

2015-004924

Klamath County, Oregon

05/14/2015 09:42:54 AM

Fee: \$142.00

AFFIDAVIT OF SERVICE

1st 2424690 TRUSTEE'S NOTICE OF SALE; EXHIBIT A-B

Case Number:

Beneficiary:
UNITED COMMERCIAL BANK

vs.

Grantor:
SHILO INN KLAMATH FALLS LLC

For:
Bethany Coleman-Fire
DAVIS WRIGHT TREMAINE, LLP
1300 S W Fifth Ave,
Suite 2400
Portland, OR 97201



HEL2015002915

Received by Tri-County Legal Process Service, Inc. to be served on **OCCUPANT(S), 2500 ALMOND STREET, KLAMATH FALLS, OR 97601.**

I, CHELSEA CHAMBERS, being duly sworn, depose and say that on the **28th day of April, 2015 at 4:06 pm, I:**

I made service of a TRUSTEE'S NOTICE OF SALE; EXHIBIT A-B upon the individuals and/or entities named below, by delivering a copy of the aforementioned documents, upon OCCUPANT at the following Property Address:

2500 ALMOND STREET, KLAMATH FALLS, OR 97601

By delivering such copy, PERSONALLY and in person to SANDI COLLINS as GENERAL MANAGER at the above property address on 4/28/2015.

Proof of Mailing: I do hereby certify that on **4/28/2015** I did cause to be MAILED a copy of the TRUSTEE'S NOTICE OF SALE; EXHIBIT A-B, to the above address, in a first class, postage paid, sealed envelope to OCCUPANT(S). If mailed by other than the server: x _____

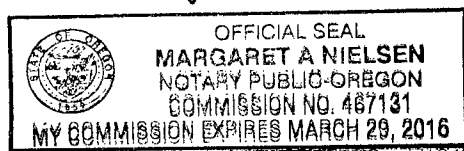
F.
142.00

AFFIDAVIT OF SERVICE For

I declare under penalty of perjury that I am a resident of the State of Oregon. I am a competent person 18 years of age or older and not a party to or attorney in the proceeding and am authorized to serve the process described herein. I certify that the person, firm, or corporation served is the identical one named in this action. I am not a party to nor an officer, director, or employee of, nor attorney for any party, corporate or otherwise.

Subscribed and Sworn to before me on the 29th
day of April, 2015 by the affiant
who is personally known or identified to me.

Margaret A. Nielsen
NOTARY PUBLIC



Chelsea Chambers
CHELSEA CHAMBERS
Process Server

Tri-County Legal Process Service, Inc.
P.O. Box 309
Bend, OR 97709
(541) 317-5680

Our Job Serial Number: HEL-2015002915

TRUSTEE'S NOTICE OF SALE

Reference is made to a Deed of Trust, Assignments, Fixture Filing and Security Agreement (the "Trust Deed") made, executed, and delivered by Shilo Inn, Klamath Falls LLC, as Grantor (with mailing address of 11600 SW Shilo Lane, Portland, OR 97225-5995), to TICOR Title Insurance Company, as Trustee, to secure certain obligations in favor of United Commercial Bank, as Beneficiary recorded March 31, 2005, at volume MO5, page 22040-65 of the mortgage records of Klamath County, Oregon, covering the following described real property (the "Real Property") in such county and state:

THE REAL PROPERTY IN THE CITY OF KLAMATH FALLS,
COUNTY OF KLAMATH, STATE OF OREGON, DESCRIBED AS
FOLLOWS:

PARCEL 1:

Lots 2, 3, 4, and 5, in Block 3 of Tract 1163, CAMPUS VIEW, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. TOGETHER WITH that portion of vacated Almond Street which inured thereto as evidenced by Ordinance 6597, recorded July 6, 1990 in Volume M90, page 13373, Microfilm Records of Klamath County, Oregon.

PARCEL 2:

All that portion of the NW1/4 SW1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, lying Northeasterly of the Eastside Bypass conveyed to the State of Oregon by deed recorded June 18, 1957 in Volume 292 at page 373, Deed Records of Klamath County, Oregon and recorded December 28, 1961 in Volume 334 at page 481, Deed Records of Klamath County, Oregon.

