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Counsel to Debtors and Debtors in Possession

Counsel to the Initial Plan Sponsors

**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)

**NOTICE OF (I) CANCELLATION OF AUCTION, (II) DESIGNATION OF THE
STALKING HORSE BIDDER AS THE SUCCESSFUL BIDDER, AND
(III) AMENDMENT TO STALKING HORSE ASSET PURCHASE AGREEMENT**

¹ The Debtors in the 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.



PLEASE TAKE NOTICE that, on December 20, 2022, the United States Bankruptcy Court for the Northern District of Texas (the “Court”) entered the *Order (I) Authorizing and Approving the Bidding Procedures;(II) Authorizing and Approving the Stalking Horse Asset Purchase Agreement; (III) Approving Procedures Related to the Assumption of Certain Executory Contracts and Unexpired Leases; (IV) Scheduling Combined Confirmation And Sale Hearing; and (V) Granting Related Relief* [Dkt. No. 946] (the “Bidding Procedures Order”), which approved, among other things, the Stalking Horse APA, subject to higher or better offers at the Auction.²

PLEASE TAKE FURTHER NOTICE that on January 18, 2023, the Court entered an order approving the *Amended Plan and Sale Deadlines* [Dkt. No. 1056] (the “Amended Scheduling Order”), establishing February 7, 2023 as the date for an Auction to commence, if necessary.

PLEASE TAKE FURTHER NOTICE that the Plan Sponsors did not receive any Qualified Bids by the Bid Deadline set forth in the Amended Scheduling Order other than the Stalking Horse Bid from Bay 9 Holdings LLC (the “Stalking Horse Bidder”). Accordingly, pursuant to the terms of the Bidding Procedures Order and the Amended Scheduling Order, an Auction will not occur, and the Stalking Horse Bidder is designated the Successful Bidder.

PLEASE TAKE FURTHER NOTICE that, on January 13, 2023, Debtor Northwest Senior Housing Corporation, on the one hand, and the Stalking Horse Bidder, on the other, executed the *First Amendment to Asset Purchase Agreement*, attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider Confirmation of the Plan and approval of the sale of substantially all of the Debtors’ assets pursuant to the terms of the Plan (the “Confirmation and Sale Hearing”) will commence on **FEBRUARY 21, 2023 AT 9:30 A.M. PREVAILING CENTRAL TIME** before the Honorable

² Capitalized terms not defined herein shall have the meanings ascribed to them in the Bidding Procedures Order.

Michelle V. Larson, in the Bankruptcy Court located at 1100 Commerce St., 14th Floor, Courtroom #2 Dallas, TX 75242. The Confirmation and Sale Hearing will be conducted in a hybrid format. Thus, you may participate in-person or via Webex. If you wish to participate remotely, you may do so by video or telephone via the Court's WebEx platform). **For WebEx Video Participation/Attendance:** Link: <https://us-courts.webex.com/meet/larson>. **For WebEx Telephonic Only Participation/Attendance:** Dial-In: 1.650.479.3207, Access code: 160 135 6015.

PLEASE TAKE FURTHER NOTICE that the deadline for filing objections to the Plan and the Sale is **FEBRUARY 14, 2023 AT 4:00 P.M. PREVAILING CENTRAL TIME** (the "Plan and Sale Objection Deadline"). All objections to the relief sought at the Confirmation and Sale Hearing **must:** (a) be in writing; (b) comply with the Bankruptcy Rules, the Local Rules, and any applicable orders of the Court; (c) set forth the name of the objector and the nature and amount of any Claim or Interest asserted by the objector against or in the Debtors' Estates; (d) state, with particularity, the legal and factual bases for the objection and, if practicable, a proposed modification to the Plan that would resolve such objection; and (e) be filed with the Court (contemporaneously with a proof of service) and served upon the following parties so as to be **actually received** on or before the Plan and Sale Objection Deadline: (i) counsel for the Debtors, Polsinelli PC, 2950 N. Harwood, Suite 2100, Dallas, TX 75201, Attn: Trinitee G. Green and 600 3rd Avenue, 42nd Floor, New York, NY 10016, Attn: Jeremy R. Johnson; (ii) counsel for Lifespace Communities, Inc., Cooley LLP, 110 North Upper Wacker Drive, Suite 4200, Chicago, Illinois 60606, Attn: Eric. E. Walker; (iii) counsel for UMB Bank, N.A., Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111, Attn: Daniel Bleck, Eric Blythe, and Kaitlin Walsh; (iv) counsel for the Committee, Foley & Lardner,

2021 McKinney Avenue, Ste. 1600, Dallas, Texas 75201, Attn: Stephen A. McCartin, Thomas C. Scannell, and Mark C. Moore; (v) the Office of the United States Trustee, 1100 Commerce St, Room 976, Dallas, Texas 75242-1699, Attn: Lisa Lambert; and (vi) such other parties as the Court may order.

