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8 **UNITED STATES BANKRUPTCY COURT**
 9 **CENTRAL DISTRICT OF CALIFORNIA**
LOS ANGELES DIVISION

10 In re:) Lead Case No.: 2:13-bk-21601-VZ
) Jointly administered with case nos.:
 11 SHILO INN, TWIN FALLS, LLC,)

2:13-bk-21603-VZ	2:13-bk-21604-VZ
2:13-bk-21605-VZ	2:13-bk-21606-VZ
2:13-bk-21607-VZ	2:13-bk-21608-VZ

 12 Debtor and Debtor in Possession.)
) Chapter 11 Cases
 13 In re:)
) **Motion to Confirm Debtors' Joint**
 14 SHILO INN, BOISE AIRPORT, LLC,) **Chapter 11 Plan of Reorganization, Dated**
 15 SHILO INN, NAMPA BLVD, LLC,) **November 12, 2014 as Revised on**
 16 SHILO INN, NEWBERG, LLC,) **December 11, 2014; Memorandum of**
 17 SHILO INN, SEASIDE EAST, LLC,) **Points and Authorities; Declaration of**
 SHILO INN, MOSES LAKE, INC.,) **Earl J. Duckworth in Support Thereof**
 SHILO INN, ROSE GARDEN, LLC,)
 18 Debtors and Debtors in Possession.) **Declarations of Carter Maser and Mark**
) **S. Hemstreet in Support Submitted**
 19) **Separately and Concurrently**
)
 20 Affects All Debtors) **Declaration of John-Patrick M. Fritz,**
) **Esq. and Ballots and Tabulation**
 21 Affects SHILO INN, TWIN FALLS, LLC) **Submitted Separately and Concurrently**
 22 Affects SHILO INN, BOISE AIRPORT, LLC)
 23 Affects SHILO INN, NAMPA BLVD, LLC)
 Affects SHILO INN, NEWBERG, LLC) **Hearing**
 24 Affects SHILO INN, SEASIDE EAST, LLC) Date: March 10, 2015
 Affects SHILO INN, MOSES LAKE, INC.) Time: 2:00 p.m.
 25 Affects SHILO INN, ROSE GARDEN, LLC) Place: Courtroom 1368
) 255 East Temple Street
 26 Debtors and Debtors in Possession) Los Angeles, CA 90012
)
 27)
 28)

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1 **TO THE HONORABLE VINCENT P. ZURZOLO, UNITED STATES**
2 **BANKRUPTCY JUDGE; OFFICE OF THE UNITED STATES TRUSTEE; CREDITORS**
3 **THAT FILED PRELIMINARY OBJECTIONS AND VOTED AGAINST THE PLAN;**
4 **AND PARTIES REQUESTING SPECIAL NOTICE:**

5 Shilo Inn, Seaside East, LLC and Shilo Inn, Moses Lake, Inc. (collectively, the “Debtor”)
6 two of the seven debtors and debtors in possession in the above-captioned, jointly administered
7 chapter 11 bankruptcy cases, hereby file this Motion to Confirm Debtors’ Joint Chapter 11 Plan
8 of Reorganization, Dated November 12, 2014, as Revised on December 11, 2014 (the
9 “Motion”).¹

10 The basis for the relief requested are Section 1129 of title 11 of the United States Code,
11 sections 101 *et seq.* (the “Bankruptcy Code”), Rules 3020 and 9007 of the Federal Rules of
12 Bankruptcy Procedure (the “Bankruptcy Rules”), Rules 3018-1 and 3020-1 of the Local
13 Bankruptcy Rules of the United States Bankruptcy Court for the Central District of California
14 (the “Local Rules”), the memorandum of points and authorities annexed to this Motion, the
15 notice of plan confirmation hearing, the declaration of Earl J. Duckworth, annexed hereto, in
16 support of the Motion, the two tabulation of ballots attached to the two declarations of John-
17 Patrick M. Fritz, Esq. in support of the Motion, the separately filed declaration of Mark S.
18 Hemstreet in support of the Motion, the separately filed declaration and exhibits attached thereto
19 of Carter Maser of KPMG, the Plan and exhibits attached thereto, and the arguments of the
20 Debtors’ counsel to be made at the hearing on the Motion. Capitalized defined terms used herein
21 have the same meanings as ascribed to them in the Plan and Disclosure Statement, unless
22 otherwise specified or implied by context.

23 The Honorable Vincent P. Zurzolo, United States Bankruptcy Judge for the Central
24 District of California (the “Court”) will hold a hearing (the “Hearing”) on the Motion in

25 _____
26 ¹ Shilo Inn, Twin Falls, LLC (“Shilo Twin Falls”), Shilo Inn, Boise Airport, LLC (“Shilo Boise
27 Airport”), Shilo Inn, Seaside East, LLC (“Shilo Seaside East”), Shilo Inn, Moses Lake, Inc.
28 (“Shilo Moses Lake”), and Shilo Inn, Rose Garden, LLC (“Shilo Rose Garden”) are
sometimes collectively referred to herein as the “Debtors” when describing events common
to all seven of the jointly administered debtors.

1 courtroom 1368 of the United States Bankruptcy Courthouse located at 255 East Temple Street,
2 Los Angeles, California, on March 10, 2015, at 2:00 p.m. The Hearing may be continued or
3 moved to March 11, 2015, and such other dates, if the Court determines that more time is
4 needed.

5 Any party who wishes to assert an objection to the Plan was required to file a preliminary
6 objection by no later than **January 30, 2015**, stating the basic premise for objecting to the Plan
7 and asserting whether or not such party has a right to vote, such that the Debtors have an
8 understanding of the objection to be addressed at a future time. In addition to the foregoing
9 requirement, any party wishing to assert an objection the Plan must file a timely written
10 objection no later than fourteen (14) days prior to the hearing, i.e., **February 24, 2015**. Such
11 preliminary objection and timely written objection must be filed with the Clerk of the
12 Bankruptcy Court and served on counsel for the Debtors, whose name, address, and fax number
13 appear at the top, left-hand corner of the first page of this Notice. Pursuant to Rule 9013-1(h) of
14 the Local Bankruptcy Rules, the failure to file a timely opposition may be deemed to be consent
15 to the Court's granting of the relief requested in the Motion.

16
17 Dated: February 10, 2015

SHILO INN, SEASIDE EAST, LLC
SHILO INN, MOSES LAKE, INC.

18
19 By: /s/ John-Patrick M. Fritz
20 DAVID B. GOLUBCHIK
21 KURT RAMLO
22 J.P. FRITZ
23 LEVENE, NEALE, BENDER, YOO
& BRILL L.L.P.
Attorneys for Debtors and
Debtors in Possession

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **INTRODUCTION**

4 **A. General Information**

5 The Debtors filed their voluntary chapter 11 bankruptcy cases on May 1, 2013 (the
6 “Petition Date”). The Debtors are operating their businesses, managing their affairs, and
7 managing their bankruptcy estates as debtors in possession pursuant to 11 U.S.C. §§ 1107 and
8 1108. Neither a trustee nor a committee has been appointed in these cases. The Debtors cases
9 were jointly administered by order of the Court on May 6, 2013.

10 Chapter 11 allows the Debtors, the creditors, and other parties in interest to propose a
11 plan of reorganization. A plan of reorganization may provide for the Debtors to reorganize by
12 continuing to operate, by liquidating the assets of the estates through a sale, or by a combination
13 of the two. The Debtors are the parties proposing the Plans.

14 The Plans are new value reorganization plans. In short, the Plans cancel the existing
15 equity in the Debtors held by Mark S. Hemstreet and/or his wife, Shannon Hemstreet, and, in
16 exchange for cash contributions (i.e., “new value”) by Mark S. Hemstreet, issue new equity to
17 him; the Plans repay creditors over time.

18 The Effective Date of the Plan (the “Effective Date”) will be March 26, 2015, assuming
19 that the Bankruptcy Court has entered an order confirming the Plan (the “Plan Confirmation
20 Order”) and there is no stay in effect. Following the Effective Date, each Debtor with a
21 confirmed Plan will be referred to as a Reorganized Debtor.

22 This Plan Confirmation Motion Brief (the “Brief” or “Motion”) presents a
23 comprehensive analysis of the Plan proposed by the Debtors. This Brief also discloses the
24 evidentiary basis upon which the Debtors will request that the Court confirm the Plan pursuant
25 to Section 1129(a) and, where applicable, Section 1129(b) of the Bankruptcy Code. The
26 Debtors’ basis for confirmation of the Plan is based upon this Brief, the valuation of the
27 Debtors’ real property by a court-appointed neutral appraiser and appraiser hired by California
28

1 Bank and Trust (“CBT”) where stipulated to, commercial real estate sales by affiliates of the
2 Debtors for prices substantially higher than their appraised values, the Debtors’ presentation of
3 market-rate of interest by way of expert declaration, any arguments to be made by counsel at the
4 hearing, and the entire record in these jointly-administered cases. Unless indicated otherwise,
5 all of the terms defined in the Plan will have the same definitions in this Brief.

6 **B. The Debtors’ Impressive Track Record During the Bankruptcy Cases**

7 The Debtors submit that they have done an excellent job of operating their businesses and
8 managing their bankruptcy estates during the life of these bankruptcy cases, and the Plan should
9 be confirmed. Prior to the filing of the bankruptcy cases, the Debtors paid over \$1.4 million
10 (including over \$470,000 in disputed default interest, which the Honorable Marco A. Hernandez,
11 District Court Judge for the District of Oregon, ruled was punitive and invalid) to CBT from
12 CBT’s own self-generated reinstatement notices. The Debtors made the total payment in full
13 good faith to cure and fully reinstate the loans, only to have CBT take the money, then declare
14 frivolous non-monetary defaults and attempt to foreclose. During these bankruptcy cases, the
15 Debtors have:

- 16 • Faithfully and timely paid over \$1,572,183 of stipulated cash collateral payments
17 to CBT and kept all taxes and post-petition bills current;
- 18 • Accumulated \$964,082.33 in the debtor-in-possession bank accounts, even after
19 taking into account payment of over \$700,000 of attorneys’ fees and costs to their
20 bankruptcy counsel, and having gone through two slow winter seasons during the
21 pendency of the bankruptcy cases;
- 22 • Negotiated and closed a sale of the Shilo Nampa Blvd property for \$1,350,000,
23 which is 35% higher than CBT’s appraisal and 17% higher than the court-
24 appointed neutral appraisal;
- 25 • Negotiated and closed a sale of the Shilo Newberg property for \$3,175,000, which
26 is 30% higher than CBT’s appraisal despite the cloud of bankruptcy and
27 unrelenting litigation from CBT;

28

- 1 • Managed the Debtors' hotels profitably, efficiently, and well, with business
2 trending upwards, even in the slower winter months;
- 3 • Combined from the two recent, positive sales, the Debtors have over \$4,273,000
4 of net sale proceeds in the Debtors' counsel's client trust account;
- 5 • The Debtors continue to market their properties for sales that maximize the return
6 to all creditors, such as those impressive, positive sales for Shilo Nampa Blvd and
7 Shilo Newberg, even though CBT unreasonably opposed those sales and tried to
8 stop them; and
- 9 • The Debtors attempted on multiple occasions to reach a consensual resolution
10 with CBT that would at least pay off the principal amounts on its claims,
11 especially from the impressive sales achieved by the Debtors and Mr. Hemstreet
12 on Shilo Nampa Blvd and Shilo Newberg, which were enough to pay off the
13 principal balances of both Debtors' plus one other, such as Shilo Rose Garden.

14 Five of the Debtors' affiliates successfully restructured and repaid their debts in full in
15 bankruptcy cases before this Court in the past four years with 100% success. Here, the Debtors
16 have proposed a fair, reasonable, and feasible Plan that includes \$50,000 of new value (\$25,000
17 for each Debtor in this Plan) contributed by the Debtors' owner, Mark Hemstreet, who continues
18 to work tirelessly with the Debtors' management to generate the greatest recovery possible for
19 the estates and their creditors.

20 **C. Feasibility and Fair and Equitable Cramdown Treatment of CBT's Secured**
21 **Claim**

22 The Plan is feasible and fair and equitable with its interest rate and claim treatment for
23 CBT's secured claim. It is proper to confirm the Plan pursuant to 11 U.S.C. § 1129(b) for
24 treatment of CBT's claim for the reasons set forth in and supported by the declaration of Carter
25 Maser from KPMG, submitted separately and concurrently in support of the Motion and
26 confirmation of the Plan. The Debtor refers the Court to that declaration and its exhibits for
27
28

1 feasibility analysis and treatment of CBT's claim pursuant to 11 U.S.C. § 1129(b), including an
2 analysis of loan-to-value ratios, refinancing, and balloon payments.

3 **II.**

4 **SUMMARY OF PLAN AND TREATMENT OF CLAIMS**

5 The Plan is a new value reorganization plan. In short, the Plan cancels the existing
6 equity in the Debtors held by Mark S. Hemstreet and/or his wife, Shannon Hemstreet, and, in
7 exchange for cash contributions (i.e., "new value") by Mark S. Hemstreet, issue new equity to
8 him; the Plan repays creditors over time. The Debtors seek to accomplish payments under this
9 Plan by continuing to operate their businesses and manage their financial affairs and use
10 business proceeds to pay creditors' claims. The Debtors will market their properties for sale at
11 price points appropriate to make plan payments earlier than set forth in the projections.

12 The Debtors' bankruptcy counsel is holding in a trust fund the new value contribution of
13 \$50,000 from Mark Hemstreet and Shannon Hemstreet. The new value contribution and cash
14 on hand will be used to make payments on the Effective Date as follows:

15 **Shilo Inn, Seaside East & Shilo Inn, Moses Lake**

16	Administrative and executory claims	\$83,250.00
17	Class 1	\$24,113.00
18	Class 2	\$23,384.00
19	Class 3	\$2,256.00
20	Class 4	\$10,000.00
	Class 5	\$14,428.00
	TOTAL	\$157,431.00
	Funds Available on Effective Date	\$486,072.00

21 The Reorganized Debtors' remaining obligations under the Plan will be satisfied from
22 cash flow from operations. The Debtors' ability to make payments from cash flow throughout
23 the life of the Plan is supported by cash flow projections attached to the Plan and the
24 declarations of Earl J. Duckworth and Carter Maser of KPMG. Throughout the life of the Plan,
25 the Debtors will market their hotels for sale at a price to pay the obligations under the Plan or
26 refinance. The Debtors' ability to sell or refinance for such a price is supported by the
27 declaration of Mark S. Hemstreet attached as an exhibit to the Plan and the declaration of Carter

28

1 Maser submitted separately and concurrently with this Motion. The Debtors' management,
2 SMC, and Mr. Hemstreet have shown an ability to sell commercial properties for substantially
3 more than their appraised values. The anticipated sale prices or loan-to-value ratios for
4 refinancing are of a feasible level to repay the claims as set forth in the Plan projections.

5 1. Treatment of Secured Tax Claims (Class 1.1 and Class 1.2)

6 Class 1.1 is the senior secured claim of Clatsop County Tax Collector ("Clatsop
7 County") for real property taxes. The Class 1.1 claim is \$5,953.72 as of Petition Date, increased
8 by 9% interest per annum up to the Effective Date, rendering a claim in the amount of
9 \$6,936.03, which will then be paid in three monthly installments with 9% interest per annum,
10 such that the first two payments will be in the amount of \$2,312 each, and the third and final
11 payment will be in the amount of \$2,364. Class 1.1 is repaid in full. Class 1.1 is oversecured
12 and impaired. Class 1.1 did not vote for or against the Plan at all. The Debtors, by way of the
13 Motion, seek confirmation of the Plan and the Class 1.1 treatment pursuant to 11 U.S.C. §
14 1129(b).

15 Class 1.2 is the senior secured claim of Grant County Tax Collector (the "Grant
16 County") for real property taxes. The Class 1.2 claim is \$55,779.80, as stipulated and agreed to
17 by the Shilo Moses Lake and Grant County. The stipulation is attached behind the ballot by
18 Grant County to accept the Plan on the Class 1.2 claim. Pursuant to the stipulation, the Class
19 1.2 claim will be paid in three monthly installments with 9% interest per annum, such that the
20 first two payments will be in the amount of \$21,801.00 each, and the third and final payment
21 will be in the amount of \$22,309.32. Class 1.2 is repaid in full. Class 1.2 is oversecured and
22 impaired. Class 1.2 voted to accept the Plan. The Debtors seek to modify the Plan pursuant to
23 11 U.S.C. § 1127(a), as discussed more fully below.

24 2. Treatment of Class Two – Secured Claim of CBT

25 Class 2 is an impaired class consisting of CBT's secured claim based upon two deeds of
26 trust, secured, cross-collateralized, and cross-defaulted against the Debtors' two Hotels. Based
27 upon stipulated value and the Court's order on estimation of claims for plan purposes, the Class
28

1 2 claim is undersecured, meaning that the amount of the claim exceeds the value of the property.
2 CBT did not make an election pursuant to § 1111(b)(2), so the unsecured portion of its claim on
3 account of the deeds of trust is in Class 3.

4 The Class 2 claim is in the amount of and with a lien against the collateral for
5 \$6,327,863 (alleged and estimated).² Over the life of the 10-year Plan, the Class 2 claim will
6 receive payments of \$4,184,024 without a balloon payment. Because the Class 2 claim is cross-
7 collateralized, cross-defaulted, and a liability for both of the two Debtors, both of the two
8 Debtors pay the Class 2 claim from their business proceeds during the life of the Plan. If the
9 Class 2 claim has not been paid by a sale or refinancing before the end of the life of the Plan,
10 then the Class 2 claim will receive a balloon payment of \$5,076,757, bringing the total payment
11 to \$9,260,781. If the Class 2 claim is not repaid by refinancing, balloon payment, or sale, then
12 the Debtors will surrender the Hotels with deeds in lieu. CBT has alleged in its preliminary
13 objection that the deeds in lieu is a trick to deprive CBT of rights to pursue Mr. Hemstreet as a
14 guarantor. This is not the Debtors' intention. The surrender by deed in lieu was contemplated
15 as a speedy and efficient way to surrender the collateral to CBT. If CBT prefers to foreclose
16 instead of receiving a deed in lieu, so be it.

17 The Class 2 claim is paid with 5.0% interest per annum on the amount of the claim. The
18 Plan provides for payment of interest in accordance with market interest rate. The payments are
19 interest only for two years, then principal and interest on 25-year amortization, due by the end of
20 the 10-year Plan. Concurrently with the filing of this Motion, the Debtors are filing the
21 declaration of Carter Maser of KPMG, a market interest rate and feasibility expert, supporting
22 an appropriate cramdown rate of interest for the Plan of 5.0%, including a loan-to-value ratio
23 analysis for refinancing.

24 CBT voted its Class 2 ballot against the Plan. The Debtors seek confirmation of the Plan
25 and Class 2 treatment pursuant to 11 U.S.C. § 1129(b).

26 _____
27 ² The Debtor reserves its right to object to CBT's post-petition claim amounts after plan
28 confirmation.

1 3. Treatment of Class Three – CBT’s Unsecured Deficiency Claim

2 Class 3 is comprised of the unsecured deficiency claim on account of the cross-
3 collateralized and cross-defaulted deeds of trust because CBT did not make an election pursuant
4 to 11 U.S.C. § 1111(b) to have its unsecured deficiency claim treated as part of the Class 2
5 secured claim. Class 3 is in the amount of \$791, 914 (estimated and alleged). Over the life of
6 the 10-year Plan, the Debtors pay a total of \$525,995 to Class 3. Because the Class 3 claim is the
7 result of a cross-collateralized and cross-defaulted claim on deeds of trust that are liabilities for
8 both of the two Debtors, both of the two Debtors pay the Class 3 claim from their business
9 proceeds during the life of the Plan, as set forth in the Plan projections, which show how the
10 payment is broken down between the two Debtors and the total amount combined. No interest is
11 paid on the Class 3 claim. There is no balloon payment on the Class 3 claim.

12 CBT voted its Class 3 ballot against the Plan. The Debtors seek confirmation of the Plan
13 and Class 3 treatment pursuant to 11 U.S.C. § 1129(b).

14 4. Treatment of Class Four – CBT’s Claim for Hemstreet Line of Credit

15 Class 4 is comprised of the unsecured claim of CBT for \$5,832,786.35, and it is against
16 Shilo Seaside East. Shilo Moses Lake is not liable for the Class 4 claim because it never made a
17 pledge of its collateral for the Hemstreet line of credit. Shilo Seaside East will pay \$1,680,000
18 on account of the Class 4 claim in monthly payments as follows: \$10,000 per month for months
19 1-60; \$15,000 per month for months 61-84; \$20,000 for months 85-120. Additionally, in two of
20 the Debtors’ affiliates’ plans, additional payments are made on account of the Class 4 claim.
21 The total amount of payments to Class 4 amongst the three plans in the aggregate are as follows:

22

23 Shilo Twin Falls:	\$ 1,620,000
24 Shilo Boise Airport:	\$ 372,000
<u>Shilo Seaside East:</u>	<u>\$ 1,680,000</u>
Total:	\$ 3,672,000

25 Class 4 is impaired. CBT voted its Class 4 claim to reject the Plan. The Debtors seek
26 confirmation of the Plan and Class 4 treatment pursuant to 11 U.S.C. § 1129(b).

27 5. Treatment of Non-Insider General Unsecured Claims

28

1 Class 5.1 is comprised of Shilo Seaside East's non-insider general unsecured creditors. A
2 list of general unsecured creditors in Class 5.1 is attached as Exhibit "A-1" to the Plan. The total
3 amount of Class 5.1 claims is \$28,782. The Plan pays all Class 5.1 claims in full in three
4 monthly installments of \$9,594. Class 5.1 receives no interest under the Plan. Class 5.1 is
5 impaired. All creditors holding claims in Class 5.1 that cast ballots voted to accept the Plan.
6 Class 5.1 is an impaired consenting class for purposes of plan confirmation.

7 Class 5.2 is comprised of Shilo Moses Lake's non-insider general unsecured creditors. A
8 list of general unsecured creditors in Class 5.2 is attached as Exhibit "A-2" to the Plan. The total
9 amount of Class 5.2 claims is \$14,502. The Plan pays all Class 5.2 claims in full in three
10 monthly installments of \$4,834. Class 5.2 receives no interest under the Plan. Class 5.2 is
11 impaired. All creditors holding claims in Class 5.2 that cast ballots voted to accept the Plan.
12 Class 5.2 is an impaired consenting class for purposes of plan confirmation.

13 6. Treatment of Insider General Unsecured Claims

14 Class 6.1 is comprised of Shilo Seaside East's insider unsecured creditors, including
15 SMC and SFI for pre-petition claims related to the franchise and management agreement
16 executory contracts. The Class 6.1 claims total \$21,158.74. Class 6.1 has deferred payment of
17 its claims until all Class 4 and 5 payments are made in full. According to the plan projections, it
18 is not expected that Class 6.1 will receive payment under the Plan. Class 6.2 is impaired.
19 Creditors holding claims in Class 6.1 that cast ballots voted to accept the Plan.

20 Class 6.2 is comprised of Shilo Moses Lake's insider unsecured creditors, including SMC
21 and SFI for pre-petition claims related to the franchise and management agreement executory
22 contracts. The Class 6.2 claims total \$183,986.19. Class 6.2 has deferred payment of its claims
23 until all Class 4 and 5 payments are made in full. According to the plan projections, it is not
24 expected that Class 6.2 will receive payment under the Plan. Class 6.2 is impaired. Creditors
25 holding claims in Class 6.2 that cast ballots voted to accept the Plan.

26 7. Treatment of Equity Interest Holders

27 Classes 7.1 and 7.2 are comprised of the equity interest holders of Shilo Seaside East and
28

1 Shilo Moses Lake, respectively. All existing equity interests in the Debtors will be extinguished
2 on the Effective Date. Mark Hemstreet will receive 100% membership interest in each of the
3 two Reorganized Debtors in exchange for a new value contribution of \$50,000 (\$25,000 for each
4 of the two Debtors), which is being held in the Debtors' counsel's trust account and will be
5 funded to the Plan on the Effective Date.

6 **III.**

7 **THE PLAN COMPLIES WITH ALL OF THE PROVISIONS**
8 **OF SECTION 1129(A) OF THE BANKRUPTCY CODE**

9 1. **Section 1129(a)(1) of the Bankruptcy Code**

10 Section 1129(a)(1) of the Bankruptcy Code provides that a court may confirm a plan of
11 reorganization only if "the plan complies with the applicable provisions of this title." The
12 phrase "applicable provisions" has been interpreted to mean Section 1122 and 1123 of the
13 Bankruptcy Code, which govern the classification of claims and interests and the contents of a
14 plan of reorganization. *Kane v. Johns-Manville Corp.*, 843 F.2d 636, 648-9 (2d Cir.1988); 5
15 COLLIER ON BANKRUPTCY ¶ 1129.02 (Alan N. Resnick & Henry J. Sommer eds., 15th ed. rev.).

16 1.1 **Section 1122 of the Bankruptcy Code.** Section 1122 of the Bankruptcy Code
17 governs the classification of claims and interests. Section 1122(a) requires that a plan "place a
18 claim or an interest in a particular class only if such claim or interest is substantially similar to
19 the other claims or interests in such class." In other words, "section 1122(a) mandates that
20 dissimilar claims cannot be placed into the same class." *In re Loop 76, LLC*, 465 B.R. 525, 536
21 (9th Cir.B.A.P.2012).

22 The Plan designates nine (9) classes of claims and two (2) class of interests:

23 **Classes 1.1 and 1.2** consist of the secured claims of the Clatsop County and Grant
24 County (collectively, the "Counties") with respect to each of the respective Debtors, and they
25 each hold a tax lien against the respective Debtors' real property. The Counties are each the only
26 claim in Class 1.1 and 1.2, and they are not classified with any claims that are similarly situated
27 because each is a tax lien claim, each is fully secured and oversecured, and each secured claim

28

1 arises by way of statute not contract. They are not even classified together because their
2 collateral is different, and one is held in fee title while the other is held as a long-term land lease.
3 Furthermore, the Class 1.1 and 1.2 claim interest rates are determined by statute as required by
4 11 U.S.C. § 511(a) instead of 11 U.S.C. § 1129(b), *Till v. SCS Credit Corp.*, 124 S.Ct. 1951
5 (2004) and related case law for secured claims of non-governmental third parties' secured
6 claims. Accordingly, these claims are not substantially similar to the other claims in the Plan and
7 are separately classified by themselves.

8 **Class 2** consists of the secured claim of CBT based on a contractual loan agreement and
9 deed of trust secured by the two Debtors' two Hotels and real property, which are cross-
10 collateralized and cross-defaulted. It is the Debtors' only secured debt based on private contract
11 in the Plan. The amount of CBT's claim for the loan agreement and deeds of trust exceed the
12 value of the collateral on a cross-collateralized basis, as stipulated to and ordered by the
13 Bankruptcy Court for plan purposes, and, thus, the claim is the only claim in the Plan that is
14 partially secured and partially unsecured. The claim's prepetition interest rate was not
15 determined by statute but by contract; the interest rate under the Plan will not be determined by
16 statute but by judicial determination pursuant to 11 U.S.C. § 1129(b), *Till v. SCS Credit Corp.*,
17 124 S.Ct. 1951 (2004) and related case law. For all of the foregoing reasons, the claim is not
18 substantially similar to the other claims in the Plan and is separately classified by itself.

19 **CLASS 3 CLAIM CLASSIFICATION**

20 **Class 3** consists of CBT's unsecured deficiency claim from the deeds of trust discussed
21 in Class 2 because CBT made its election pursuant to 11 U.S.C. § 1111(b) to treat its Class 2
22 claim as fully secured. It is separately classified because CBT can look to Mark S. Hemstreet for
23 collection of the claim.

