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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 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 above-captioned debtors and debtors in possession (the “**Debtors**”) hereby move (the “**Motion**”), for the entry of an order (the “**Proposed Order**”), substantially in the form attached hereto as Exhibit A, pursuant to Sections 105(a), 363, 1107, and 1108 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 continue (a) escrowing entrance fees paid by residents who move into the Community in the Debtors’

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.



escrow accounts in the ordinary course during the pendency of these chapter 11 cases and (b) refunding entrance fees under certain circumstances during these chapter 11 cases, and (ii) granting related relief. In support of this Motion, the Debtors rely upon the *Declaration of Nicholas A. 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 that they 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), 363, 1107 and 1108 and Bankruptcy Rule 6003 and 6004.

BACKGROUND

I. General Background

4. On the date hereof (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**").

5. The Debtors continue to operate and manage their business 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 up to the filing of the above-referenced chapter 11 cases (the “**Chapter 11 Cases**”) is set forth in the First Day Declaration, which is incorporated herein by reference.

II. CCRC and Resident Background

8. Debtor, Northwest Senior Housing Corporation (“**Edgemere**”) was formed in 1998 as a Texas non-profit corporation to construct, own, and operate a best-in-class continuing care retirement community (“**CCRC**”) in Dallas, Texas (the “**Community**”). Unlike limited purpose senior living facilities which specialize in providing care for a particular set of healthcare needs, CCRCs, and in particular the Community, enable seniors to remain on the same campus as they age and their needs change by providing various levels of support and care in one location. Moreover, CCRCs provide residents with multiple opportunities for social and intellectual engagement as well as other benefits for all stages of their retirement living.

9. As detailed below, CCRCs are an attractive option to many seniors because the uncertain cost and burdens associated with senior living are leveled through an entrance fee model whereby prospective residents often will sell their home or otherwise liquidate a significant asset to fund an initial entrance fee. In addition, the resident pays monthly service fees. Upon exiting the CCRC, depending upon the plan chosen, the former resident may be entitled to payment of some portion of the entrance fee as a refund once their unit is sold to another resident. CCRCs like the Community generate revenue from new resident entrance fees and monthly service fees. Many CCRCs also generate revenue through third party reimbursement, such as Medicare, Medicaid, and private insurance, for health care services.

10. The Community opened in 2001 and offers its senior residents (the “**Residents**”) a continuum of care in a campus-style setting, as well as health care and support services to its target market of seniors aged sixty-two and older. The Community is situated on a 16.25-acre site, has 504 total available units, and offers ornate Mediterranean inspired architectural and design flourishes on lush grounds. The Community offers 304 independent living (“**IL**”) residences in one-, two-, and three-bedroom configurations. The Community’s health center (“**The Plaza**”) consists of three floors built in a figure-eight pattern, which offer assisted living (“**AL**”), memory care (“**MC**”), and skilled nursing options (“**SNF**”). The Plaza houses 68 one-bedroom AL suites, 45 one-bedroom MC units, 87 SNF nursing beds, and guest suites.

A. Entrance Fees

11. Before a potential IL resident (a “**Prospective Resident**”) moves into the Community, the person must execute a Life Care Agreement Plan (a “**Residency Agreement**”).³ Among other things, the Residency Agreements set forth the Resident’s obligation to pay a fee to the Debtors to occupy the Prospective Resident’s unit (an “**Entrance Fee**”), which may be fully or partially refunded to the Resident, and the amount of the monthly service fees (the “**Monthly Service Fees**”) which the Resident must pay while living at the Community.

12. Edgemere currently offers Prospective Residents the choice of four residency plans, each evidenced by a different Residency Agreement.⁴ The primary differences between the residency

³ Only IL residents pay Entrance Fees. Edgemere admits private pay and third-party payor related residents directly to AL, MC and SNF; however, these care options do not involve the payment of entrance fees. Residents admitted directly to AL or MC pay Monthly Service Fees only, and, therefore, are not impacted by the relief requested in this Motion. Residents admitted directly to SNF pay per diem fees only, they are not impacted by the relief requested herein.

⁴ The description of the Residency Agreement terms is a high-level summary. To the extent anything contained herein is inconsistent or conflicts with the terms of a Residency Agreement, the Residency Agreement terms shall govern. Further, the mechanics of Entrance Fee refunds are discussed below in Sections B and C.

plans are the amount of the Entrance Fee, the refundable percentage of the Entrance Fee, and the Monthly Service Fees. The terms of each Residency Agreement product are as follows:

- a. The 90% Refundable Plan. Under this plan, the Resident pays a standard entrance fee and a monthly service fee. Ninety percent (90%) of the entrance fee is refunded to the Resident or to the Resident's estate when the Resident leaves the Community and the unit is resold.
- b. The 70% Refundable Plan. Under this plan, the Resident pays a standard entrance fee, the monthly service fee is reduced by 20% for a single person or the second person fee is removed, and the Life Care Rate⁵ begins when residents transition to The Plaza. Seventy percent (70%) of the entrance fee is refunded to the Resident or to the Resident's estate when the Resident leaves the Community and the unit is resold.
- c. The 50% Refundable Plan. This plan applies to one-bedroom floor plans only and is amortized (2% per month). Under this plan, the Resident's monthly service fee is reduced by \$1,000 for life (with annual increases applicable) through the continuum of care. The second person fee remains the same through continuum of care (with annual increases applicable). Fifty percent (50%) of the entrance fee is refunded to the Resident or to the Resident's estate when the Resident leaves the Community and the unit is resold.
- d. The 0% Plan. The Resident receives a forty percent (40%) savings from the standard Entrance Fee. No money is refunded to the Resident or the Resident's estate when the Resident leaves the Community.

13. Generally, the purpose of the Entrance Fee is to pay refunds to Residents upon termination of a Residency Agreement in accordance with its terms, fund costs to refurbish the unit in preparation for the next resident, fund a portion of the actuarial cost of the life plan contract, pay certain project costs, retire debt, cover operating expenses, and generate investment income for the benefit of the CCRC and its Residents. A Prospective Resident typically pays ten percent (10%) of the Entrance Fee upon execution of a Residency Agreement (the "**Reservation Deposit**") to reserve a specific unit. Edgemere receives the remaining balance of the Entrance Fee from the Resident upon the occupancy of the unit at the Community (the "**Resident Deposit Balance**" and

⁵ As of January 1, 2022, the Lifecare Rate is \$6,284, which represents the current Monthly Service Fee for a two-bedroom classic IL unit.

together, with the Reservation Deposit an Entrance Fee). As of January 1, 2022, Entrance Fees range from \$345,000 for the smallest one-bedroom apartment to \$1,454,000 for the largest three-bedroom apartment and the monthly service fees range from \$4,176 to \$8,933.

14. A Prospective Resident has ninety (90) days from the date of making the Reservation Deposit to pay the Resident Deposit Balance and occupy the unit. Under Texas law, a Resident may cancel the Residency Agreement by written notice and receive a refund of the Entrance Fee at any time within seven (7) days after the execution date of the Residency Agreement. By its terms, the Residency Agreement terminates in the event of a Resident's death or if the Resident vacates the CCRC by giving the Debtors written notice; the refund obligation is not triggered until the unit is vacated and the new Entrance Fee for the unit is received by Edgemere. The Debtors intend to assume all Residency Agreements.

B. Historic Escrowing and Refunding of Entrance Fees

15. Under Residency Agreements executed before September 27, 2021 (the "**Old Residency Agreements**"), Prospective Residents are entitled to a full refund of any Entrance Fees paid to Debtors if they seek a refund before occupying a unit at the Community. In addition, in the event a Resident passes away or chooses to vacate the Community, the Debtors refund a portion of the Entrance Fee on the later of ten (10) days after (a) a new resident deposit has been received by the Debtors from a new resident or (b) the new resident has taken occupancy of the residence. The full terms of any refund rights are detailed in the respective Old Residency Agreements.

16. In the ordinary course of the Debtors' business, two Entrance Fee refund scenarios are the most common. One, occurs where (a) a Resident passes away, or chooses to vacate the Community, and then, subsequently, (b) a new Entrance Fee is received by the Community from a new resident, and (c) the new resident takes occupancy of the residence. When a Resident

permanently moves from an IL unit to a higher level of care, such as AL, MC, or SNF, the entrance refund becomes payable after (a) a new Entrance Fee is received by the Community from a new resident, (b) the new resident take occupancy of the residence, and (c) the death of the Resident or the choice of the Resident to vacate the Community.

17. The Debtors deposited Entrance Fees collected under the Old Residency Agreements (“**Old Entrance Fees**”) into an escrow account (0381) (the “**First Escrow Account**”) maintained with Regions Bank (the “**Escrow Agent**”) pursuant to an Escrow Agreement (the “**Old Escrow Agreement**”). The First Escrow Account received both the Reservation Deposits paid by Prospective Residents to hold their position at the Community as well as Entrance Fees paid by Residents.

