228] (the “**Second Interim DIP Order**”). On June 1, 2022, the Court entered the *Third Interim Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; (4) Granting Liens, Security Interests and Superpriority Claims; and (5) Scheduling a Final Hearing* [Docket No. 350] (the “**Third Interim DIP Order**”). On June 10, 2022 and June 22, 2022, the Court extended the deadline by which a final order approving the DIP Motion must be entered, June 10, 2022, as set forth in Paragraph 22(ii) of the Third Interim Order, to and through June 17, 2022 [Docket No. 398] and June 24, 2022 [Docket No. 415], respectively (collectively, the “**Bridge Orders**” and together with the First Interim Order, the Second Interim Order, and the Third Interim Order, the “**Interim Orders**”).

19. On June 23, 2022, the Court entered the *Final Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; and (4) Granting Liens, Security Interests and Superpriority Claims* [Docket No. 421] (the “**Final DIP Order**”). Pursuant to the Final DIP Order, Debtors must meet certain Bankruptcy Milestones (as defined in the Final DIP Order), including filing a plan of reorganization by July 14, 2022. (Final DIP Order, ¶ 22(iii)).

20. As permitted by the Final DIP Order, the Debtors and UMB Bank, N.A., in its capacity as successor bond trustee and master trustee (the “**Trustee**”), as (the “**DIP Lender**”) agreed to extend the filing deadline to August 3, 2022 to permit the Debtors, the Trustee, and Lifespace Communities, Inc., in its capacity as plan sponsor (the “**Sponsor**” and together with the

Debtors and the Trustee, the “**Plan Parties**”) additional time to finalize the terms of a restructuring agreement.

21. On August 3, 2022, the Debtors filed the *Debtors’ Plan of Reorganization* [Docket No. 508] (together with all the schedules and exhibits thereto, and each as amended, modified or supplemented from time to time, the “**Plan**”)<sup>3</sup> and the *Disclosure Statement for Debtors’ Plan of Reorganization* [Docket No. 509] (together with all the schedules and exhibits thereto, and each as may be amended, modified, or supplemented from time to time, the “**Disclosure Statement**”). The Plan, and the transactions proposed therein, is predicated on the occurrence of a Successful Outcome in connection with the disputes between Edgemere and the Landlord.<sup>4</sup>

22. On August 4, 2022, the Debtors filed the *Debtors’ Motion for Entry of an Order Amending the Final Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; and (4) Granting Liens, Security Interests and Superpriority Claims* [Docket No. 512] (the “**DIP Amendment**”).

23. In accordance with the proposed DIP Amendment, the Debtors intend to pursue confirmation on a timeline that is agreeable to the DIP Lender and the Debtors and aligns with the Scheduling Order. The Debtors have also agreed that exclusivity would be terminated solely with respect to the Trustee if the Debtors settled or otherwise resolved the Adversary Proceeding without the consent of the Trustee, as more fully set forth in the DIP Amendment.

---

<sup>3</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Disclosure Statement or the Plan, as applicable, or as the context otherwise requires.

<sup>4</sup> The transactions proposed in the Plan are contingent upon the Debtors achieving one of the following outcomes with respect to the Adversary Proceeding: (i) equitable subordination of the Landlord’s rights and Claims, to the extent allowable, under the Lease such that the Landlord is entitled to Distributions of no more than \$20,000,000 in total for the remaining term of the Lease, with such amount being paid to the Landlord over a period of years; or (ii) an extension of the term of the Lease by at least 25 years and reduction of the contractual rent amount to no more than \$2,200,000 per year (either (i) or (ii), a “**Successful Outcome**”).