24 "Notably, many courts have conflated the two-prong analysis required for classifying
25 claims under § 1122(a), often glossing over the first prong of determining whether the claims are
26 substantially similar, and proceeding to the second prong to determine whether gerrymandering
27 has occurred or whether the plan proponent showed a business or economic justification for
28

1 separately classifying similar claims.” *In re Loop 76, LLC*, 465 B.R. 525, 537 (9th
2 Cir.B.A.P.2012). The case of *In re Johnston*, 21 F.3d 323 (9th Cir.1994), is the only Ninth
3 Circuit case to squarely address the issue since the Bankruptcy Code enactment in 1978. *In re*
4 *Loop 76, LLC*, 465 B.R. at 537.

5 a. Class 3 Is Not Similarly Situated to Classes 5.1 and 5.2 Because It Is the Only
6 Class of General Unsecured Claim that Is a Liability of Both Debtors and Not
7 Just One Debtor

8 Separate classification of claims is a question of fact, reviewed on appeal only for clear
9 error. *Steelcase Inc. v. Johnston (In re Johnston)*, 21 F.3d 323, 327 (9th Cir.1994). To
10 determine whether classes of claims are substantially similar, “bankruptcy court judges must
11 evaluate the nature of each claim, i.e., the kind, species, or character of each category of claims.”

12 *Id.* The separate classification of claims is supported by several factual differences:

13 . . . whether a note and deed of trust securing one claim is different
14 from a note and deed of trust securing another claim . . .

15 Whether a claim is secured, partially secured, or unsecured . . .

16 . . . whether one claimant alone holds a secured or partially secured
17 claim;

18 [w]hether a particular claim [of many] is the subject of litigation;
19 and

20 [w]hether pending litigation could result in full payment of the
21 claim in issue prior to the time that other claims of other creditors
are paid.

22 *In re Johnston*, 21 F.3d at 327. Here, CBT is the only creditor that is partially secured and
23 partially unsecured. Moreover, it is the only creditor that has a cross-collateralized and cross-
24 defaulted claim. While all other creditors are limited to Shilo Seaside East or Shilo Moses Lake
25 for payment of their claims, CBT can recover from and be paid by either of the two Debtors.
26 Indeed, the reason for having combined Plan projections attached as Exhibit “C” to the Plan is
27 because Class 2 and Class 3 claims are the only claims under the Plan that can and will be paid
28 by both of the two Debtors. Indeed, Class 5.1 and Class 5.2 are separately classified from each

1 other because Class 5.1 creditors can be paid only by Shilo Seaside East. Class 5.2 creditors can
2 be paid only by Shilo Moses Lake. CBT's unsecured deficiency claim in Class 3 is a liability of
3 both Debtors by virtue of CBT's decision to cross-collateralize and cross-default its claim
4 against both Debtors. It is *impossible* to put the Class 3 claim that is a liability of both of the
5 Debtors into Classes 5.1 and/or 5.2 where liabilities are clearly allocated to one debtor or
6 another. For all of these reasons, the Class 3 claim should be separately classified from the
7 Class 5.1 and 5.1 claims.

8 b. Class 3 Is Not Similarly Situated to Classes 5.1 and 5.2 Because There Is a
9 Collectible Guarantor Source of Payment

10 Additionally, the existence of a non-debtor third-party source of recovery on a creditor's
11 unsecured claim is a factor the bankruptcy court may consider when determining whether claims
12 are substantially similar for classification under section 1122(a). *In re Loop 76, LLC*, 465 B.R.
13 525, 528 (9th Cir.B.A.P.2012). Regardless of whether a court follows the BAP's lead on this
14 case, the Ninth Circuit authority of *In re Johnston* points to the same conclusion because one
15 reason for justifying separate classification was that the unsecured claim was partially secured by
16 a third-party non-debtor. 21 F.3d at 328 (noting that objecting creditor was situated differently
17 from other unsecured creditors because it was "partially secured by collateral of [non-debtor
18 third-party], the primary obligor"). Here, the Debtor is not the primary obligor and CBT can
19 look to Hemstreet for payment as the primary obligor, plus CBT can look to three Shilo Inn
20 debtors for payment on the Class 4 Claim – Shilo Twin Falls, Shilo Boise Airport, and Shilo
21 Seaside East – and the claim is partially secured by Shilo Twin Falls' hotel. Class 5 general
22 unsecured creditors can look only to the Debtor for repayment.

23 The Court should not follow *In re 4th Street East Investors, Inc.*, WL 1745500
24 (Bankr.C.D.Cal.2012, 2:12-bk-17951-NB). The opinion of *In re 4th Street East Investors, Inc.* is
25 not a published opinion; it is not even an order; it describes itself as a "tentative ruling" and is
26 even so named in its title. *Id.* at *1. Even the end of the document quotes at full length the
27 district's form proof of service and the service list beginning to end. *Id.* at *10-11. All of this
28

1 indicates a tentative ruling posted on the docket – perhaps by the Court or perhaps by a litigant in
2 the case – that was picked up by Westlaw and not a decision or opinion to be used for as
3 persuasive or precedential value. This tentative ruling should not be followed any more than any
4 other tentative ruling posted on the Central District Bankruptcy Court’s website throughout the
5 district on any given day when court is in session.

6 **CLASS 4 CLAIM CLASSIFICATION**

7 **Class 4** consists of the unsecured claim of CBT on account of the Hemstreet Loan. It is a
8 liability of Shilo Seaside East. It is not a liability of Shilo Moses Lake, which never pledged its
9 collateral for the Hemstreet line of credit.

10 Class 4 is separately classified from the other unsecured claims in Classes 5.1 for several
11 reasons.³ The Class 4 claim is disputed as the subject of an adversary proceeding lawsuit for
12 avoidance as a fraudulent obligation incurred. The liability for the Class 4 claim is further based
13 on, by CBT’s own admission, “the [Debtors] have no legal duty to repay the more than \$5
14 million owed under the Hemstreet Loan.” Reply on Motion to Dismiss Adv. Proc. 2:14-01224-
15 VZ Dkt No.25 p.6 ln.21-22. The liability for Class 4 is based only on a lien, and to the extent
16 that the lien is fully unsecured and has no equity to which to attach at all, there can be no liability
17 for an unsecured deficiency claim. Finally, and also as admitted by CBT, the Debtor is neither a
18 primary obligor nor guarantor of the Class 4 claim, and CBT may look to Mark Hemstreet for
19 collection of the claim because he is the primary obligor and borrower. For all of these reasons,
20 as explained more fully below, it is proper for the Plan to separately classify the Class 4 claim
21 from the Class 5.1 general unsecured claims.

22 a. The Class 4 CBT claim and the Class 5.1 general unsecured claims are not
23 substantially similar and There Is No Gerrymandering

24 “Notably, many courts have conflated the two-prong analysis required for classifying
25 claims under § 1122(a), often glossing over the first prong of determining whether the claims

26 _____
27 ³ There is no need to discuss separate classification of Class 4 versus Class 5.2 because the
28 Class 4 claim is a liability of only Shilo Seaside East here, while Class 5.2 claims are solely
liabilities of Shilo Moses Lake.

1 are substantially similar, and proceeding to the second prong to determine whether
2 gerrymandering has occurred or whether the plan proponent showed a business or economic
3 justification for separately classifying similar claims.” *In re Loop 76, LLC*, 465 B.R. 525, 537
4 (9th Cir.B.A.P.2012). The case of *In re Johnston*, 21 F.3d 323 (9th Cir.1994), is the only Ninth
5 Circuit case to squarely address the issue since the Bankruptcy Code enactment in 1978. *In re*
6 *Loop 76, LLC*, 465 B.R. at 537. The Ninth Circuit case of *Barakat v. Life Insurance Co. of Va.*
7 (*In re Barakat*), 99 F.3d 1520 (9th Cir.1996), is not on point because it begins from the
8 standpoint of claims that are similarly situated and then asks if there is good reason to separately
9 classify them. 99 F.3d at 1523 (“is there any limitation on the separate classification of similar
10 unsecured claims”). Here, there are several reasons in line with *In re Johnston* to not only
11 justify but mandate that CBT’s Class 4 claim for the Hemstreet line be separately classified from
12 the Class 5.1 general unsecured trade creditor claims under section 1122(a) because they are *not*
13 similar.

14 Separate classification of claims is a question of fact, reviewed on appeal only for clear
15 error. *Steelcase Inc. v. Johnston (In re Johnston)*, 21 F.3d 323, 327 (9th Cir.1994). To
16 determine whether classes of claims are substantially similar, “bankruptcy court judges must
17 evaluate the nature of each claim, i.e., the kind, species, or character of each category of claims.”

18 *Id.* The separate classification of claims is supported by several factual differences:

19 . . . whether a note and deed of trust securing one claim is different
20 from a note and deed of trust securing another claim . . .

21 Whether a claim is secured, partially secured, or unsecured . . .

22 . . . whether one claimant alone holds a secured or partially secured
23 claim;

24 [w]hether a particular claim [of many] is the subject of litigation;
25 and

26 [w]hether pending litigation could result in full payment of the
27 claim in issue prior to the time that other claims of other creditors
28 are paid.

In re Johnston, 21 F.3d at 327. Here, the Court should find that CBT’s Class 4 claim is

1 substantially different from the general unsecured claims of trade creditors in Class 5.1 for
2 several reasons.

3 b. Multiple Sources of Recovery and Partially Secured

4 CBT can look to three corporate debtors for payment on the Class 4 Claim – Shilo Twin
5 Falls, Shilo Boise Airport, and Shilo Seaside East. Class 5.1 general unsecured creditors can
6 look only to Shilo Seaside East for repayment. Moreover, the Class 4 claim is partially secured
7 by the Hotel of Shilo Twin Falls. None of the Class 5.1 claims are secured in any manner. *In re*
8 *Johnston*, 21 F.3d at 327 (partially secured is factual matter to consider for separate
9 classification). CBT alone holds a partially secured claim, and, at that, partially secured by the
10 collateral of a different debtor. *In re Johnston*, 21 F.3d at 327 (“one claimant alone holds a . . .
11 partially secured claim” as basis for separate classification).

12 c. Class 4 Is Subject of Litigation

13 CBT’s Class 4 claim is the subject of litigation in an adversary proceeding to avoid the
14 claim as a fraudulent obligation incurred. If Shilo Seaside East is successful in the litigation,
15 then the claim will not be allowed at all. By way of contradistinction, the Class 5.1 claims are
16 not disputed and are not subject to litigation. Whether a claim is subject to litigation and dispute
17 is grounds for separate classification. *In re Johnston*, 21 F.3d at 327. The subject of the dispute
18 ties to a very different legal nature of the Class 4 claim separate from the Class 5 claim, as
19 discussed immediately below.

20 d. Different Legal Character

21 The claims should be separately classified because the nature of CBT’s Class 4 claim is
22 of a different legal nature than the claims of the Class 5.1 creditors. The Ninth Circuit held that
23 separate classification did not violate section 1122(a) “because the legal character of
24 [Steelcase’s] claim is *not* ‘substantially similar to the other claims or interests of such classes.’”
25 *In re Johnston*, 21 F.3d at 328 (emphasis in the original). Class 5.1 trade creditors have claims
26 for goods and services regardless of the bankruptcy filing and that the Debtor has a legal duty to
27 pay. By CBT’s own admission, this is not the same for CBT’s claim. CBT admits that “the
28

1 [Debtors] have no legal duty to repay the more than \$5 million owed under the Hemstreet Loan.”
2 Reply on Motion to Dismiss Adv. Proc. 2:14-01224-VZ Dkt No.25 p.6 ln.21-22. CBT denies
3 that the Debtor is a primary obligor or guarantor of the Hemstreet Loan. *See* Amended Answer
4 p.7 ln. 8-9. CBT admits that “had the [Debtor] not filed bankruptcy, CB&T would have no
5 recourse against [the Debtor] – its only recourse is against the collateral and/or against
6 Hemstreet, personally, a the borrower. . . . CB&T would not have any right to collect the amount
7 of the deficiency on the Hemstreet Loan from [the Debtor].” Reply on Motion to Dismiss p.6
8 ln.22-25.

9 CBT’s Class 4 claim is of a completely different legal character than the Class 5.1 claims
10 because with regards to the Class 4 Claim, Shilo Seaside East has no legal duty to pay, Shilo
11 Seaside East is in no way a primary obligor or even guarantor, and there would be no recourse or
12 liability against Shilo Seaside East outside bankruptcy because the first deed of trust completely
13 exhausts the value of the collateral and leaves nothing for the Class 4 lien for which only the
14 collateral is liable. Indeed, the very different legal character of CBT’s Class 4 claim calls into
15 question whether it should receive any payment at all, as discussed immediately below.

16 e. Class 4 Has No Legal Basis for Payment

17 The Court should separately classify the Class 4 claim from the other general unsecured
18 claims in Class 5.1 because there is no legal basis for payment of Class 4, based on a lien that is
19 wholly unsecured pursuant to 11 U.S.C. § 506 and for which the only legal liability is on account
20 of the lien, as admitted by CBT. The legal analysis begins with subsections 506(a) and 506(d).

21 Subsection 506(a) provides in pertinent part (ellipses used to eliminate irrelevant
22 discussion of setoff):

23 An allowed claim of a creditor secured by a lien on property in
24 which the estate has an interest . . . is a secured claim to the extent
25 of the value of such creditor’s interest in the estate’s interest in
26 such property . . . and is an unsecured claim to the extent that the
value of such creditor’s interest . . . is less than the amount of such
allowed claim.

27 Subsection 506(d) provides (with emphasis added):

28

1 To the extent that a lien secures a claim against the debtor that is
2 not an allowed secured claim, such lien is void.

3 Here, CBT has stipulated to values for the two Debtors' two Hotels that is much less than
4 the amount of its claims for the cross-collateralized, cross-defaulted first deeds of trust, which
5 gives rise to its deficiency claim in Class 3. In other words, the deed of trust claims are
6 undersecured, and the claim on account of Shilo Seaside East's pledge of collateral for the
7 Hemstreet line is completely unsecured. Because it is fully and totally unsecured, it is not an
8 allowed secured claim at all. See 11 U.S.C. § 506(a). Because Class 4 is not an allowed secured
9 claim, the lien for Class 4 is void. See 11 U.S.C. § 506(d). Completely undersecured junior liens
10 are stripped off because the value of the senior lien completely exhausts the value of the
11 collateral. *In re Zimmer*, 313 F.3d 1220 (9th Cir.2002); *In re Lam*, 211 B.R. 36 (9th
12 Cir.B.A.P.1997); *Dever v. Internal Revenue Service*, 164 B.R. 132 (Bankr.C.D.Cal.1994).

13 CBT has no right or claim for any payment under the Class 4 claim because the
14 underlying lien is void and with it, by CBT's own admission, any right to payment for it. CBT is
15 judicially estopped from asserting a claim when the lien is void.

16 CBT admits that Shilo Seaside East executed a deed of trust granting CBT a second
17 priority security interest in its Hotel for the Hemstreet Loan. See Amended Answer Adv. Proc.
18 2:14-ap-01224-VZ Dkt No.32 p.7 ln.6-8, p.10 ln.15-17.⁴ CBT denies that Shilo Seaside East is a
19 primary obligor or guarantor of the Hemstreet Loan. See Amended Answer p.7 ln. 8-9.
20 Furthermore, CBT "denies that [the Debtor] incurred a non-recourse liability obligation for the
21 Hemstreet Loan because although [the Debtor] pledged collateral to secure the Hemstreet Loan,
22 it was not a borrower or primary obligor on the Hemstreet Loan." Amended Answer p.10 ln.22-
23 25.

24 CBT has further admitted to the Court as follows: "CB&T has never taken the position
25 that the [Debtors] are each individually liable for the repayment of that loan [the Hemstreet

26
27 ⁴ Pagination references to documents filed on the docket refer to the pages on the Court's
28 docket date stamp at the top of each page and not page numbers assigned by authors at the
bottom of the page.

1 Loan], regardless of the value of the collateral.” See Reply on Motion to Dismiss Adv. Proc.
2 2:14-01224-VZ Dkt No.25 p.5 ln.24-25. “the [Debtors] have no legal duty to repay the more
3 than \$5 million owed under the Hemstreet Loan.” Reply on Motion to Dismiss Adv. Proc. 2:14-
4 01224-VZ Dkt No.25 p.6 ln.21-22. CBT has further admitted in relation to its Class 4 Claim for
5 the Hemstreet Loan that:

6 Under Section 506(a), CB&T holds a ‘secured claim’ against each
7 estate to the extent the debt is secured by any equity in the
8 property, and an ‘unsecured claim’ against the estate for the
9 remaining amount of the debt. Absent this provision in the Code,
CB&T would have no right to collect that ‘unsecured’ amount
from the Debtors.

10 Reply on Motion to Dismiss p.6 ln.27-28, n.1. Here, there is no secured portion for the Class 4
11 claim, only the unsecured claim – wholly unsecured. And with no allowed secured claim under
12 section 506(d), the lien is void. Because, by CBT’s own admission, the lien is the only
13 obligation of Shilo Seaside East, it has no legal duty to pay the claim, and Shilo Seaside East is
14 neither a primary obligor nor a guarantor of the underlying debt. Accordingly, with the lien
15 void, there is no connection to Shilo Seaside East for the Class 4 claim.

16 However, even if CBT’s Class 4 claim is entitled to any payment under the circumstances
17 (and the Debtors assert that there is no entitle to payment on Class 4 because the lien is void), at
18 the very least, there is more than appropriate factual reason to separately classify Class 4 from
19 Class 5.1 claims under section 1122(a) because of the different legal character of the claim.
20 CBT’s bargained for right on the Class 4 claim was to look to the collateral and the collateral
21 alone for payment based on its lien, and only if there was value available in the collateral to do
22 so. There is no value available in the collateral, and the lien is void, meaning there is no
23 bargained for right to recover on the claim. Class 5.1 creditor claims are completely different in
24 legal nature.

25 f. Separate Classification Because of Possible Recovery from Mark Hemstreet
26 and Other Corporate Debtors

27 The existence of a non-debtor third-party source of recovery on a creditor’s unsecured
28

1 claim is a factor the bankruptcy court may consider when determining whether claims are
2 substantially similar for classification under section 1122(a). *In re Loop 76, LLC*, 465 B.R. 525,
3 528 (9th Cir.B.A.P.2012). Regardless of whether a court follows the BAP's lead on this case,
4 the Ninth Circuit authority of *In re Johnston* points to the same conclusion because one reason
5 for justifying separate classification was that the unsecured claim was partially secured by a
6 third-party non-debtor. 21 F.3d at 328 (noting that objecting creditor was situated differently
7 from other unsecured creditors because it was "partially secured by collateral of [non-debtor
8 third-party], the primary obligor"). Here, the Debtor is not the primary obligor and CBT can
9 look to Hemstreet for payment as the primary obligor, plus CBT can look to three Shilo Inn
10 debtors for payment on the Class 4 Claim – Shilo Twin Falls, Shilo Boise Airport, and Shilo
11 Seaside East – and the claim is partially secured by Shilo Twin Falls' hotel. Class 5 general
12 unsecured creditors can look only to the Debtor for repayment.

13 g. Conclusion on Claim Classification

14 The Ninth Circuit affords the bankruptcy court wide latitude in claim classification
15 because "bankruptcy court judges *must* have discretionary power in classifying claims under §
16 1122(a). *In re Johnston*, 21 F.3d at 327 (emphasis added) (citing to the previous Ninth Circuit
17 authority *In re Commercial Western Fin. Corp.*, 761 F.2d 1329, 1334 (9th Cir.1985)). Here, the
18 Court should exercise its discretion, recognize the tremendous differences between CBT's Class
19 4 claim and the general unsecured claims of ordinary trade creditors, and recognize that they are
20 so greatly dissimilar that they are appropriately separately classified. Furthermore, "section
21 1122(a) mandates that dissimilar claims cannot be placed into the same class." *In re Loop 76,*
22 *LLC*, 465 B.R. 525, 536 (9th Cir.B.A.P.2012). Because of the extreme dissimilarity between the
23 CBT Class 4 claim and Class 5.1 general unsecured claims of trade creditors, the Court should
24 find that the Class 4 and Class 5.1 cannot be placed in the same class.

25 **Classes 5.1 and 5.2**

26 **Class 5.1** consists of non-insider general unsecured claims against Shilo Seaside East
27 only. It is separately classified from Class 4 for the reasons stated above.

28

1 **Class 5.2** consists of non-insider general unsecured claims against Shilo Moses Lake
2 only. It is separately classified from Class 4, as footnoted above, because Class 4 is liability of
3 only Shilo Seaside East while Class 5.2 are liabilities of only Shilo Moses Lake.

4 Class 5.1 and Class 5.2 are separately classified because each class is a liability of only
5 one of the two Debtors, not both, not jointly, and not severally. Each Class 5.1 and 5.2 can look
6 only to its respective debtor for payment of their claims.

7 Classes 5.1 and 5.2 are separately classified from Classes 6.1 and 6.2 for the reasons
8 stated below.

9 **Classes 6.1 and 6.2**

10 **Class 6.1** consists of the general unsecured claims of insiders against Shilo Seaside East
11 only. Class 6.1 includes cure amounts of SMC and SFI for executory contracts for franchise and
12 management agreements. Class 6.1 claims are separately classified from Class 5.1 claims
13 because the insider status may affect rights related to the absolute priority rule of 11 U.S.C. §
14 1129(b). Class 6.1 claim holders have consented to their separate classification and less
15 favorable treatment under the Plan compared to other claim holders.

16 **Class 6.2** consists of the general unsecured claims of insiders against Shilo Moses Lake
17 only. Class 6.2 includes cure amounts of SMC and SFI for executory contracts for franchise and
18 management agreements. Class 6.2 claims are separately classified from Class 5.2 claims
19 because the insider status may affect rights related to the absolute priority rule of 11 U.S.C. §
20 1129(b). Class 6.2 claim holders have consented to their separate classification and less
21 favorable treatment under the Plan compared to other claim holders.

22 **Class 7.1** consists of equity interest holders in Shilo Seaside East, and it is separately
23 classified because it is the only class of interest holders for this debtor.

24 **Class 7.2** consists of equity interest holders in Shilo Moses Lake, and it is separately
25 classified because it is the only class of interest holders for this debtor.

26 1.2 Section 1123(a) of the Bankruptcy Code. The Plan complies with the seven (7)
27 mandatory provisions of Section 1123(a) of the Bankruptcy Code.

28

1 Section 1123(a)(1) of the Bankruptcy Code requires that a plan of reorganization designate
2 classes of claims other than claims of the kind specified in Section 507(a)(2), (3) and (8) of the
3 Bankruptcy Code. The Plan satisfies the requirements of Section 1123(a)(1) of the Bankruptcy
4 Code by designating all classes of claims other than claims specified in Sections 507(a)(2), (3)
5 and (8) of the Bankruptcy Code.

6 Section 1123(a)(2) of the Bankruptcy Code requires that a plan of reorganization specify
7 those classes of claims or interests that are not impaired, and Section 1123(a)(3) of the
8 Bankruptcy Code requires that a plan specify those classes of claims or interests that are
9 impaired. The Plan satisfies both of these requirements by indicating whether each class under
10 the Plan is impaired and what treatment each class will receive.

11 Section 1123(a)(4) of the Bankruptcy Code requires that a plan provide the same
12 treatment for each claim or interest of a particular class, unless the holder of a particular claim
13 or interest agrees to less favorable treatment. The Plan satisfies this requirement as no claim
14 holder or interest holder is receiving treatment under the Plan different from any other claim
15 holder or interest holder in the same class. The issue of separate claim classification, including
16 separately classifying CBT's claims, is discussed at length above in relation to section 1122(a).

17 Section 1123(a)(5) of the Bankruptcy Code requires that a plan provide adequate means
18 for the Plan's implementation. The Plan describes the means for the Plan's implementation.
19 Specifically, the Plan provides for its implementation by way of, *inter alia*, Sections
20 1123(a)(5)(A), (B), (D), (E), (G), and (H).

21 Section 1123(a)(6) of the Bankruptcy Code requires that a plan provide for the inclusion
22 in the charter of a corporate debtor a provision prohibiting the issuance of nonvoting equity
23 securities, and providing, as to the several classes of securities possessing voting power, an
24 appropriate distribution of such power among classes. Following the confirmation of the Plan,
25 there will be only one voting class of equity holders in the Debtors, which consists of the
26 holders of common stock in each of the Reorganized Debtors, Mark S. Hemstreet. Additionally,
27 upon confirmation of the Plan, to the extent necessary, the Debtors will amend their charters to

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1 be consistent with Section 1123(a)(6) of the Bankruptcy Code, to the extent that the charters do
2 not already comport with Section 1123(a)(6). It is anticipated that no amendment will be
3 needed.

4 Section 1123(a)(7) of the Bankruptcy Code requires that a plan contain only provisions
5 that are consistent with the interests of creditors and equity security holders and with public
6 policy with respect to the manner of selection of any officer, director, or trustee. The Plan
7 contains no provisions that violate Section 1123(a)(7) of the Bankruptcy Code. Mark S.
8 Hemstreet will serve as the managing member of the Reorganized Debtors. Mark S. Hemstreet
9 has substantial experience in managing hotels and businesses in the hospitality industry, with
10 over 40 years of experience as the founder of Shilo Inns. SMC will continue as the management
11 company for the Reorganized Debtors, and, in consultation and at the direction of Mark S.
12 Hemstreet, be in charge of the Reorganized Debtors' overall business operations, finances, and
13 sale of the Hotels (if at an appropriate price to meet Plan obligations), and strategic planning.
14 Mark S. Hemstreet will not receive any compensation from the Reorganized Debtors. SMC will
15 not receive compensation from the Reorganized Debtors, but it will receive regular contractual
16 payments after the Effective Date for its management contract. Earl J. Duckworth is the CFO of
17 SMC, with respect to the management and operations of the Debtors, if necessary.

18 There is no legal basis to require the restrictive and onerous financial controls that CBT
19 proposes in its preliminary objection. The Debtors and SMC have operated competently and in
20 good faith for the benefit of all creditors and the estate throughout the case, having always
21 timely paid stipulated adequate protection payments to CBT every month, keeping current on its
22 obligations, and selling two of the Debtors' affiliated hotels for substantially more (30% and
23 35% more) than the stipulated appraised values.

24 The Debtors do not understand CBT's preliminary objection regarding an improper
25 evaluation of avoidance actions against insiders because it includes factual numerical
26 calculations that are not supported by evidence. The Debtors reserve the right to reply on this
27 issue if and when CBT submits evidence in its formal objection to be filed two weeks prior to
28

1 the plan confirmation hearing.

2 Section 1123(a)(8) of the Bankruptcy Code is a requirement for individual chapter 11
3 reorganization plans. Because the Debtor is not an individual, this requirement is not applicable
4 to this bankruptcy case.

5 1.3 Section 1123(b) of the Bankruptcy Code. Section 1123(b)(1) of the Bankruptcy
6 Code provides that a plan may impair or leave any class of claims, whether secured or
7 unsecured, or of interests unimpaired under the plan. The Plan designates that classes 1.1, 1.2,
8 2, 3, 4, 5.1, 5.2, 6.1, and 6.2 are impaired. The Plan designates two classes of interests in
9 Classes 7.1 and 7.2 and designates each as impaired, also.

10 Section 1123(b)(2) of the Bankruptcy Code specifies that, subject to Section 365, a plan
11 may provide for the assumption, rejection, or assignment of any executory contract or unexpired
12 lease not previously rejected. The Plan provides that on the Effective Date the Debtors will
13 assume the contracts set forth on Exhibit "F" to the Plan. The amounts required for cure of
14 insider executory contracts, such as those for SMC and SFI on the management and franchise
15 contracts are also set forth on Exhibit "B-1" and "B-2" for insider unsecured claims in Classes
16 6.1 and 6.2, respectively. These insider cure amounts for Class 6.1 will not be paid until Class
17 2, 3, 4 and 5.1 allowed claims are paid in full. These insider cure amounts for Class 6.2 will not
18 be paid until Class 2, 3 and 5.2 allowed claims are paid in full. The Plan projections do not
19 anticipate paying these cure amounts to SFI and SMC, but SFI and SMC will honor and accept
20 the assumption of the executory contracts.