18. Before September 27, 2021, upon Edgemere’s receipt of the total amount of the Entrance Fee (the sum of the Reservation Deposit and Resident Deposit Balance), the Entrance Fee was deposited into and held in escrow for seven (7) days. After seven (7) days, the Escrow Agent would disburse the Entrance Fee from the escrow account to Edgemere’s operating account.

C. Escrow and Refund of Entrance Fees Collected under New Residency Agreements

19. As is common when CCRCs face liquidity constraints, the Community implemented a new escrow structure to allow the Community to continue its marketing program while providing Prospective Residents who choose to use the Entrance Fee structure comfort that their upfront deposit would be protected during this period of financial uncertainty. In anticipation of these Chapter 11 Cases and to protect Residents and Prospective Residents, as well as to ease the concerns of Prospective Residents related to the Debtors’ pending financial restructuring, the Community temporarily changed its practice with respect to Entrance Fees collected under Residency Agreements executed on or after September 27, 2021 (the “**New Entrance Fees**”).

20. All Residency Agreements executed on or after September 27, 2021 (the “**New Residency Agreements**”) include an addendum amending the Residency Agreements to incorporate the terms of the Escrow Agreement (as defined below) and conditions for return of New Entrance Fees described below (the “**New Residency Agreement Addendum**”). The New Residency Agreement Addendum is attached hereto as Exhibit B. The New Residency Agreement permits Residents (“**New Residents**”) to terminate the New Residency Agreement at any time before certain enumerated events without cause, a feature not typically available in CCRCs.

21. The New Entrance Fees are deposited into either the First Escrow Account or a second escrow account (5305) (the “**Second Escrow Account**” together with the First Escrow Account, the “**Escrow Accounts**”) pursuant to the Escrow Agreement dated September 27, 2021, between the Debtors, the Escrow Agent, and the Trustee (the “**Escrow Agreement**”), a copy of which is attached hereto as Exhibit C. The Escrow Agent holds the escrowed funds, which include Reservation Deposits and Entrance Fees received after September 27, 2021 (respectively, “**New Reservation Deposits**” and “**New Entrance Fees**”) in a noninterest-bearing account that is FDIC-insured up to the maximum amount permitted by law for the benefit of each New Resident who made such payments under a New Residency Agreement.

22. All New Entrance Fees will remain in the Escrow Accounts; they are not property of the Debtors’ estates and they cannot be disbursed to the Debtors until the date on which a restructuring or refinancing of substantially all of the Bonds and a restatement of the Ground Lease is consummated (the “**Trigger Date**”). The Debtors must provide New Residents with fifteen (15) business days’ notice of the Trigger Date (the “**Trigger Date Notice**”). New Residents receive an opportunity to terminate their New Residency Agreements by providing the Debtors with a notice of termination five (5) business days prior to the Trigger Date (“**Pre-Trigger Date Termination**”).

Notice”). One (1) business day before the Trigger Date, the Debtors must provide a disbursement notice to the Escrow Agent and direct the return of funds to New Residents who delivered timely Pre-Trigger Date Termination Notices (“**Trigger Date Refund Event**”). The Escrow Agent can only disburse those funds held in the Escrow Accounts on the Trigger Date to the Debtors.

23. As an additional layer of protection for Prospective and New Residents, the New Escrow Agreement provides New Residents with the ability to terminate the New Residency Agreement and receive a refund of New Entrance Fees, less costs incurred, held in the Escrow Accounts (a “**Pre-Trigger Date Refund Event**”) at any time before the Trigger Date.⁶ Further, the New Escrow Agreement provides New Residents with the ability to terminate the New Residency Agreement by providing the Debtors with a notice of termination no later than sixty (60) days after the Trigger Date (a “**Post-Trigger Date Refund Event**” and together with the Trigger Date Refund Event and Pre-Trigger Date Refund Event, a “**Refund Event**”). Within fifteen (15) business days of receipt of a Termination Notice after the Trigger Date, the Debtors must provide a Post-Trigger Date disbursement notice to the Escrow Agent so the Escrow Agent can release the portion of the Entrance Fee owed to such New Resident.

24. Entrance Fee refunds are only due after two conditions are met: (a) the Resident vacates the Community and (b) the Community has received an Entrance Fee for the IL unit the Resident formerly occupied. If a Resident has left the Community and the Community has not yet received an Entrance Fee for the Resident’s former unit, then no refund is yet due (an “**Untriggered Refund**”). Untriggered Refunds include refunds owed to Residents who have vacated the Community and whose unit has not resold or whose units were sold after

⁶ The description of the New Joinder Agreement and Escrow Agreement are summaries. To the extent anything contained herein is inconsistent or conflicts with the content of the New Joinder Agreement and/or Escrow Agreement, the New Joinder Agreement and Escrow Agreement shall govern.

September 27, 2021 since the New Entrance Fees were deposited into and remain in the Escrow Accounts.

25. Similarly, Reservation Deposits received on or after September 27, 2021 (the “**New Reservation Deposits**”) are deposited in the Escrow Accounts and are not property of the Debtors’ estates. Prospective Residents can terminate the New Residency Agreement and receive a refund of the Reservation Deposit.

26. Approximately once per month during these Chapter 11 Cases, the Escrow Agent will use reasonable efforts to provide Debtors and the Trustee with an accounting of the New Entrance Fees deposited into the Escrow Accounts. The Escrow Agent will also provide the name and, if available, the contract number of the Resident from whom the New Entrance Fee was collected, the amount of such Entrance Fees, and all disbursements from the Escrow Accounts.

27. The Escrow Agreement terminates when all New Entrance Fees are disbursed and the Trigger Date has occurred.

28. As of April 13, 2022, the Escrow Accounts hold \$15,844,326 deposited as New Entrance Fees related to twenty-five (25) units and \$140,845 deposited as New Reservation Deposits related to two (2) units.

RELIEF REQUESTED

29. By this Motion, the Debtors request entry of the Proposed Order, substantially in the form attached hereto as Exhibit A, (a) authorizing the Debtors to continue (i) escrowing entrance fees paid by residents who move into the Community in Debtors’ escrow accounts during the pendency of these Chapter 11 Cases in the ordinary course and (ii) refunding certain entrance fees during these Chapter 11 Cases and (b) granting related relief.

BASIS FOR RELIEF

30. The Debtors respectfully submit that the relief requested herein is necessary due to the critical role Entrance Fees play in the Debtors' operations. The relief sought is being requested to (a) encourage prospective residents to reside at the Community and (b) provide assurance to prospective residents that the Chapter 11 Cases will not affect such resident's rights to a refund of their New Entrance Fees.

31. Bankruptcy Code Sections 363, 1107, and 1008 authorize a debtor in possession to use property of the estate in the ordinary course of business. In addition, Bankruptcy Code Section 105(a) allows the Court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." *See* 11 U.S.C. § 105(a); *see also In re Amsterdam House Continuing Care Retirement Community, Inc.*, Case No. 21-71095 (Bankr. E.D.N.Y. June 17, 2021) [Docket No. 44] (authorizing the debtor-CCRC to deposit post-petition resident entrance fees into existing escrow account and to refund such entrance fees during the chapter 11 case); *In re Life Care St. Johns, Inc.*, Case No. 13-04158 (Bankr. M.D. Fla. Aug. 27, 2013) [Docket No. 140] (authorizing escrow of debtor-CCRC's post-petition entrance fees pursuant to Bankruptcy Code Sections 105 and 363); *In re Fairview Ministries, Inc.*, Case No. 11-04386 (Bankr. N.D. Ill. Feb. 9, 2011) [Docket No. 46] (authorizing escrow of debtor-CCRC's post-petition entrance fees pursuant to Bankruptcy Code Sections 105, 363, 1107, and 1008).

32. Here, entry of the Proposed Order authorizing Debtors to continue honoring their prepetition escrow arrangements is necessary and appropriate to comfort Residents and Prospective Residents that their Entrance Fees and attendant refund rights will remain safe. Indeed, any doubt on the part of the Prospective Residents that the Debtors are unable to honor refund obligations would seriously undermine the Debtors' ability to attract new Residents during these Chapter 11 Cases, which is critical to the Debtors' business operations and successful

reorganization. Similarly, in the ordinary course of business, the Debtors need to be able to make a refund when a Resident passes away or vacates the Community after (a) the Resident transitioned from an IL residence to a higher level of care, (b) a new resident Entrance Fee was received by the Community from a new resident before September 27, 2021, and (c) the new resident has taken occupancy of the IL residence. Moreover, absent the assurances provided by the Proposed Order, current Residents may elect to prematurely terminate their residency at the Community and demand refunds under the mistaken belief that the Entrance Fees are at risk during these Chapter 11 Cases. The Proposed Order confirms that until the Trigger Date or a Refund Event occurs in accordance with the terms of the Escrow Agreement, the Debtors will continue to escrow and refund New Entrance Fees in accordance with the terms of such Escrow Agreement.