PARCEL 3:

Lots 3, 4, and 5 in Block 4 of TRACT NO. 1163, CAMPUS VIEW, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. TOGETHER WITH that portion of vacated Almond Street which inured thereto, as evidenced by Ordinance 6597 recorded July 6, 1990 in Volume M90, page 13373, Microfilm Records of Klamath County, Oregon.

PARCEL 4:

Lots 1 and 6 in Block 3 of Tract No. 1163, CAMPUS VIEW,
according to the official plat thereof on file in the office of the
County Clerk of Klamath County, Oregon.

The Secured Obligations include a \$8,000,000.00 Promissory Note (the "Promissory Note") on which Shilo Inn, Klamath Falls, LLC is maker and United Commercial Bank is the payee. The Promissory Note has been amended, and all references to the Promissory Note shall be to the Promissory Note, as so amended.

The Secured Obligations and the Trust Deed were assigned and transferred by a series of assignments, as follows:

Corporation Assignment of Deed of Trust from United Commercial Bank to CIT Lending Services Corporation, dated May 21, 2007 and recorded on August 13, 2007 as Document No. 2007-014209.

Assignment of Mortgage/Deed of Trust from CIT Lending Services Corporation to CIT Small Business Loan Trust 2008-1, dated December 15, 2008 and recorded on March 16, 2009 as Document No. 2009-003744.

Assignment from CIT Small Business Loan Trust 2008-1 to Ittleson Trust 2010-1 dated November 30, 2010 and recorded January 21, 2011 as Document No. 2011-000794.

Assignment from Ittleson Trust 2010-1 to Stabilis Master Fund III, LLC dated June 30, 2014 and recorded September 9, 2014 as Document No. 2014-009328.

Stabilis Master Fund III, LLC (the "Current Beneficiary") is now the owner and holder of the Promissory Note.

The Trust Deed was amended by an Amendment to Deed of Trust, Assignments, Fixture Filing and Security Agreement dated March 30, 2012 and recorded on March 30, 2012 as Document No. 2012-003351.

Bethany Coleman-Fire was appointed Successor Trustee by a Notice of Default and Election to Sell, and Appointment of Successor Trustee dated April 14, 2015, and recorded April 20, 2015, in the records of Klamath County, Oregon, as Instrument No. 2015-003669, and is now vested with all the powers of said former Trustee. The mailing address of the Successor Trustee is:

Bethany Coleman-Fire
Davis Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2300
Portland, OR 97201-5630

Phone: 503-778-5439

Beneficiary has elected to sell the Real Property to satisfy the obligations secured by the Trust Deed and to foreclose the Trust Deed by advertisement and sale. The default for which the foreclosure is made is the failure of Grantor to pay when due the following sums:

All remaining unpaid principal, interest and other sums due under the Promissory Note, which was due on March 30, 2015 (the "Maturity Date") pursuant to the terms of the Promissory Note, as amended. The total amount which was due on the Maturity Date was \$7,502,112.73.

By reason of said default, Beneficiary has declared the entire amount of all obligations secured by the Trust Deed to be immediately due and payable. The sum owing on all obligations secured by the Trust Deed is as follows:

Principal	\$7,522,515.63
Interest to April 10, 2015	\$9,925.55
Trustee's Sale Guaranty	\$11,885.00
Escrow Credit	<u>(\$30,328.44)</u>
Total	\$7,513,997.74

The Beneficiary and the Successor Trustee have elected to sell the Real Property to satisfy the obligation secured. A notice of default and election to sell and to foreclose was duly recorded on April 20, 2015, in the records of Klamath County, Oregon, as Instrument No. 2015-003669, reference thereto hereby being expressly made.

WHEREFORE, NOTICE HEREBY IS GIVEN that the undersigned Trustee or Trustee's attorney will, on August 28, 2015, at the hour of 1 p.m. standard time as established by ORS 187.110, at the following place: Klamath County Courthouse, 316 Main St., Klamath Falls, Oregon 97601, in the County of Klamath, State of Oregon, sell at public auction to the highest bidder for cash, the interest in the Real Property that Grantor had or had power to convey at the time of the execution by Grantor of the Trust Deed, together with any interest that Grantor or the successors in interest to Grantor acquired after the execution of the Trust Deed, to satisfy the foregoing obligations thereby secured and the costs and expenses of sale, including the cost of a title search, a reasonable charge by Trustee, and a reasonable attorneys' fee for Trustee's attorneys. Notice is further given that Grantor, or any person named in ORS 86.753, has the right, at any time prior to five days before the Trustee's sale, to require that the foreclosure proceeding be dismissed and the Trust Deed reinstated by the payment of the entire amount due (other than such portion of the principal as would not be due had no default occurred) under the terms of the Trust Deed and the obligations secured thereby, including all costs and expenses actually incurred and Trustee's and attorneys' fees as provided by ORS 86.753.