21 Section 1123(b)(3) of the Bankruptcy Code specifies that a plan may provide for "the
22 settlement or adjustment of any claim or interest belonging to the debtor or to the estate," and/or
23 "the retention and enforcement by the debtor, by the trustee, or by a representative of the estate
24 appointed for such purpose, of any such claim or interest." The Plan does not provide for the
25 settlement or adjustment of any claim or interest, other than the treatment of claims provided for
26 in the Plan.

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1 The Plan provides that all claims, causes of action and avoidance actions of the Debtors
2 and their estates are preserved by the Plan, and the Reorganized Debtors shall have full power
3 and authority to settle, adjust, retain, enforce, or abandon any claim, cause of action, or
4 avoidance actions as the representative of the Debtors' estates under section 1123(b) of the
5 Bankruptcy Code or otherwise, regardless of whether such claims, causes of action, or
6 avoidance actions were commenced prior or subsequent to the Effective Date.

7 Section 1123(b)(4) of the Bankruptcy Code specifies that a plan may "provide for the sale
8 of all or substantially all of the property of the estate, and the distribution of the proceeds of such
9 sale among holders of claims or interests." The Debtors will market the Hotels over the life of the
10 Plan and evaluate potential sales to maximize the return for the estates. The Plan does not
11 anticipate any immediate sale, but the Plan does contemplate the continued sincere effort to sell the
12 Hotels at an appropriate price when opportunity permits in order to pay off CBT's claims sooner
13 rather than later.

14 Subsection 1123(b)(5) applies to only individuals and is inapplicable here. Subsection
15 1123(b)(6) is a catch-all category for "any other appropriate provision not inconsistent with the
16 applicable provisions of this title." The Debtors submit that the Plan does not contain provisions
17 inconsistent with the applicable provisions of title 11.

18 Based upon the foregoing, the Plan complies with all of the provisions of Section 1122
19 and 1123 of the Bankruptcy Code and, therefore, complies with Section 1129(a)(1) of the
20 Bankruptcy Code.

21 2. Section 1129(a)(2) of the Bankruptcy Code. Section 1129(a)(2) of the
22 Bankruptcy Code provides that a court may confirm a plan only if "[t]he proponent of the plan
23 complies with applicable provisions of the title." The "principal purpose of 11 U.S.C. §
24 1129(a)(2) is to ensure that the proponents have complied with the requirements of 11 U.S.C. §
25 1125 in the solicitation of acceptances to the plan," *In re Texaco, Inc.*, 84 B.R. 893, 906-7
26 (Bankr.S.D.N.Y.1988), and with the requirements of Section 1121 and 1127 of the Bankruptcy
27 Code. *In re Downtown Inv. Club III*, 89 B.R. 59, 65 (9th Cir.B.A.P.1988).

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1 2.1 Section 1121 of the Bankruptcy Code. Section 1121(c) of the Bankruptcy Code
2 provides that “[a]ny party in interest including the debtor . . . may file a plan” The Debtor
3 is the proponent of the Plan and a party in interest. The requirements of Section 1121 have been
4 met.

5 2.2 Section 1125 of the Bankruptcy Code. Section 1125(b) of the Bankruptcy Code
6 provides, in part, that:

7 An acceptance or rejection of a plan may not be solicited after the
8 commencement of the case under this title from a holder of a claim
9 or interest with respect to such claim or interest, unless, at that time
10 or before such solicitation, there is transmitted to such holder the
11 plan or a summary of the plan, and a written disclosure statement
approved, after notice and hearing, by the Court as containing
adequate information.

12 At a hearing held on December 18, 2014, the Court approved the Debtors’ Fourth
13 Amended Disclosure Statement, Dated November 12, 2014, as Revised on December 11, 2014,
14 and found that the Disclosure Statement contains adequate information pursuant to Section
15 1125(b) of the Bankruptcy Code. An order approving the Disclosure Statement was entered on
16 January 8, 2015. On December 23, 2014, a copy of the Disclosure Statement and Plan and
17 notice of the hearing on the confirmation of the Plan, together with Ballots for creditors to use to
18 vote on the Plan, were sent to each known party in interest in these cases. The Debtors did not
19 solicit acceptance of a plan prior to these events. The Debtors have, therefore, complied with
20 the provisions of Section 1125 of the Bankruptcy Code.

21 2.3 Section 1127 of the Bankruptcy Code. Section 1127 of the Bankruptcy Code sets
22 forth certain requirements that a plan proponent must satisfy in order to modify a plan. Section
23 1127(b) of the Bankruptcy Code authorizes a plan proponent to modify the plan at any time
24 before confirmation of the plan provided the plan as modified satisfies the requirements of
25 Sections 1122 and 1123 of the Bankruptcy Code. A modification to a plan does not mandate
26 “the preparation of a new disclosure statement and resolicitation of the plan.” *In re American*
27 *Solar King Corp.*, 90 B.R. 808, 823 (Bankr.W.D.Tex.1988). Additional disclosure to creditors
28 is required “only when and to the extent that the debtor intends to solicit votes from previously

1 dissenting creditors or when the modification materially and adversely impacts parties who
2 previously voted for the plan.” *Id.* at 823. “A modification is material if it so affects a creditor
3 or interest holder who accepted the plan that such entity, if it knew of the modification, would
4 be likely to reconsider its acceptance.” 8 COLLIER ON BANKRUPTCY ¶ 3019.03 p. 3019-3 (Alan
5 N. Resnick & Henry J. Sommer eds., 15th ed. rev.); *see American Solar*, 90 B.R. at 823. “A
6 modification which is not likely to trigger such consideration *de facto* satisfies Section 1125
7 disclosure requirements.” *American Solar*, 90 B.R. at 824.

8 The Debtors seek to modify the Plan with respect to the Class 1.2 claim for Grant
9 County and Shilo Moses Lake pursuant to § 1127(a). Under the Plan as proposed and solicited,
10 the Debtors set forth the Class 1.2 claim in the amount of \$26,429.37 as of the Petition Date
11 because Shilo Moses Lake had paid a prorated portion of the pre-petition tax claim in good faith,
12 and the Class 1.2 claim represented the post-petition prorated portion. Grant County refused
13 that pro-rated payment because of the intervening bankruptcy filing. Shilo Moses Lake and
14 Grant County reconciled their files and determined that the payment was not accepted, and,
15 therefore, the Class 1.2 claim should be increased to \$55,779.80. The parties signed a
16 stipulation agreeing to the claim and claim treatment under the Plan of three monthly payments
17 of \$21,801, \$21,801, and \$22,309.32, which includes 9% interest per annum. The stipulation is
18 submitted with Grant County’s vote to accept the Plan, attached as part of Exhibit “2” to the
19 declaration of John-Patrick M. Fritz, Esq., and the voting ballot analysis. The modified Plan
20 projections are attached as Exhibit “A” to the declaration of Earl J. Duckworth annexed hereto.
21 The Debtors submit that this is a modification that does not materially or adversely affect other
22 creditors, no re-solicitation of the Plan is required, and the modification should be approved by
23 the Court.

24 The Debtors do not seek to modify the Plan, which sets forth that the treatment of CBT’s
25 Class 2 claim will receive interest at the market rate of interest, which the Debtors believe is
26 5.0% in their plan projections attached to the Plan and Disclosure Statement. The Debtors’
27 market interest rate and feasibility expert submits that 5.0% is an appropriate cramdown rate of
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1 interest for CBT's Class 2 claim under the Plan as well as the other terms, including interest-
2 only payments for a period of time. Accordingly, and consistent with the Plan provisions, which
3 do not require modification, the Debtors seek to apply a 5.0% interest rate to the Class 2
4 treatment. However, if the Court deems a different interest rate to be appropriate and required,
5 the Debtors will seek to modify the Plan projections to conform with the Court's determined
6 interest rate. The Debtors submit that this modification of the projections (but not the Plan) is
7 not material because the Debtors believe that CBT would vote to reject the Plan regardless of
8 the interest rate and because the Plan provided for an interest rate to be determined by the Court,
9 which the Debtors believe is 5.0%.. Therefore, the Plan meets the requirements of section 1127.

10 3. Section 1129(a)(3) of the Bankruptcy Code. Section 1129(a)(3) of the
11 Bankruptcy Code provides that a court may confirm a plan only if the plan is proposed "in good
12 faith and not by any means forbidden by law." Here, the Debtors' Plan has been proposed in
13 good faith. The Plan restructures the Debtors' allowed secured debt obligations within the
14 requirements of section 1129(a) and 1129(b), as well as other applicable provisions of the
15 Bankruptcy Code for plan confirmation. Furthermore, Classes 1.2, 5.1, and 5.2 have voted in
16 favor of the Plan. Thus, under the circumstances, the Debtors' promulgation of this Plan has
17 been made in good faith.

18 No Impermissible Injunctions. CBT asserts a preliminary objection that the Plan seeks
19 an impermissible injunction to prevent CBT to collect on co-obligor liability of Mark S.
20 Hemstreet. However, nothing could be further from the truth of the Plan. The Plan clearly
21 states in every class of treatment for CBT's claims (Classes 2, 3, and 4) that the existing
22 obligations of Mark S. Hemstreet shall remain unaffected. In its preliminary objection, CBT
23 cites to the California Civil Code, treatises on California real estate law, and California state
24 court cases to complain that it may not be possible for CBT to pursue Mark Hemstreet on his
25 guaranties or for deficiency claims. However, this is not a function of the Plan; this is a function
26 of non-bankruptcy state law, especially as the Plan unequivocally states Hemstreet's obligations
27 "shall remain unaffected." Really, CBT is worried that non-bankruptcy California state law will
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1 get in its way. Tough. CBT has to deal with state law like any other bank, company, or
2 institution. The Plan does not have any impermissible injunctions for non-debtor third parties.

3 The only citation to bankruptcy law by CBT is one bankruptcy case from Missouri in
4 1983, where the court makes a passing generalization without citation to case law or statute that
5 “a defaulting debtor’s deed in lieu of foreclosure generally precludes the lien-holder from
6 attempting to thereafter collect a deficiency from the grantor.” *In re Weiberg*, 31 B.R. 782, 785
7 (Bankr.E.D. Missouri 1983). First, the case is not on point because it makes general
8 presumptions about Missouri real estate foreclosure law that is not applicable here to CBT and
9 the Debtor with loan contracts in California and real estate in the Northwestern states. Second,
10 the case is not on point because it discusses a deficiency from the “grantor,” not the guarantor.
11 The Debtors are the grantors of the deed of trust, and CBT’s deficiency claim is fully addressed
12 through its unsecured deficiency claim. CBT’s argument on the impermissible injunction
13 simply carries no water.

14 To the extent that there is still any concern, the Debtors will modify the Plan to clarify
15 that CBT can foreclose instead of taking a deed in lieu; the deed in lieu was intended to be a
16 convenience for CBT to save it the trouble of foreclosure, not cut off rights to foreclose.

17 4. Section 1129(a)(4) of the Bankruptcy Code. Section 1129(a)(4) of the
18 Bankruptcy Code provides that a court may confirm a plan only if “[a]ny payment made or to be
19 made by the proponent, by the debtor, or by a person issuing securities or acquiring property
20 under the plan, for services or for costs and expenses in connection with the case, or in
21 connection with the plan and incident to the case, has been approved by, or is subject to the
22 approval of, the Court as reasonable.” Pursuant to the Plan, the Bankruptcy Court must approve
23 all professional fees and expenses before they may be paid from the estate.

24 The Plan allocates \$41,625 from each of the two Debtors for the Debtors’ professional
25 fees and costs.

26 5. Section 1129(a)(5) of the Bankruptcy Code. Section 1129(a)(5)(A)(i) of the
27 Bankruptcy Code provides that a court may confirm a plan only if the plan proponent discloses
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1 “the identity and affiliations of any individual proposed to serve, after confirmation of the plan,
2 as a director, officer or voting trustee of the debtor . . . or a successor to the debtor under the
3 plan.” Here, the Debtors’ Plan discloses such identities and affiliations in Section XV of the
4 Plan. The pre-petition management of the Debtors will remain and continue to manage the
5 Debtors’ business affairs following confirmation of the Plan. SMC will continue to act as the
6 Debtors’ management company. Mark S. Hemstreet will be the managing member of the
7 Debtors. Accordingly, the Plan complies with Section 1129(a)(5)(A)(i) of the Bankruptcy Code.

8 Section 1129(a)(5)(A)(ii) of the Bankruptcy Code requires that the appointment to, or
9 continuance in, such office of such individual be “consistent with the best interests of creditors
10 and equity holders and with public policy.” *In re Produce Hawaii, Inc.*, 41 B.R. 301, 304
11 (Bankr.D.Hawaii 1984); *In re Parks Lumber Co., Inc.*, 19 B.R. 285, 291 (Bankr.W.D.La.1982).
12 The Debtors submit that public policy favors the continuation of the Debtors’ business and
13 operations with existing management in place. SMC has 29 hotel properties across the western
14 United States and has been in operation for over 30 years. The Debtors’ management and SMC
15 have a proven track record of successfully restructuring five (5) chapter 11 cases between 2011
16 and 2013 before this Court, which paid off all creditors in full. Three of the five chapter 11
17 cases involved the sale of real estate properties for far better results than anticipated by their
18 secured creditors. The other two cases involved continued business operations and payment of
19 all creditors pursuant to settlement or plan terms agreed to by the parties.

20 In each of the three chapter 11 sales, through continued management by SMC, the
21 Debtors’ affiliates made substantial gains at sale prices 50%, 200% and 300% higher than what
22 the secured creditors believed to be the value of the properties. In these currently jointly
23 administered cases, SMC and Mr. Hemstreet accomplished and sold the Shilo Newberg and
24 Shilo Nampa Blvd Hotels for 30% and 35% above the stipulated appraised values.
25 Additionally, Mr. Hemstreet has a proven track record of selling hotels and commercial real
26 estate property for prices substantially higher than values by bank appraisers and so-called
27 expert appraisers, as set forth on Exhibit “G” to the Plan.

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1 Section 1129(a)(5)(B) of the Bankruptcy Code provides that a Court may confirm a plan
2 only if the plan proponent discloses “the identity of any insider that will be employed or retained
3 by the reorganized debtor, and the nature of any compensation for such insider.” Here, the
4 Debtors’ Plan discloses such identities and affiliations in Section XV of the Plan. Based on the
5 foregoing, the Plan satisfies the requirements of Section 1129(a)(5) of the Bankruptcy Code.

6 6. Section 1129(a)(6) of the Bankruptcy Code. Section 1129(a)(6) of the
7 Bankruptcy Code requires that after confirmation of a plan, any governmental regulatory
8 commission with jurisdiction “over the rates of the debtor has approved any rate change
9 provided for in the plan ...” This Section of the Bankruptcy Code is inapplicable to the Debtors.

10 7. Section 1129(a)(7) of the Bankruptcy Code. Section 1129(a)(7)(A) of the
11 Bankruptcy Code (commonly referred to as the “best interest of creditors test”) requires that,
12 with respect to each impaired class under the Plan, each member of the class must either accept
13 the Plan or receive under the Plan property having a value, as of the Effective Date, that is not
14 less than the amount that such claim holder would receive if the Debtors’ chapter 11 cases were
15 converted to chapter 7 liquidation.

16 In a chapter 7 case, the debtor's assets are usually sold by a chapter 7 trustee. Secured
17 creditors are paid first from the sales proceeds of properties on which the secured creditor has a
18 lien. Administrative claims are paid next. Thereafter, unsecured creditors are paid from any
19 remaining sales proceeds, according to their rights to priority. Unsecured creditors with the
20 same priority share in proportion to the amount of their allowed claim in relationship to the
21 amount of total allowed unsecured claims. Finally, interest holders receive the balance that
22 remains after all creditors are paid, if any.

23 For the Court to be able to confirm the Plan, the Court must find that all creditors and
24 interest holders who do not accept the Plan will receive at least as much under the Plan as such
25 holders would receive under a chapter 7 liquidation of the Debtors. The Debtors maintain that
26 this requirement is met.

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1 The impaired classes under the Plan consist of Classes 1.1 and 1.2 (Counties' secured tax
2 claims), 2 (CBT's secured claim for cross-collateralized deeds of trust), 3 (CBT's unsecured
3 deficiency claim for cross-collateralized deeds of trust), 4 (CBT's unsecured claim against Shilo
4 Seaside East for the pledge of collateral for the Hemstreet Line), 5.1 and 5.2 (non-insider
5 general unsecured creditors), 6.1 and 6.2 (insider general unsecured creditors), and 7.1 and 7.2
6 (equity interest holders). Class 1.1 did not vote at all; Class 1.2 voted for the Plan; Classes 2, 3,
7 and 4 voted to reject the Plan; all creditors casting ballots in Classes 5.1, 5.2, 6.1, and 6.2 voted
8 to accept the Plan; Classes 7.1 and 7.2 consent to the Plan, although they are deemed to have
9 rejected the Plan by operation of law because their existing equity is canceled.

10 The liquidation analysis in section XIV of the Disclosure Statement goes into great detail
11 and also sets forth the following analysis:

12 **Analysis if CBT does not make election under 11 U.S.C. § 1111(b)**

13 Seaside East Hotel	Chapter 7	Chapter 11
Value of Hotel (See Exhibit "E-1")	\$2,115,000	\$2,250,000
14 Cash Collateral on Effective Date	\$162,511	N/A
15 Cost of Sale at 8%	\$169,200	\$0
Class 1.1 (Tax)	\$6,936	\$6,988
16 Class 2 (CBT secured claim)	\$2,101,375	See CBT combined
Class 2 Balloon Payment (CBT)	\$0	See CBT combined
17 Class 3 (CBT unsecured claim)	\$0	See CBT combined
18 Ch.7 Trustee Admin Costs and Fees	\$0	N/A
Ch. 11 Admin Expenses	\$0	\$41,625
19 Class 4 (CBT unsecured claim)	\$0	See CBT combined
20 Class 5.1 (general unsecured claims)	\$0	\$28,782
Class 6.1 (insider unsecured claims)	\$0	\$21,158
21 Equity	\$0	Cancelled
22 CBT total without balloon payment	\$2,101,375	See CBT combined
CBT total with balloon payment	\$2,101,375	See CBT combined

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24 The Class 1.1 secured real property tax claim would do just as well in a hypothetical
25 chapter 7 liquidation as in the chapter 11 plan, the only difference in its recovery being on
26 account of post-confirmation interest totaling less than \$100.
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1 Classes 2, 3, and 4 are addressed further below in the combined analysis regarding CBT's
2 cross-collateralized and cross-defaulted claims.

3 The Class 5.1 general unsecured creditors will receive \$0 – nothing – in a liquidation, but
4 they will receive \$28,782, payment in full, under the chapter 11 plan. Thus, they will do better
5 under the Plan than under a hypothetical liquidation.

6 The Class 6.1 insider unsecured creditors will receive \$0 in a liquidation, but they will
7 receive anywhere from \$0 up to \$21,158 under the chapter 11 plan, if the claims in Classes 3, 4,
8 and 5.1 are paid in full. Thus, they will do no worse in a hypothetical liquidation than under the
9 Plan, and they will fare better under the Plan if Classes 3, 4, and 5.1 are paid in full.

10 **Analysis if CBT does not make election under 11 U.S.C. § 1111(b)**

Moses Lake Hotel	Chapter 7	Chapter 11
Value of Hotel (See Exhibit "E-2")	\$3,060,000	\$3,400,000
Cash Collateral on Effective Date	\$273,561	N/A
Cost of Sale at 8%	\$244,800	\$0
Class 1.2 (Tax)	\$30,791	\$31,031
Class 2 (CBT secured claim)	\$3,057,970	See CBT combined
Class 2 Balloon Payment (CBT)	\$0	See CBT combined
Class 3 (CBT unsecured claim)	\$0	See CBT combined
Ch.7 Trustee Admin Costs and Fees	\$0	N/A
Ch. 11 Admin Expenses	\$0	\$41,625
Class 4 (CBT unsecured claim)	\$0	See CBT combined
Class 5.2 (general unsecured claims)	\$0	\$14,502
Class 6.2 (insider unsecured claims)	\$0	\$183,986
Equity	\$0	Cancelled
CBT total without balloon payment	\$3,057,970	See CBT combined
CBT total with balloon payment	\$3,057,970	See CBT combined

21 The Class 1.2 secured real property tax claim would do just as well in a hypothetical
22 chapter 7 liquidation as in the chapter 11 plan, the only difference in its recovery being on
23 account of post-confirmation interest totaling less than \$300.

24 Classes 2, 3, and 4 are addressed further below in the combined analysis regarding CBT's
25 cross-collateralized and cross-defaulted claims.

1 The Class 5.2 general unsecured creditors will receive \$0 – nothing – in a liquidation, but
2 they will receive \$14,502, payment in full, under the chapter 11 plan. Thus, they will do better
3 under the Plan than under a hypothetical liquidation.

4 The Class 6.2 insider unsecured creditors will receive \$0 in a liquidation, but they will
5 receive anywhere from \$0 up to \$183,986 under the chapter 11 plan, if the claims in Classes 3
6 and 5.2 are paid in full. Thus, they will do no worse in a hypothetical liquidation than under the
7 Plan, and they will fare better under the Plan if Classes 3 and 5.2 are paid in full.

8 **Analysis if CBT does not make election under 11 U.S.C. § 1111(b)**

9 Combined Seaside & Moses	Chapter 7	Chapter 11
10 Value of Hotel (See Exhibit "E-2")	\$5,175,000	\$5,650,000
11 Cash Collateral on Effective Date	\$436,072	N/A
12 Cost of Sale at 8%	\$414,000	\$0
13 Class 1 (Tax)	\$37,727	\$38,019
14 Class 2 (CBT secured claim)	\$5,159,345	\$4,184,024
15 Class 2 Balloon Payment (CBT)	\$0	\$5,076,757
16 Class 3 (CBT unsecured claim)	\$0	\$525,995
17 Ch.7 Trustee Admin Costs and Fees	\$0	N/A
18 Ch. 11 Admin Expenses	\$0	\$83,250
19 Class 4 (CBT unsecured claim)	\$0	\$1,680,000
20 Class 5 (general unsecured claims)	\$0	\$43,284
21 Class 6 (insider unsecured claims)	\$0	\$205,144
22 Equity	\$0	Cancelled
23 CBT total without balloon payment	\$5,159,345	\$6,390,019
24 CBT total with balloon payment	\$5,159,345	\$11,466,776

25 The Class 2 secured claim of CBT would receive approximately \$4,000,000 more in the
26 chapter 11 plan than a hypothetical chapter 7 liquidation. The Class 4 claim will also receive
27 payments under the chapter 11 plan, while the hypothetical liquidation would provide CBT with
28 nothing. Even if the balloon payment for Class 2 is not achieved, CBT will receive the
collateral, which is appraised today for \$5,650,000 and is worth more than the balloon payment,
which provides CBT with even more under that scenario of the chapter 11 Plan.

1 Class 7.1 and 7.2 equity interests would receive nothing in a chapter 7 liquidation. Class
2 7.1 and 7.2 interests are cancelled under the Plan, but they do no worse under the Plan than in the
3 hypothetical liquidation. The Plan fulfills the requirement of section 1129(a)(7).

4 8. Section 1129(a)(8) of the Bankruptcy Code. Section 1129(a)(8) of the
5 Bankruptcy Code provides that a court may confirm a plan only if “[w]ith respect to each class
6 of claims or interests: (A) such class has accepted the plan; or (B) such class is not impaired
7 under the plan.” Section 1126(c) of the Bankruptcy Code provides that “[a] class of claims has
8 accepted a plan if such plan has been accepted by creditors . . . that hold at least two-thirds in
9 amount and more than one-half in number of the allowed claims of such class held by creditors .
10 . . . that have accepted or rejected such plan.”

11 Here, 100% of the voting creditors in classes 1.2, 5.1, 5.2, 6.1, and 6.2 voted in favor of
12 the Plan, and class 7.1 and 7.2, equity interest holders, consent to their Plan treatment. Although
13 Class 1.1 did not vote at all on the Plan and Classes 2, 3, and 4 (comprised solely of CBT’s
14 claims) voted against the Plan, the Plan is still confirmable by “cramdown” in that the Plan
15 satisfies the “cramdown” requirements of Section 1129(b)(2)(A) of the Bankruptcy Code with
16 respect to Classes 1.1, 2, 3, and 4, as explained more fully below.

17 9. Section 1129(a)(9) of the Bankruptcy Code. Section 1129(a)(9) of the
18 Bankruptcy Code provides that a court may confirm a plan only if the plan complies with the
19 following:

20 a. Each holder of a priority claim under Section 507(a)(2) or 507(a)(3) of
21 the Bankruptcy Code must receive cash equal to the allowed amount of such claim or agree to a
22 different treatment.

23 b. Each holder of a priority claim under Sections 507(a)(1), (4), (5), (6) or
24 (7) of the Bankruptcy Code must receive, on account of such claim:

25 i. deferred cash payments of a value, as of the effective date, equal
26 to the allowed amount of such claim, if such class has accepted the plan; or

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1 ii. cash on the effective date equal to the allowed amount of such
2 claim, if such class has not accepted the plan.

3 c. Each holder of a priority claim under Section 507(a)(8) of the Bankruptcy
4 Code must receive, on account of such claim, deferred cash payments, over a period not
5 exceeding five years after the Petition Date, of a value, as of the effective date of the plan, equal
6 to the allowed amount of such claim.

7 Under the Plan, each holder of an allowed administrative claim (i.e., claims arising under
8 Section 507(a)(2) of the Bankruptcy Code) will be paid in full upon the Effective Date of the
9 Plan, except with respect to the Debtors' bankruptcy counsel and special litigation counsel. The
10 Plan allocates \$42,625 from each of the two Debtors for the Debtors' professionals fees and
11 costs.

12 Section 507(a)(1) and (3) claims are not applicable to the Debtor. Additionally, the
13 Debtors do not know of any existing claims under Sections 507(a) (4), (5), (6), (7), or (8). Based
14 upon the foregoing, the Plan satisfies the requirements of Section 1129(a)(9) of the Bankruptcy
15 Code.

16 10. Section 1129(a)(10) of the Bankruptcy Code. Section 1129(a)(10) of the
17 Bankruptcy Code provides that a court may confirm a plan only if "at least one class of claims
18 that is impaired under the plan has accepted the plan, determined without including any
19 acceptance of the plan by any insider." Section 1126(c) of the Bankruptcy Code provides that
20 "[a] class of claims has accepted a plan if such plan has been accepted by creditors . . . that hold
21 at least two-thirds in amount and more than one-half in number of the allowed claims of such
22 class held by creditors . . . that have accepted or rejected such plan." The Debtors have satisfied
23 this requirement in that Classes 1.2, 5.1, and 5.2, which are impaired and have no insiders, voted
24 100% in favor of the Plan. The Debtors have explained above why CBT's Class 3 and 4 claims
25 are properly classified in a separate class from Classes 5.1 and 5.2 pursuant to 11 U.S.C. §
26 1122(a).

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1 The Debtors have not artificially impaired any class to receive a vote in favor of the Plan.
2 The plan requires payments to Classes 1.1, 1.2, 5.1, and 5.2 creditors spread out over three
3 months because it is prudent and good business judgment to preserve cash reserves.