33. Relief similar to the relief requested herein has been granted, in this jurisdiction and others in chapter 11 cases involving CCRCs. *See e.g., In re Buckingham Senior Living Community, Inc.*, Case No. 21-32155 (Bankr. S.D. Tex. Aug. 4, 2021) [Docket No. 155] (authorizing the Debtor to deposit all entrance fees, including deposits, collected post-petition into an escrow account during the chapter 11 case); *In re Amsterdam House Continuing Care Retirement Community, Inc.*, Case No. 21-71095 (Bankr. E.D.N.Y. June 17, 2021) [Docket No. 44] (same); *In re Tarrant County Senior Living Center, Inc.*, Case No. 19-33756-SGJ (Bankr. N.D. Tex. Nov. 13, 2019) [Docket No. 50] (same); *In re Hingham Campus*, Case No. 11-33912 (Bankr. N.D. Tex. June 14, 2011) [Docket No. 73]; *In re Lincolnshire Campus, LLC*, Case No. 10-34176 (Bankr. N.D. Tex. June 15, 2010) [Docket No. 77] (same); *In re Erickson Retirement Cmty., LLC*, Case No. 09-37010 (Bankr. N.D. Tex. Oct. 19, 2009) [Docket No. 271] (same); *In re Timothy Place, NFP*, Case No. 16-01336 (Bankr. N.D. Ill. Jan. 17, 2016) [Docket No. 87] (same). Consequently, there are ample factual, legal, and precedential bases for the relief requested herein.

34. This Motion provides a practical approach to protect the interests of New Residents in the New Entrance Fees during the pendency of these Chapter 11 Cases and provides for the proper release of a New Entrance Fees upon a Refund Event. The relief requested herein is reasonable under the circumstances and will maximize the value of the Debtors' estates by encouraging prospective residents to choose to live at the Community and thereby pay Entrance Fees and Monthly Service Fees.

RESERVATION OF RIGHTS

35. Nothing contained herein is intended or should be construed as (a) an admission as to the validity or priority of any claim or lien against any Debtor, (b) a waiver of any Debtor's 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 this Motion or the Proposed 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 any Debtor's or any other party in interest's rights under the Bankruptcy Code or any other applicable law.

WAIVER OF BANKRUPTCY RULE 6004(a) AND 6004(h) REQUIREMENTS

36. The Debtors request the instant relief out of an abundance of caution. By this Motion, the Debtors request a waiver of any notice requirements under Bankruptcy Rule 6004(a) and any stay of the effectiveness of the order(s) approving this Motion. Pursuant to Bankruptcy Rule 6004(h), "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). As set forth above, the Debtors require immediate relief to continue ordinary business operations for the benefit of all parties in interest. Accordingly, the Debtors

submit that ample cause exists to justify a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and stay apply to this Motion.

NOTICE

37. 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; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002.

38. The Debtors respectfully submit that, in light of the nature of the relief requested herein, no other or further notice need be given.

NO PRIOR REQUEST

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

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, substantially in the form attached as Exhibit A, granting the relief requested in this Motion and such other and further relief as may be just and proper.

Dated: April 14, 2022
Dallas, Texas

POLSINELLI PC

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PROPOSED COUNSEL TO THE DEBTORS
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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.*,¹

Debtors.

Chapter 11

Case No. 22-30659 (MVL)

(Jointly Administered)

**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 “**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 Accounts

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.

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, if necessary, at a final 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 as set forth herein.
2. 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.
3. 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.

4. 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.

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

6. 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.

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

8. 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.

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

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

End of Order

Submitted by:

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

EXHIBIT B

**NEW RESIDENCY AGREEMENT ADDENDUM
NORTHWEST SENIOR HOUSING CORPORATION D/B/A EDGEMERE
ADDENDUM TO RESIDENCY AGREEMENT**

This Addendum to Residency Agreement (“Addendum”) is made and entered into this _____ day of _____, _____ (“Effective Date”) by and between Northwest Senior Housing Corporation d/b/a Edgemere (“Edgemere”) and _____ (whether one person or two, “Resident”).

- A. Resident has entered into a Residency Agreement (“Agreement”) with Edgemere and has paid the first installment of the Entrance Fee required pursuant to Section 5.2 of the Agreement on _____ (“Deposit Date”).
- B. The parties desire to amend the Agreement with respect to the provisions regarding the refund of the Entrance Fee through the Trigger Date.
- C. “Trigger Date” is defined as the date on which a restructuring or refinancing of substantially all of the Bonds issued by the Tarrant County Cultural Education Facilities Finance Corporation for the benefit of The Edgemere is consummated. Now, therefore, in consideration of the mutual covenants herein contained, Resident and Edgemere agree that Section 7.4 of the Agreement will be amended as follows and that such provision will supersede any other provisions of the Agreement to the extent inconsistent, including Sections 5.2, 5.5, 7.1, 7.2, and 7.7:

“7.4 (a) Refund of Resident Deposit. After termination of this Agreement in accordance with Section 7.2 or in the event of your death, or in the case of double occupancy, both occupants’ deaths, we will refund ninety percent (90%) of the Resident Deposit (without interest) that you paid for your Residence at Edgemere, which shall be paid on the later of: (i) ten (10) days after a new resident deposit has been received from a new resident and the new resident has taken occupancy of your former Residence, or (ii) termination of this Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, in the event (1) you paid any portion of the Entrance Fee on or after the Effective Date but before the Trigger Date (defined below) and (2) this Agreement terminates for any reason prior to the Trigger Date or you give notice of termination of this Agreement in accordance with Sections 7.1 or 7.2 hereof no later than five (5) business days prior to the Trigger Date and you vacate occupancy of the Community no later than sixty (60) days after you deliver such notice of termination to us, then that portion of the Entrance Fee (without interest) paid on or after the Effective Date but before the Trigger Date will be refunded to you, less any amounts permitted under Sections 7.1 and/or 7.2 of this Agreement and any costs incurred, if any, at your request, and such refund to be made within twenty (20) business days of the date of termination of this Agreement.

The Edgemere hereby acknowledges and agrees that any portion of the Entrance Fee paid by you on or after the Effective Date but before the Trigger Date (the “*Escrowed Funds*”) shall be held in escrow by Regions Bank, an Alabama banking corporation (the “*Escrow Agent*”) in accordance with the terms of an Escrow Agreement, an unexecuted copy of which is attached hereto as Attachment A (the “*Escrow Agreement*”). Consistent with the previous paragraph, Edgemere will direct the Escrow Agent to release the Escrowed Funds to you as described in this Section 7.4(b) to the extent you are entitled to a refund under this Section 7.4(b). If this Agreement has not been terminated by the Trigger Date and you have not given notice of termination of this Agreement prior to the fifth (5th) business day prior to the Trigger Date, then on the Trigger Date the Escrowed Funds will be released by the Escrow Agent to us or our designee and your sole right to a refund thereafter shall be in accordance with Sections 5.2 and 7.4 of this Agreement without giving effect to amendments made by this Addendum. If you have given notice of termination of this Agreement on or before the fifth (5th) business day prior to the Trigger Date and you have not vacated occupancy of the Community by sixty (60) days after the delivery of such notice, then on the day after such sixtieth (60th) day, the Escrowed Funds will be released by the Escrow Agent to us or our designee and your sole right to a refund thereafter shall be in accordance with Sections 1.3, 1.4, 7.1, 7.2, and 7.4(a) of this Agreement without giving effect to amendments made by this Addendum.

For purposes of this Section 7.4(b), the “*Trigger Date*” shall mean the date on which a restructuring or refinancing of substantially all of the Bonds issued by the Tarrant County Cultural Education Facilities Finance Corporation for the benefit of The Edgemere is consummated.

Edgemere hereby agrees to give you notice of the Trigger Date at least fifteen (15) business days prior to the Trigger Date.”

Nothing herein changes any other provisions of the Agreement, including any rights of Resident or Edgemere to terminate the Agreement, except to the extent inconsistent with the foregoing. Except as amended hereby, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Edgemere and Resident have signed this Addendum on the day and year first written above.

Dated this _____ day of _____, 20_____.

RESIDENT(S):

Signature: _____
Printed Name:

Signature: _____
Printed Name:

**NORTHWEST SENIOR HOUSING
CORPORATION D/B/A EDGEMERE**

By: _____
Name:
Title:

EXHIBIT C

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (as the same may be amended or modified from time to time pursuant hereto, this “Agreement”) is made and entered into as of September 27, 2021, by and among NORTHWEST SENIOR HOUSING CORPORATION D/B/A EDGEMERE, a Texas nonprofit corporation (the “Company”), REGIONS BANK, an Alabama banking corporation, as escrow agent (the “Escrow Agent”), UMB BANK, N.A., as Trustee (as hereinafter defined) and each Resident (as hereinafter defined) (each Resident, collectively with the Company and the Escrow Agent, the “Parties”, or individually, a “Party”).