DATED: February 6, 2023

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Counsel to the Initial Plan Sponsors

Exhibit A

First Amendment to Stalking Horse APA

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

This FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT (this "Amendment") is entered into as of January 13, 2023, by and between NORTHWEST SENIOR HOUSING CORPORATION, a Texas not-for-profit corporation. (the "Seller"), and BAY 9 HOLDINGS LLC, a Delaware corporation, or its designee (the "Purchaser").

RECITALS

WHEREAS, Seller and Purchaser are parties to that certain Asset Purchase Agreement dated as of December 16, 2022 by and between the Seller and the Purchaser (as may be amended in accordance with its terms, the "Asset Purchase Agreement"¹), subject to higher and better offers in accordance with the Sale Transaction Procedures; and

WHEREAS, the Seller and the Purchaser desire to amend the Asset Purchase Agreement in accordance with Section 8.7 of the Asset Purchase Agreement to amend certain provisions thereof, as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth in this Amendment and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT

I. Defined Terms. Capitalized terms used but not otherwise defined herein have the meanings given to them in the Asset Purchase Agreement.

II. Amendment.

1. Section 2.4 of the Asset Purchase Agreement shall be deleted in its entirety and replaced with the following:

2.4 Excluded Liabilities. Except for the Assumed Liabilities, Purchaser shall not assume or be liable to pay, perform or discharge any liability, obligation, debt, Claim against or contract of the Seller or any of its Affiliates which, in any case, pertain to the ownership, operation or conduct of the Business or the ownership of the Purchased Assets prior to the Closing Date, at any time existing or asserted, whether or not accrued, fixed, contingent or otherwise, whether known or unknown, and whether or not recorded on the books and records of Seller or any of its

¹ Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such term in the Asset Purchase Agreement.

Affiliates. Without limiting the generality of the foregoing, the Excluded Liabilities shall include, but not be limited to, the following:

(a) any liabilities with respect to the transactions contemplated hereunder arising under the federal Worker Adjustment and Retraining Notification Act and any similar foreign, state, or local plant closing or collective dismissal Laws (collectively, the "WARN Act");

(b) any Liability for Taxes of Seller (or any member or Affiliate of Seller) or relating to the Business, the Purchased Assets, or the Assumed Liabilities for any accruing or arising prior to the Closing (except real estate Taxes for tax year 2023 relating to the Premises and paid by Seller prior to the Closing);

(c) any Liabilities relating to or arising out of the Excluded Assets, whether arising prior to, or from and after the Closing,

(d) any Liabilities related to or arising out of any Rejected Contracts, Accrued PTO, or any pension, deferred compensation or retirement plan, whether arising prior to, or from and after the Closing;

(e) any Liabilities in respect of any pending or threatened Action arising out of, relating to or otherwise in respect of the ownership or operation of the Business or the Purchased Assets to the extent such Action relates to such operation on or prior to the Effective Time;

(f) any Liabilities related to cost report settlements, fines, penalties, overpayments or recoupments; and

(g) Cure Amounts associated with the assumption and assignment of the Ground Lease, including any Liabilities in connection with the Landlord Litigation, whether arising prior to, or from and after the Closing.

2. Section 8.2 of the Asset Purchase Agreement shall be deleted in its entirety and replaced with the following:

8.2 Payment of Cure Amounts Related to Ground Lease. Consistent with the Seller's obligation to pay all of the Cure Amounts associated with the assumption and assignment of the Ground Lease to Purchaser, the Seller or Litigation Trust (as defined in the Plan) are liable for any Liabilities arising under or related to the Landlord Litigation, and any of the Landlord's fees and expenses under Section 5.16 of the Ground Lease, in each case, whether arising prior to, or from and after the Closing Date, and the Confirmation Order shall so provide.

III. Miscellaneous.

3. Upon the effectiveness of this Amendment, each reference in the Asset Purchase Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring

to the Asset Purchase Agreement shall mean and be a reference to the Asset Purchase Agreement as amended hereby.

4. Except as specifically amended herein, the Asset Purchase Agreement shall continue to be in full force and effect and is hereby in all respects ratified and confirmed, and the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Asset Purchase Agreement.

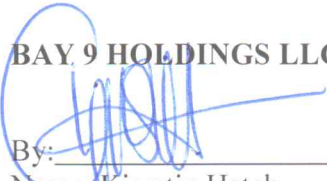
5. This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties.

6. Except to the extent inconsistent with the Bankruptcy Code, this Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without regard to its conflicts of law rules.

[Remainder of Page Intentionally Left Blank; Signatures Follow.]

IN WITNESS WHEREOF, each of the parties has caused this Amendment to be executed as of the date first written above.

BAY 9 HOLDINGS LLC:

By: 
Name: Kjerstin Hatch
Title: President

NORTHWEST SENIOR HOUSING CORPORATION:

David K. Stewart
By: _____
Name: David K. Stewart
Title: Director and Chairman of the Restructuring Committee of the Board of Directors of Northwest Senior Housing Corporation