**RELIEF REQUESTED**

24. Although the Debtors have timely filed their Plan before August 12, 2022, which is when the initial Exclusivity Period is currently set to expire, to avoid the risk of competing plans that would hinder the Debtors' ability to progress toward confirmation on their Plan, the Debtors request, pursuant to Bankruptcy Code section 1121(d), a 180-day extension of the Exclusivity Period to and through February 8, 2023 (except as otherwise proposed in the DIP Amendment with respect to the Trustee), without prejudice to any party in interest's rights to seek to reduce or increase such period.

**BASIS FOR RELIEF**

25. Pursuant to Bankruptcy Code section 1121(d), the Court may extend exclusive periods "for cause." *See* 11 U.S.C. § 1121(d) ("[O]n request of a party in interest made within the respective periods specified in subsections (b) and (c) of this section and after notice and a hearing, the court may for cause reduce or increase the 120-day period or the 180-day period referred to in this section."). However, the 120-day period "may not be extended beyond a date that is 18 months after the [petition] date" and the 180-day period "may not be extended beyond a date that is 20 months after the [petition] date." *Id.* §§ 1121(d)(2)(A), (B). The Bankruptcy Code neither defines "cause" for purposes of section 1121(d), nor establishes formal criteria for an extension of the exclusive periods. The legislative history of Bankruptcy Code section 1121 indicates, however, that "cause" is intended to be a flexible standard that balances the competing interests of a debtor and its creditors. *See* H.R. Rep. No. 95-595, at 231–32 (1978), reprinted in 1978 U.S.C.C.A.N. 5787, 6191 (noting that Congress intended to give bankruptcy courts great flexibility to protect a debtor's interests by allowing a debtor an unimpeded opportunity to negotiate settlement of debts



without interference from other parties in interest); *In re Perkins*, 71 B.R. 294, 297 (Bankr. W.D. Tenn. 1987) (“The hallmark of [section 1121(d)] is flexibility.”).

26. In exercising its broad discretion to determine whether “cause” exists, a bankruptcy court should be guided by a variety of factors. *See In re Service Merchandise Co., Inc.*, 256 B.R. 744, 751 (Bankr. M.D. Tenn. 2000) (“[A] great deal of discretion is left to the court to weigh all relevant factors related to the requested extension”); *In re Borders Grp., Inc.*, 460 B.R. 818, 821–22 (Bankr. S.D.N.Y. 2011) (“The determination of cause under section 1121(d) is a fact-specific inquiry and the court has broad discretion in extending or terminating exclusivity.”); *In re Adelphia Commc’ns Corp.*, 352 B.R. 578, 587 (Bankr. S.D.N.Y. 2006) (identifying objective factors courts historically have considered in determining whether cause exists to extend or terminate exclusivity); *see also In re McLean Indus., Inc.*, 87 B.R. 830, 834 (Bankr. S.D.N.Y. 1987) (identifying factors used by courts to determine whether cause exists to extend exclusivity). These factors are not exhaustive and include, without limitation:

- i. the size and complexity of the debtor’s case;
- ii. the necessity for sufficient time to permit the debtor to negotiate a chapter 11 plan and prepare adequate information;
- iii. the existence of good faith progress towards reorganization;
- iv. the fact that the debtor is paying its bills as they become due;
- v. whether the debtor has demonstrated reasonable prospects for filing a viable plan;
- vi. whether the debtor has made progress in negotiations with its creditors;
- vii. the amount of time which has elapsed in the case;
- viii. whether the debtor is seeking an extension of exclusivity in order to pressure creditors to submit to the debtor’s reorganization demands; and
- ix. whether an unresolved contingency exists.