Preliminary Statement. The Company owns and operates The Edgemere (“Edgemere”), a continuing care retirement community located in Dallas, Texas. For the benefit of the Company, the Tarrant County Cultural Education Facilities Finance Corporation (the “Issuer”) issued the following bonds (i) pursuant to the Indenture of Trust dated as of May 1, 2015 (the “2015 Indenture”) between the Issuer and UMB BANK, N.A., as trustee: (a) Retirement Facility Revenue Bonds (Northwest Senior Housing Corporation – Edgemere Project) Series 2015A (the “Series 2015A Bonds”) and (b) Retirement Facility Revenue Bonds (Northwest Senior Housing Corporation – Edgemere Project) Series 2015B (the “Series 2015B Bonds”); and (ii) pursuant to the Indenture of Trust dated as of March 1, 2017 (the “2017 Indenture”) between the Issuer and UMB BANK, N.A., as trustee, the Retirement Facility Revenue Bonds (Northwest Senior Housing Corporation – Edgemere Project) Series 2017 (the “Series 2017 Bonds” and together with the Series 2015A Bonds and Series 2015B Bonds, the “Bonds”). The Company is also a party to that certain ground lease dated November 5, 1999 by and between Intercity Investment Properties, Inc., a Texas corporation, as lessor and the Company, as lessee (the “Ground Lease”). Certain Events of Default have occurred and are continuing under the Bond Documents and Ground Lease (as defined in the Indenture and Ground Lease, respectively). In accordance with that certain Forbearance Agreement, dated as of _____, 2021, between the Company and the Trustee and in accordance with Section 7.4 of the Residency Agreement (as hereinafter defined) as such Section 7.4 is amended by the provisions of the Addendum to Residency Agreement (the “Addendum”), the Company has agreed to escrow Entrance Fees (as defined below) for the benefit of residents entering into a Residency Agreement on or after September 27, 2021 who execute and deliver a Joinder to Escrow Agreement in the form attached hereto as **Attachment A** (a “Joinder Agreement”) (each such resident, a “Resident”). The Company has requested that the Escrow Agent receive, hold, and disburse the entrance fees (the “Entrance Fees”) of Residents paid pursuant to their applicable residency agreements (the “Residency Agreements”) entered into by such Resident and the Company, from and after September 27, 2021 to, but not including, the date the Company delivers the Trigger Date Notice (as hereinafter defined). The purpose of the Agreement is for the protection of the prospective Resident.

The Escrow Agent acknowledges that it is willing to receive, hold, and disburse the Escrowed Funds (as defined below) in escrow in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Appointment. The Company hereby designates and appoints the Escrow Agent as the Escrow Agent to receive, hold, and disburse the Escrowed Funds (as defined below), and the Escrow Agent hereby accepts such appointment to receive, hold, and disburse the Escrowed Funds upon the terms and subject to the conditions set forth in this Agreement.

2. Escrowed Funds. On each date from and after the date of this Agreement, but before the date the Company delivers the Trigger Date Notice (as defined below), on which a Resident or prospective Resident of a living unit at Edgemere enters into a Residency Agreement and a Joinder Agreement and delivers payment to the Company of any Entrance Fee, the Company shall promptly transmit such Entrance Fee, or portion thereof, to the Escrow Agent for deposit to the Escrow Account. The funds on deposit in the Escrow Account representing the Entrance Fees or any portion thereof paid by a Resident to the Company for deposit in escrow with the Escrow Agent shall remain the property of the Resident or the Resident's legal representative until refunded to the Resident or the Resident's legal representative or released by the Escrow Agent to such party as may be entitled thereto as directed pursuant to Section 4 hereof. Such funds shall not be subject to any liens or charges by the Escrow Agent.

The Escrow Agent shall hold all Entrance Fees deposited into the Escrow Account in escrow (the "Escrowed Funds") on the terms and conditions set forth in this Agreement. The Escrow Agent agrees to provide the Company a monthly report that shows all individual transactions in the Escrow Account reflecting all deposits made to and disbursements made from the Escrow Account during the relevant period.

3. Deposit of Escrowed Funds.

The Escrow Agent will hold the Escrowed Funds in a noninterest-bearing account that is FDIC-insured up to the maximum amount permitted by law.

4. Release of Escrowed Funds.

(a) The Escrow Agent shall hold all funds in escrow and shall not disburse any Escrowed Funds from the Escrow Account except in accordance with written instructions as described below:

(i) Transfer Upon Termination of Residency Agreement prior to Trigger Date. Prior to the date on which a restructuring or refinancing of all or substantially all of the Bonds and a restatement of the Ground Lease is consummated (the scheduled date of such restructuring or refinancing, the "Trigger Date"), Escrowed Funds shall be released in accordance with this Section 4(a)(i). Within four (4) Business Days following delivery of a notice from the Company to the Escrow Agent, with a copy to the Resident and the Trustee, in the form of **Attachment B** attached hereto (a "Disbursement Notice (Pre-Trigger Date)"), the Escrow Agent shall release to the Resident, in accordance with instructions set forth in the Disbursement Notice (Pre-Trigger Date), such portion of a Resident's Entrance Fee escrowed with the Escrow Agent, less any amounts permitted under Sections 7.1 and/or 7.2 of the Residency Agreement (the "Retained Sums"), of any Resident at Edgemere who terminates the Residency Agreement or whose Residency Agreement is otherwise terminated in accordance with the terms thereof and who, prior to

the Trigger Date, complies with all other requirements set forth in the Residency Agreement to terminate the Residency Agreement (a “Termination of Residency Agreement”). The Escrow Agent is authorized and directed to transfer or disburse all Retained Sums in accordance with the Company’s written instructions, which may include transferring such Retained Sums to the Company’s bank accounts, whether held by the Escrow Agent or any other financial depository. The Company shall deliver a Disbursement Notice (Pre-Trigger Date) with respect to the applicable Resident within fifteen (15) Business Days after the date of the Termination of Residency Agreement, provided that the Termination of Residency Agreement occurs before the Trigger Date.

(ii) Transfer on Trigger Date. No later than fifteen (15) Business Days prior to the Trigger Date, the Company and the Trustee shall deliver to the Escrow Agent and the Company shall provide each Resident a notice in the form attached hereto as **Attachment C** (the “Trigger Date Notice”), setting forth the Trigger Date and the last date, which shall be five (5) Business Days prior to the Trigger Date, by which a Resident can give notice of termination of the Residency Agreement in accordance with Section 7.4 of the Residency Agreement as amended by the Addendum (a “Notice of Termination”). The Business Day prior to the Trigger Date, the Company shall give the Escrow Agent a notice in the form attached hereto as **Attachment D**, identifying each Resident who has delivered a Notice of Termination no later than the fifth (5th) Business Days prior to the Trigger Date. All Escrowed Funds on deposit on the Trigger Date, other than those credited in the name of a Resident identified in Attachment D, shall be disbursed in accordance with the directions set forth in Attachment D. Escrowed Funds on deposit on the Trigger Date credited in the name of a Resident identified in Attachment D shall remain in escrow and distributed in accordance with Section 4(a)(iii) below.

(iii) Transfer after the Trigger Date. Escrowed Funds, less Retained Sums, of any Resident who delivered a Notice of Termination and no later than sixty (60) days after the Trigger Date complies with all other requirements set forth in the Residency Agreement to terminate the Residency Agreement, including vacating occupancy at Edgemere, shall be released to the Resident in accordance with this Section 4(a)(iii). Within fifteen (15) Business Days of the Termination of Residency Agreement, the Company shall deliver a notice from the Company to the Escrow Agent, with a copy to the Resident, in the form of **Attachment E** attached hereto (a “Disbursement Notice (Post-Trigger Date)”). Within four (4) Business Days of the delivery of such Disbursement Notice (Post-Trigger Date), the Escrow Agent shall release, in accordance with instructions set forth in such notice, (i) to the Resident such portion of a Resident’s Entrance Fee escrowed with the Escrow Agent, less the Retained Sums applicable to such Resident, as set forth in the Disbursement Notice (Post-Trigger Date); and (ii) to or at the direction of the Company, such Retained Sums. Any amount remaining in the Escrowed Fund ninety (90) days after the Trigger Date (that is, Escrowed Funds of Residents who gave a Notice of Termination but did not comply with all other requirements set forth in the Residency Agreement to terminate the Residency Agreement, including vacating occupancy at Edgemere) shall be released to the Trustee for deposit under the Bond Documents.

(b) The Escrow Agent shall not be responsible for performing any calculations with regards to this Section 4 or determining the accuracy or veracity of any notices delivered pursuant hereto and shall act solely upon written instructions as provided for herein.

(c) In providing instructions as to the release of Escrowed Funds to a Resident, the Company shall comply with the provisions for the return of Entrance Fees set forth in the Residency Agreement. Any time that the Company provides notice to a Resident pursuant to this Agreement, a copy shall be provided to the Trustee.