4 11. Section 1129(a)(11) of the Bankruptcy Code. Section 1129(a)(11) of the
5 Bankruptcy Code provides that a court may confirm a plan only if “[c]onfirmation of the plan is
6 not likely to be followed by the liquidation, or the need for further financial reorganization, of
7 the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization
8 is proposed in the plan.” In order to meet this feasibility standard, a debtor need only
9 demonstrate that the plan has a “reasonable probability of success.” *In re Acequia, Inc.*, 787
10 F.2d 1352, 1364 (9th Cir.1986); *In re Pike’s Peak Water Co.*, 779 F.2d 1456, 1460 (10th
11 Cir.1985). Bankruptcy courts have set forth six factors to help courts determine feasibility: (1)
12 adequacy of the debtor’s capital structure; (2) the earning power of the debtor’s business; (3)
13 economic conditions; (4) the ability of the debtor’s management; (5) the probability of the
14 continuation of the same management; and (6) any other related matter which determines the
15 prospects of a sufficiently successful operation to enable performance of the provisions of the
16 plan. *In re M&S Assoc., Ltd.*, 138 B.R. 845, 849 (Bankr.W.D.Tex.1992). However, in analyzing
17 feasibility, the court need find only a reasonable assurance of commercial viability, not
18 guaranteed success. *In re Prudential Energy Co.*, 58 B.R. 857, 862 (Bankr.S.D.N.Y.1986).

19 The Debtors’ Plan is a new value reorganization plan. Mark S. Hemstreet is contributing
20 \$50,000 cash (\$25,000 for each of the two Debtors) as new value for the reorganization. The
21 Debtors will pay the claims under the Plan from proceeds of its continued business operation.
22 By the end of the life of the Plan, all of the claims will have been paid except for a balloon
23 payment owing to CBT for the Class 2 claim.

24 For feasibility, “[s]uccess need not be guaranteed,” and “[t]he mere potential for failure of
25 the plan or the prospect of financial uncertainty is insufficient to disprove feasibility.” *In re*
26 *Sagewood Manor Associates LP*, 223 B.R. 756, 762 (Bankr.D.Nev.1998) (internal citations and
27 quotations omitted). The “court must examine the totality of the circumstances,” but “only a
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1 relatively low threshold of proof is necessary to satisfy the feasibility requirement. The key
2 element of feasibility is whether there exists a reasonable probability that the provisions of the
3 plan of reorganization can be performed." *Id.* (internal citations and quotations omitted)
4 (emphasis added). The Ninth Circuit admonishment about feasibility from *In re Pizza of Hawaii,*
5 *Inc.*, 761 F.2d 1374 (9th Cir.1985), is not merely "to prevent confirmation of visionary schemes"
6 in plan confirmation, but to prevent confirmation of those plans that "promise creditors and
7 equity security holders more under a proposed plan than the debtor can possibly attain after
8 confirmation." *Id.* at 1382 (emphasis added).

9 The Plan's feasibility is supported by the Debtor's plan projections attached as Exhibit
10 "C" to the Plan, as prepared by its management, SMC, and with input from KPMG. The Plan
11 projections have analysis of historical data back to 2010 and continues uninterrupted into a cash
12 basis for future projections through the end of the life of the Plans. Exhibit "C" also includes a
13 "common sized analysis," which shows revenue and expenses as percentages of their respective
14 totals, which can be utilized to evaluate trends in income and expenses. Exhibit "C" further
15 includes a year-to-year "common sized analysis," which shows how the trends have changed
16 since 2010 and are projected to change into the future through the end of the life of the Plan.
17 The year-to-year growth, shown in Exhibit C," is conservative and sustainable.

18 The Debtors, with assistance from SMC and SMC's advisor, KPMG, have examined and
19 prepared the plan projections and determined that the Plan is feasible. As an example of
20 information provided consistent to, and in-line with standard industry practices, the average daily
21 rate ("ADR") and the percent of available rooms occupied ("Occupancy %") assumptions are
22 included in Exhibit "C." These metrics, which are key to any projected hotel's performance, are
23 disclosed in the "year-over-year" analysis appearing in the first three pages of Exhibit "C" of the
24 Disclosure Statements.

25 The Debtors, with assistance from SMC and KPMG, examined, prepared, and analyzed
26 the plan projections and determined that they are feasible. This determination is based on two
27 conclusions. First, the Projections are reasonable and provide sufficient cash flow to make the
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1 required payments to creditors under the Plan. Second, improved performance and debt pay
2 down will enable the Debtor to refinance or sell the property to make final distributions to CBT
3 in accordance with the requirements of the Plan.

4 The Debtors project capital expenditures as a % of revenue, which is a common industry
5 practice. The projected 3% for capital expenditures is a rate that is within the range of rates used
6 for forecasting in the industry, it is greater than what the Debtors spent historically, and it is in-
7 line with capital spending plans recommended in the property inspection reports performed by
8 Fulcrum at CBT's request in 2013.

9 Where a balloon payment is part of a plan, courts usually require a finding that the
10 underlying property will increase in value to an amount necessary to obtain refinancing. *See In*
11 *re 8315 Fourth Avenue Corp.*, 172 B.R. 725 (Bankr.E.D.N.Y.1994). In the commercial real
12 estate financing market, a property traditionally requires a 75% debt-to-value ratio for attractive
13 refinancing. The court in *In re 8315 Fourth Avenue Corp.* found that debtor's plan infeasible
14 because the subject property would have to appreciate 20% each year to reach a value required to
15 obtain refinancing. *Id.* Here, no such property value increase is necessary. As the Debtor's
16 property appreciates in value and CBT's claim is paid down, the loan-to-value ratio falls to an
17 acceptable level of refinancing for a balloon payment. KPMG's analysis assumes a 2.0% annual
18 growth rate, which is reasonable and supportable because it is conservative in light of current
19 inflation trends and the general value of assets. A growth rate as high as 3.0% is reasonable, but
20 a conservative growth rate was chosen to better support feasibility on risk.

21 Even if a LTV of 75% cannot be reached, a LTV of lower than 95% supports a higher
22 likelihood of selling the property for an amount sufficient to pay Class 2 claim. Indeed, the
23 Debtors' affiliates, SMC, and Mr. Hemstreet have shown with empirical evidence the ability sell
24 properties at higher than the appraised value, which is far more impressive than the 95% LTV
25 scenario.

26 The Fifth Circuit Court of Appeals has specifically found such plans to be feasible where
27 the plan "included several alternatives which could reasonably result in the full payment of
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1 [creditor's] claim; for example, by refinancing, a balloon payment at the end of the twenty-four
2 months, the sale of the [property] to a third party, or a *dation en paiement* [legal term in
3 Louisiana signifying surrender of property instead of payment of money for a pre-existing
4 debt]. . . [and even] a plan which contemplated liquidation in the event the debtor defaulted."
5 *Matter of T-H New Orleans, LP*, 116 F.3d 790, 802 (5th Cir.1997). The feasibility of the
6 Debtors' Plan is ensured by its multiple contingencies in Plan treatment: full payment or
7 surrender of the collateral. To the extent that this feasible balloon payment somehow becomes
8 impossible to make at the end of the ten years, the Plan is still feasible in that it will transfer the
9 property to CBT. Thus, CBT is assured repayment in full or receipt of its collateral under the
10 Plan. One of the two alternatives will be met without fail. CBT may obtain a windfall at the
11 end of the Plan if there is no refinancing to pay the balloon because it will have received all the
12 payments and the collateral. Therefore, the Plan meets the requirement of feasibility.

13 12. Section 1129(a)(12) of the Bankruptcy Code. Section 1129(a)(12) of the
14 Bankruptcy Code provides that a court may confirm a plan only if "[a]ll fees payable under
15 section 1930 of title 28, as determined by the court at the hearing on confirmation of the plan,
16 have been paid or the plan provides for the payment of all such fees on the effective date of the
17 plan." The Debtors are in compliance with all of the fee requirements set forth in section 1930
18 of title 28. The Debtors have timely paid all fees or costs owing to the Clerk of the Court or the
19 Office of the United States Trustee. Accordingly, the requirements of Section 1129(a)(12) are
20 met.

21 13. Section 1129(a)(13) of the Bankruptcy Code. Section 1129(a)(13) of the
22 Bankruptcy Code provides that a court may confirm a plan only if "[t]he plan provides for the
23 continuation after its effective date of payment of all retiree benefits . . . for the duration of the
24 period the debtor has obligated itself to provide such benefits." This provision is inapplicable as
25 the Debtors do not have any retiree benefits.

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1 14. Sections 1129(a)(14) and (15) of the Bankruptcy Code. Sections 1129(a)(14)
2 and (15) apply only to individual debtors and are therefore inapplicable to the Debtors, which are
3 corporations.

4 15. Section 1129(a)(16) of the Bankruptcy Code. Section 1129(a)(16) of the
5 Bankruptcy Code requires that “[a]ll transfers of property of the plan shall be made in
6 accordance with any applicable provisions of nonbankruptcy law that govern the transfer of
7 property by a corporation or trust that is not a moneyed, business, or commercial corporation or
8 trust.” This section applies to non-profit corporations. 7 COLLIER ON BANKRUPTCY ¶
9 1129.02[16] (Alan N. Resnick & Henry J. Sommer eds., 15th ed. rev.). It is inapplicable to the
10 Debtors here.

11 **IV.**

12 **THE PROVISIONS OF SECTION 1129(B)**

13 **OF THE BANKRUPTCY CODE HAVE BEEN SATISFIED**

14 **A. Necessity of Invoking § 1129(b)**

15 As set forth above, where, as here, a debtor is unable to meet the requirements of Section
16 1129(a)(8) with respect to any impaired, non-consenting class of claims or equity interests, the
17 “cramdown” requirements of Section 1129(b) are invoked with respect to each such impaired,
18 non-consenting class.

19 Under Section 1129(b), the Court must confirm a plan over the non-consenting vote of
20 an impaired class or classes of claims or interests, if the plan does not “discriminate unfairly”
21 and is “fair and equitable” with respect to such classes that have not accepted the Plan. As
22 discussed below, these requirements are met in regard to Class 1.1 which did not cast a ballot on
23 the Plan, Classes 2, 3 and 4, which voted against the Plan, and Classes 7.1 and 7.2, which are
24 deemed to have rejected the Plan by operation of law but which nonetheless consent to the Plan.

25 **B. The Plan Does Not Discriminate Unfairly Amongst Similarly Situated Claims:**

26 1. Unfair Discrimination Test. The weight of judicial authority holds that a plan
27 unfairly discriminates in violation of Section 1129(b) only if similar claims are treated
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1 differently without a reasonable basis for the disparate treatment. *See In re Genesis Health*
2 *Ventures, Inc.*, 266 B.R. 591, 611-12 (Bankr.D.Del.2001); *In re Greater Bay Hotel & Casino,*
3 *Inc.*, 251 B.R. 213, 228 (Bankr.D.N.J.2000); *see also In re Acequia, Inc.*, 787 F.2d at 1364
4 (“The Collier treatise states that this provision requires that a plan ‘allocate’ value to the class in
5 a manner consistent with the treatment afforded to other classes with similar legal claims against
6 the debtor.”)

7 2. No Discrimination Against Class 1.1

8 Class 1.1 has no similar claims. It is the only fully secured claim in the Plan as against
9 Shilo Seaside East. It is the only statutory lien holder in the Plan as against Shilo Seaside East.
10 It is the only claim holder whose interest rate must be set by statute as against Shilo Seaside
11 East. *See* 11 U.S.C. § 511. Accordingly, there are no other similarly situated claims against
12 which to compare discriminatory treatment. Therefore, the treatment of the Class 1.1 claim
13 passes the unfair discrimination test.

14 3. No Discrimination Against Class 2

15 Likewise, Class 2 has no similar claims. It is the only partially secured claim in the Plan.
16 It is the only secured claim based on a deed of trust. It is the only claim that is cross-
17 collateralized and cross-defaulted and for which both the two Debtors are liable. It is not
18 similarly situated with any other claim, and, thus, there is no discriminatory treatment against it.

19 3. No Discrimination Against Class 3

20 Class 3 has no similar claims. It is the only partially unsecured claim in the Plan. It is
21 the only unsecured claim that is based on a cross-collateralized and cross-defaulted deed of trust,
22 and, thus it is the only general unsecured claim for which both the two Debtors are liable. As
23 discussed at length regarding classification under § 1122(a), it is not similarly situated with any
24 other claim, particularly not Classes 5.1 or 5.2, and, thus, there is no discriminatory treatment
25 against it. Separate classification does not constitute unfair discrimination. *Steelcase Inc. v.*
26 *Johnston (In re Johnston)*, 21 F.3d 323, 328 (9th Cir.1994). Indeed, this is the only class of
27 general unsecured claims that enjoys payment from both Debtors instead of only one.

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1 4. No Discrimination Against Class 4

2 Class 4 also has no similar claims. The Debtors have explained at length above
3 regarding separate classification that the Class 4 claim is not similarly situated to the claims of
4 general unsecured creditors in Class 5.1, justifying appropriate separate classification under
5 section 1122(a). Separate classification does not constitute unfair discrimination. *Steelcase Inc.*
6 *v. Johnston (In re Johnston)*, 21 F.3d 323, 328 (9th Cir.1994). Amongst the numerous reasons
7 to classify CBT's Class 4 claim separately from the Class 5.1 claims is the reason of different
8 legal character of the claims. CBT has admitted that Shilo Seaside East has no legal duty to pay
9 the Class 4 claim, which is a liability against the estate only by virtue of a lien. That lien is void
10 as fully unsecured pursuant to 11 U.S.C. § 506(d), and, with the lien void, there is no liability
11 and no legal duty to pay. By way of contrast, the Debtors have a legal duty to pay the Class 5.1
12 and 5.2 creditors. The different legal nature of the claims and the very dissimilar situation of the
13 claims justifies different payment, including paying Class 5.1 and 5.2 in full (without interest)
14 while paying Class 4 less than 100% of the Class 4 claim, in particular because there is no legal
15 duty to pay Class 4 and no right to payment based on the void lien.

16 5. No Discrimination Against Classes 7.1 or 7.2

17 Classes 7.1 and 7.2 are comprised of the Debtors' equity holders in the two Debtors,
18 which are deemed to have rejected the Plan by operation of law because the equity interests are
19 cancelled under the Plan. *See* 11 U.S.C. § 1126(g). However, Classes 7.1 and 7.2 have
20 consented to the Plan. Moreover, Classes 7.1 and 7.2 are the only classes of interests, there are
21 no other interest holders, and they are not similarly situated to any other class – not even each
22 other – as each holds equity interests in a different debtor. Accordingly, the Class 7.1 and 7.2
23 treatment is not unfair and does not discriminate as compared to similarly situated classes
24 because no such similarly situated classes exist.

25 **C. The Plan Is Fair and Equitable to Secured Claims in Classes 1.1 and 2**

26 1. The Fair and Equitable Standard for Secured Claims

27 Section 1129(b) of the Bankruptcy Code states in relevant part that:
28

1 (2) For the purpose of this subsection, the condition that a plan be fair and equitable with
2 respect to a class includes the following requirements:

3 (A) With respect to a class of secured claims, the plan provides –

4 (i) (I) that holders of such claims retain liens securing
5 such claims, whether the property subject to such liens is retained by
6 the debtor or transferred to another entity, to the extent of the
allowed amount of such claims; and

7 (II) that each holder of a claim of such class receive
8 on account of such claim deferred cash payments totaling at least the
9 allowed amount of such claim, of a value, as of the effective date of
the plan, of at least the value of such holder's interest in the estate's
interest in such property;

10 (ii) for the sale, subject to section 363(k) of this title, of any
11 property that is subject to the liens securing such claims, free and
12 clear of such liens, with such liens to attach to the proceeds of such
13 sale, and the treatment of such liens on proceeds under clause (i) or
14 (iii) of this subparagraph; or

15 (iii) for the realization by such holders of the indubitable
16 equivalent of such claims.

17 11 U.S.C. § 1129(b)(2)(A).

18 2. The Plan Is Fair and Equitable to Class 1.1

19 The Plan is fair and equitable to the secured claim of Class 1.1 because the Plan provides
20 for Clatsop County to keep its lien and receive payment of the full claim in equal monthly
21 payments plus interest at 9% per annum, totaling the entire amount of the Class 1.1 claim with
22 interest. The Plan treatment satisfies subsection 1129(b)(2)(A)(i).

23 3. The Plan Is Fair and Equitable to Class 2

24 a. Overview without § 1111(b)(2) Election

25 The Plan is fair and equitable to the secured claim of Class 2 held by CBT because it
26 satisfies the requirements of subsection 1129(b)(2)(A)(i). One Ninth Circuit Bankruptcy
27 Appellate Panel case provides detailed discussion of and instruction on the cramdown analysis
28 with and without the 1111(b) election for secured claims under section 1129(b)(2)(A)(i). *First*

1 *Federal Bank of California v. Weinstein (In re Weinstein)*, 227 B.R. 284, 293 (9th
2 Cir.B.A.P.1998). CBT has not made an election pursuant to § 1111(b)(2) for this Plan.

3 b. Retention of Lien Under § 1129(b)(2)(A)(i)(I)

4 To comply with section 1129(b)(2)(A)(i)(I) without an 1111(b)(2) election, the creditor
5 must retain a lien and claim in the amount of the stripped down lien at the value of the collateral.
6 *Id.* at 294 (discussing application of 11 U.S.C. § 506 to reduce amount of claim and lien to value
7 of collateral). The Plan provides for CBT to maintain a lien for the entire amount of the Class 2
8 claim, as measured by the value of the collateral available after senior liens of the Counties.
9 Here, the Class 2 claim is in the amount of \$6,327,863 (alleged and estimated). CBT has a lien
10 for that amount. Therefore, the Plan complies with cramdown under subsection
11 1129(b)(2)(A)(i)(I). In its preliminary objection, CBT suspects that something foul is afoot in
12 the Plan's treatment of the Class 2 claim by allowing for a deed in lieu of foreclosure instead of
13 preserving CBT's lien right to foreclose. However, the Debtors' reason for the deed in lieu of
14 foreclosure is meant to be a good faith surrender of the collateral without imposing the
15 foreclosure process on CBT. If CBT wishes to maintain its foreclosure right instead of the deeds
16 in lieu, then the Debtors will make this non-material modification to the Plan for CBT's Class 2
17 claim.

18 c. Cash Payments Under § 1129(b)(2)(A)(i)(II)

19 In addition, to comply with cramdown section 1129(b)(2)(A)(i)(II) without an 1111(b)(2)
20 election, the creditor must also receive "cash payments aggregating to at least the present value
21 of the collateral as of the effective date of the plan." *Id.* If the cash payments were to be made
22 after the effective date, the reorganization plan would have to provide for the payment of interest
23 to make those payments equal to present value." *Id.* Here, the Plan pays \$4,184,024 over the
24 life of the Plan before any balloon payment. The Plan pays 5.0% interest, which the Debtor
25 believes to be the appropriate rate of interest, as supported by a declaration from Carter Maser of
26 KPMG. The Plan pays interest only for two years, then principal and interest on a 25-year
27 amortization for the rest of the life of the Plan. A balloon payment through refinancing or sale
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1 will occur by the end of the life of the Plan for an amount of \$5,076,757, bringing total payments
2 to \$9,260,781. Balloon payments are proper satisfaction of the cramdown requirement. *Matter*
3 *of T-H New Orleans, LP*, 116 F.3d 790, 802 (5th Cir.1997); *Dish Network Corp. v. DBSD North*
4 *America, Inc. (In re DBSD North America Inc.)*, 634 F.3d 79, 107-08 (2d Cir.2011); *Heartland*
5 *Federal Savings & Loan Association v. Briscoe Enter's, Ltd., II (Matter of Briscoe Enter's, Ltd.,*
6 *II*, 994 F.2d 1160, 1169 (5th Cir.1993). The Plan complies with section 1129(b)(2)(A)(i)(II)
7 cramdown because it pays the entire claim over the life of the Plan, which is feasible according
8 to the expert analysis of KPMG.

9 d. Interest Rate for Payment Stream

10 The Supreme Court has adopted the formula approach for determining the interest rate
11 for cramdown of a plan on a secured creditor. *Till v. SCS Credit Corp.*, 541 U.S. 465, 478-79
12 (2004). The formula rate is the approach endorsed by the Ninth Circuit for chapter 11
13 cramdown. *In re Boulders on the River, Inc.*, 164 B.R. 99, 105 (9th Cir.B.A.P.1994) (citing *In re*
14 *Fowler*, 903 F.2d 694, 697 (9th Cir.1990) and citing *In re Camino Real Landscape Maintenance*
15 *Contractors, Inc.*, 818 F.2d 1503, 1508 (9th Cir.1987)).

16 The Ninth Circuit has instructed that the court should determine the appropriate interest
17 rate based on the facts of the particular case. See *In re Camino Real Landscape Maintenance*
18 *Contractors, Inc.*, 818 F.2d at 1506 (“The debtor’s characteristics determine the interest rate.”).
19 On a case-by-case basis, some of the factors to consider are “the duration of the deferment of
20 present use, the security, [and] the risk.” *Id.* The searching inquiry into the appropriate interest
21 rate does not necessarily start at the prime rate. *Id.* (“The interest rate on treasury bills is one
22 indicator of the range of prevailing market interest rates. It is an appropriate starting point for
23 calculating the . . . rate of interest.”); *Pacific First Bank v. Boulders on the River, Inc. (In re*
24 *Boulders on the River, Inc.)*, 164 B.R. 99, 105 (9th Cir.B.A.P.1994 (“the court starts with a base
25 rate, either the prime rate or the rate on treasury obligations”) (quoting *In re Fowler*, 903, F.2d
26 694, 697 (9th Cir.1990)). The rate is determined based on evidence and upon “the expertise of
27 the bankruptcy judge.” *Id.* at 1508. The Debtors have produced an expert witness declaration
28

1 for the appropriate interest rate of 5.0% or as to be determined by the Court at the hearing. The
2 Debtors refer to the report for support of the 5.0% interest rate proposed in the Plan.

3 e. Indubitable Equivalent Under § 1129(b)(2)(A)(iii)

4 If the Class 2 claim is not repaid by refinancing, balloon payment, or sale, then the
5 Debtors will surrender the Hotels with deeds in lieu of foreclosure to satisfy section
6 1129(b)(2)(A)(iii). “Section 1129(b)(2)(A)(iii) does not require that a creditor receive the
7 indubitable equivalent of its entire claim, but only of its secured claim.” *Arnold & Baker Farms*
8 *v. United States (In re Arnold & Baker Farms)*, 85 F.3d 1415, 1423 (9th Cir.1996).

9 “To the extent a debtor seeks to alter the collateral securing a creditor’s loan, providing
10 the ‘indubitable equivalent’ requires that the substitute collateral not increase the creditor’s risk
11 exposure.” *Arnold & Baker Farms v. United States (In re Arnold & Baker Farms)*, 85 F.3d
12 1415, 1422 (9th Cir.1996). The combination of cash payments and surrender of the collateral
13 satisfies the indubitable equivalent standard. The cash payments from the Effective Date to the
14 end of the life of the Plan compensate for the risk and time in between. *Matter of Atlanta*
15 *Southern Business Park, Ltd.*, 173 B.R. 444 (Bankr.N.D.Ga.1994) (finding indubitable
16 equivalent satisfied by combination of partial conveyance of collateral plus cash payment). “[A]
17 creditor necessarily receives the indubitable equivalent of its secured claim when it receives the
18 collateral securing that claim.” *Arnold & Baker Farms v. United States (In re Arnold & Baker*
19 *Farms)*, 85 F.3d 1415, 1423 (9th Cir.1996). By the end of the life of the Plan, even without any
20 balloon payments, CBT receives \$4,184,024 cash. There will be \$3,398,067 of projected cash on
21 hand at the end of the life of the Plan to satisfy the remaining Class 2 claim. In addition, the
22 Hotels to be surrendered is valued at \$5,650,000 at present. The cash and property value
23 together exceed the balloon payment required. Moreover, the property value is anticipated to
24 increase a 2.0% per year, and, according to KPMG’s analysis the loan-to-value ratio will be bat
25 1% for Shilo Moses Lake and between 45% and 64% for Shilo Seaside East, making the
26 property and cash even more valuable than the balance of the Class 2 claim. Accordingly, the
27 indubitable equivalent standard of section 1129(b)(2)(A)(iii) is satisfied.

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1 **D. The Plan Is Fair and Equitable to the Unsecured Claim in Classes 3 and 4**

2 1. The Fair and Equitable Standard for Unsecured Claims

3 Section 1129(b) of the Bankruptcy Code states in relevant part that:

4 (2) For the purpose of this subsection, the condition that a plan be fair and equitable with
5 respect to a class includes the following requirements:

6 * * *

7 (B) With respect to a class of unsecured claims –

8 (i) the plan provides that each holder of a claim of such
9 class receive or retain on account of such claim property of a value,
10 as of the effective date of the plan, equal to the allowed amount of
such claim; or

11 (ii) the holder of any claim or interest that is junior to the
12 claims of such class will not receive or retain under the plan on
account of such junior claim or interest any property

13
14 11 U.S.C. § 1129(b)(2)(B). Subsection 1129(b)(2)(B)(ii) “codifies the judicially developed
15 absolute priority rule. With one exception, that general rule prohibits the bankruptcy court from
16 confirming the Plan if any of the debtor’s former equity holders retain any equity interest in the
17 estate without also providing to senior objection creditors cash or other property equal to the
18 present value of their claim.” *Liberty National Enterprises v. Ambanc La Mesa LP (In re*
19 *Ambanc La Mesa LP)*, 115 F.3d 650, 654 (9th Cir.1997).

20 2. The Plan Is Fair and Equitable to Class 3

21 The Plan is fair and equitable to Class 3 pursuant to section 1129(b)(2)(B)(ii)
22 because no junior claims or interests receive or retain any property under the Plan. The Plan
23 cancels existing equity in Class 7.1 and 7.2. The Plan issues new equity pursuant to the new
24 value corollary and a new value contribution of \$50,000. The new value contribution corollary
25 analysis is discussed below regarding Class 4. For purposes of Class 3, it should be noted that
26 the new value contribution is a total of \$50,000 (\$25,000 from each of the two Debtors), and the
27 Plan pays off \$525,995 of the total \$791,914 – a significant and substantial amount – and the
28

1 claim is still subject to collection against Mark Hemstreet who personally guaranteed it.

2 3. The Plan Is Fair and Equitable to Class 4

3 The Plan is fair and equitable to the unsecured claim of Class 4 pursuant to section
4 1129(b)(2)(B)(i) because the Class 4 claim is based solely on a lien that is void, and, thus, the
5 claim to be paid should be \$0, but, nonetheless, the Plan provides for \$1,680,000 payment.

6 The Plan is fair and equitable to the unsecured claim of Class 4 pursuant to section
7 1129(b)(2)(B)(ii) because no junior claims or interests receive or retain any property under the
8 Plan. The Plan cancels existing equity in Class 7.1. The Plan issues new equity pursuant to the
9 new value corollary and a new value contribution of \$25,000.

10 In the Ninth Circuit, a proposed plan will not violate the “absolute priority rule” if the
11 plan satisfies all requirements for the “new value” exception (which is more accurately a
12 “corollary” to the “absolute priority rule” as opposed to an “exception”) in that the former equity
13 owners offer value that is new, substantial, money or money’s worth, necessary for successful
14 reorganization, and reasonably equivalent to value or interest received. *In re Bonner Mall*
15 *Partnership*, 2 F.3d 899, 910 (9th Cir.1993), cert. granted, 510 U.S. 1039, 114 S.Ct. 681, 126
16 L.Ed.2d 648, vacatur denied and appeal dism’d as moot, 513 U.S. 18, 115 S.Ct.386, 130 L.Ed.
17 233 (1994).