*See, e.g., In re Cent. Jersey Airport Servs., LLC*, 282 B.R. 176, 183 (Bankr. D.N.J. 2002); *McLean*

*Indus. Inc.*, 87 B.R. at 834; *Adelphia Commc'ns*, 352 B.R. at 587 (noting that the nine factors listed above are “objective factors which courts historically have considered in making determinations of this character”); *see also Borders*, 460 B.R. at 822 (evaluating the nine factors set forth in *Adelphia* to hold that debtor established cause to extend exclusivity); *Service Merchandise*, 256 B.R. at 751 (finding that cause existed for extension of exclusivity based on an evaluation of the nine factors); *accord In re Express One*, 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996) (identifying all of the nine factors as relevant in determining whether cause exists to extend exclusivity); *In re United Press Int'l, Inc.*, 60 B.R. 265, 269 (Bankr. D.D.C. 1986) (holding that the debtor showed cause to extend exclusive period based upon certain of the nine factors). The above factors are not the exclusive bases for the exercise of the Court’s discretion to extend exclusive periods. *See Adelphia Commc'ns*, 352 B.R. at 586–87.

27. Not all factors are relevant in every case, and a finding that any one of these factors exist may justify extending a debtor’s exclusive periods. *See Express One*, 194 B.R. at 100 (finding only some of the factors relevant in determining whether cause exists to extend exclusivity); *see also In re Dow Corning Corp.*, 208 B.R. 661, 670 (Bankr. E.D. Mich. 1997) (“When the Court is determining whether to terminate a debtor’s exclusivity, the primary consideration should be whether or not doing so would facilitate moving the case forward. And that is a practical call that can override a mere toting up of the factors.”).

28. Moreover, courts routinely grant a debtor’s first request for an extension. *See, e.g., In re Apex Pharm., Inc.*, 203 B.R. 432, 441 (N.D. Ind. 1996) (“It is true that during the initial 120-day period in which debtors have an exclusive right to file a plan of reorganization . . . the bankruptcy courts apply a lesser standard in determining whether the burden of showing ‘a reasonable possibility of a successful reorganization within a reasonable time’ has been satisfied.”)

(citation omitted); *In re Borders Grp., Inc.*, 460 B.R. 818, 825 (Bankr. S.D.N.Y. 2011) (same); *In re MSR Resort Golf Course LLC*, No. 11-10372 (SHL) (Bankr. S.D.N.Y.), Hr'g Tr. June 29, 2011, 77:19–25 (same); *In re Cengage Learning, Inc.*, No. 13-44106 (ESS) (Bankr. E.D.N.Y.), Hr'g Tr. Oct. 25, 2013, 64:4–7 (emphasizing that it is “important to note” that “[t]his is the first request”).

29. Congress incorporated these exclusivity periods into the Bankruptcy Code to afford a debtor a full and fair opportunity to propose a chapter 11 plan and enable solicitation of acceptances of the plan without the deterioration and disruption of a debtor's business that might be caused by the filing of multiple competing plans. Indeed, the primary objective of a chapter 11 case is the formulation, confirmation, and consummation of a consensual chapter 11 plan. As detailed above, the Debtors worked with parties in interest to formulate the Plan, which the Debtors have timely filed and submit is in the best interests of the Debtors' estates.

### **CAUSE EXISTS TO EXTEND THE EXCLUSIVE PERIOD**

30. Cause exists to grant the Debtors' requested extension of the Exclusivity Period. The extension is necessary and appropriate for the Debtors to have the opportunity contemplated by the Bankruptcy Code to implement the proposed Plan. As set forth below, the requested extensions are appropriate, in the best interest of the Debtors' estates and their creditors, and consistent with the intent and purpose of Chapter 11.

#### **A. The Chapter 11 Cases are Large and Complex**

31. The Chapter 11 Cases are both sizeable and complex. Indeed, Edgemere operates a continuing care retirement community that approximately 375 residents call home and depend on for daily services and healthcare needs. The Debtors' assets and liabilities are likewise significant. As of the Petition Date, the Debtors had liabilities of approximately \$271 million on an aggregate

basis. Thus, the size and complexity of these Chapter 11 Cases alone provide sufficient cause for the Court to extend the Exclusivity Period.