5. Security Procedures. In the event a Disbursement Notice is issued (other than in writing at the time of execution of this Agreement), whether in writing, by facsimile or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on **Schedule 1** hereto, and the Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in a writing actually received and acknowledged by the Escrow Agent. If the Escrow Agent is unable to contact any of the authorized representatives identified in **Schedule 1**, the Escrow Agent is hereby authorized to seek confirmation of such instructions by telephone call-back to any one or more of the Company's executive officers ("**Executive Officers**"), which shall include the titles of Chair, Secretary or Treasurer, as the Escrow Agent may select. Such Executive Officer shall deliver to the Escrow Agent a fully executed incumbency certificate, and the Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Company to identify (a) the beneficiary, (b) the beneficiary's bank, or (c) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The Company acknowledges that these security procedures are commercially reasonable.

6. Escrow Agent.

(a) The Escrow Agent shall have only those duties as are specifically and expressly provided herein, which shall be deemed purely ministerial in nature, and no other duties shall be implied. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with, the terms and conditions of any other agreement, instrument, or document between the Parties, in connection herewith, if any, nor shall the Escrow Agent be required to determine if any person or entity has complied with any such agreements, nor shall any additional obligations of the Escrow Agent be inferred from the terms of such agreements, even though reference thereto may be made in this Agreement. For purposes of this Agreement, in the event of any conflict between the terms and provisions of this Agreement and any other agreement among the Parties, the terms and conditions of this Agreement shall control. The Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any written notice, document, instruction, or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper Party or Parties without inquiry and without requiring substantiating evidence of any kind. The Escrow Agent shall be under no

duty to inquire into or investigate the validity, accuracy, or content of any such document, notice, instruction, or request.

(b) The Escrow Agent shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith except to the extent that a final adjudication of a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss to either other Party. In the event that the Escrow Agent shall be uncertain or believes there is some ambiguity as to its duties or rights hereunder or shall receive instructions, claims, or demands from any Party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be given a direction in writing by the Parties which eliminates such ambiguity or uncertainty to the satisfaction of Escrow Agent or by a final and non-appealable order of a court of competent jurisdiction. The Parties agree to pursue any redress or recourse in connection with any dispute without making the Escrow Agent a party to the same. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, incidental, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. It is the intention of the Parties hereto that Escrow Agent shall never be required to use, advance or risk its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights and powers.

(c) The Escrow Agent undertakes to perform all duties which are expressly set forth herein for a fee as described in **Schedule 2**, which shall be promptly paid by the Company. The Escrow Agent shall also be entitled to reimbursement by the Company for all reasonable expenses, disbursements, and advances actually incurred or made by the Escrow Agent in accordance with any of the provisions of this Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ), exclusive of any such expense, disbursement, or advance that may arise from its own gross negligence or willful misconduct, as finally determined by a court of competent jurisdiction.

7. Successor Escrow Agent.

The Escrow Agent may resign and be discharged from its duties or obligations hereunder by giving thirty (30) days advance notice in writing of such resignation to the Parties specifying a date when such resignation shall take effect. If the Parties fail to appoint a successor escrow agent prior to the expiration of thirty (30) days following receipt of the notice of resignation, the Escrow Agent may petition a court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon all of the Parties hereto. The Escrow Agent's sole responsibility after such thirty (30) day notice period expires shall be to hold the Escrowed Funds (without any obligation to reinvest the same) and to deliver the same to a designated substitute escrow agent, if any, or in accordance with the directions of a court of competent jurisdiction, at which time of delivery Escrow Agent's obligations hereunder shall cease and terminate. The Escrow Agent shall have the right to make demand on the Company for any amount due and owing to the Escrow Agent under this Agreement.

8. Disclosures; TIN; Tax Reporting.

(a) Patriot Act Disclosure. Section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (“USA PATRIOT Act”) requires the Escrow Agent to implement reasonable procedures to verify the identity of any person that opens a new account with it. Accordingly, the Parties acknowledge that Section 326 of the USA PATRIOT Act and the Escrow Agent’s identity verification procedures require the Escrow Agent to obtain information which may be used to confirm the Parties identity including without limitation name, address, and organizational documents (“identifying information”). The Parties agree to provide the Escrow Agent with and consent to the Escrow Agent obtaining from third parties any such identifying information required as a condition of opening an account with or using any service provided by the Escrow Agent.

(b) Taxpayer Identification Numbers (“TIN”). The Company shall provide the Escrow Agent with fully executed IRS Form W-8 or W-9 for the Company and any Resident paying Entrance Fees to be Escrowed Funds, and/or other reasonably required documentation. The Company represents that its correct TIN assigned by the IRS, or any other taxing authority, is set forth in the delivered forms, as well as in the Substitute IRS Form W-9 set forth on the signature page of this Agreement with or using any service provided by the Escrow Agent.

(c) Tax Reporting. All interest, if any, or other income earned under this Agreement shall be allocated to the Company and reported, as and to the extent required by law, by the Escrow Agent to the IRS, or any other taxing authority, on IRS Form 1099 or 10425 (or other appropriate form) as income earned from the Escrowed Funds by the Company whether or not said income has been distributed during such year. Any other tax returns required to be filed will be prepared and filed by the Company with the IRS and any other taxing authority as required by law. The Parties acknowledge and agree that Escrow Agent shall have no responsibility for the preparation and/or filing of any income, franchise or any other tax return with respect to the Escrowed Funds. The Parties further acknowledge and agree that any taxes payable from the income earned on the investment of any sums held in the Escrowed Funds shall be paid by the Company. In the absence of written direction from the Parties, all proceeds of the Escrowed Funds shall be retained in the Escrowed Funds and reinvested from time to time by the Escrow Agent as provided in this Agreement. Escrow Agent shall withhold any taxes it deems appropriate, including but not limited to the required withholding in the absence of proper tax documentation, and shall remit such taxes to the appropriate authorities.

9. Notices.

All notices, requests, demands, and other communications hereunder shall be given in writing and shall be sent by electronic transmission with a copy to the Parties at their respective addresses delivered by private overnight mail courier service. The respective addresses to be used for all such notices, demands or requests are as follows:

If to the Trustee: Irina Palchuk
UMB Bank, N.A.
120 Sixth Street South, Suite 1400,
Minneapolis, MN 55402

E-mail: Irina.palchuk@umb.com.

With a copy to: Poonam Patidar, Esq.
Mintz Levin Cohn Ferris Glovsky & Popeo, PC
One Financial Center
Boston, Massachusetts 02111
E-mail: ppatidar@mintz.com:

If to the Company: Nick Harshfield CFO
Northwest Senior Housing Corporation
8523 Thackery Street
Dallas, Texas 75225
E-mail: nick.harshfield@lifespacecommunities.com

With a copy to: Sandra Parker General Counsel
Northwest Senior Housing Corporation¹
15601 Dallas Parkway Suite 200
Dallas, Texas 75001
E-mail: Sandra.parker@lifespacecommunities.com

If to Escrow Agent: Doug Milner, Senior Vice President
Regions Bank
Corporate Trust 3773 Richmond Avenue, Suite 1100 Houston,
Texas 77046
Email: Doug.Milner@Regions.com

With a copy to: Janet Vaughan Robertson
Schulman, Lopez, Hoffer & Adelstein, LLP
1017 Heights Boulevard
Houston, Texas 77008
E-mail: jrobertson@slh-law.com

If to a Resident, in accordance with the notice provisions of such Resident's Residency Agreement.

Any Party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this Section.

10. Indemnity.

Company agrees to defend and indemnify Escrow Agent and its officers, directors, partners, employees and agents (each herein called an “Indemnified Party”) against and to hold each Indemnified Party harmless from and against any and all claims, losses, liabilities, damages, deficiencies, penalties, costs and expenses (including, without limitation, reasonable attorney’s fees and disbursements, whether for internal or external counsel) resulting from (i) any breach by Company of this Agreement or of any Residency Agreement entered into with a Resident from whom a Deposit has been collected and deposited in escrow with Escrow Agent, (ii) any gross negligence, willful misconduct or violation of law or regulation by Company, (iii) any incomplete or erroneous data or information furnished by or for Company to Escrow Agent, (iv) any claim of any third party, including, but not limited to, a claim by a Resident or a Resident’s legal representative that Escrow Agent is responsible for any act or omission of Company or any of its directors, officers, employees, agents or representatives, (v) any failure of Company to perform its obligations with respect to the distribution of Escrow Agent’s Privacy Policy Notice and its Deposit Terms and Conditions and other consumer disclosures as described in Section 12 of this Agreement, (vi) the execution, delivery or performance of this Agreement by such Indemnified Party, and (vii) the compliance or attempted compliance by any Indemnified Party with any instruction or direction upon which the Escrow Agent is authorized to rely under this Agreement, except to the extent that any such loss, liability or expense may result from the gross negligence or willful misconduct of such Indemnified Party, as finally determined by a court of competent jurisdiction. **IT IS THE EXPRESS INTENT OF THE COMPANY TO INDEMNIFY EACH OF THE INDEMNIFIED PARTIES FOR, AND HOLD THEM HARMLESS AGAINST, THEIR OWN GROSSLY NEGLIGENT ACTS OR OMISSIONS.**

11. Right of Interpleader.

Notwithstanding anything contained herein to the contrary, should any controversy arise involving the Parties hereto or any of them or any other person, firm or entity with respect to this Agreement or the Escrow Account, or should a substitute escrow agent fail to be designated as provided in Section 7 hereof, or if Escrow Agent should be in doubt as to what action to take, Escrow Agent shall have the right, but not the obligation, ether to (a) withhold delivery of funds held in the Escrow Account until the controversy is resolved, the conflicting demands are withdrawn or its doubt is resolved or (b) institute a petition for interpleader in any court of competent jurisdiction to determine the rights of the Parties hereto. In the event Escrow Agent is a party to any dispute, Escrow Agent shall have the additional right to refer such controversy to binding arbitration. Should a petition for interpleader be instituted, or should Escrow Agent be threatened with litigation or become involved in litigation or binding arbitration in any manner whatsoever in connection with this Agreement or the Escrow Account, the Company agrees to reimburse Escrow Agent for its attorneys’ fees and any and all other expenses, losses, costs and damages incurred by Escrow Agent in connection with or resulting from such threatened or actual litigation or arbitration prior to any disbursement hereunder.