18 The \$25,000 of new value to be contributed by Hemstreet is money, and it is new and it is
19 money; it is not a repayment of a debt or claim owed by Hemstreet to the Debtors. The new
20 value contribution is also necessary for the reorganization.

21 Moreover, the contribution is substantial. On this issue, CBT relies on *Liberty National*
22 *Enterprises v. Ambanc La Mesa LP (In re Ambanc La Mesa LP)*, 115 F.3d 650 (1997).
23 However, in that case, the Ninth Circuit noted that “[t]he present case still does not present us
24 with the factual situation appropriate for the resolution of the difficult issues of valuation in the
25 context of the new value corollary. Rather, we reject the contribution proposed here as a
26 threshold matter because it is *de minimis* as a matter of law.” *Id.* at 655. The *de minimis*
27 contribution to which the Ninth Circuit referred was \$20,000 per equity holder, paid in \$2,000-

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1 increments over ten years. *Id.* at 654. The facts of *In re Ambanc* are quite different from the
2 facts in the Debtor's case, where Hemstreet is providing immediate upfront payment of 25,000.
3 Moreover, the substantial nature should also take into account that Shilo Seaside East is paying
4 certain amounts of the Class 4 claim of CBT with two other of its affiliate debtors as follows:

5	Shilo Twin Falls:	\$ 1,620,000
6	Shilo Boise Airport:	\$ 372,000
7	<u>Shilo Seaside East:</u>	<u>\$ 1,680,000</u>
	Total:	\$ 3,672,000

8 None of the foregoing payments releases Mark S. Hemstreet from his obligation on the Class 4
9 claim, for which Shilo Seaside East is neither a primary obligor nor a guarantor, and for which
10 CBT has admitted that Shilo Seaside East has no legal duty to pay.

11 The new value contribution is more than reasonably equivalent value for the interest
12 received. The court may consider the physical condition of the property and debt structure in
13 determining that the new value contribution is far greater than the value of interest received. *In*
14 *re Aztec Co.*, 107 B.R. 585, 588 (Bankr.M.D.Tenn.1989). The new equity owner is not receiving
15 a business and hotel free of liability. The Plan vests new equity in the Reorganized Debtors with
16 hotels encumbered by CBT's Class 2 claim equal to the amount of the value of the hotels, plus
17 deficiency claims in Class 3, and additional claims in Class 4 for millions of dollars above the
18 asset value. This alone shows a net negative value for the Reorganized Debtor for equity
19 compared to the \$25,000 cash contribution. Therefore, the \$25,000 of new value is far more than
20 reasonably equivalent value for new equity interests in the Reorganized Debtors saddled with
21 debt.

22 There are no payments to the Class 6.1 or 6.2 general unsecured insider creditors until the
23 other classes are paid in full. CBT made the argument in its preliminary objection as well as its
24 objections to approval of the Debtor's disclosure statement that the Plan engineers a cure and
25 payment to insiders through operation of 11 U.S.C. § 365 for SMC's and SFI's management and
26 franchise agreement contracts. The Plan does not do this. Those cure amounts are in Exhibits
27 "B-1" and "B-2" for the Class 6.1 and 6.2 claims, and they are not paid unless the other claims
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1 are paid in full first.

2 Accordingly, the Plan meets the cramdown requirements of section 1129(b)(2)(B).

3 **E. The Plan is Fair and Equitable to Class 7.1 and 7.2 Equity Holders**

4 A plan is deemed fair and equitable to a class of equity interest holders if the holder of
5 any junior interest does not receive or retain under the plan on account of such junior interest any
6 property. 11 U.S.C. § 1129(b)(2)(C)(ii). Here, there are no junior interest holders, and, as such,
7 they do not receive anything under the Plan. Section 1129(b)(2)(C)(ii) is satisfied for treatment
8 of the Class 7.1 and 7.2 interest holders.

9 **V.**

10 **CONCLUSION**

11 **WHEREFORE**, based upon all of the foregoing, the Debtors submit that they have
12 satisfied all of the requirements of Sections 1129(a) and (b) of the Bankruptcy Code necessary
13 for confirmation of the Plan. The Debtors believe that confirmation of the Plan is in the best
14 interests of its creditors and the estates. The Debtors therefore request that the Court enter an
15 order:

- 16 1. Affirming notice of the Plan, the Motion, and the hearing on the Motion to confirm
17 the Plan;
- 18 2. Granting the Motion;
- 19 3. Overruling any and all objections to the Plan and Motion;
- 20 4. Approving and confirming the Plan pursuant to 11 U.S.C. § 1129(a);
- 21 5. Approving and confirming the Plan pursuant to section 1129(b) for the treatment of
22 Classes 1.1, 2, 3, 4, 7.1, and 7.2;
- 23 6. Granting the Debtor a discharge of debts except as set forth in the Plan pursuant to 11
24 U.S.C. § 1141(a);
- 25 7. Entering an injunction pursuant to 11 U.S.C. § 524(a); and

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27 ///

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1 8. Granting such other relief as is appropriate under the circumstances.

2 Dated: February 10, 2015

SHILO INN, SEASIDE EAST, LLC
SHILO INN, MOSES LAKE, INC.

4

By: /s/ John-Patrick M. Fritz
DAVID B. GOLUBCHIK
KURT RAMLO
J.P. FRITZ
LEVENE, NEALE, BENDER, YOO
& BRILL L.L.P.
Attorneys for Debtors and
Debtors in Possession

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DECLARATION OF EARL J. DUCKWORTH

I, Earl J. Duckworth, hereby declare as follows:

1. I am over 18 years of age. I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto.

2. I am currently employed as the Chief Financial Officer of Shilo Management Corporation (“SMC”), the entity that oversees operation and management of Shilo Inn hotels, including Shilo Inn, Twin Falls, LLC (“Shilo Twin Falls”), Shilo Inn, Boise Airport, LLC (“Shilo Boise Airport”), Shilo Inn, Nampa Blvd, LLC (“Shilo Nampa Blvd”), Shilo Inn, Newberg, LLC (“Shilo Newberg”), Shilo Inn, Seaside East, LLC (“Shilo Seaside East”), Shilo Inn, Moses Lake, Inc. (“Shilo Moses Lake”), and Shilo Inn, Rose Garden, LLC (“Shilo Rose Garden”) (collectively, the “Debtors”) the debtors and debtors in possession herein.

3. I have reviewed and am familiar with and am knowledgeable about the books and records of SMC and the Debtors, which books and records are made in the regular practice of business, kept in the regular course of business, made by a person with knowledge of the events and information related thereto, and made at or near the time of events and information recorded.

4. I began my hospitality career in 1981 and have hands-on experience in hotel & restaurant operations (6 years) and accounting/finance (25 years). My experience includes working for companies that specialized in distressed properties acting as property managers for receivers and/or lenders from takeover through disposition of asset. My duties have included the management and oversight of accounting personnel, including Accounts Payable, Accounts Receivable, Payroll, General Ledger, Audit, Treasury, Budgets, Cash Flow, Financial Reporting, Human Resources, and Information Systems.

5. I make this declaration in support of the Motion. Unless otherwise stated with specificity or implied by context, capitalized defined terms used in this declaration have the same meanings ascribed to them as in the Motion.

6. I have read and reviewed the declaration of Carter Maser in support of the Motion, along with the exhibits attached thereto.

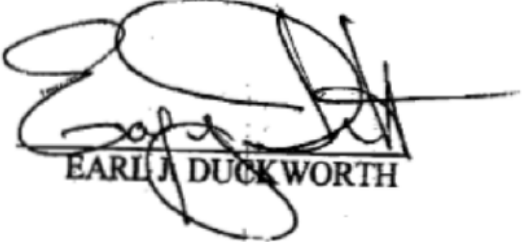
1 7. I have read the Motion to which this declaration is attached, and I hereby agree
2 and verify the facts set forth therein and incorporate such facts in this declaration, including the
3 facts relevant to satisfaction of the requirements of sections 1129(a) and 1129(b), as explained in
4 the Motion.

5 8. Attached hereto as Exhibit "A" are the modified plan projections with updated
6 treatment for the Class 1.2 Claim of Grant County.

7 I declare under penalty of perjury under the laws of the United States of America that the
8 foregoing is true and correct to the best of my knowledge.

9 Executed on this 10th day of February 2015, at Portland, Oregon.

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EARL J. DUCKWORTH

EXHIBIT A

SHILO INN, MOSES LAKE, INC
CONFIRMATION PLAN 2010 - 2025 COMMON SIZED ANALYSIS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUE															
ROOMS	95.9%	94.6%	96.5%	96.4%	97.3%	97.2%	97.3%	97.3%	97.4%	97.4%	97.5%	97.5%	97.6%	97.6%	97.7%
TELEPHONE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OTHER INCOME	4.1%	5.4%	3.5%	3.6%	2.7%	2.8%	2.7%	2.7%	2.6%	2.6%	2.5%	2.5%	2.4%	2.4%	2.3%
TOTAL REVENUE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DEPARTMENTAL EXPENSE															
ROOMS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TELEPHONE-LINE CHARGES	32.0%	30.1%	32.8%	32.3%	29.7%	29.3%	28.9%	28.6%	28.3%	28.1%	28.2%	27.7%	27.5%	27.4%	27.2%
OTHER	0.8%	0.7%	1.0%	0.8%	0.8%	1.3%	1.3%	1.3%	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%
TOTAL DEPARTMENTAL EXPENSE	33.5%	31.7%	34.5%	33.7%	30.9%	31.1%	30.7%	30.4%	30.0%	29.8%	29.9%	29.3%	29.1%	28.9%	28.7%
OVERHEAD EXPENSE															
SALES & MARKETING	2.1%	1.6%	2.1%	1.7%	1.3%	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%
REPAIRS & MAINTENANCE	5.8%	6.7%	5.0%	7.3%	5.7%	6.2%	6.1%	6.0%	5.9%	5.9%	5.9%	5.8%	5.7%	5.7%	5.6%
ADMINISTRATION & GENERAL	13.0%	19.2%	37.5%	13.0%	7.5%	7.1%	6.9%	6.8%	6.6%	6.6%	6.5%	6.4%	6.3%	6.2%	6.1%
ENERGY	2.9%	3.3%	4.3%	4.3%	4.0%	4.2%	4.1%	4.1%	4.0%	4.0%	3.9%	3.9%	3.9%	3.8%	3.8%
TOTAL OVERHEAD EXPENSE	23.8%	30.7%	48.9%	26.3%	18.4%	18.7%	18.3%	18.0%	17.7%	17.5%	17.5%	17.1%	16.9%	16.7%	16.5%
GROSS OPERATING PROFIT	42.7%	37.6%	16.6%	40.0%	50.7%	50.2%	51.0%	51.6%	52.3%	52.7%	52.6%	53.5%	54.0%	54.4%	54.8%
OTHER FIXED EXPENSES															
INSURANCE, TAXES, & RENT	7.8%	7.9%	9.2%	9.2%	11.5%	7.9%	7.8%	7.7%	7.6%	7.6%	7.6%	7.5%	7.5%	7.4%	7.4%
FRANCHISE FEE	3.9%	3.8%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
MANAGEMENT FEE	4.0%	4.8%	5.1%	4.1%	4.2%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
TOTAL OTHER FIXED EXPENSES	15.7%	16.5%	18.2%	17.2%	19.6%	15.8%	15.7%	15.6%	15.5%	15.5%	15.5%	15.4%	15.4%	15.3%	15.3%
INCOME BEFORE CAPEX & PLAN PMTS	27.0%	21.2%	(1.5%)	22.9%	31.1%	34.4%	35.3%	36.0%	36.8%	37.2%	37.2%	38.1%	38.6%	39.0%	39.5%
CAPEX						2.9%	2.8%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
NET CASH FLOW FOR PLAN PMTS						29.9%	32.5%	33.1%	33.9%	34.3%	34.3%	35.2%	35.7%	36.1%	36.6%

SHILO INN, MOSES LAKE, INC
CONFIRMATION PLAN 2010 - 2025 YEAR OVER YEAR ANALYSIS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
ROOMS AVAILABLE	0.0%	0.3%	0.3%	0.0%	0.0%	0.3%	0.3%	0.0%	0.0%	0.3%	0.3%	0.0%	0.0%	0.3%
ROOMS SOLD	(22.3%)	(19.2%)	(10.8%)	17.0%	3.0%	3.4%	2.7%	3.1%	2.0%	2.2%	1.8%	2.0%	2.0%	2.2%
ROOMS OCCUPIED	(24.3%)	(19.2%)	11.1%	16.6%	2.9%	3.4%	2.7%	3.1%	2.0%	2.2%	1.8%	2.0%	2.0%	2.2%
PERCENTAGE OF OCCUPANCY	(24.3%)	(19.4%)	11.4%	16.6%	2.9%	3.1%	2.9%	3.1%	2.0%	1.9%	2.0%	2.0%	2.0%	2.0%
AVERAGE DAILY RATE	15.2%	(3.7%)	2.7%	2.1%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
REVENUE PER AVAILABLE ROOM	(12.8%)	(22.4%)	14.4%	17.8%	5.1%	5.1%	5.0%	5.1%	4.0%	4.0%	4.1%	4.1%	4.0%	4.0%
Annual YOY Change														
REVENUE	(12.8%)	(22.2%)	14.1%	17.8%	5.1%	5.4%	4.7%	5.1%	4.0%	4.2%	3.8%	4.1%	4.0%	4.3%
ROOMS	-	(60.7%)	18.3%	(13.6%)	8.7%	3.5%	2.8%	3.2%	2.1%	2.2%	1.9%	2.2%	2.1%	2.4%
TELEPHONE	(11.6%)	(23.7%)	14.2%	16.7%	5.2%	5.4%	4.7%	5.1%	4.0%	4.2%	3.8%	4.0%	4.0%	4.3%
OTHER INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	(16.9%)	(16.8%)	12.3%	7.2%	3.8%	4.1%	3.6%	3.9%	3.3%	4.7%	1.9%	3.3%	3.3%	3.5%
DEPARTMENTAL EXPENSE	(16.1%)	2.1%	(3.0%)	12.1%	69.4%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
ROOMS	(0.7%)	(42.1%)	10.1%	(10.5%)	22.2%	3.4%	2.7%	3.1%	2.0%	2.3%	1.9%	2.1%	2.1%	2.3%
TELEPHONE-LINE CHARGES	(16.5%)	(17.0%)	11.8%	7.0%	5.8%	4.0%	3.5%	3.8%	3.2%	4.6%	1.9%	3.3%	3.2%	3.4%
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	(35.3%)	1.8%	(7.6%)	(12.8%)	2.0%	2.0%	2.0%	2.0%	2.0%	3.9%	0.2%	2.0%	2.0%	2.0%
OVERHEAD EXPENSE	0.8%	(42.2%)	65.8%	(9.3%)	14.4%	3.7%	3.4%	3.6%	3.1%	5.0%	1.3%	3.1%	3.1%	3.3%
SALES & MARKETING	30.9%	48.8%	(60.4%)	(32.8%)	(0.9%)	3.0%	2.8%	3.0%	2.6%	4.2%	1.2%	2.7%	2.7%	2.8%
REPAIRS & MAINTENANCE	1.9%	0.7%	11.9%	8.5%	11.5%	3.6%	3.3%	3.5%	3.0%	3.1%	2.9%	3.0%	3.0%	3.2%
ADMINISTRATION & GENERAL	14.1%	21.6%	(38.7%)	(18.3%)	6.7%	3.3%	3.1%	3.2%	2.8%	4.2%	1.5%	2.9%	2.9%	3.0%
ENERGY	(22.1%)	(66.3%)	175.1%	47.7%	4.4%	7.0%	5.9%	6.4%	4.8%	4.0%	5.6%	4.9%	4.8%	5.1%
TOTAL OVERHEAD EXPENSE	(11.3%)	(11.1%)	14.7%	(27.6%)	3.8%	3.9%	3.9%	3.6%	3.8%	3.4%	3.5%	3.3%	3.4%	3.4%
GROSS OPERATING PROFIT	(13.5%)	(22.2%)	14.0%	45.9%	(27.6%)	5.4%	4.7%	5.1%	4.0%	4.2%	3.8%	4.1%	4.0%	4.3%
OTHER FIXED EXPENSES	6.8%	(19.0%)	(8.4%)	18.8%	0.8%	5.4%	4.7%	5.1%	4.0%	4.2%	3.8%	4.1%	4.0%	4.3%
INSURANCE, TAXES, & RENT	(30.7%)	(105.5%)	(1809.9%)	58.7%	16.5%	8.1%	6.6%	7.3%	5.2%	4.1%	6.4%	5.3%	5.2%	5.6%
FRANCHISE FEE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MANAGEMENT FEE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FIXED EXPENSES	(30.7%)	(105.5%)	(1809.9%)	58.7%	16.5%	8.1%	6.6%	7.3%	5.2%	4.1%	6.4%	5.3%	5.2%	5.6%
INCOME BEFORE CAPEX & PLAN PMTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPEX	-	-	-	-	5.2%	5.4%	4.7%	4.7%	5.1%	4.0%	4.2%	3.8%	4.0%	4.0%
NET CASH FLOW FOR PLAN PMTS	-	-	-	-	14.6%	6.8%	7.6%	7.6%	5.2%	4.1%	6.6%	5.5%	5.3%	5.7%

CONFIDENTIAL - NOT FOR DISTRIBUTION

SHILO INN, MOSES LAKE, INC
2012 MONTHLY ACTUALS (accrual basis)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,900	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,600
ROOMS SOLD	595	696	904	976	1,383	1,427	1,440	1,599	1,244	901	762	719	12,646
ROOMS OCCUPIED	19.2%	24.0%	29.2%	32.8%	44.6%	47.6%	46.5%	51.8%	41.7%	29.1%	25.4%	23.2%	34.6%
AVERAGE DAILY RATE	68.31	71.20	69.02	69.75	75.60	84.49	82.39	77.70	72.81	66.11	65.75	66.74	74.09
REVENUE PER AVAILABLE ROOM	13.11	17.11	20.13	22.85	33.73	40.22	38.27	40.23	30.39	19.21	16.70	15.48	25.64
REVENUE	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	TOTAL
ROOMS	\$ 40,645	\$ 49,623	\$ 62,398	\$ 68,561	\$ 104,558	\$ 120,645	\$ 118,646	\$ 124,703	\$ 91,155	\$ 59,564	\$ 50,100	\$ 47,985	\$ 938,583
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	2,263	2,916	3,346	2,312	2,388	2,842	2,959	3,084	3,052	3,269	2,914	2,467	33,792
TOTAL REVENUE	42,908	52,539	65,744	70,873	106,946	123,487	121,605	127,787	94,187	62,833	53,014	50,452	972,375
DEPARTMENTAL EXPENSE													
ROOMS	17,655	20,009	20,635	28,115	37,639	34,793	29,417	39,603	25,845	21,439	27,349	16,704	319,203
TELEPHONE-LINE CHARGES	808	807	808	810	808	798	799	792	792	806	806	806	9,652
OTHER	351	374	460	299	449	636	771	604	604	470	458	501	6,145
TOTAL DEPARTMENTAL EXPENSE	18,814	21,190	21,903	29,218	38,898	36,237	30,987	41,173	27,241	22,715	28,613	18,011	335,000
OVERHEAD EXPENSE													
SALES & MARKETING	139	512	1,208	6,557	2,210	4,305	1,335	1,736	561	1,591	1,031	(1,030)	20,155
REPAIRS & MAINTENANCE	5,922	4,112	3,300	4,522	7,992	4,635	(23)	3,740	3,800	2,911	5,003	3,164	49,078
ADMINISTRATION & GENERAL	7,135	12,377	10,995	17,082	20,600	20,693	17,171	14,482	10,956	12,332	19,266	14,931	364,254
ENERGY	4,011	3,441	3,168	2,829	3,530	3,821	3,901	4,248	3,910	3,140	2,930	3,319	42,247
TOTAL OVERHEAD EXPENSE	17,207	20,441	18,671	30,990	34,332	219,698	22,384	24,206	19,227	19,964	28,230	20,384	475,734
GROSS OPERATING PROFIT	6,887	10,908	25,170	10,665	33,716	(132,448)	68,234	62,408	47,719	20,154	(3,829)	12,057	161,641
OTHER FIXED EXPENSES													
INSURANCE, TAXES, & RENT	6,080	6,444	6,857	7,045	8,448	8,861	8,884	9,060	7,927	6,623	6,523	6,425	89,177
FRANCHISE FEE	1,626	1,987	2,496	2,742	0	9,013	4,747	4,989	3,654	2,384	2,005	1,920	37,563
MANAGEMENT FEE	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	49,752
TOTAL OTHER FIXED EXPENSES	11,852	12,577	13,499	13,933	12,594	22,020	17,777	18,195	15,727	13,153	12,674	12,491	176,492
OTHER INCOME													
INTEREST EXPENSE	(13,910)	(2,126)	(7,323)	(4,409)	(4,961)	(235,036)	(17,086)	99,754	(16,535)	(7,323)	(7,087)	17,618	(198,424)
INTEREST INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0
GAIN / LOSS SALE OF ASSET	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	0	0	0	0	0	0	0	0	0	0	173	1,709	1,882
TOTAL OTHER INCOME	(13,910)	(2,126)	(7,323)	(4,409)	(4,961)	(235,036)	(17,086)	99,754	(16,535)	(7,323)	(6,914)	19,327	(196,542)
DEPRECIATION	10,052	10,052	10,052	10,052	10,052	10,052	10,052	10,052	10,052	10,052	10,052	2,660	113,232
LOAN FEE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	5,749	5,749
START-UP EXPENSE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NET INCOME / (LOSS)	(28,927)	(13,847)	(5,704)	(17,729)	6,109	(399,556)	23,319	133,915	5,405	(10,374)	(33,469)	10,484	(330,374)

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SHILO INN, MOSES LAKE, INC
2013 MONTHLY ACTUALS (accrual basis)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,800	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,500
ROOMS SOLD	666	624	1,027	1,029	1,473	1,725	1,939	2,073	1,204	877	781	596	14,012
ROOMS OCCUPIED	668	624	1,027	1,033	1,474	1,727	1,939	2,073	1,215	901	797	596	14,074
PERCENTAGE OF OCCUPANCY	21.5%	22.3%	33.1%	34.4%	47.5%	57.6%	62.5%	66.9%	40.5%	29.1%	26.6%	19.2%	38.6%
AVERAGE DAILY RATE	65.22	64.90	65.29	68.96	76.63	78.61	84.01	88.64	77.00	68.44	70.13	70.60	76.09
REVENUE PER AVAILABLE ROOM	14.05	14.46	21.63	23.75	36.43	45.25	52.55	59.27	31.18	19.89	18.63	13.57	29.34
REVENUE	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	TOTAL
ROOMS	\$ 43,569	\$ 40,498	\$ 67,052	\$ 71,237	\$ 112,946	\$ 135,754	\$ 162,895	\$ 183,746	\$ 93,549	\$ 61,660	\$ 55,892	\$ 42,080	\$ 1,070,878
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	2,840	2,623	2,905	3,389	2,975	3,015	3,014	3,355	3,720	5,337	3,892	2,926	39,991
TOTAL REVENUE	46,409	43,121	69,957	74,626	115,921	138,769	165,909	187,101	97,269	66,997	59,784	45,006	1,110,869
DEPARTMENTAL EXPENSE													
ROOMS	16,400	18,514	20,656	27,528	34,360	33,814	40,182	46,643	54,133	23,000	21,364	21,927	358,521
TELEPHONE-LINE CHARGES	802	0	1,604	800	800	515	805	804	785	0	1,638	805	9,358
OTHER	286	384	515	690	631	612	747	973	668	438	497	325	6,766
TOTAL DEPARTMENTAL EXPENSE	17,488	18,898	22,775	29,018	35,791	34,941	41,734	48,420	55,586	23,438	23,499	23,057	374,645
OVERHEAD EXPENSE													
SALES & MARKETING	1,496	715	2,548	1,365	1,040	913	1,863	2,702	(449)	3,094	908	2,424	18,619
REPAIRS & MAINTENANCE	5,539	5,293	4,446	6,825	10,157	5,323	7,224	8,764	8,100	5,336	8,446	5,923	81,376
ADMINISTRATION & GENERAL	10,744	12,149	13,981	11,648	13,971	11,824	14,745	15,469	17,151	8,549	5,537	8,578	144,346
ENERGY	3,566	3,709	3,475	3,354	3,291	4,378	4,717	4,507	4,307	3,478	3,780	4,705	47,267
TOTAL OVERHEAD EXPENSE	21,345	21,866	24,450	23,192	28,459	22,438	28,549	31,442	29,109	20,457	18,671	21,630	291,608
GROSS OPERATING PROFIT	7,576	2,337	22,732	22,416	51,671	81,390	95,626	107,239	12,574	23,102	17,614	319	444,616
OTHER FIXED EXPENSES													
INSURANCE, TAXES, & RENT	6,337	6,210	7,477	8,304	9,686	10,437	11,083	11,780	8,739	7,675	7,532	7,032	102,292
FRANCHISE FEE	1,744	1,621	2,683	2,851	4,517	5,430	6,515	7,349	3,741	2,467	2,235	1,683	42,836
MANAGEMENT FEE	3,179	3,179	3,179	3,179	3,179	3,179	6,358	0	3,179	3,179	3,179	10,585	45,554
TOTAL OTHER FIXED EXPENSES	11,260	11,010	13,339	14,334	17,382	19,046	23,956	19,129	15,659	13,321	12,946	19,300	190,682
OTHER INCOME													
INTEREST EXPENSE	(7,323)	(7,323)	(7,323)	(7,323)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(123,780)
INTEREST INCOME	0	0	0	(2)	25	0	0	0	0	0	0	0	23
GAIN / LOSS SALE OF ASSET	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	0	0	(92)	(383)	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME	(7,323)	(7,323)	(7,415)	(7,708)	(11,786)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(8,041)	(120,462)
DEPRECIATION	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	9,847	4,914	113,231
LOAN FEE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0
START-UP EXPENSE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NET INCOME / (LOSS)	(20,854)	(25,823)	(7,869)	(9,473)	12,656	40,686	50,012	66,432	(24,743)	(11,877)	(16,990)	(31,936)	20,241