The Beneficiary, as secured party, holds a security interest in the interests of Shilo Inn, Klamath Falls LLC in certain personal property, as described in the UCC Financing Statements attached as Exhibits A and B. The interests of Shilo Inn, Klamath Falls LLC in such personal property shall be referred to as the "Personal Property Collateral."

The Beneficiary, through the undersigned in her capacity as attorney for the Beneficiary, hereby gives notice that the Beneficiary will sell or lease or license, as applicable, the Personal Property Collateral to the highest qualified bidder in public as follows:

Day and date: August 28, 2015

Time: one o'clock p.m. standard time as established by ORS 187.110


Place: Klamath County Courthouse, 316 Main St., Klamath Falls, Oregon 97601, in the County of Klamath, State of Oregon

Such sale of the Personal Property Collateral will take place as part of the sale of the Real Property, as set out above, and the Personal Property Collateral may be sold together with the Real Property, as a single unit.

Beneficiary can be contacted at the address and telephone number of its attorney, the Successor Trustee, as set out below. Grantor is entitled to an accounting of the unpaid indebtedness secured by the Personal Property Collateral, for no charge. Grantors may request an accounting by calling the Beneficiary's attorney at the telephone number set out below.

In construing this notice, the word "Grantor" includes any successor in interest of Grantor, as well as any other person owing an obligation the performance of which is secured by the Trust Deed and their successors in interest; the word "Trustee" includes any successor trustee; and the word "Beneficiary" includes any successor in interest of Beneficiary named in the Trust Deed.

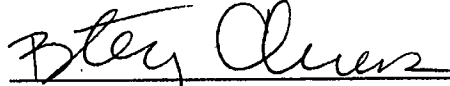
Dated at Portland, Oregon, April 24, 2015.


Bethany Coleman-Fire, Trustee
Davis Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2300
Portland, OR 97201
503-778-5338

Exhibits A and B: Description of Personal Property Collateral, from UCC Financing Statement

STATE OF OREGON)
) ss.
County of Multnomah)

I, the undersigned, certify that I am the attorney or one of the attorneys for the above-named Trustee and that the foregoing is a complete and exact copy of the original Trustee's Notice of Sale.



Attorney for Trustee

SHILO INN, RICHLAND,

OR Sec of State
05/23/2012

89201425_5772789

Lien#: 89201425

UCC

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

unisearch

325 13th ST NE STE 501, Salem, OR 97301-2294

Acct # WA/WBpgs 5

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
SHILO INN, RICHLAND, LLC

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

11600 SW Shilo Lane

CITY

Portland

STATE

OR

POSTAL CODE

97225

COUNTRY

USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

Ltd. liability company

1f. JURISDICTION OF ORGANIZATION

Oregon

1g. ORGANIZATIONAL ID #, if any
639477-85☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME
SHILO INN, NAMPA SUITES, LLC

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

11600 SW Shilo Lane

CITY

Portland

STATE

OR

POSTAL CODE

97225

COUNTRY

USA

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

Ltd. liability company

2f. JURISDICTION OF ORGANIZATION

Oregon

2g. ORGANIZATIONAL ID #, if any
636243-84☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR &/P) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
ITLLESON LP, as Collateral Agent

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS c/o Garrison Investment Group,
1360 Avenue of the Americas, 9th Floor

CITY

New York

STATE

NY

POSTAL CODE

10019

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

See Exhibit A attached hereto and incorporated herein by this reference.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSOR/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOC ☐ SELLER/BUYER ☐ A9. LIEN ☐ NON-UCC FILING6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2 [ADDITIONAL FEE] [optional]

8. OPTIONAL FILER REFERENCE DATA

79690-0003/LEGAL23236023.1 (File in OR) (Richland Cash Management Agreement)