**B. Substantial Good Faith Progress has been Made to Achieve the Objectives of Chapter 11 and, in particular, the Debtors' Chapter 11 Cases**

32. Since the Petition Date, the Debtors have made substantial and meaningful progress under chapter 11, including filing their Plan and Disclosure Statement, with the support of the Trustee and the Sponsor.

33. In the 4 months these Chapter 11 Cases have been pending, the Debtors have, among other things:

- Secured first-day relief to continue operating their businesses including, without limitation, authorization (i) to continue using the existing cash management system, (ii) to pay employee wages, (iii) to maintain and protect confidential client information, (iv) to maintain and pay insurance policies, (v) to continue to escrow entrance fees, (vi) to prohibit utility providers from altering, refusing, or discontinuing service, and (vii) to obtain secured post-petition financing;
- Filed the Debtors' schedules of assets and liabilities, statement of financial affairs, and monthly operating reports;
- Obtained court approval for the appointment of a patient care ombudsman;
- Obtained court approval for the establishment of a claims bar date;
- Obtained the Scheduling Order that sets trial the week of December 12, 2022;
- Commenced discovery, including the production of more than 20,000 pages of documents with an additional rolling production anticipated in the near term; and
- Negotiated a restructuring agreement and filed the Plan and the Disclosure with the support of the Trustee and the Sponsor.

34. The Debtors have clearly made substantial progress to achieve the objectives of their Chapter 11 Cases and the requested extension of the Exclusivity Period is justified.

**C. The Debtors Need Sufficient Time to Confirm the Plan**

35. Since the Petition Date, the Debtors and their professionals have spent substantial time and resources toward negotiating a restructuring agreement that has materialized in the term sheet attached to the Disclosure Statement. However, the Adversary Proceeding directly impact the Debtors' ability to implement the Plan. In other words, the Adversary Proceeding is an unresolved contingency that will affect the Debtors' ability to confirm the Plan. *See Borders*, 460 B.R. at 822. Extensions of exclusivity are appropriate when ongoing litigation could have significant consequences on a debtor's means for implementing a plan. *In re Gialamas*, 2019 WL 2714829, at \*3 (Bank. W.D. Wis. June 27, 2019). Because the outcome of the Adversary Proceeding, which is set for trial in December 2022, irrefutably impacts confirmability of the Debtors' Plan, the extension requested herein is appropriate. Indeed, resolving the disputes between Edgemere and the Defendants will permit the Debtors to avoid incurring fees in connection with potential confirmation objections. Conversely, if the Debtors proceed to confirmation prior to resolution of the Adversary Proceeding, the estates will be forced to bear expenses that could have been avoided.

**D. The Debtors are Not Seeking to Use Exclusivity to Pressure Creditors to Submit to the Debtors' Demands**

36. This is the Debtors' first request for an extension of the Exclusivity Period. The Debtors' conduct in these Chapter 11 Cases, particularly in connection with the ongoing discussions with their creditors and other parties in interest, including, without limitation, the Trustee and the Sponsor, demonstrates that the Debtors are acting in a transparent manner and are not seeking an extension of the Exclusivity Period to artificially delay the administration of their Chapter 11 Cases. To that end, the Final DIP Order establishes Bankruptcy Milestones (as defined in the Final DIP Order) that the Debtors are obligated to meet. To satisfy the Bankruptcy

Milestones, the Debtors will continue to (i) devote significant resources to the Adversary Proceeding and (ii) work with parties in interest, including, without limitation, the Trustee and the Sponsor.

**E. The Debtors are Paying Their Debts as They Come Due and have the Ability to Continue to Do So**

37. Bankruptcy courts considering an extension of exclusivity also may assess a debtor's liquidity and ability to pay costs and expenses of administration. *Adelphia Commc'ns*, 352 B.R. at 587. The Debtors have timely escrowed rent obligations as required by the Court's *Order Granting in Part, and Denying in Part, Intercity Investment Properties, Inc.'s Motion for Adequate Protection* [Docket No. 423] entered on June 27, 2022, paid quarterly fees to the United States Trustee, and all other administrative obligations in the ordinary course of business. In addition, subject to the Final DIP Order, the Debtors have sufficient liquidity to continue paying administrative expenses as they become due and will continue to make such payments through the Maturity Date under the DIP Credit Agreement approved by the Final DIP Order.