SHILO INN, MOSES LAKE, INC
2014 MONTHLY ACTUALS & BUDGET

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,800	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,500
ROOMS SOLD	667	788	1,271	1,598	1,600	2,022	2,110	2,008	1,506	1,245	900	682	16,397
ROOMS OCCUPIED	667	789	1,272	1,601	1,604	2,024	2,110	2,010	1,506	1,245	900	682	16,410
PERCENTAGE OF OCCUPANCY	21.5%	28.2%	41.0%	53.4%	51.7%	67.5%	68.1%	64.8%	50.2%	40.2%	30.0%	22.0%	45.0%
AVERAGE DAILY RATE	68.39	67.89	70.76	71.41	74.04	81.08	84.61	91.78	74.21	69.87	72.00	71.00	76.86
REVENUE PER AVAILABLE ROOM	14.71	19.13	29.03	38.11	38.31	54.70	57.59	59.51	37.25	28.06	21.60	15.62	34.56
REVENUE	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	TOTAL
REVENUE	\$ 45,613	\$ 53,569	\$ 90,001	\$ 114,328	\$ 118,753	\$ 164,097	\$ 178,530	\$ 184,469	\$ 111,754	\$ 86,988	\$ 64,800	\$ 48,422	\$ 1,261,324
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	3,386	2,733	3,231	2,804	2,585	3,338	2,437	2,269	2,853	3,284	2,929	2,704	34,533
OTHER INCOME	48,999	56,302	93,232	117,132	121,338	167,435	180,967	186,738	114,587	90,273	67,729	51,126	1,295,857
TOTAL REVENUE	17,846	20,819	38,348	29,338	31,846	40,212	46,593	40,420	39,776	34,423	23,806	20,984	384,411
ROOMS	720	813	812	834	0	1,638	140	1,480	1,500	850	850	850	10,487
TELEPHONE-LINE CHARGES	575	341	323	29	1,072	695	(160)	483	394	394	299	299	6,056
OTHER	19,141	21,973	39,483	30,201	32,918	42,545	46,573	43,360	41,759	35,818	25,050	22,133	400,954
TOTAL DEPARTMENTAL EXPENSE	547	2,788	2,788	270	3,044	1,040	1,257	766	2,393	888	592	2,114	16,241
OVERHEAD EXPENSE	3,855	4,101	5,399	3,918	12,241	5,495	5,496	4,868	5,159	7,637	9,156	6,473	73,798
SALES & MARKETING	5,830	6,363	8,473	5,887	8,410	7,752	8,843	10,207	8,648	10,606	8,044	7,971	97,034
REPAIRS & MAINTENANCE	4,593	4,438	3,951	3,741	3,834	4,347	4,926	5,147	4,459	4,179	4,202	3,488	51,305
ADMINISTRATION & GENERAL	14,825	15,443	20,611	13,816	27,529	18,634	20,522	20,988	20,659	23,310	21,995	20,046	238,378
ENERGY	15,033	18,886	33,138	73,115	60,891	106,256	113,872	122,390	52,169	31,144	20,684	8,946	656,525
TOTAL OVERHEAD EXPENSE	2,186	3,818	4,949	27,456	5,601	7,345	7,409	7,853	5,364	23,882	1,935	51,460	149,260
OTHER FIXED EXPENSES	1,824	2,144	3,600	4,563	4,750	6,480	6,928	7,384	4,470	3,480	2,592	1,937	50,151
INSURANCE, TAXES, & RENT	5,235	2,185	3,974	4,771	3,472	6,714	7,122	7,588	4,689	3,611	2,709	2,045	54,115
FRANCHISE FEE	9,245	8,147	12,523	36,790	13,823	20,539	21,459	22,825	14,523	30,972	7,236	55,442	255,526
MANAGEMENT FEE	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(141,732)
TOTAL OTHER FIXED EXPENSES	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0
GAIN / LOSS SALE OF ASSET	0	811	0	4,218	0	(278)	5,359	0	0	0	0	0	10,110
OTHER INCOME	(11,811)	(11,000)	(11,811)	(7,593)	(11,811)	(12,089)	(6,452)	(11,811)	(11,811)	(11,811)	(11,811)	(11,811)	(131,622)
TOTAL OTHER INCOME	9,436	9,436	9,436	9,436	9,436	9,436	9,436	9,436	9,436	9,436	9,436	9,436	113,232
DEPRECIATION	0	0	0	0	0	0	0	0	0	0	0	0	0
LOAN FEE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0
START-UP EXPENSE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NET INCOME / (LOSS)	(15,459)	(9,697)	(632)	19,296	25,821	64,192	76,525	78,318	16,399	(21,075)	(7,799)	(67,743)	158,145
CASH BEGINNING OF PERIOD	402,084	401,058	401,058	401,058	401,058	401,058	401,058	401,058	401,058	401,058	401,058	401,058	402,084
OCCUPANCY TAX COLLECTED	0	0	0	0	0	0	0	0	0	0	0	0	0
OCCUPANCY TAX REMITTED	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	10,439	7,776	5,811	13,587	13,587	13,587	13,587	13,587	13,587	13,587	13,587	13,587	135,870
CAPITAL CONTRIBUTION	(18,439)	(18,439)	(18,439)	(18,439)	(18,439)	(18,439)	(18,439)	(18,439)	(18,439)	(18,439)	(18,439)	(18,439)	(184,390)
CHANGE IN CASH DURING PERIOD (Before Dep. Amm. Gain)	1,637	(58,307)	(56,670)	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,637	1,637
CASH ENDING OF PERIOD	403,721	342,751	286,081	287,718	289,355	290,992	292,629	294,266	295,903	297,540	299,177	300,814	302,451

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**SHILO INN, MOSES LAKE, INC
2015 MONTHLY CONFIRMATION PLAN**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,800	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,500
ROOMS SOLD	687	812	1,309	1,646	1,648	2,083	2,173	2,068	1,551	1,282	927	702	16,889
ROOMS OCCUPIED	687	812	1,309	1,646	1,648	2,083	2,173	2,068	1,551	1,282	927	702	16,889
PERCENTAGE OF OCCUPANCY	22.2%	29.0%	42.2%	54.9%	53.2%	69.4%	70.1%	66.7%	51.7%	41.4%	30.9%	22.7%	46.3%
AVERAGE DAILY RATE	69.75	69.25	72.17	72.84	75.52	82.70	86.30	93.61	75.69	71.27	73.44	72.42	78.51
REVENUE PER AVAILABLE ROOM	15.46	20.04	30.42	40.13	40.52	57.70	60.29	62.77	39.30	29.35	22.57	16.29	36.33
REVENUE	47,920	56,100	94,300	120,400	125,600	173,100	186,900	194,600	117,900	91,000	67,700	50,500	1,326,020
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	1,527	1,804	2,910	3,658	3,663	4,629	4,830	4,597	3,448	2,850	2,060	1,561	37,537
OTHER INCOME	49,447	57,904	97,210	124,058	129,263	177,729	191,730	199,197	121,348	93,850	69,760	52,061	1,363,557
TOTAL REVENUE	51,974	60,508	100,120	131,716	138,526	192,329	202,730	203,794	145,700	117,700	101,720	73,621	1,707,134
DEPARTMENTAL EXPENSE	21,340	22,958	30,629	41,220	35,957	43,000	44,479	43,184	39,859	30,191	24,557	21,573	398,928
ROOMS	1,480	1,480	1,480	1,480	1,480	1,480	1,480	1,480	1,480	1,480	1,480	1,480	17,760
TELEPHONE-LINE CHARGES	301	356	574	721	722	913	952	906	680	562	406	308	7,400
OTHER	23,121	24,793	32,683	43,422	38,160	45,393	46,912	45,571	42,018	32,233	26,423	23,361	424,089
TOTAL DEPARTMENTAL EXPENSE	18,802	20,195	26,637	35,363	34,969	40,886	42,343	41,057	38,947	32,233	26,423	23,361	424,089
OVERHEAD EXPENSE	604	604	2,246	906	2,880	1,113	1,264	1,142	2,442	604	604	2,156	16,566
SALES & MARKETING	5,095	5,146	6,410	9,073	7,270	8,558	8,870	8,338	8,659	6,342	5,796	4,869	84,426
REPAIRS & MAINTENANCE	5,837	6,770	6,911	8,843	8,133	9,692	9,830	10,010	9,506	6,794	8,111	5,893	96,131
ADMINISTRATION & GENERAL	3,653	3,850	4,614	5,145	5,148	5,853	5,976	5,811	4,995	4,572	4,011	3,657	57,226
ENERGY	15,169	16,350	20,181	23,967	23,432	25,196	25,940	25,300	25,402	18,312	18,523	16,576	254,349
TOTAL OVERHEAD EXPENSE	11,156	16,760	44,346	56,670	67,672	107,140	118,878	128,326	53,927	43,305	24,814	12,124	685,120
GROSS OPERATING PROFIT	33,172	39,753	73,483	96,346	72,554	151,329	160,387	162,737	106,773	84,395	76,906	52,050	1,283,045
OTHER FIXED EXPENSES	1,993	1,993	9,987	24,598	1,993	1,993	1,993	1,993	1,993	24,598	1,993	32,875	108,003
INSURANCE, TAXES, & RENT	1,917	2,244	3,772	4,816	5,024	6,924	7,784	7,476	4,716	6,342	2,708	2,020	53,041
FRANCHISE FEE	1,978	2,316	3,888	4,962	5,171	7,109	7,669	7,968	4,854	3,754	2,790	2,082	54,542
MANAGEMENT FEE	5,888	6,553	17,647	34,377	12,188	16,026	17,138	17,745	11,563	31,992	7,491	36,978	215,586
TOTAL OTHER FIXED EXPENSES	9,773	11,119	31,307	44,155	23,383	30,052	32,685	33,188	22,033	40,694	12,989	41,980	228,169
INCOME BEFORE CAPEX & PLAN PMTS	23,400	28,634	42,176	52,191	49,171	121,277	127,702	129,549	84,740	43,701	63,917	10,070	1,054,876
ADEQUATE PROTECTION PAYMENTS	11,811	11,811	0	0	0	0	0	0	0	0	0	0	23,622
CAPEX	0	0	0	19,438	19,438	0	0	0	0	0	0	0	38,876
NET CASH FLOW FOR PLAN PMTS	(6,542)	(1,604)	26,699	32,753	29,733	121,277	127,702	129,549	84,740	43,701	63,917	10,070	1,016,004
PLAN PAYMENTS	21,801	21,801	21,801	21,801	22,309	19,370	19,370	19,370	19,370	19,370	19,370	19,370	193,698
CLASS 1	15,698	15,698	15,698	15,698	15,698	15,698	15,698	15,698	15,698	15,698	15,698	15,698	156,975
CLASS 2	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	36,722
CLASS 3	4,834	4,834	4,834	4,834	4,834	4,834	4,834	4,834	4,834	4,834	4,834	4,834	48,340
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PLAN PAYMENTS	(6,542)	(1,604)	60,931	(43,149)	(10,467)	71,744	82,370	91,212	22,994	(8,057)	(2,047)	(44,223)	91,300
TOTAL INCOME AFTER PLAN PAYMENTS	16,858	27,030	7,245	9,046	39,638	50,533	45,332	38,337	61,746	51,758	65,964	56,293	1,125,076
CASH BEGINNING OF PERIOD	280,786	274,183	273,561	242,214	202,197	192,354	269,798	353,825	445,960	459,750	448,465	443,623	280,786
OCCUPANCY TAX COLLECTED	5,750	6,732	11,316	14,448	15,072	20,772	22,428	23,352	14,148	10,920	8,124	6,060	159,122
OCCUPANCY TAX REMITTED	(5,811)	(5,750)	(6,732)	(11,316)	(14,448)	(15,072)	(20,772)	(22,428)	(14,148)	(10,920)	(8,124)	(6,060)	(158,873)
CAPITAL CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0	0
CHANGE IN CASH DURING PERIOD	(6,542)	(1,604)	(60,931)	(43,149)	(10,467)	71,744	82,370	91,212	22,994	(8,057)	(2,047)	(44,223)	91,300
CASH ENDING OF PERIOD	274,183	273,561	242,214	202,197	192,354	269,798	353,825	445,960	459,750	448,465	443,623	397,335	397,335
III(B) ELECTION	0	0	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	193,698
CLAIM PAYMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0

**SHILO INN, MOSES LAKE, INC
2016 MONTHLY CONFIRMATION PLAN**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,900	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,600
ROOMS SOLD	710	839	1,353	1,701	1,704	2,153	2,247	2,138	1,603	1,326	958	726	17,458
ROOMS OCCUPIED	710	839	1,353	1,701	1,704	2,153	2,247	2,138	1,603	1,326	958	726	17,458
PERCENTAGE OF OCCUPANCY	22.9%	28.9%	43.6%	56.7%	55.0%	71.8%	72.5%	69.0%	53.4%	42.8%	31.9%	23.4%	47.7%
AVERAGE DAILY RATE	71.16	70.49	73.48	74.62	77.71	84.76	87.69	95.96	77.54	72.35	74.50	73.34	80.08
REVENUE PER AVAILABLE ROOM	16.30	20.39	32.07	42.31	42.72	60.83	63.56	66.18	41.43	30.95	23.79	17.17	38.20
REVENUE	50,521	59,145	99,419	126,936	132,418	182,496	197,045	205,163	124,300	95,940	71,375	53,242	1,398,000
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	1,580	1,867	3,011	3,792	3,792	4,791	5,000	4,758	3,567	2,951	2,152	1,616	38,848
OTHER INCOME	52,101	61,012	102,430	130,721	136,210	187,287	202,045	209,921	127,867	98,891	73,507	54,858	1,436,848
TOTAL REVENUE	52,101	61,012	102,430	130,721	136,210	187,287	202,045	209,921	127,867	98,891	73,507	54,858	1,436,848
DEPARTMENTAL EXPENSE	22,074	23,781	37,329	37,415	37,510	44,930	46,495	50,571	35,978	31,429	25,443	22,319	415,273
ROOMS	1,510	1,510	1,510	1,510	1,510	1,510	1,510	1,510	1,510	1,510	1,510	1,510	18,115
TELEPHONE-LINE CHARGES	311	368	593	746	747	944	985	937	703	581	420	318	7,654
OTHER	23,895	25,658	39,432	39,670	39,766	47,384	48,990	53,018	38,191	33,520	27,373	24,147	441,043
TOTAL DEPARTMENTAL EXPENSE	616	2,599	616	2,937	1,135	1,289	1,472	2,183	2,053	2,536	2,053	2,200	16,897
OVERHEAD EXPENSE	5,257	5,320	8,225	7,824	7,561	8,911	9,238	10,259	7,393	6,582	5,993	5,028	87,589
SALES & MARKETING	5,989	6,948	8,545	7,685	8,390	10,015	10,167	11,780	8,155	6,999	8,324	6,049	99,046
REPAIRS & MAINTENANCE	3,743	3,950	4,777	5,356	5,341	6,063	6,214	6,039	5,179	4,733	4,142	3,768	59,285
ADMINISTRATION & GENERAL	15,605	16,834	24,146	21,461	24,229	26,125	26,908	29,550	22,910	18,930	19,074	17,045	262,817
ENERGY	12,601	18,520	38,852	69,590	72,214	113,778	126,147	127,352	66,766	46,441	27,060	13,666	732,988
TOTAL OVERHEAD EXPENSE	2,053	2,053	2,053	2,053	2,053	2,053	2,053	2,053	2,053	2,053	2,053	2,053	112,108
GROSS OPERATING PROFIT	2,021	2,366	3,977	5,297	5,229	7,300	7,882	8,207	3,838	2,885	2,130	2,130	55,920
OTHER FIXED EXPENSES	2,084	2,440	4,097	5,229	5,448	7,491	8,082	8,397	5,115	3,956	2,940	2,194	57,474
INSURANCE, TAXES, & RENT	6,158	6,859	20,151	35,643	12,798	16,844	18,016	18,656	12,140	33,130	7,848	37,259	225,502
FRANCHISE FEE	6,444	11,660	18,701	33,947	59,416	108,131	108,696	54,627	13,311	19,212	19,212	(23,593)	507,486
MANAGEMENT FEE	0	0	0	20,453	20,453	0	0	0	0	0	0	0	40,907
TOTAL OTHER FIXED EXPENSES	6,444	11,660	18,701	33,947	59,416	108,131	108,696	54,627	13,311	19,212	19,212	(23,593)	466,579
INCOME BEFORE CAPEX & PLAN PMTS	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	232,437
CAPEX	0	0	0	20,453	20,453	0	0	0	0	0	0	0	40,907
NET CASH FLOW FOR PLAN PMTS	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	232,437
PLAN PAYMENTS	15,698	15,698	15,698	15,698	15,698	15,698	15,698	15,698	15,698	15,698	15,698	15,698	188,370
CLASS 1	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	44,067
CLASS 2	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 3	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	12,926	(7,709)	(669)	(5,876)	19,593	77,564	88,761	89,326	35,257	(6,059)	(158)	(42,963)	234,142
TOTAL PLAN PAYMENTS	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	232,437
TOTAL INCOME AFTER PLAN PAYMENTS	397,335	384,412	377,737	381,901	379,327	399,578	483,152	573,659	663,959	689,513	680,051	676,945	397,335
CASH BEGINNING OF PERIOD	6,063	7,097	11,930	15,232	15,890	21,900	23,645	24,620	14,916	11,513	8,565	6,389	167,760
OCCUPANCY TAX COLLECTED	(6,060)	(6,063)	(7,097)	(11,930)	(15,232)	(15,890)	(21,900)	(23,645)	(24,620)	(14,916)	(11,513)	(8,565)	(167,431)
OCCUPANCY TAX REMITTED	(12,926)	(7,709)	(669)	(5,876)	19,593	77,564	88,761	89,326	35,257	(6,059)	(158)	(42,963)	234,142
CAPITAL CONTRIBUTION	384,412	377,737	381,901	379,327	399,578	483,152	573,659	663,959	689,513	680,051	676,945	631,807	631,807
CHANGE IN CASH DURING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH ENDING OF PERIOD	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	19,370	232,437
III(B) ELECTION													
CLAIM PAYMENTS													

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**SHILO INN, MOSES LAKE, INC
2017 MONTHLY CONFIRMATION PLAN**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,800	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,500
ROOMS SOLD	729	861	1,389	1,746	1,749	2,210	2,307	2,195	1,646	1,361	983	746	17,922
ROOMS OCCUPIED	729	861	1,389	1,746	1,749	2,210	2,307	2,195	1,646	1,361	983	746	17,922
PERCENTAGE OF OCCUPANCY	23.5%	30.8%	44.8%	58.2%	56.4%	73.7%	74.4%	70.8%	54.9%	43.9%	32.8%	24.1%	49.1%
AVERAGE DAILY RATE	72.57	71.94	74.96	76.13	79.28	86.48	89.44	97.88	79.08	73.82	76.04	74.74	81.69
REVENUE PER AVAILABLE ROOM	17.07	22.12	33.58	44.31	44.73	63.70	66.56	69.31	43.39	32.41	24.92	17.99	40.11
REVENUE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	52,906	61,937	104,113	132,929	138,669	191,112	206,348	214,849	130,168	100,469	74,745	55,755	1,464,000
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	1,624	1,918	3,095	3,890	3,897	4,924	5,140	4,890	3,667	3,032	2,190	1,662	39,928
TOTAL REVENUE	54,530	63,855	107,208	136,819	142,566	196,036	211,488	219,739	133,835	103,501	76,935	57,417	1,503,928
DEPARTMENTAL EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	22,773	24,555	38,582	38,817	38,914	46,686	48,331	52,451	37,321	32,548	26,294	23,037	430,311
TELEPHONE-LINE CHARGES	1,540	1,540	1,540	1,540	1,540	1,540	1,540	1,540	1,540	1,540	1,540	1,540	18,478
OTHER	320	378	609	766	767	970	1,012	963	722	597	431	327	7,863
TOTAL DEPARTMENTAL EXPENSE	24,633	26,473	40,731	41,123	41,221	49,196	50,883	54,953	39,583	34,685	28,265	24,904	456,651
OVERHEAD EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
SALES & MARKETING	628	628	2,651	628	2,996	1,158	1,315	1,502	2,227	628	628	2,244	17,235
REPAIRS & MAINTENANCE	5,412	5,485	8,485	8,099	7,831	9,240	9,581	10,614	7,654	6,806	6,179	5,181	90,567
ADMINISTRATION & GENERAL	6,139	7,122	8,775	7,914	8,636	10,323	10,487	12,137	8,392	7,195	8,533	6,201	101,854
ENERGY	3,849	4,065	4,931	5,517	5,522	6,278	6,437	6,253	5,353	4,885	4,265	3,877	61,232
TOTAL OVERHEAD EXPENSE	16,028	17,300	24,842	22,158	24,985	26,999	27,820	30,507	23,626	19,515	19,605	17,503	270,888
GROSS OPERATING PROFIT	13,869	20,082	41,634	73,538	76,359	119,841	132,785	134,279	70,626	49,301	29,065	15,010	776,390
OTHER FIXED EXPENSES	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
INSURANCE, TAXES, & RENT	2,114	2,114	14,338	26,097	2,114	2,114	2,114	2,114	2,114	26,097	2,114	32,996	116,443
FRANCHISE FEE	2,116	2,477	4,165	5,317	5,547	7,644	8,254	5,207	4,019	2,990	2,230	58,560	85,560
MANAGEMENT FEE	2,181	2,554	4,288	5,473	5,703	7,841	8,460	8,790	5,353	4,140	3,077	2,297	60,157
TOTAL OTHER FIXED EXPENSES	6,412	7,146	22,791	36,886	13,364	17,600	18,828	19,498	12,675	34,255	8,182	37,523	255,160
INCOME BEFORE CAPEX & PLAN PMTS	7,457	12,936	18,844	36,652	62,995	102,240	113,957	114,781	57,951	15,046	20,883	(22,513)	541,230
CAPEX	0	0	0	21,553	21,553	0	0	0	0	0	0	0	43,105
NET CASH FLOW FOR PLAN PMTS	7,457	12,936	18,844	15,099	41,443	102,240	113,957	114,781	57,951	15,046	20,883	(22,513)	498,124
PLAN PAYMENTS	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLASS 1	15,698	15,698	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	251,634
CLASS 2	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	44,067
CLASS 3	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PLAN PAYMENTS	19,370	19,370	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	295,701
TOTAL INCOME AFTER PLAN PAYMENTS	(11,913)	(6,434)	(6,852)	(10,597)	15,746	76,544	88,261	89,085	32,255	(10,650)	(4,813)	(48,209)	202,424
CASH BEGINNING OF PERIOD	631,807	619,854	614,504	612,712	605,573	622,008	704,846	794,935	885,040	907,134	892,920	885,020	631,807
OCCUPANCY TAX COLLECTED	6,349	7,432	12,494	15,951	16,640	22,953	24,762	25,782	15,620	12,056	8,969	6,691	175,680
OCCUPANCY TAX REMITTED	(6,389)	(6,349)	(7,432)	(12,494)	(15,951)	(16,640)	(22,953)	(24,762)	(15,620)	(12,056)	(8,969)	(6,691)	(175,378)
CAPITAL CONTRIBUTION	(11,913)	(6,434)	(6,852)	(10,597)	15,746	76,544	88,261	89,085	32,255	(10,650)	(4,813)	(48,209)	202,424
CHANGE IN CASH DURING PERIOD	619,854	614,504	612,712	605,573	622,008	704,846	794,935	885,040	907,134	892,920	885,020	834,532	834,532
CASH ENDING OF PERIOD	19,370	19,370	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	295,701
III(B) ELECTION	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLAIM PAYMENTS	19,370	19,370	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	295,701

CONFIDENTIAL - NOT FOR DISTRIBUTION

**SHILO INN, MOSES LAKE, INC
2018 MONTHLY CONFIRMATION PLAN**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,800	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,500
ROOMS SOLD	751	887	1,431	1,799	1,802	2,277	2,377	2,262	1,696	1,403	1,013	771	18,469
ROOMS OCCUPIED	751	887	1,431	1,799	1,802	2,277	2,377	2,262	1,696	1,403	1,013	771	18,469
PERCENTAGE OF OCCUPANCY	24.2%	31.7%	46.2%	60.0%	58.1%	75.9%	76.7%	73.0%	56.5%	45.3%	33.8%	24.9%	50.6%
AVERAGE DAILY RATE	74.06	73.40	76.48	77.68	80.90	88.23	91.26	99.85	80.68	75.28	77.57	76.02	83.33
REVENUE PER AVAILABLE ROOM	17.94	23.25	35.31	46.58	47.02	66.97	69.97	72.86	45.61	34.07	26.19	18.91	42.16
REVENUE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	55,616	65,110	109,447	139,739	145,773	200,903	216,919	225,856	136,836	105,616	78,574	58,611	1,539,000
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	1,675	1,979	3,192	4,013	4,020	5,079	5,302	5,046	3,783	3,130	2,260	1,720	41,198
TOTAL REVENUE	57,291	67,089	112,639	143,752	149,793	205,982	222,221	230,902	140,619	108,746	80,834	60,331	1,580,198
DEPARTMENTAL EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	29,202	25,407	34,307	40,396	40,497	48,666	50,395	54,558	38,825	33,818	27,238	23,842	447,151
TELEPHONE-LINE CHARGES	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	18,847
OTHER	330	389	628	790	791	1,000	1,043	993	745	616	445	338	8,108
TOTAL DEPARTMENTAL EXPENSE	31,102	27,367	36,506	42,756	42,859	51,236	53,009	57,122	41,140	36,004	29,253	25,751	474,106
OVERHEAD EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
SALES & MARKETING	962	641	2,384	641	3,056	1,181	1,341	1,532	2,271	641	641	2,288	17,579
REPAIRS & MAINTENANCE	7,216	5,665	7,131	8,404	8,130	9,605	9,961	11,007	7,942	7,055	6,383	5,352	93,852
ADMINISTRATION & GENERAL	7,780	7,306	7,539	8,163	8,903	10,660	10,837	12,526	8,649	7,408	8,754	6,364	104,887
ENERGY	3,963	4,190	5,100	5,716	5,721	6,516	6,683	6,490	5,544	5,053	4,401	3,996	63,372
TOTAL OVERHEAD EXPENSE	19,921	17,802	22,153	22,923	25,811	27,962	28,822	31,555	24,405	20,179	20,179	18,000	279,691
GROSS OPERATING PROFIT	6,268	21,920	53,980	78,072	81,123	126,785	140,390	142,224	75,074	52,584	31,401	16,580	826,401
OTHER FIXED EXPENSES	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
INSURANCE, TAXES, & RENT	2,178	2,178	16,414	26,879	2,178	2,178	2,178	2,178	26,879	2,178	2,178	33,060	120,655
FRANCHISE FEE	2,225	2,604	4,378	5,990	5,831	8,036	8,677	9,034	5,473	4,225	3,143	2,344	61,560
MANAGEMENT FEE	2,292	2,684	4,506	5,750	5,992	8,239	8,889	9,236	5,625	4,350	3,233	2,413	63,208
TOTAL OTHER FIXED EXPENSES	6,694	7,466	25,297	38,219	14,000	18,453	19,743	20,448	13,276	35,454	8,554	37,818	245,423
INCOME BEFORE CAPEX & PLAN PMTS	(426)	14,454	28,683	39,853	67,123	108,331	120,646	121,776	61,798	17,130	22,847	(21,238)	580,978
CAPEX	0	0	0	22,559	22,559	0	0	0	0	0	0	0	45,118
NET CASH FLOW FOR PLAN PMTS	(426)	14,454	28,683	17,294	44,564	108,331	120,646	121,776	61,798	17,130	22,847	(21,238)	535,860
PLAN PAYMENTS	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLASS 1	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	264,287
CLASS 2	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	44,067
CLASS 3	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
TOTAL PLAN PAYMENTS	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353
TOTAL INCOME AFTER PLAN PAYMENTS	(26,122)	(11,242)	2,987	(8,402)	18,868	82,635	94,950	96,080	36,102	(8,566)	(2,849)	(46,934)	227,507
CASH BEGINNING OF PERIOD	834,532	808,393	798,290	806,597	801,831	821,422	910,673	1,007,545	1,104,698	1,130,117	1,117,805	1,111,711	834,532
OCCUPANCY TAX COLLECTED	6,674	7,813	13,134	16,769	17,493	24,108	26,030	27,103	16,420	12,674	9,429	7,033	184,680
OCCUPANCY TAX REMITTED	(6,691)	(6,674)	(7,813)	(13,134)	(16,769)	(17,493)	(24,108)	(26,030)	(27,103)	(16,420)	(12,674)	(9,429)	(184,337)
CAPITAL CONTRIBUTION	(26,122)	(11,242)	2,987	(8,402)	18,868	82,635	94,950	96,080	36,102	(8,566)	(2,849)	(46,934)	227,507
CHANGE IN CASH DURING PERIOD	808,393	798,290	806,597	801,831	821,422	910,673	1,007,545	1,104,698	1,130,117	1,117,805	1,111,711	1,062,381	1,062,381
CASH ENDING OF PERIOD													
IIII(B) ELECTION	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLAIM PAYMENTS	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353