12. Documents Provided to Resident.

Company agrees that, upon receipt of an Entrance Fee from a Resident and, in any event, before transmission of such Entrance Fee to Escrow Agent for deposit in escrow, Company will deliver to the Resident a copy of Escrow Agent’s (i) Privacy Policy Notice in the form attached hereto as **Attachment F**, or any updated version thereof as authorized by Escrow Agent from time

to time during the period that this Agreement shall remain in effect and, (ii) the Deposit Terms and Conditions provided to Company by the Escrow Agent, and (iii) any other consumer disclosures provided by the Escrow Agent to the Company.

13. Miscellaneous.

(a) Accounting. Every month, the Escrow Agent will provide the Company and Trustee with an accounting of the Entrance Fees deposited into the Escrow Account, including the contract number of the Resident from whom the Entrance Fee was collected, the amount of such Entrance Fees, and all disbursements from the Escrow Account. At the request of The Commissioner of Insurance of the Texas Department of Insurance, the Escrow Agent shall issue a statement indicating the status of the Escrow Account.

(b) Waiver. A waiver of any of the provisions of this Agreement shall not constitute and shall not be deemed a waiver of any other provision of this Agreement, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in writing. Except as otherwise provided in this Agreement, any failure of any of the Parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver.

(c) Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the Parties, whether oral or written.

(d) Amendment and Termination. This Agreement may be amended only by the express written consent of the Parties hereto, which consent on the part of the Escrow Agent shall not be unreasonably withheld or delayed if the duties or responsibilities of the Escrow Agent are not increased by such amendment. This Agreement will terminate upon the occurrence of both (a) the distribution of the entire Escrowed Funds in accordance with the terms and provisions of this Agreement, and (2) the Trigger Date.

(e) Headings. The headings in this Agreement are for reference purposes and shall not affect the meaning or interpretation of this Agreement.

(f) Applicable Law; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the Texas. The Parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement.

(g) Severability. If any term or provision of this Agreement or the application thereof to any entity or person or circumstance is to any extent shall become invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to entities, persons, or circumstances other than those held invalid or unenforceable under the laws now or hereafter in effect in the jurisdiction governing this Agreement, shall not be affected thereby, and each term and provision shall be held valid and enforceable to the greatest possible extent.

(h) Counterparts. This Agreement may be executed in one or more counterparts. Each such counterpart, when executed and delivered, shall be an original, but all such counterparts together shall constitute a single document. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document. Executed signature pages may be delivered by facsimile or email and, when so delivered, shall have the same force and effect as an original.

(i) Construction. The Company, the Trustee, the Escrow Agent and their respective legal counsel actively participated in the negotiation and drafting of this Agreement, and in the event of any ambiguity or mistake herein, or any dispute with respect to the provisions hereof, no provision of this Agreement shall be construed unfavorably against any of the Parties on the ground that he, it, or his or its counsel was the drafter thereof.

(j) Business Day. For purposes of this Agreement, “Business Day” shall mean any day other than a Saturday, a Sunday, or any other day on which banks doing business in the State of the Escrow Agent’s domicile are authorized or required to be closed for business.

(k) Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

(l) Compliance with Court Orders. In the event that any escrow property (including, without limitation, the Escrowed Funds) shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders, or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties hereto or to any other person, entity, firm or corporation, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled, set aside, or vacated.

(m) Force Majeure. Company agrees that Escrow Agent shall not be in breach of this Agreement or be liable to Company for any loss or delay resulting from any act or delay or failure to act caused by circumstances not within the Escrow Agent’s control, including, without limitation, malfunction of electronic media, interruption of power supply or other utilities, fire, flood, ice, earthquake, explosion, snow storm or other act of God, strike or stoppage of labor, industrial sabotage, war, insurrection, riot, act of terrorism or other civil disturbance, delays in the mail or courier service, delay in public funding, change of law, rule or government regulation or interpretation, court order, or the insolvency, unavailability or failure to act or delay in acting of any other bank or payment system, United States mail, express or armored courier, governmental agency or any other party necessary to the Escrow Agent’s discharge of a performance obligation contemplated by this Agreement.

(n) Liens. The Company hereby (i) affirms the Trustee’s first priority lien on the Entrance Fees granted under the Bond Documents, as defined in the Indenture, (ii) further affirms that any Entrance Fees not otherwise released to the Residents pursuant to the terms hereof shall be subject to such lien and (iii) grants the Trustee a security interest in its rights hereunder

including its rights to receive any Entrance Fees, subject to the CCRC Act (as defined in the Indenture). Nothing herein is intended to grant to the Trustee a security interest in any Resident's rights under this Escrow Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set forth above.

NORTHWEST SENIOR HOUSING CORPORATION, a Texas not-for-profit corporation

By:  _____
Name: 0FBD63BFF8124CA... Nick Marshfield
Its: Chief Financial Officer

REGIONS BANK, an Alabama banking corporation, as Escrow Agent,

By:  _____
Name: 8C338E8BA0A0437... Doug Milner
Its: Senior Vice President

UMB BANK, N.A., as Trustee

By:  _____
Name: AFCF5248846A44F... Virginia Housum
Its: Senior Vice President

Attachment A

JOINDER TO ESCROW AGREEMENT

This Joinder to Escrow Agreement (this “Joinder Agreement”) is made as of the _____ day of _____, 202__ by the undersigned Depositor(s) (whether one or two people, the “Depositor”).

1. The Depositor hereby certifies to Regions Bank, an Alabama banking corporation (the “Escrow Agent”), that the Depositor has entered into a Residency Agreement, dated _____, 202__, together with the Addendum to Residency Agreement, dated _____, 202__ (the “Residency Agreement”) with Northwest Senior Housing Corporation d/b/a Edgemere (“Edgemere”).

2. The Depositor hereby further certifies that the Depositor (i) has received a copy of the Escrow Agreement, dated as of [●], 2021 (the “Escrow Agreement”), among the Escrow Agent, Edgemere, UMB Bank, N.A., as trustee, and the Residents (as defined in the Escrow Agreement); (ii) has read and understands the terms of the Escrow Agreement; and (iii) has received a copy of the Escrow Agent’s Privacy Policy Notice and its Deposit Terms and Conditions.

3. The Depositor acknowledges and agrees that the Depositor’s Entrance Fee shall be administered and disbursed in accordance with the provisions of the Escrow Agreement and in accordance with and in fulfillment of Edgemere’s contractual obligations under the Residency Agreement and Addendum. The Depositor further acknowledges, accepts and agrees that the Escrow Agent may rely on the directions given to the Escrow Agent in accordance with the Escrow Agreement with respect to the Depositor’s Escrowed Funds.

4. This Joinder Agreement shall be binding upon the Depositor and the Depositor’s successors, assigns, heirs and personal representatives.

This Joinder Agreement shall be construed and interpreted in accordance with the laws of the State of Texas without application of conflicts of law principles.

Date: _____

Depositor’s signature

Depositor’s name (please print)

Depositor’s signature

Depositor’s name (please print)

Edgemere certifies to the Escrow Agent that the Depositor identified above is a Resident (as defined in the Escrow Agreement) whose Entrance Fee is being delivered for deposit to the Escrow Account established under the Escrow Agreement.

Date: _____

NORTHWEST SENIOR HOUSING
CORPORATION

By: _____

Name:

Title:

Attachment B

DISBURSEMENT NOTICE

(For Termination of Residency Agreement prior to the Trigger Date)

Reference is made to the Escrow Agreement, dated as of [●], 2021 (the “Escrow Agreement”), among NORTHWEST SENIOR HOUSING CORPORATION (“Company”), UMB BANK, N.A., as trustee (the “Trustee”), and REGIONS BANK, as escrow agent (“Escrow Agent”), and each Resident (as defined in the Escrow Agreement). Capitalized terms used but not otherwise defined herein have the meanings given them in the Escrow Agreement.