International Association of Commercial Administrators (IACA)

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

UCC FINANCING STATEMENT ADDITIONAL PARTY

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

19. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

19a. ORGANIZATION'S NAME SHILO INN, RICHLAND, LLC		
OR	19b. INDIVIDUAL'S LAST NAME	FIRST NAME MIDDLE NAME, SUFFIX

20. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

21. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (21a or 21b) - do not abbreviate or combine names

21a. ORGANIZATION'S NAME SHILO INN, ELKO, LLC				
OR	21b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
21c. MAILING ADDRESS 11600 SW Shilo Lane		CITY Portland	STATE OR	POSTAL CODE 97225 COUNTRY USA
21d. SEE INSTRUCTIONS	ADDL INFO RE ORGANIZATION DEBTOR	21e. TYPE OF ORGANIZATION Ltd. liability company	21f. JURISDICTION OF ORGANIZATION Oregon	21g. ORGANIZATIONAL ID #, if any 636269-83 <input type="checkbox"/> NONE

22. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (22a or 22b) - do not abbreviate or combine names

22a. ORGANIZATION'S NAME SHILO INN, KLAMATH FALLS, LLC				
OR	22b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
22c. MAILING ADDRESS 11600 SW Shilo Lane		CITY Portland	STATE OR	POSTAL CODE 97225 COUNTRY USA
22d. SEE INSTRUCTIONS	ADDL INFO RE ORGANIZATION DEBTOR	22e. TYPE OF ORGANIZATION Ltd. liability company	22f. JURISDICTION OF ORGANIZATION Oregon	22g. ORGANIZATIONAL ID #, if any 749269-82 <input type="checkbox"/> NONE

23. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (23a or 23b) - do not abbreviate or combine names

23a. ORGANIZATION'S NAME SHILO INN, COEUR D'ALENE, LLC				
OR	23b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
23c. MAILING ADDRESS 11600 SW Shilo Lane		CITY Portland	STATE OR	POSTAL CODE 97225 COUNTRY USA
23d. SEE INSTRUCTIONS	ADDL INFO RE ORGANIZATION DEBTOR	23e. TYPE OF ORGANIZATION	23f. JURISDICTION OF ORGANIZATION Oregon	23g. ORGANIZATIONAL ID #, if any 636262-82 <input type="checkbox"/> NONE

24. ADDITIONAL SECURED PARTY'S NAME (or Name of TOTAL ASSIGNEE) - insert only one name (24a or 24b)

24a. ORGANIZATION'S NAME				
OR	24b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
24c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY

25. ADDITIONAL SECURED PARTY'S NAME (or Name of TOTAL ASSIGNEE) - insert only one name (25a or 25b)

25a. ORGANIZATION'S NAME				
OR	25b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
25c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY

International Association of Commercial Administrators (IACA)

FILING OFFICE COPY -- UCC FINANCING STATEMENT ADDITIONAL PARTY (FORM UCC1AP) (REV. 06/22/02)

UCC FINANCING STATEMENT ADDITIONAL PARTY

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

19. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

19a. ORGANIZATION'S NAME SHILO INN, RICHLAND, LLC		
OR		
19b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

20. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

21. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one name (21a or 21b) - do not abbreviate or combine names

21a. ORGANIZATION'S NAME SHILO INN, BEND, LLC				
OR				
21b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
21c. MAILING ADDRESS 11600 SW Shilo Lane		CITY Portland	STATE OR	POSTAL CODE 97225
		COUNTRY		
21d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	21e. TYPE OF ORGANIZATION Ltd. liability company	21f. JURISDICTION OF ORGANIZATION Oregon	21g. ORGANIZATIONAL ID #, if any 536261-81
				<input type="checkbox"/> NONE

22. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one name (22a or 22b) - do not abbreviate or combine names

22a. ORGANIZATION'S NAME				
OR				
22b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
22c. MAILING ADDRESS		CITY Portland	STATE	POSTAL CODE
		COUNTRY		
22d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	22e. TYPE OF ORGANIZATION	22f. JURISDICTION OF ORGANIZATION	22g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> NONE

23. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one name (23a or 23b) - do not abbreviate or combine names