CONFIDENTIAL - NOT FOR DISTRIBUTION

**SHILO INN, MOSES LAKE, INC
2019 MONTHLY CONFIRMATION PLAN**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,800	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,500
ROOMS SOLD	766	905	1,459	1,835	1,838	2,322	2,424	2,307	1,730	1,431	1,033	784	18,834
ROOMS OCCUPIED	766	905	1,459	1,835	1,838	2,322	2,424	2,307	1,730	1,431	1,033	784	18,834
PERCENTAGE OF OCCUPANCY	24.7%	32.3%	47.1%	61.2%	59.3%	77.4%	78.2%	74.4%	57.7%	46.2%	34.4%	25.3%	51.6%
AVERAGE DAILY RATE	75.53	74.84	78.04	79.22	82.51	90.01	93.09	101.84	82.28	76.78	79.13	77.77	85.01
REVENUE PER AVAILABLE ROOM	18.66	24.19	36.73	48.46	48.92	69.67	72.79	75.79	47.45	35.44	27.25	19.67	43.86
REVENUE	57,857	67,733	113,856	145,369	151,646	208,997	225,658	234,955	142,349	109,871	81,739	60,970	1,601,000
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	1,711	2,021	3,259	4,098	4,105	5,186	5,414	5,153	3,864	3,196	2,307	1,751	42,065
OTHER INCOME	59,568	69,754	117,115	149,467	155,751	214,183	231,072	240,108	146,213	113,067	84,046	62,721	1,643,065
TOTAL REVENUE	61,279	71,775	117,115	149,467	155,751	214,183	231,072	240,108	146,213	113,067	84,046	62,721	1,643,065
DEPARTMENTAL EXPENSE	29,998	26,169	35,417	41,762	41,866	50,357	57,937	50,596	40,128	34,917	28,067	24,507	461,720
ROOMS	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602	19,224
TELEPHONE-LINE CHARGES	336	398	641	806	807	1,020	1,065	1,013	760	629	454	344	8,273
OTHER	31,936	28,168	37,660	44,170	44,275	52,979	60,604	53,211	42,490	37,147	30,123	26,453	489,217
TOTAL DEPARTMENTAL EXPENSE	32,670	29,168	39,653	47,638	47,678	56,806	65,606	56,824	44,980	41,716	34,680	31,399	600,714
OVERHEAD EXPENSE	981	654	2,431	654	3,117	1,205	1,695	1,236	2,317	654	654	2,334	17,931
SALES & MARKETING	7,402	5,827	7,350	8,671	8,392	9,921	11,960	9,681	8,194	7,273	6,566	5,495	96,732
REPAIRS & MAINTENANCE	7,960	7,481	7,737	8,387	9,145	10,961	12,660	11,363	8,882	7,602	8,964	6,516	107,659
ADMINISTRATION & GENERAL	4,067	4,305	5,250	5,892	5,897	6,723	6,897	6,697	5,712	5,202	4,523	4,098	65,262
ENERGY	20,410	18,267	22,769	23,602	26,551	28,809	33,212	28,977	25,105	20,731	20,706	18,443	287,585
TOTAL OVERHEAD EXPENSE	30,849	26,044	36,216	36,566	43,500	49,900	59,784	50,972	47,026	33,868	30,885	26,856	407,925
GROSS OPERATING PROFIT	28,609	42,606	77,462	101,829	108,075	157,326	176,166	183,284	101,233	71,350	49,366	36,322	866,262
OTHER FIXED EXPENSES	2,243	2,243	18,767	27,686	2,243	2,243	2,243	2,243	2,243	27,686	2,243	33,125	125,209
INSURANCE, TAXES, & RENT	2,314	2,709	4,554	5,815	6,066	8,360	9,398	5,694	3,270	4,339	3,270	2,439	64,040
FRANCHISE FEE	2,383	2,790	4,685	5,979	6,230	8,567	9,243	9,604	5,849	4,523	3,362	2,509	65,723
MANAGEMENT FEE	6,940	7,743	28,006	39,479	14,539	19,170	20,512	21,246	13,786	36,603	8,875	38,073	254,972
TOTAL OTHER FIXED EXPENSES	11,637	13,242	45,245	65,273	20,835	27,070	29,155	30,100	22,715	90,611	24,676	73,020	350,775
INCOME BEFORE CAPEX & PLAN PMTS	16,972	29,364	32,217	36,556	87,240	130,356	147,011	153,184	78,518	30,739	24,690	(36,698)	515,487
CAPEX	0	0	0	23,703	23,703	0	0	0	0	0	0	0	47,406
NET CASH FLOW FOR PLAN PMTS	16,972	29,364	32,217	12,853	63,537	130,356	147,011	153,184	78,518	30,739	24,690	(36,698)	562,893
PLAN PAYMENTS	22,024	3,672	22,024	3,672	22,024	3,672	22,024	22,024	22,024	22,024	22,024	22,024	264,287
CLASS 1	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	44,067
CLASS 2	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 3	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353
TOTAL PLAN PAYMENTS	(25,415)	(10,120)	2,983	(7,184)	20,986	87,528	91,047	110,977	39,136	(7,111)	(1,354)	(45,945)	255,531
TOTAL INCOME AFTER PLAN PAYMENTS	1,062,381	1,036,876	1,027,941	1,036,459	1,033,057	1,054,796	1,149,206	1,242,253	1,354,346	1,382,370	1,371,362	1,366,632	1,062,381
CASH BEGINNING OF PERIOD	6,943	8,128	13,663	17,444	18,198	25,080	27,079	28,195	17,082	13,185	9,809	7,316	192,120
OCCUPANCY TAX COLLECTED	(7,033)	(6,943)	(8,128)	(13,663)	(17,444)	(18,198)	(25,080)	(27,079)	(17,082)	(13,185)	(9,809)	(7,316)	(191,837)
OCCUPANCY TAX REMITTED	(25,415)	(10,120)	2,983	(7,184)	20,986	87,528	91,047	110,977	39,136	(7,111)	(1,354)	(45,945)	255,531
CAPITAL CONTRIBUTION	1,036,876	1,027,941	1,036,459	1,033,057	1,054,796	1,149,206	1,242,253	1,354,346	1,382,370	1,371,362	1,366,632	1,318,195	1,318,195
CHANGE IN CASH DURING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH ENDING OF PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
III(B) ELECTION	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353
CLAIM PAYMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0

CONFIDENTIAL - NOT FOR DISTRIBUTION

**SHILO INN, MOSES LAKE, INC
2020 MONTHLY CONFIRMATION PLAN**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,900	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,600
ROOMS SOLD	783	925	1,491	1,876	1,879	2,374	2,478	2,358	1,768	1,463	1,056	801	19,252
ROOMS OCCUPIED	783	925	1,491	1,876	1,879	2,374	2,478	2,358	1,768	1,463	1,056	801	19,252
PERCENTAGE OF OCCUPANCY	25.3%	31.9%	48.1%	62.5%	60.6%	79.1%	79.9%	76.1%	58.9%	47.2%	35.2%	25.8%	52.6%
AVERAGE DAILY RATE	77.03	76.34	79.61	80.78	84.13	91.78	94.93	103.87	83.93	78.29	80.69	79.35	86.69
REVENUE PER AVAILABLE ROOM	19.46	24.35	38.29	50.51	51.00	72.62	75.88	79.01	49.47	36.95	28.40	20.50	45.60
REVENUE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	60,314	70,610	118,692	151,543	158,087	217,874	235,242	244,934	148,395	114,538	85,211	63,560	1,669,000
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	1,751	2,069	5,334	4,195	4,202	5,309	5,542	5,273	5,954	3,272	2,362	1,791	43,053
TOTAL REVENUE	62,065	72,679	122,026	155,738	162,289	223,183	240,784	250,207	152,349	117,810	87,573	65,351	1,712,053
DEPARTMENTAL EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	30,842	26,980	36,637	43,261	43,370	52,226	59,995	52,465	41,547	36,124	28,962	31,140	483,549
TELEPHONE-LINE CHARGES	1,634	1,634	1,634	1,634	1,634	1,634	1,634	1,634	1,634	1,634	1,634	1,634	19,608
OTHER	344	407	655	825	826	1,043	1,089	1,036	777	643	464	352	8,462
TOTAL DEPARTMENTAL EXPENSE	32,821	29,021	38,926	45,720	45,829	54,903	62,718	55,135	43,959	38,401	31,060	33,126	511,619
OVERHEAD EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
SALES & MARKETING	1,000	667	2,480	667	3,179	1,229	1,729	1,260	2,363	667	667	2,714	18,623
REPAIRS & MAINTENANCE	7,598	6,000	7,587	8,959	8,675	10,265	12,350	10,018	8,465	7,508	6,761	7,355	101,542
ADMINISTRATION & GENERAL	8,148	7,664	7,948	8,626	9,402	11,282	13,023	11,705	9,128	7,808	9,183	8,219	112,134
ENERGY	4,178	4,425	5,411	6,081	6,086	6,948	7,129	6,920	5,893	5,362	4,653	4,210	67,295
TOTAL OVERHEAD EXPENSE	20,924	18,756	23,425	24,333	27,342	29,724	34,231	29,903	25,849	21,345	21,264	22,498	299,594
GROSS OPERATING PROFIT	8,320	24,902	59,675	85,686	89,117	138,556	143,834	165,169	82,541	58,063	35,248	9,727	900,840
OTHER FIXED EXPENSES	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
INSURANCE, TAXES, & RENT	2,310	2,310	20,720	28,516	2,310	2,310	2,310	2,310	2,310	28,516	2,310	33,192	129,430
FRANCHISE FEE	2,413	2,824	4,748	6,062	6,323	8,715	9,410	5,936	4,582	3,408	2,542	2,542	66,760
MANAGEMENT FEE	2,483	2,907	4,881	6,230	6,492	8,927	9,631	10,008	6,094	4,712	3,503	2,614	68,482
TOTAL OTHER FIXED EXPENSES	7,206	8,042	30,349	40,808	15,126	19,953	21,352	22,116	14,340	37,810	9,222	38,349	264,672
INCOME BEFORE CAPEX & PLAN PMTS	1,115	16,860	29,326	44,878	73,992	118,603	122,483	143,053	68,201	20,253	26,026	(28,622)	636,168
CAPEX	0	0	0	24,646	24,646	0	0	0	0	0	0	0	49,292
NET CASH FLOW FOR PLAN PMTS	1,115	16,860	29,326	20,232	49,346	118,603	122,483	143,053	68,201	20,253	26,026	(28,622)	586,876
PLAN PAYMENTS	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLASS 1	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	264,287
CLASS 2	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	44,067
CLASS 3	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PLAN PAYMENTS	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353
TOTAL INCOME AFTER PLAN PAYMENTS	(24,582)	(8,836)	3,629	(5,464)	23,650	92,907	96,787	117,357	42,505	(5,443)	330	(54,318)	278,523
CASH BEGINNING OF PERIOD	1,318,195	1,293,535	1,285,934	1,295,333	1,293,812	1,318,247	1,418,329	1,517,199	1,635,719	1,666,639	1,657,134	1,653,945	1,318,195
OCCUPANCY TAX COLLECTED	7,238	8,473	14,243	18,185	18,970	26,145	28,229	29,592	17,807	13,745	10,225	7,627	200,280
OCCUPANCY TAX REMITTED	(7,316)	(7,238)	(8,473)	(14,243)	(18,185)	(18,970)	(26,145)	(28,229)	(29,592)	(17,807)	(13,745)	(10,225)	(199,969)
CAPITAL CONTRIBUTION	(24,582)	(8,836)	3,629	(5,464)	23,650	92,907	96,787	117,357	42,505	(5,443)	330	(54,318)	278,523
CHANGE IN CASH DURING PERIOD	1,293,535	1,285,934	1,295,333	1,293,812	1,318,247	1,418,329	1,517,199	1,635,719	1,666,639	1,657,134	1,653,945	1,597,029	1,597,029
CASH ENDING OF PERIOD	1,293,535	1,285,934	1,295,333	1,293,812	1,318,247	1,418,329	1,517,199	1,635,719	1,666,639	1,657,134	1,653,945	1,597,029	1,597,029
III(B) ELECTION	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLAIM PAYMENTS	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353

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SHILO INN, MOSES LAKE, INC
2021 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
REVENUE													
ROOMS AVAILABLE	3,100	2,800	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,500
ROOMS SOLD	797	942	1,518	1,910	1,913	2,417	2,523	2,401	1,800	1,490	1,075	815	19,601
ROOMS OCCUPIED	797	942	1,518	1,910	1,913	2,417	2,523	2,401	1,800	1,490	1,075	815	19,601
PERCENTAGE OF OCCUPANCY	25.7%	33.6%	49.0%	63.7%	61.7%	80.6%	81.4%	77.5%	60.0%	48.1%	35.8%	26.3%	53.7%
AVERAGE DAILY RATE	78.58	77.83	81.19	82.38	85.81	93.60	96.81	105.93	85.60	79.82	82.31	80.98	88.41
REVENUE PER AVAILABLE ROOM	20.20	26.19	39.76	52.45	52.95	75.41	78.79	82.04	51.36	38.36	29.49	21.29	47.48
REVENUE	62,627	73,318	123,243	157,354	164,149	226,229	244,263	254,326	154,085	118,930	88,479	65,997	1,733,000
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	1,785	2,109	3,399	4,277	4,284	5,412	5,376	4,031	3,336	2,407	1,825	1,825	43,891
OTHER INCOME	64,412	75,427	126,642	161,631	168,433	231,641	249,913	259,702	158,116	122,266	90,886	67,822	1,776,891
TOTAL REVENUE	68,204	79,854	130,284	173,258	177,866	258,282	260,042	264,028	162,411	124,752	99,312	70,477	1,954,582
DEPARTMENTAL EXPENSE													
ROOMS	25,651	27,769	37,775	44,655	44,766	59,978	55,910	54,216	42,875	37,251	29,822	31,970	492,637
TELEPHONE-LINE CHARGES	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,001
OTHER	351	414	668	840	841	1,063	1,110	1,056	792	655	473	358	8,621
TOTAL DEPARTMENTAL EXPENSE	27,668	29,850	40,110	47,162	47,274	62,708	58,686	56,939	45,333	39,573	31,961	33,995	521,259
OVERHEAD EXPENSE													
SALES & MARKETING	680	680	2,530	680	3,243	1,594	1,423	1,286	2,410	680	680	2,769	18,656
REPAIRS & MAINTENANCE	6,053	6,169	7,816	9,236	8,946	12,331	10,989	10,341	8,726	7,736	6,951	7,543	102,834
ADMINISTRATION & GENERAL	6,761	7,845	8,153	8,858	9,653	13,167	11,804	12,036	9,370	8,009	9,400	8,408	113,463
ENERGY	4,287	4,544	5,567	6,263	6,268	7,163	7,135	6,067	5,517	4,780	4,480	4,319	69,261
TOTAL OVERHEAD EXPENSE	17,781	19,238	24,066	25,037	28,109	34,254	31,567	30,797	26,573	21,942	21,812	23,038	304,213
GROSS OPERATING PROFIT	18,963	26,339	62,467	89,432	93,049	134,679	159,659	171,966	86,209	60,752	37,113	10,789	951,418
OTHER FIXED EXPENSES													
INSURANCE, TAXES, & RENT	2,380	2,380	22,859	29,372	2,380	2,380	2,380	2,380	2,380	29,372	2,380	33,262	133,903
FRANCHISE FEE	2,505	2,933	4,930	6,294	6,566	9,049	10,173	6,163	4,757	3,539	3,539	2,640	69,320
MANAGEMENT FEE	2,576	3,017	5,066	6,465	6,737	9,266	9,971	10,388	6,325	4,891	3,635	2,713	71,076
TOTAL OTHER FIXED EXPENSES	7,461	8,330	32,855	42,131	15,683	20,695	22,147	22,941	14,868	39,020	9,554	38,615	274,299
INCOME BEFORE CAPEX & PLAN PMTS	11,501	18,010	29,612	47,301	77,366	113,984	137,513	149,026	71,342	21,732	27,559	(27,826)	677,119
CAPEX	0	0	0	25,681	25,681	0	0	0	0	0	0	0	51,362
NET CASH FLOW FOR PLAN PMTS	11,501	18,010	29,612	21,620	51,685	113,984	137,513	149,026	71,342	21,732	27,559	(27,826)	625,758
PLAN PAYMENTS													
CLASS 1	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 2	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 3	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	264,287
CLASS 4	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	44,067
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY													
TOTAL PLAN PAYMENTS	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353
TOTAL INCOME AFTER PLAN PAYMENTS	(14,195)	(7,686)	3,916	(4,076)	25,989	88,288	111,816	123,329	45,645	(3,964)	1,863	(53,522)	317,404
CASH BEGINNING OF PERIOD	1,597,029	1,582,722	1,576,318	1,586,225	1,586,243	1,613,048	1,708,785	1,822,766	1,947,303	1,980,919	1,972,736	1,970,945	1,597,029
OCCUPANCY TAX COLLECTED	7,515	8,798	14,789	18,882	27,147	29,312	30,519	18,450	14,272	10,617	7,920	(207,960)	(207,960)
OCCUPANCY TAX REMITTED	(7,672)	(7,515)	(8,798)	(14,789)	(18,882)	(19,698)	(27,147)	(30,512)	(18,490)	(14,272)	(10,617)	(10,617)	(207,668)
CAPITAL CONTRIBUTION	(14,195)	(7,686)	3,916	(4,076)	25,989	88,288	111,816	123,329	45,645	(3,964)	1,863	(53,522)	317,404
CHANGE IN CASH DURING PERIOD	1,582,722	1,576,318	1,586,225	1,586,243	1,613,048	1,708,785	1,822,766	1,947,303	1,980,919	1,972,736	1,970,945	1,914,725	1,914,725
CASH ENDING OF PERIOD													
II(1)(B) ELECTION													
CLAIM PAYMENTS	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353

CONFIDENTIAL - NOT FOR DISTRIBUTION

**SHILO INN, MOSES LAKE, INC
2022 MONTHLY CONFIRMATION PLAN**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,800	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,500
ROOMS SOLD	813	961	1,549	1,949	1,952	2,466	2,575	2,450	1,837	1,520	1,097	833	20,002
ROOMS OCCUPIED	813	961	1,549	1,949	1,952	2,466	2,575	2,450	1,837	1,520	1,097	833	20,002
PERCENTAGE OF OCCUPANCY	26.2%	34.3%	50.0%	65.0%	63.0%	82.2%	83.1%	79.0%	61.2%	49.0%	36.6%	26.9%	54.8%
AVERAGE DAILY RATE	80.19	79.42	82.82	84.04	87.54	95.50	98.75	108.06	87.32	81.45	83.96	82.47	90.19
REVENUE PER AVAILABLE ROOM	21.03	27.26	41.38	54.60	55.12	78.50	82.02	85.40	53.47	39.94	30.70	22.16	49.42
REVENUE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	65,193	76,322	128,292	163,801	170,874	235,497	254,270	264,746	160,398	123,802	92,104	68,701	1,804,000
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	1,823	2,155	3,473	4,377	4,377	5,529	5,774	5,493	4,119	3,408	2,460	1,868	44,848
TOTAL REVENUE	67,016	78,477	131,765	168,171	175,251	241,026	260,044	270,239	164,517	127,210	94,564	70,569	1,848,848
DEPARTMENTAL EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	26,405	28,610	39,027	46,188	46,303	62,006	57,910	56,139	44,339	38,474	36,885	26,744	509,029
TELEPHONE-LINE CHARGES	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,401
OTHER	358	423	682	858	859	1,085	1,133	1,078	809	669	483	367	8,804
TOTAL DEPARTMENTAL EXPENSE	28,462	30,733	41,409	48,746	48,862	64,792	60,743	58,918	46,847	40,843	39,068	28,810	538,233
OVERHEAD EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
SALES & MARKETING	694	694	2,580	694	3,308	1,625	1,452	1,311	2,458	694	1,041	2,477	19,029
REPAIRS & MAINTENANCE	6,220	6,347	8,063	9,534	9,238	12,721	11,360	10,691	9,008	7,978	8,926	5,974	106,060
ADMINISTRATION & GENERAL	6,925	8,035	8,372	9,107	9,920	13,532	12,150	12,392	9,627	8,223	11,233	7,002	116,518
ENERGY	4,401	4,669	5,734	6,469	6,464	7,595	7,592	7,566	6,256	5,682	4,916	4,438	71,372
TOTAL OVERHEAD EXPENSE	18,241	19,746	24,749	25,793	28,930	35,273	32,555	31,760	27,349	22,577	26,115	19,890	312,979
GROSS OPERATING PROFIT	20,313	27,998	65,607	93,632	97,459	140,961	166,745	179,562	90,320	63,790	29,381	21,868	997,636
OTHER FIXED EXPENSES	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
INSURANCE, TAXES, & RENT	2,451	2,451	24,876	30,253	2,451	2,451	2,451	2,451	2,451	30,253	2,451	33,333	138,325
FRANCHISE FEE	2,608	3,053	5,132	6,552	6,835	9,420	10,171	10,590	6,416	4,952	3,684	2,748	72,160
MANAGEMENT FEE	2,681	3,139	5,271	6,727	7,010	9,641	10,402	10,810	6,581	5,088	3,783	2,823	73,954
TOTAL OTHER FIXED EXPENSES	7,740	8,643	35,278	43,532	46,296	21,512	23,024	23,851	15,448	40,293	9,918	38,904	284,439
INCOME BEFORE CAPEX & PLAN PMTS	12,573	19,355	30,329	50,100	81,163	119,449	143,722	155,711	74,872	23,496	19,463	(17,036)	713,197
CAPEX	0	0	0	26,653	26,653	0	0	0	0	0	0	0	53,307
NET CASH FLOW FOR PLAN PMTS	12,573	19,355	30,329	23,447	54,509	119,449	143,722	155,711	74,872	23,496	19,463	(17,036)	659,891
PLAN PAYMENTS	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLASS 1	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	264,287
CLASS 2	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	44,067
CLASS 3	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
TOTAL PLAN PAYMENTS	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353
TOTAL INCOME AFTER PLAN PAYMENTS	(13,123)	(6,341)	4,632	(2,249)	28,813	93,753	118,025	130,015	49,176	(2,200)	(6,233)	(42,732)	351,537
CASH BEGINNING OF PERIOD	1,914,725	1,901,506	1,896,501	1,907,369	1,909,381	1,939,043	2,040,551	2,160,829	2,292,101	2,328,756	2,322,165	2,312,128	1,914,725
OCCUPANCY TAX COLLECTED	7,823	9,159	15,395	19,656	20,505	28,260	30,512	31,770	19,248	14,856	11,052	8,244	216,480
OCCUPANCY TAX REMITTED	(7,920)	(7,823)	(9,159)	(15,395)	(19,656)	(20,505)	(28,260)	(30,512)	(31,770)	(19,248)	(14,856)	(11,052)	(216,156)
CAPITAL CONTRIBUTION	(13,123)	(6,341)	4,632	(2,249)	28,813	93,753	118,025	130,015	49,176	(2,200)	(6,233)	(42,732)	351,537
CHANGE IN CASH DURING PERIOD	1,901,506	1,896,501	1,907,369	1,909,381	1,939,043	2,040,551	2,160,829	2,292,101	2,328,756	2,322,165	2,312,128	2,266,587	2,266,587
CASH ENDING OF PERIOD	3,816,232	3,802,006	3,813,875	3,812,626	3,841,439	3,934,582	4,095,607	4,225,622	4,355,637	4,353,435	4,345,935	4,323,200	3,816,232
III(B) ELECTION	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLAIM PAYMENTS	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353

CONFIDENTIAL - NOT FOR DISTRIBUTION

SHILO INN, MOSES LAKE, INC
2023 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,800	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,500
ROOMS SOLD	829	980	1,580	1,988	1,991	2,516	2,627	2,499	1,874	1,551	1,119	850	20,404
ROOMS OCCUPIED	829	980	1,580	1,988	1,991	2,516	2,627	2,499	1,874	1,551	1,119	850	20,404
PERCENTAGE OF OCCUPANCY	26.7%	35.0%	51.0%	66.3%	64.2%	83.9%	84.7%	80.6%	62.5%	50.0%	37.3%	27.4%	55.9%
AVERAGE DAILY RATE	81.82	81.03	84.48	85.73	89.30	97.39	100.71	110.23	89.05	83.05	85.64	84.10	91.99
REVENUE PER AVAILABLE ROOM	21.88	28.36	43.06	56.81	57.35	81.68	85.34	88.86	55.63	41.55	31.94	23.06	51.42
REVENUE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	67,831	79,410	133,483	170,429	177,789	245,027	264,559	275,459	166,889	128,812	95,831	71,481	1,877,000
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	1,861	2,200	5,547	4,463	4,470	5,649	5,898	5,611	4,208	3,482	2,512	1,908	45,811
TOTAL REVENUE	69,692	81,610	137,030	174,892	182,259	250,676	270,457	281,070	171,097	132,294	98,343	73,389	1,922,811
DEPARTMENTAL EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	27,178	29,473	40,314	47,765	54,140	57,850	59,968	58,118	45,845	39,749	37,961	27,539	525,900
TELEPHONE-LINE CHARGES	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	20,809
OTHER	365	432	696	876	1,108	1,157	825	683	493	493	374	374	8,987
TOTAL DEPARTMENTAL EXPENSE	29,277	31,639	42,744	50,374	56,751	60,692	62,859	60,552	48,404	42,166	40,188	29,647	555,695
OVERHEAD EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
SALES & MARKETING	708	708	2,632	708	3,728	1,304	1,481	1,338	2,508	708	1,062	2,527	19,409
REPAIRS & MAINTENANCE	6,392	6,531	8,316	9,841	11,346	11,316	11,742	11,051	9,298	8,230	9,170	6,144	109,378
ADMINISTRATION & GENERAL	7,092	8,229	8,596	9,361	11,831	12,271	12,506	12,757	9,890	8,442	11,498	7,172	119,646
ENERGY	4,519	4,298	5,906	6,660	6,665	7,655	7,840	7,604	6,449	5,853	5,055	4,558	73,542
TOTAL OVERHEAD EXPENSE	18,711	20,266	25,451	26,569	33,570	32,526	32,748	28,146	23,233	26,784	20,401	32,197	295,026
GROSS OPERATING PROFIT	21,704	29,706	68,835	97,949	91,937	157,457	174,029	187,369	94,547	66,896	31,371	23,341	1,045,141
OTHER FIXED EXPENSES	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
INSURANCE, TAXES, & RENT	2,525	2,525	27,108	31,161	2,525	2,525	2,525	2,525	2,525	31,161	2,525	33,407	143,034
FRANCHISE FEE	2,713	3,176	5,339	6,817	7,112	8,801	10,582	6,676	5,152	3,833	2,859	75,080	75,080
MANAGEMENT FEE	2,788	3,264	5,481	6,996	7,290	10,027	10,818	11,243	6,844	5,292	3,934	2,936	76,912
TOTAL OTHER FIXED EXPENSES	8,026	8,966	37,929	44,973	16,927	22,353	23,925	24,786	16,044	41,605	10,292	39,202	295,026
INCOME BEFORE CAPEX & PLAN PMTS	13,678	20,740	30,907	52,975	75,011	135,105	150,103	162,583	78,502	25,291	21,079	(15,860)	750,115
CAPEX	0	0	0	27,733	27,733	0	0	0	0	0	0	0	55,465
NET CASH FLOW FOR PLAN PMTS	13,678	20,740	30,907	25,243	47,278	135,105	150,103	162,583	78,502	25,291	21,079	(15,860)	694,649
PLAN PAYMENTS	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLASS 1	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	22,024	264,287
CLASS 2	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	44,067
CLASS 3	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PLAN PAYMENTS	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353
TOTAL INCOME AFTER PLAN PAYMENTS	(12,018)	(4,956)	5,210	(454)	21,582	109,408	124,407	136,887	52,806	(405)	(4,617)	(41,556)	386,296
CASH BEGINNING OF PERIOD	2,266,587	2,254,465	2,250,898	2,262,598	2,266,578	2,289,043	2,406,520	2,533,271	2,671,466	2,711,244	2,706,269	2,697,695	2,266,587
OCCUPANCY TAX COLLECTED	8,140	9,529	16,018	20,451	21,335	29,403	31,747	33,055	20,027	15,457	11,500	8,578	225,240
OCCUPANCY TAX REMITTED	(8,244)	(8,140)	(9,529)	(16,018)	(20,451)	(21,335)	(29,403)	(31,747)	(33,055)	(20,027)	(15,457)	(11,500)	(224,906)
CAPITAL CONTRIBUTION	(12,018)	(4,956)	5,210	(454)	21,582	109,408	124,407	136,887	52,806	(405)	(4,617)	(41,556)	386,296
CHANGE IN CASH DURING PERIOD	2,254,465	2,250,898	2,262,598	2,266,578	2,289,043	2,406,520	2,533,271	2,671,466	2,711,244	2,706,269	2,697,695	2,653,216	2,653,216
CASH ENDING OF PERIOD	2,254,465	2,250,898	2,262,598	2,266,578	2,289,043	2,406,520	2,533,271	2,671,466	2,711,244	2,706,269	2,697,695	2,653,216	2,653,216
III(B) ELECTION	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLAIM PAYMENTS	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353