Under the Escrow Agreement, the Escrow Agent holds in account number _____ the Entrance Fee for the Resident identified below. The Company hereby requests return to the Resident of the Entrance Fee less the Retained Sums and the transfer to the Trustee of the Retained Sums. The Escrow Agent shall transfer such amounts in accordance with the instructions set forth in Exhibit 1 attached hereto (for the amount to be returned to the Resident or the Resident’s legal representative) and in Exhibit 2 (for the Retained Sums).

Name of Resident: _____

Amount of Entrance Fee: _____

Amount of Retained Sums: _____

Amount to be returned to Resident: _____

This request is being made because:

- The Resident canceled the Residency Agreement within seventy-two hours of its execution, and the Entrance Fee must be returned by _____, 202__, pursuant to Section 246.056 of the Texas Health and Safety Code.
- The Resident has terminated the Residency Agreement.
- The Resident has died.
- The Company canceled the Residency Agreement and requests the return of the Entrance Fee to the Resident or the Resident’s legal representative.

Disbursement Notice Signature Page

Dated this _____ day of _____, 20_____.

NORTHWEST SENIOR HOUSING CORPORATION

By: _____
Name:
Title:

Reference is made to the Escrow Agreement, dated as of [●], 2021 (the “Escrow Agreement”), among NORTHWEST SENIOR HOUSING CORPORATION (“Company”), UMB BANK, N.A., as trustee (the “Trustee”), and REGIONS BANK, as escrow agent (“Escrow Agent”), and each Resident (as defined in the Escrow Agreement). Capitalized terms used but not otherwise defined herein have the meanings given them in the Escrow Agreement.

Resident’s Name: _____

Residency Agreement Date: _____

Amount of Refund: _____

Payment to be made as follows:

- by check
- by wire transfer

Payee: _____

Address: _____

If by wire transfer:

Bank: _____

ABA No.: _____

Account No. _____

Dated this _____ day of _____, 20_____.

NORTHWEST SENIOR HOUSING
CORPORATION

By: _____
Name:
Title:

Exhibit 2 to Disbursement Notice

Remittance Instructions

Reference is made to the Escrow Agreement, dated as of [●], 2021 (the “Escrow Agreement”), among NORTHWEST SENIOR HOUSING CORPORATION (“Company”), UMB BANK, N.A., as trustee (the “Trustee”), and REGIONS BANK, as escrow agent (“Escrow Agent”) and each Resident (as defined in the Escrow Agreement). Capitalized terms used but not otherwise defined herein have the meanings given them in the Escrow Agreement.

Resident’s Name: _____

Residency Agreement Date: _____

Amount of Retained Sums: \$ _____

Transfer to the Trustee by wire as follows:

Bank: UMB Bank, N.A., as trustee

ABA No.: _____

Account No. _____

Dated this _____ day of _____, 20_____.

NORTHWEST SENIOR HOUSING CORPORATION

By: _____

Name:

Title:

Attachment C

TRIGGER DATE NOTICE

Reference is made to the Escrow Agreement, dated as of [●], 2021 (the “Escrow Agreement”), among NORTHWEST SENIOR HOUSING CORPORATION (“Company”), UMB BANK, N.A., as trustee (the “Trustee”), and REGIONS BANK, as escrow agent (“Escrow Agent”), and each Resident (as defined in the Escrow Agreement). Capitalized terms used but not otherwise defined herein have the meanings given them in the Escrow Agreement.

The Company and Trustee hereby notify you that the Trigger Date has been set as [●], 2021.

The last day that a Resident can give a notice of termination in accordance with Section 7.4 of the Residency Agreement, as amended by the Addendum, is, 202_.

Dated this _____ day of _____, 20_____.

NORTHWEST SENIOR HOUSING CORPORATION

By: _____
Name:
Title:

UMB BANK, N.A.

By: _____
Name:
Title:

Attachment D

Reference is made to the Escrow Agreement, dated as of [●], 2021 (the “Escrow Agreement”), among NORTHWEST SENIOR HOUSING CORPORATION (“Company”), UMB BANK, N.A., as trustee (the “Trustee”), and REGIONS BANK, as escrow agent (“Escrow Agent”), and each Resident (as defined in the Escrow Agreement). Capitalized terms used but not otherwise defined herein have the meanings given them in the Escrow Agreement.

The Residents who have provided a Notice of Termination in advance of the Trigger Date are identified on Exhibit 1 attached hereto.

The Company directs the Escrow Agent to transfer all Escrowed Funds other than the Escrowed Funds credited to the Residents identified on Exhibit 1 in accordance with the instructions attached hereto as Exhibit 2.

Dated this _____ day of _____, 20_____.

NORTHWEST SENIOR HOUSING CORPORATION

By: _____
Name:
Title:

Residents who have provided a Notice of Termination in advance of the Trigger Date

Reference is made to the Escrow Agreement, dated as of [●], 2021 (the “Escrow Agreement”), among NORTHWEST SENIOR HOUSING CORPORATION (“Company”), UMB BANK, N.A., as trustee (the “Trustee”), and REGIONS BANK, as escrow agent (“Escrow Agent”), and each Resident (as defined in the Escrow Agreement). Capitalized terms used but not otherwise defined herein have the meanings given them in the Escrow Agreement.

Name

Date of Residency Agreement

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dated this _____ day of _____, 20_____.

NORTHWEST SENIOR HOUSING CORPORATION

By: _____

Name:

Title:

Exhibit 2 to Attachment D

Reference is made to the Escrow Agreement, dated as of [●], 2021 (the “Escrow Agreement”), among NORTHWEST SENIOR HOUSING CORPORATION (“Company”), UMB BANK, N.A., as trustee (the “Trustee”), and REGIONS BANK, as escrow agent (“Escrow Agent”), and each Resident (as defined in the Escrow Agreement). Capitalized terms used but not otherwise defined herein have the meanings given them in the Escrow Agreement.

Escrowed Amount: \$ _____

Deposit amount noted above to Northwest Senior Housing Corporation account at Regions Bank (account no. _____).

Dated this _____ day of _____, 20____.

NORTHWEST SENIOR HOUSING CORPORATION

By: _____
Name:
Title:

Attachment E

DISBURSEMENT NOTICE

(For Termination of Residency Agreement after the Trigger Date)

Reference is made to the Escrow Agreement, dated as of [●], 2021 (the “Escrow Agreement”), among NORTHWEST SENIOR HOUSING CORPORATION (“Company”), UMB BANK, N.A., as trustee (the “Trustee”), and REGIONS BANK, as escrow agent (“Escrow Agent”), and each Resident (as defined in the Escrow Agreement). Capitalized terms used but not otherwise defined herein have the meanings given them in the Escrow Agreement.

Under the Escrow Agreement, the Escrow Agent holds in account number _____ the Entrance Fee for the Resident identified below. The Company hereby requests return to the Resident of the Entrance Fee less the Retained Sums and the transfer to the Trustee of the Retained Sums. The Escrow Agent shall transfer such amounts in accordance with the instructions set forth in Exhibit 1 attached hereto (for the amount to be returned to the Resident) and in Exhibit 2 (for the Retained Sums).

Name of Resident: _____

Amount of Entrance Fee: _____

Amount of Retained Sums: _____

Amount to be returned to Resident: _____

This request is being made because the Resident has terminated the Residency Agreement.

Dated this _____ day of _____, 20_____.

NORTHWEST SENIOR HOUSING CORPORATION

By: _____

Name:

Title:

Exhibit 24 to Disbursement

Remittance Instructions

Reference is made to the Escrow Agreement, dated as of [●], 2021 (the “Escrow Agreement”), among NORTHWEST SENIOR HOUSING CORPORATION (“Company”), UMB BANK, N.A., as trustee (the “Trustee”), and REGIONS BANK, as escrow agent (“Escrow Agent”), and each Resident (as defined in the Escrow Agreement). Capitalized terms used but not otherwise defined herein have the meanings given them in the Escrow Agreement.

Resident’s Name: _____

Residency Agreement Date: _____

Amount of Refund: _____

Payment to be made as follows:

- by check
- by wire transfer

Payee: _____

Address: _____

If by wire transfer:

Bank: _____

ABA No.: _____

Account No. _____

Dated this _____ day of _____, 20_____.

NORTHWEST SENIOR HOUSING CORPORATION

By: _____
Name:
Title:

Exhibit 2 to Disbursement Notice

Remittance Instructions

Reference is made to the Escrow Agreement, dated as of [●], 2021 (the “Escrow Agreement”), among NORTHWEST SENIOR HOUSING CORPORATION (“Company”), UMB BANK, N.A., as trustee (the “Trustee”), and REGIONS BANK, as escrow agent (“Escrow Agent”), and each Resident (as defined in the Escrow Agreement). Capitalized terms used but not otherwise defined herein have the meanings given them in the Escrow Agreement.