23a. ORGANIZATION'S NAME				
OR				
23b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
23c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
		COUNTRY		
23d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	23e. TYPE OF ORGANIZATION	23f. JURISDICTION OF ORGANIZATION	23g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> NONE

24. ADDITIONAL SECURED PARTY'S NAME (or Name of TOTAL ASSIGNEE) - Insert only one name (24a or 24b)

24a. ORGANIZATION'S NAME				
OR				
24b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
24c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
		COUNTRY		

25. ADDITIONAL SECURED PARTY'S NAME (or Name of TOTAL ASSIGNEE) - Insert only one name (25a or 25b)

25a. ORGANIZATION'S NAME				
OR				
25b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
25c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
		COUNTRY		

International Association of Commercial Administrators (IACA)

FILING OFFICE COPY — UCC FINANCING STATEMENT ADDITIONAL PARTY (FORM UCC1AP) (REV. 05/22/02)

Debtor(s): SHILO INN, RICHLAND, LLC
SHILO INN, NAMPA SUITES, LLC
SHILO INN, ELKO, LLC
SHILO INN, KLAMATH FALLS, LLC,
SHILO INN, COEUR D'ALENE, LLC
SHILO INN, BEND, LLC

Secured Party: ITTLESON LP, as Collateral Agent

**EXHIBIT A
to UCC-1 Financing Statement**

DESCRIPTION OF COLLATERAL

The collateral shall include:

(a) all of Shilo Inn, Richland, LLC's right, title and interest in and to all Inter-Company Notes;

(b) all of each Debtor's right, title and interest in and to all Inter-Company Indebtedness existing from time to time of any Debtor to each other Debtor;

(c) all right, title and interest of such Debtor in and to its Hotel Operating Account for its Hotel, the Collection Account, the Reserve Accounts and all other Accounts that may from time to time be established by such Debtor or by Lenders pursuant to the terms of the Agreement or another loan document, and all instruments, goods, documents (including, without limitation, negotiable documents), accounts (including health-care insurance receivables), letter of-credit rights, money, chattel paper, investment property (including all securities, both certificated and uncertificated), securities accounts, security entitlements, commodity contracts and commodity accounts, general intangibles (including payment intangibles and software) and other property contained in or evidencing the Accounts, and all deposits made into the Accounts from time to time and all earnings, including interest and dividends on all of the foregoing property;

(d) all books and records relating to the types and items of property described in the foregoing clauses (a), (b) and (c) under the control of such Debtor; and

(d) all proceeds (whether cash or non-cash), including, without limitation, insurance proceeds, and products of the property described in the foregoing clauses (a), (b) and (c), and all replacements, substitutions and renewals thereof and all additions and accessions thereto.

As used herein:

"Account(s)" means one or more of the Hotel Operating Accounts, the Collection Account, the Reserve Accounts and any other deposit accounts now or hereafter established under the terms of the Agreement.

"Agreement" means that certain Master Loan Funding, Cash Management and Reserve Agreement dated as of March 30, 2012 among Debtors, Secured Party and certain other parties thereto, and includes all amendments, extensions, supplements and other modifications thereto.

"Collection Account(s)" means one or more depository accounts established for the benefit of Lenders and pursuant to the terms of the Agreement, and includes all sub-accounts within such account, all funds at any time on deposit therein and any proceeds, replacements or substitutions of such account or funds therein.

"Hotel" means each Shilo Inn Hotel owned by each Debtor.

"Hotel Operating Account" means each Debtor's depository account identified for such Debtor on Schedule 3.01 of the Agreement, and includes all sub-accounts within such account, all funds at any time on deposit therein and any proceeds, replacements or substitutions of such account or funds therein.

"Inter-Company Notes" means each promissory note dated as of March 30, 2012 made by each Debtor (excluding Shilo Inn, Richland, LLC), Shilo Inn, Beaverton, LLC, Shilo Inn, Warrenton, LLC, Shilo Inn, Newport, LLC, Shilo Inn, Washington Square, LLC, and Shilo Inn, The Dalles, LLC, as payor on the one hand, and Shilo Inn, Richland, LLC, as payee on the other hand, and includes all renewals, extensions, amendments and other modifications thereto.

"Inter-Company Indebtedness" means the inter-company indebtedness created among Debtors in accordance with the terms of the Agreement.

"Lenders" means Ittleon LP and Ittleon Trust 2010-1.