**F. The Requested Extension is in the Best Interests of the Debtors' Estates and Will Not Prejudice Creditors**

38. The Debtors' requested extension is intended to allow the Debtors to work cooperatively with their key constituents toward confirming the Plan in the most cost-efficient manner possible. Given the circumstances described herein, the extension aligns with the intent and purpose of Bankruptcy Code section 1121 and should be granted.

**CONCLUSION**

39. For the reasons stated herein, the requested extension of the Exclusivity Period is warranted and necessary to afford the Debtors a meaningful opportunity to continue to pursue the chapter 11 reorganization process. Accordingly, the Debtors should be afforded a full, fair, and

reasonable opportunity to continue to work toward confirmation of the Plan. Accordingly, the Exclusivity Period should be extended as requested.

**NOTICE**

40. Notice of the Motion will be given to: (a) the U.S. Trustee; (b) counsel to the Committee; (c) counsel to UMB Bank, N.A., as Trustee; (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; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002.

**WHEREFORE**, the Debtors respectfully request that the Court: (i) enter the Proposed Order in substantially the same form as that attached as Exhibit A, granting the relief requested herein; and (ii) provide such other relief as the Court deems appropriate and just.

*[This page is intentionally left blank.]*

Dated: August 11, 2022  
Dallas, Texas

**POLSINELLI PC**

/s/ Trinitee G. Green

Trinitee G. Green (SBN 24081320)

2950 N. Harwood, Suite 2100

Dallas, Texas 75201

Telephone: (214) 397-0030

Facsimile: (214) 397-0033

[tggreen@polsinelli.com](mailto:tggreen@polsinelli.com)

– and –

Jeremy R. Johnson (Admitted *Pro Hac Vice*)

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

600 3rd Avenue, 42nd Floor

New York, New York 10016

Telephone: (212) 684-0199

Facsimile: (212) 684-0197

[jeremy.johnson@polsinelli.com](mailto:jeremy.johnson@polsinelli.com)

[bdolphin@polsinelli.com](mailto:bdolphin@polsinelli.com)

COUNSEL TO THE DEBTORS  
AND DEBTORS IN POSSESSION



**Exhibit A**

**(Proposed Order)**

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

In re:

Northwest Senior Housing Corporation, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-30659 (MVL)

(Jointly Administered)

**ORDER EXTENDING THE EXCLUSIVITY PERIOD FOR THE FILING OF A  
CHAPTER 11 PLAN**

Upon the motion (the “**Motion**”)<sup>2</sup> of the Debtors for entry of an order, pursuant to Bankruptcy Code section 1121(d), extending the Debtors’ exclusive period in which to file a

---

<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.

chapter 11 plan (the “**Exclusivity Period**”), all as more fully set forth in the Motion; and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this matter is a core proceeding within the meaning of 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 (c) notice of the Motion was due and proper under the circumstances; and it appearing that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and after due deliberation, and good and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth herein.
2. Pursuant to Bankruptcy Code section 1121(d), the Debtors’ Exclusivity Period is extended through and including February 8, 2023.
3. The extension of the Exclusivity Period granted herein are without prejudice to such further requests that may be made pursuant to Bankruptcy Code section 1121(d) by the Debtors or any party in interest, for cause shown, upon notice and a hearing.
4. Nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by any party.
5. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order.
6. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this 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](mailto: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](mailto:jeremy.johnson@polsinelli.com)  
[bdolphin@polsinelli.com](mailto:bdolphin@polsinelli.com)

*Counsel to the Debtors and  
Debtors in Possession*