Resident’s Name: _____

Residency Agreement Date: _____

Amount of Retained Sum: \$ _____

Transfer to the Trustee by wire as follows:

Bank: UMB BANK, N.A., as trustee

ABA No.: _____

Account No. _____

Dated this _____ day of _____, 20_____.

NORTHWEST SENIOR HOUSING CORPORATION

By: _____

Name:

Title:

Schedule 1

Authorized Representatives

Schedule 2

Escrow Agent Fee

Regions Bank shall charge an annual escrow fee in accordance with the following schedule for its services as Escrow Agent, which shall be payable within thirty (30) days of receipt of Regions Bank's invoice.

Exhibit C

New Residency Agreement Addendum

NORTHWEST SENIOR HOUSING CORPORATION D/B/A EDGEMERE

ADDENDUM TO RESIDENCY AGREEMENT

This Addendum to Residency Agreement (“Addendum”) is made and entered into this day of _____, _____ (“Effective Date”) by and between Northwest Senior Housing Corporation d/b/a Edgemere (“Edgemere”) and _____ (whether one person or two, “Resident”).

- A. Resident has entered into a Residency Agreement (“Agreement”) with Edgemere and has paid the first installment of the Entrance Fee required pursuant to Section 5.2 of the Agreement on _____ (“Deposit Date”).
- B. The parties desire to amend the Agreement with respect to the provisions regarding the refund of the Entrance Fee through the Trigger Date.
- C. “Trigger Date” is defined as the date on which a restructuring or refinancing of substantially all of the Bonds issued by the Tarrant County Cultural Education Facilities Finance Corporation for the benefit of The Edgemere is consummated. Now, therefore, in consideration of the mutual covenants herein contained, Resident and Edgemere agree that Section 7.4 of the Agreement will be amended as follows and that such provision will supersede any other provisions of the Agreement to the extent inconsistent, including Sections 5.2, 5.5, 7.1, 7.2, and 7.7:

“7.4 (a) Refund of Resident Deposit. After termination of this Agreement in accordance with Section 7.2 or in the event of your death, or in the case of double occupancy, both occupants’ deaths, we will refund ninety percent (90%) of the Resident Deposit (without interest) that you paid for your Residence at Edgemere, which shall be paid on the later of: (i) ten (10) days after a new resident deposit has been received from a new resident and the new resident has taken occupancy of your former Residence, or (ii) termination of this Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, in the event (1) you paid any portion of the Entrance Fee on or after the Effective Date but before the Trigger Date (defined below) and (2) this Agreement terminates for any reason prior to the Trigger Date or you give notice of termination of this Agreement in accordance with Sections 7.1 or 7.2 hereof no later than five (5) business days prior to the Trigger Date and you vacate occupancy of the Community no later than sixty (60) days after you deliver such notice of termination to us, then that portion of the Entrance Fee (without interest) paid on or after the Effective Date but before the Trigger Date will be refunded to you, less any amounts permitted under Sections 7.1 and/or 7.2 of this Agreement and any costs incurred, if any, at your request, and such refund to be made within twenty (20) business days of the date of termination of this Agreement.

The Edgemere hereby acknowledges and agrees that any portion of the Entrance Fee paid by you on or after the Effective Date but before the Trigger Date (the “**Escrowed Funds**”) shall be held in escrow by Regions Bank, an Alabama banking corporation (the “**Escrow Agent**”) in accordance with the terms of an Escrow Agreement, an unexecuted copy of which is attached hereto as Attachment A (the “**Escrow Agreement**”). Consistent with the previous paragraph, Edgemere will direct the Escrow Agent to release the Escrowed Funds to you as described in this Section 7.4(b) to the extent you are entitled to a refund under this Section 7.4(b). If this Agreement has not been terminated by the Trigger Date and you have not given notice of termination of this Agreement prior to the fifth (5th) business day prior to the Trigger Date, then on the Trigger Date the Escrowed Funds will be released by the Escrow Agent to us or our designee and your sole right to a refund thereafter shall be in accordance with Sections 5.2 and 7.4 of this Agreement without giving effect to amendments made by this Addendum. If you have given notice of termination of this Agreement on or before the fifth (5th) business day prior to the Trigger Date and you have not vacated occupancy of the Community by sixty (60) days after the delivery of such notice, then on the day after such sixtieth (60th) day, the Escrowed Funds will be released by the Escrow Agent to us or our designee and your sole right to a refund thereafter shall be in accordance with Sections 1.3, 1.4, 7.1, 7.2, and 7.4(a) of this Agreement without giving effect to amendments made by this Addendum.

For purposes of this Section 7.4(b), the “**Trigger Date**” shall mean the date on which a restructuring or refinancing of substantially all of the Bonds issued by the Tarrant County Cultural Education Facilities Finance Corporation for the benefit of The Edgemere is consummated.

Edgemere hereby agrees to give you notice of the Trigger Date at least fifteen (15) business days prior to the Trigger Date.”

Nothing herein changes any other provisions of the Agreement, including any rights of Resident or Edgemere to terminate the Agreement, except to the extent inconsistent with the foregoing. Except as amended hereby, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Edgemere and Resident have signed this Addendum on the day and year first written above.

Dated this _____ day of _____, 20_____.

RESIDENT(S):

Signature: _____
Printed Name:

Signature: _____
Printed Name:

NORTHWEST SENIOR HOUSING CORPORATION D/B/A EDMERE

By: _____
Name:
Title:

REGIONS PRIVACY PLEDGE

FACTS

WHAT DOES REGIONS DO WITH YOUR PERSONAL INFORMATION?



Why? Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.

What? The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- Account balances and transaction history
- Payment history and credit history

How? All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information, the reasons Regions chooses to share, and whether you can limit this sharing.

Reasons we can share your personal information	Does Regions share?	Can you limit this sharing?
For our everyday business purposes such as to process your transactions, maintain your account(s), respond to court orders and legal investigations or report to credit bureaus	Yes	No
For our marketing purposes to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates’ everyday business purposes information about your transactions and experiences	Yes	No
For our affiliates’ everyday business purposes information about your creditworthiness	Yes	Yes
For our affiliates to market to you	Yes	Yes
For nonaffiliates to market to you	No (although, we may share aggregate information that does not contain personal identifiers)	We don’t share personal information

To limit our sharing

- Call **1.800.240.2948** – our menu will prompt you through your choice(s). For TTY/TDD, call **1.800.374.5791** for assistance with making a written election.
- Visit a Regions branch.
- Talk to your assigned financial advisor, if applicable.

Please note: If you are a *new* customer, we can begin sharing your information 30 days from the date we provide this notice. When you are *no longer* our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.

To limit direct marketing contact

- Call **1.800.734.4667** to speak with a Regions Banker.
- Visit a Regions branch.
- Talk to your assigned financial advisor, if applicable.

Please note: Direct marketing is email, postal mail and telephone marketing. Even if you limit direct marketing, we may still contact you to service your account or as otherwise allowed by law.

Questions? Call **1.800.734.4667**, or visit our Privacy & Security section at www.regions.com.

Who we are

Who is providing this notice? This notice is provided by Regions Bank and other companies with the Regions name.

What we do	
How does Regions protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards, secured files and secured buildings. Our internal policies and procedures provide additional safeguards for the protection of customer information and prohibit employees from accessing customer information except for legitimate business purposes.
How does Regions collect my personal information?	We collect your personal information, for example, when you: <ul style="list-style-type: none"> • open an account or apply for a loan • make deposits or withdrawals from your account, or use your credit or debit card • provide account information We also collect your personal information from others, such as credit bureaus, affiliates or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes – information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See the "Other important information" section for your rights under state law.
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply individually unless you tell us otherwise.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>Our affiliates include companies with the Regions name and financial companies such as Regions Investment Management, Inc., a registered investment advisor, and Regions Investment Services, Inc., a licensed insurance agent.</i>
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <i>Regions does not share personal information with nonaffiliates so they can market to you.</i>
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <i>Our joint marketing partners include financial companies such as insurance companies and product and service marketing companies.</i>

Other important information
<p>You may have other privacy protections under some state laws. We will comply with applicable state laws as to information about you, including medical information. Accounts with California or Vermont addresses will be treated as if you opted out of joint marketing arrangements.</p> <p>For Vermont residents only: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures. Additional information concerning our privacy policies can be found at https://www.regions.com/about-regions/privacy-security or call 1.800.240.2948.</p> <p>For Nevada residents only: We are providing you this notice under state law. You may be placed on our internal Do Not Solicit List by following the directions in the "To limit direct marketing contact" section. Nevada law requires we provide the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; phone number, 702.486.3132; email, BCPINFO@ag.state.nv.us.</p>

Do Not Call Policy
This notice serves as the Regions Do Not Call Policy required by the Telephone Consumer Protection Act. Our associates receive training on how to document and process opt outs for telephone marketing calls. Consumers who request to no longer receive these calls will be placed on our internal Do Not Call list. Regions will not contact any consumer on the federal or state Do Not Call registries, unless allowed by law.