"Reserve Account(s)" means the debt service reserve account and tax reserve account established for the benefit of Lenders and pursuant to the terms of the Agreement, and includes all sub-accounts within such account, all funds at any time on deposit therein and any proceeds, replacements or substitutions of such account or funds therein.

State of Oregon
Initial Filing 2 Page(s)

8555308
06/18/10 04:12 PM
OR Sec. of State



9038027211

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

unisearch
325 13th ST NE STE 501, Salem, OR 97301-2294
Ref: WA/KB

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME Shilo Inn, Klamath Falls, LLC

OR 1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS 11600 SW Shilo Lane

CITY Portland

STATE OR

POSTAL CODE 97225

COUNTRY USA

1d. SEE INSTRUCTIONS

ADDL INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION LLC

1f. JURISDICTION OF ORGANIZATION Oregon

1g. ORGANIZATIONAL ID #, if any 749269-82

☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS

ADDL INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME CIT Lending Services Corporation

OR 3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS 1 CIT Drive

CITY Livingston

STATE NJ

POSTAL CODE 07039

COUNTRY USA

4. The FINANCING STATEMENT covers the following collateral:

See Exhibit "A" attached hereto and made a part thereof.

5. ALTERNATIVE DESIGNATION (if applicable)	LESSOR/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOB	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. <input type="checkbox"/> THIS FINANCING STATEMENT is to be filed for record (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT (S) on Debtor(s) (optional)			<input checked="" type="checkbox"/> All Debtors Debtor 1 Debtor 2		
8. OPTIONAL FILER REFERENCE DATA						
0090811-9160						

FILING OFFICE COPY - UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

EXHIBIT A TO UCC FINANCING STATEMENT

The collateral includes all of Debtor's now held and hereafter acquired right, title and interest in and to:

- (a) all buildings, structures, improvements, fixtures and appurtenances now and hereafter placed on the real property commonly known as 2500 Almond Street, Klamath Falls, Oregon, 97601 (the "Real Property"), including, without limitation, all apparatus and equipment, whether or not physically affixed to the land or any building, used to provide or supply air-cooling, air conditioning, heat, gas, water, light, power, refrigeration, ventilation, laundry, drying, dish washing, garbage disposal or other services; and all elevators, escalators and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, partitions, ducts, compressors, plumbing, ovens, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, pools and spas and pool and spa operation and maintenance equipment and apparatus, trees and plants located on such property;
- (b) all shares of stock pertaining to water and water rights (whether or not appurtenant to such Real Property), ownership of which affects such Real Property; and all royalties and profits from any such rights or shares of stock;
- (c) all intangible property and rights relating to the Real Property or the operation thereof or used in connection therewith including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, deposits for utility services installations, refunds due Debtor, trade names, trademarks and service marks;
- (d) any and all award and awards heretofore made or hereafter to be made by any governmental authorities to the present and all subsequent owners of the Real Property which may be made with respect to the Real Property as a result of the exercise of the right of eminent domain, the alteration of the grade of any street or any other injury to or decrease of value of the Real Property;
- (e) all certificates of deposit of Debtor in the possession of Secured Party and all bank accounts of Debtor with Secured Party, and the proceeds therefrom and all deposits of Debtor with any governmental entity and/or public utility company which relates to the ownership of the Real Property;
- (f) all leases and rents of the Real Property or any part thereof now or hereafter entered into and all right, title and interest of Debtor thereunder, including, without limitation, cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder (whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more of the installments of rent coming due immediately prior to the expiration of such terms), all rights to all insurance proceeds and unearned insurance premiums arising from or relating to the Real Property, all other rights and easements of Debtor now or hereafter existing pertaining to the use and enjoyment of the Real Property and all right, title and interest of Debtor in and to all declarations of covenants, conditions and restrictions as may affect or otherwise relate to the Real Property;
- (g) rents, income, issues, license fees, prepaid municipal and utility fees, bonds, revenues, inventory, accounts, profits and other benefits to which Debtor may now or hereafter be entitled from or which are derived from the Real Property, including without limitation sale proceeds of the Real Property and any room rentals, or space sales or rentals from the Real Property, and all cash and noncash proceeds thereof; and
- (h) all replacements, substitution cash and non-cash proceeds of all the foregoing.