CONFIDENTIAL - NOT FOR DISTRIBUTION

**SHILO INN, MOSES LAKE, INC
2024 MONTHLY CONFIRMATION PLAN**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	3,100	2,900	3,100	3,000	3,100	3,000	3,100	3,100	3,000	3,100	3,000	3,100	36,600
ROOMS SOLD	848	1,002	1,615	2,033	2,036	2,572	2,686	2,555	1,916	1,586	1,144	869	20,862
ROOMS OCCUPIED	848	1,002	1,615	2,033	2,036	2,572	2,686	2,555	1,916	1,586	1,144	869	20,862
PERCENTAGE OF OCCUPANCY	27.4%	34.6%	52.1%	67.8%	65.7%	85.7%	86.6%	82.4%	63.9%	51.2%	38.1%	28.0%	57.0%
AVERAGE DAILY RATE	83.44	82.67	86.22	87.45	91.09	99.38	102.75	112.46	90.86	84.72	87.38	85.81	93.85
REVENUE PER AVAILABLE ROOM	22.83	28.56	44.92	59.26	59.83	85.20	89.02	92.69	58.03	43.35	33.32	24.05	53.50
REVENUE	70,758	82,837	139,243	177,784	185,461	255,601	275,976	287,346	174,091	134,371	99,966	74,566	1,958,000
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	1,907	2,253	3,631	4,571	4,578	5,783	6,039	5,744	4,308	3,566	2,572	1,954	46,904
OTHER INCOME	72,665	85,090	142,874	182,355	190,039	261,384	282,015	293,090	178,399	137,937	102,538	76,520	2,004,904
TOTAL REVENUE	72,665	85,090	142,874	182,355	190,039	261,384	282,015	293,090	178,399	137,937	102,538	76,520	2,004,904
DEPARTMENTAL EXPENSE	28,018	30,406	41,727	49,510	56,015	60,014	62,232	60,300	47,500	47,530	32,730	28,388	544,370
ROOMS	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	21,225
TELEPHONE-LINE CHARGES	374	442	712	896	897	1,134	1,184	1,126	844	699	504	383	9,195
OTHER	30,160	32,616	44,207	52,174	58,681	62,917	65,185	63,195	50,113	49,998	35,003	30,539	574,790
TOTAL DEPARTMENTAL EXPENSE	30,160	32,616	44,207	52,174	58,681	62,917	65,185	63,195	50,113	49,998	35,003	30,539	574,790
OVERHEAD EXPENSE	722	722	2,684	722	3,802	1,330	1,511	1,364	2,558	1,083	722	2,577	19,797
SALES & MARKETING	6,578	6,728	8,589	10,174	11,710	11,713	12,156	11,442	9,612	10,344	7,586	6,325	112,955
REPAIRS & MAINTENANCE	7,268	8,434	8,835	9,634	12,156	12,639	12,889	13,150	10,172	10,345	10,107	7,351	122,980
ADMINISTRATION & GENERAL	4,645	4,935	6,090	6,878	6,884	7,893	8,108	7,861	6,657	6,056	5,203	4,685	75,876
ENERGY	19,213	20,819	26,199	27,408	34,552	33,575	34,663	33,817	28,599	27,808	23,617	20,938	331,608
TOTAL OVERHEAD EXPENSE	23,291	31,654	72,468	102,773	96,805	164,892	182,167	196,078	99,286	60,131	43,917	25,042	1,098,505
GROSS OPERATING PROFIT	2,600	2,600	29,403	32,095	2,600	2,600	2,600	2,600	2,600	2,600	2,600	33,482	147,880
OTHER FIXED EXPENSES	2,830	3,313	5,570	7,111	7,418	10,424	11,039	11,494	5,375	3,999	2,983	78,320	78,320
INSURANCE, TAXES, & RENT	2,907	3,404	5,715	7,294	7,602	10,455	11,274	11,724	7,136	5,517	4,102	3,061	80,196
FRANCHISE FEE	8,337	9,318	40,687	46,501	17,620	23,280	24,920	25,518	16,700	42,988	10,701	39,526	306,396
TOTAL OTHER FIXED EXPENSES	14,954	22,337	31,781	56,272	79,184	141,612	157,246	170,260	82,586	17,143	33,217	(14,484)	792,109
INCOME BEFORE CAPEX & PLAN PMTS	0	0	0	28,842	28,842	0	0	0	0	0	0	0	57,684
CAPEX	14,954	22,337	31,781	56,272	79,184	141,612	157,246	170,260	82,586	17,143	33,217	(14,484)	734,425
NET CASH FLOW FOR PLAN PMTS	14,954	22,337	31,781	27,429	50,342	141,612	157,246	170,260	82,586	17,143	33,217	(14,484)	734,425
PLAN PAYMENTS	22,024	3,672	22,024	3,672	22,024	3,672	3,672	3,672	22,024	3,672	22,024	22,024	264,287
CLASS 1	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	44,067
CLASS 2	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 3	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353
TOTAL PLAN PAYMENTS	(10,742)	(3,359)	6,085	1,733	24,646	115,916	131,550	144,564	56,890	(8,553)	7,521	(40,180)	426,072
TOTAL INCOME AFTER PLAN PAYMENTS	2,653,216	2,642,387	2,640,478	2,653,331	2,659,689	2,685,256	2,809,589	2,943,585	3,089,513	3,132,813	3,119,494	3,122,886	2,653,216
CASH BEGINNING OF PERIOD	8,491	9,940	16,709	21,334	22,255	30,672	34,482	20,891	16,125	11,996	8,948	234,960	(234,960)
OCCUPANCY TAX COLLECTED	(8,578)	(8,491)	(9,940)	(16,709)	(21,334)	(22,255)	(30,672)	(34,482)	(20,891)	(16,125)	(11,996)	(8,948)	(234,960)
OCCUPANCY TAX REMITTED	(10,742)	(3,359)	6,085	1,733	24,646	115,916	131,550	144,564	56,890	(8,553)	7,521	(40,180)	426,072
CAPITAL CONTRIBUTION	2,642,387	2,640,478	2,653,331	2,659,689	2,685,256	2,809,589	2,943,585	3,089,513	3,132,813	3,119,494	3,122,886	3,079,658	3,079,658
CHANGE IN CASH DURING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH ENDING OF PERIOD	2,642,387	2,640,478	2,653,331	2,659,689	2,685,256	2,809,589	2,943,585	3,089,513	3,132,813	3,119,494	3,122,886	3,079,658	3,079,658
IIII(B) ELECTION	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353
CLAIM PAYMENTS	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	25,696	308,353

**SHILO INN, MOSES LAKE, INC
2025 MONTHLY CONFIRMATION PLAN**

	JAN	FEB	TOTAL
ROOMS AVAILABLE	3,100	2,800	5,900
ROOMS SOLD	848	1,002	1,850
ROOMS OCCUPIED	848	1,002	1,850
PERCENTAGE OF OCCUPANCY	27.4%	35.8%	31.4%
AVERAGE DAILY RATE	83.44	82.67	83.02
REVENUE PER AVAILABLE ROOM	22.83	29.58	26.03
	Budget	Budget	TOTAL
REVENUE	70,758	82,837	153,595
ROOMS	0	0	0
TELEPHONE	1,907	2,253	4,159
OTHER INCOME	72,665	85,090	157,754
TOTAL REVENUE			
DEPARTMENTAL EXPENSE	28,018	30,406	58,424
ROOMS	1,769	1,769	3,537
TELEPHONE-LINE CHARGES	374	442	815
OTHER	30,160	32,616	62,776
TOTAL DEPARTMENTAL EXPENSE			
OVERHEAD EXPENSE	722	722	1,444
SALES & MARKETING	6,578	6,728	13,306
REPAIRS & MAINTENANCE	7,268	8,434	15,702
ADMINISTRATION & GENERAL	4,645	4,935	9,581
ENERGY	19,213	20,819	40,032
TOTAL OVERHEAD EXPENSE			
GROSS OPERATING PROFIT	23,291	31,654	54,946
OTHER FIXED EXPENSES	2,600	22,264	24,864
INSURANCE, TAXES, & RENT	2,830	3,313	6,144
FRANCHISE FEE	2,907	3,404	6,310
MANAGEMENT FEE	8,337	28,981	37,318
TOTAL OTHER FIXED EXPENSES			
INCOME BEFORE CAPEX & PLAN PMTS	14,954	2,674	17,627
CAPEX	0	0	0
NET CASH FLOW FOR PLAN PMTS	14,954	2,674	17,627
PLAN PAYMENTS			
CLASS 1	0	0	0
CLASS 2	22,024	22,024	44,048
CLASS 3	3,672	3,672	7,344
CLASS 4	0	0	0
CLASS 5	0	0	0
CLASS 6	0	0	0
CLASS 7	0	0	0
ADMINISTRATIVE & EXECUTORY	0	0	0
TOTAL PLAN PAYMENTS	25,696	25,696	51,392
TOTAL INCOME AFTER PLAN PAYMENTS	(10,742)	(23,023)	(33,765)
CASH BEGINNING OF PERIOD	3,079,658	3,068,829	3,079,658
OCCUPANCY TAX COLLECTED	8,491	9,940	18,431
OCCUPANCY TAX REMITTED	(8,578)	(8,491)	(17,069)
CAPITAL CONTRIBUTION	0	0	0
CHANGE IN CASH DURING PERIOD	(10,742)	(23,023)	(33,765)
CASH ENDING OF PERIOD	3,068,829	3,047,256	3,047,256
III(B) ELECTION			
CLAIM PAYMENTS	25,696	25,696	51,392

**SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
CONFIRMATION PLAN 2010 - 2025 COMMON SIZED ANALYSIS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUE															
ROOMS	96.8%	96.1%	97.6%	97.5%	98.1%	98.0%	98.0%	98.1%	98.1%	98.1%	98.2%	98.2%	98.2%	98.2%	98.2%
TELEPHONE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OTHER INCOME	3.2%	3.9%	2.4%	2.5%	1.9%	2.0%	2.0%	1.9%	1.9%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%
TOTAL REVENUE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DEPARTMENTAL EXPENSE															
ROOMS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TELEPHONE-LINE CHARGES	34.0%	32.1%	32.8%	31.5%	31.3%	30.4%	30.0%	29.6%	29.2%	28.9%	29.0%	28.4%	28.2%	28.0%	27.7%
OTHER	1.2%	1.3%	1.4%	1.3%	1.0%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.2%
TOTAL DEPARTMENTAL EXPENSE	35.9%	34.2%	34.9%	33.3%	32.8%	32.3%	31.8%	31.4%	30.9%	30.6%	30.7%	30.1%	29.8%	29.6%	29.3%
OVERHEAD EXPENSE															
SALES & MARKETING	3.4%	2.3%	3.0%	2.3%	1.5%	1.6%	1.5%	1.5%	1.5%	1.4%	1.4%	1.4%	1.4%	1.3%	1.3%
REPAIRS & MAINTENANCE	7.1%	7.8%	7.2%	8.1%	6.5%	6.8%	6.7%	6.6%	6.5%	6.4%	6.5%	6.4%	6.3%	6.3%	6.2%
ADMINISTRATION & GENERAL	12.4%	15.9%	29.6%	11.3%	7.6%	7.3%	7.1%	7.0%	6.9%	6.8%	6.8%	6.7%	6.6%	6.5%	6.5%
ENERGY	4.1%	4.3%	4.8%	4.9%	5.3%	5.4%	5.4%	5.3%	5.2%	5.2%	5.1%	5.1%	5.1%	5.0%	5.0%
TOTAL OVERHEAD EXPENSE	26.9%	30.4%	44.7%	26.6%	20.9%	21.1%	20.7%	20.4%	20.1%	19.8%	19.9%	19.5%	19.4%	19.2%	19.0%
GROSS OPERATING PROFIT	37.1%	35.4%	20.5%	40.1%	46.3%	46.7%	47.5%	48.2%	49.0%	49.6%	49.4%	50.4%	50.8%	51.2%	51.6%
OTHER FIXED EXPENSES															
INSURANCE, TAXES, & RENT	7.6%	7.5%	7.8%	7.8%	8.5%	6.6%	6.5%	6.4%	6.3%	6.3%	6.3%	6.3%	6.2%	6.2%	6.2%
FRANCHISE FEE	3.9%	3.8%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
MANAGEMENT FEE	4.0%	4.8%	4.4%	4.0%	4.2%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
TOTAL OTHER FIXED EXPENSES	15.5%	16.2%	16.1%	15.7%	16.6%	14.5%	14.4%	14.3%	14.3%	14.2%	14.2%	14.2%	14.2%	14.2%	14.1%
INCOME BEFORE CAPEX & PLAN PMTS	21.6%	19.2%	4.4%	24.4%	29.7%	32.2%	33.1%	33.9%	34.8%	35.4%	35.3%	36.2%	36.6%	37.0%	37.5%
CAPEX						2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
NET CASH FLOW FOR PLAN PMTS	27.7%	30.3%	31.0%	31.9%	32.5%	32.5%	32.5%	32.5%	32.5%	32.5%	32.4%	33.3%	33.7%	34.1%	34.6%

SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
CONFIRMATION PLAN 2010 - 2025 YEAR OVER YEAR ANALYSIS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUE														
ROOMS	(9.1%)	(9.6%)	10.3%	19.4%	4.1%	4.9%	4.3%	4.6%	4.1%	3.4%	2.9%	3.2%	3.2%	3.5%
ROOMS AVAILABLE	0.0%	0.3%	(0.3%)	0.0%	0.0%	0.3%	(0.3%)	0.0%	0.0%	0.0%	(0.3%)	0.0%	0.0%	0.3%
ROOMS SOLD	(17.8%)	(10.4%)	7.4%	16.1%	3.4%	2.9%	2.3%	2.6%	2.0%	1.5%	1.1%	1.3%	1.3%	1.6%
ROOMS OCCUPIED	(18.8%)	(11.0%)	8.2%	15.1%	2.6%	2.9%	2.3%	2.6%	2.0%	1.5%	1.1%	1.3%	1.3%	1.6%
PERCENTAGE OF OCCUPANCY	(18.8%)	(11.3%)	8.5%	15.1%	2.6%	2.6%	2.6%	2.6%	2.0%	1.2%	1.3%	1.3%	1.3%	1.3%
AVERAGE DAILY RATE	11.9%	1.5%	1.9%	3.7%	1.5%	1.9%	2.0%	1.9%	2.0%	1.9%	1.9%	1.8%	1.9%	1.9%
REVENUE PER AVAILABLE ROOM	(9.1%)	(9.9%)	10.6%	19.4%	4.1%	4.6%	4.6%	4.6%	4.1%	3.1%	3.2%	3.2%	3.2%	3.2%
REVENUE	(9.1%)	(9.6%)	10.3%	19.4%	4.1%	4.9%	4.3%	4.6%	4.1%	3.4%	2.9%	3.2%	3.2%	3.5%
ROOMS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TELEPHONE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER INCOME	13.0%	(46.6%)	14.8%	(7.0%)	7.4%	3.4%	2.8%	3.1%	2.3%	2.1%	1.7%	2.0%	1.9%	2.2%
TOTAL REVENUE	(8.4%)	(11.1%)	10.4%	18.8%	4.2%	4.8%	4.3%	4.6%	4.0%	3.4%	2.9%	3.2%	3.2%	3.4%
DEPARTMENTAL EXPENSE														
ROOMS	(13.8%)	(9.0%)	5.9%	18.2%	1.2%	3.3%	2.9%	3.1%	2.8%	3.9%	0.8%	2.4%	2.4%	2.6%
TELEPHONE-LINE CHARGES	4.7%	0.7%	(6.6%)	(3.4%)	40.3%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
OTHER	(1.3%)	(39.2%)	6.1%	(4.8%)	17.2%	3.1%	2.5%	2.8%	2.2%	1.8%	1.3%	1.6%	1.6%	1.8%
TOTAL DEPARTMENTAL EXPENSE	(12.9%)	(9.3%)	5.4%	17.0%	2.6%	3.2%	2.9%	3.1%	2.8%	3.8%	0.9%	2.3%	2.4%	2.5%
OVERHEAD EXPENSE														
SALES & MARKETING	(35.9%)	13.6%	(16.7%)	(21.6%)	10.3%	1.7%	1.7%	1.7%	1.7%	3.4%	0.1%	1.7%	1.7%	1.7%
REPAIRS & MAINTENANCE	(0.4%)	(17.8%)	24.6%	(4.6%)	8.4%	3.2%	3.0%	3.1%	2.9%	4.7%	0.5%	2.6%	2.6%	2.7%
ADMINISTRATION & GENERAL	18.1%	65.3%	(57.9%)	(20.2%)	(0.4%)	2.7%	2.6%	2.7%	2.5%	4.1%	0.5%	2.3%	2.3%	2.4%
ENERGY	(2.6%)	(0.9%)	12.1%	28.9%	6.5%	3.2%	3.0%	3.1%	3.0%	2.6%	2.3%	2.5%	2.5%	2.6%
TOTAL OVERHEAD EXPENSE	3.3%	30.6%	(34.3%)	(6.5%)	4.8%	3.0%	2.8%	2.9%	2.7%	3.8%	1.0%	2.4%	2.4%	2.5%
GROSS OPERATING PROFIT	(12.6%)	(48.6%)	116.5%	36.9%	5.0%	6.8%	5.9%	6.2%	5.3%	3.0%	5.0%	4.0%	3.9%	4.3%
OTHER FIXED EXPENSES														
INSURANCE, TAXES, & RENT	(9.8%)	(8.5%)	11.0%	29.7%	(19.4%)	3.2%	3.3%	3.1%	3.2%	2.9%	3.0%	2.9%	3.0%	3.0%
FRANCHISE FEE	(9.9%)	(9.6%)	10.3%	19.0%	4.5%	4.9%	4.3%	4.6%	4.1%	3.4%	2.9%	3.2%	3.2%	3.5%
MANAGEMENT FEE	10.5%	(18.4%)	1.0%	23.7%	(0.9%)	4.8%	4.3%	4.6%	4.0%	3.4%	2.9%	3.2%	3.2%	3.4%
TOTAL OTHER FIXED EXPENSES	(11.7%)	(11.7%)	8.1%	25.5%	(9.1%)	4.1%	3.8%	3.9%	3.7%	3.2%	3.0%	3.1%	3.1%	3.2%
INCOME BEFORE CAPEX & PLAN PMTS	(18.4%)	(79.7%)	512.5%	44.3%	12.9%	8.0%	6.8%	7.2%	6.0%	2.9%	5.8%	4.3%	4.3%	4.7%
CAPEX	-	-	-	-	-	4.2%	4.8%	4.3%	4.6%	4.0%	3.4%	2.9%	3.2%	3.2%
NET CASH FLOW FOR PLAN PMTS	-	-	-	-	-	14.7%	6.9%	7.5%	6.1%	2.8%	6.0%	4.4%	4.4%	4.9%

SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2012 MONTHLY ACTUALS (accruals)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,611	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,194
ROOMS SOLD	836	1,103	1,729	1,702	1,924	2,227	2,649	3,111	2,240	1,314	961	934	20,730
ROOMS OCCUPIED	895	1,144	1,756	1,710	1,927	2,234	2,651	3,121	2,257	1,315	962	938	20,910
PERCENTAGE OF OCCUPANCY	18.2%	24.8%	35.6%	35.8%	39.1%	46.8%	53.8%	63.3%	47.3%	26.7%	20.2%	19.0%	35.9%
AVERAGE DAILY RATE	64.04	72.98	72.24	71.82	78.89	89.88	100.71	101.51	82.02	68.61	67.18	66.20	82.70
REVENUE PER AVAILABLE ROOM	11.63	18.11	25.74	25.75	30.84	42.10	54.16	64.27	38.81	18.31	13.55	12.60	29.71
REVENUE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ROOMS	57,317	83,490	126,851	122,812	152,026	200,803	266,974	316,805	185,128	90,227	64,629	62,100	1,729,162
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	2,542	3,475	4,013	3,103	2,739	3,512	4,636	4,748	3,741	3,586	3,066	2,575	41,736
TOTAL REVENUE	59,859	86,965	130,864	125,915	154,765	204,315	271,610	321,553	188,869	93,813	67,695	64,675	1,770,898
DEPARTMENTAL EXPENSE													
ROOMS	31,729	37,116	41,110	51,463	65,110	60,868	57,251	74,316	52,171	39,175	44,205	26,780	581,294
TELEPHONE-LINE CHARGES	2,259	2,257	2,251	2,272	2,245	2,262	2,324	2,272	2,272	2,289	1,924	2,177	26,814
OTHER	528	707	757	627	553	811	1,245	1,341	847	678	511	542	9,147
TOTAL DEPARTMENTAL EXPENSE	34,516	40,080	44,118	54,335	67,935	63,941	60,778	77,981	55,290	42,142	46,640	29,499	617,255
OVERHEAD EXPENSE													
SALES & MARKETING	1,817	1,807	3,270	8,791	7,924	7,196	4,944	4,466	3,624	4,159	5,570	(471)	53,097
REPAIRS & MAINTENANCE	12,148	10,624	9,054	11,307	13,928	11,657	8,729	9,145	9,831	9,768	12,510	8,619	127,320
ADMINISTRATION & GENERAL	11,563	17,946	16,766	22,279	34,707	28,337	26,353	19,290	20,013	16,102	25,826	30,710	524,933
ENERGY	7,765	6,965	7,155	6,741	6,851	6,383	8,000	8,585	8,208	6,132	6,277	6,631	85,695
TOTAL OVERHEAD EXPENSE	33,293	37,342	36,245	49,118	63,410	30,814	48,026	41,486	41,676	36,161	50,183	45,489	791,043
GROSS OPERATING PROFIT	(7,950)	9,543	50,501	22,462	23,420	(168,240)	162,806	202,086	91,903	15,510	(29,128)	(10,313)	362,600
OTHER FIXED EXPENSES													
INSURANCE, TAXES, & RENT	10,137	10,457	10,914	11,102	12,505	12,918	12,945	13,121	11,988	10,296	10,487	10,375	137,245
FRANCHISE FEE	2,293	3,342	5,075	4,913	0	14,120	10,680	12,674	7,416	3,611	2,586	2,485	69,195
MANAGEMENT FEE	6,518	6,518	6,518	6,518	6,518	6,518	6,518	6,518	6,518	6,518	6,518	6,518	78,216
TOTAL OTHER FIXED EXPENSES	18,948	20,317	22,507	22,533	19,023	33,556	30,143	32,313	25,922	20,425	19,591	19,378	284,656
OTHER INCOME / (EXPENSE)													
INTEREST EXPENSE	(47,377)	(6,609)	(12,115)	(15,230)	(16,142)	(338,323)	(28,267)	135,950	(27,356)	(12,656)	(11,724)	55,596	(324,253)
INTEREST INCOME	0	0	0	0	0	0	0	0	0	2	0	0	2
GAIN / LOSS SALE OF ASSET	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME	(47,377)	(6,609)	(12,115)	(15,230)	(16,099)	(338,323)	(28,267)	135,950	(27,356)	(12,654)	(11,551)	57,732	(321,899)
DEPRECIATION	17,040	17,040	17,040	17,040	17,040	17,040	17,040	17,040	17,040	17,040	17,040	17,040	170,085
LOAN FEE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0
START-UP EXPENSE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NET INCOME / (LOSS)	(91,315)	(34,423)	(1,161)	(32,341)	(28,742)	(657,159)	87,356	288,683	21,585	(34,609)	(77,310)	36,693	(422,743)

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SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2013 MONTHLY ACTUALS (accruals)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,452	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,035
ROOMS SOLD	816	951	1,694	1,727	2,406	2,666	3,309	3,400	2,117	1,459	992	734	22,267
ROOMS OCCUPIED	16.6%	21.4%	34.4%	36.5%	49.0%	56.8%	67.3%	69.2%	45.7%	31.6%	22.4%	15.6%	39.0%
AVERAGE DAILY RATE	67.00	71.79	74.93	74.14	71.68	88.80	100.11	108.10	83.02	69.68	67.95	67.95	84.30
REVENUE PER AVAILABLE ROOM	11.12	15.38	25.75	27.09	35.15	50.32	67.35	74.76	37.93	22.03	15.24	10.59	32.87
REVENUE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ROOMS	54,807	68,488	126,935	129,218	173,255	240,021	331,964	368,510	180,905	108,562	72,710	52,185	1,907,560
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	2,986	2,908	3,848	4,152	3,576	3,893	4,289	4,703	4,158	6,130	4,211	3,091	47,925
TOTAL REVENUE	57,793	71,396	130,783	133,370	176,831	243,914	336,253	373,213	185,043	114,692	76,921	55,276	1,955,485
DEPARTMENTAL EXPENSE													
ROOMS	28,050	32,256	36,922	55,128	60,587	59,503	64,182	81,726	85,686	43,985	36,104	31,644	615,773
TELEPHONE-LINE CHARGES	2,107	1,298	2,898	2,099	1,354	3,123	2,136	2,124	2,101	745	2,946	2,116	25,047
OTHER	323	526	1,017	1,148	882	828	1,045	1,259	921	697	674	381	9,701
TOTAL DEPARTMENTAL EXPENSE	30,480	34,080	40,837	58,375	62,823	63,454	67,363	85,109	88,708	45,427	39,724	34,141	650,521
OVERHEAD EXPENSE													
SALES & MARKETING	3,600	1,479	6,269	2,957	3,518	2,690	3,452	3,453	1,404	8,339	2,388	4,680	44,229
REPAIRS & MAINTENANCE	11,334	11,685	11,431	14,423	14,951	9,991	17,471	15,393	15,730	13,303	12,179	10,728	158,619
ADMINISTRATION & GENERAL	13,611	17,452	19,855	19,362	21,018	18,210	19,750	24,285	26,884	15,772	10,513	14,262	220,974
ENERGY	6,957	7,376	7,168	8,147	6,742	6,239	8,331	9,480	7,950	10,059	8,554	9,083	96,086
TOTAL OVERHEAD EXPENSE	35,502	37,992	44,723	44,889	46,229	37,130	49,004	52,611	51,968	47,473	33,634	38,753	519,908
GROSS OPERATING PROFIT	(8,189)	(676)	45,223	30,106	67,779	143,330	219,886	235,493	44,367	21,792	3,563	(17,618)	785,056
OTHER FIXED EXPENSES													
INSURANCE, TAXES, & RENT	10,287	10,174	11,441	12,923	14,305	15,056	15,232	15,929	12,888	11,632	11,492	10,992	152,351
FRANCHISE FEE	2,194	2,741	5,078	5,171	6,931	9,601	13,278	14,739	7,235	4,347	2,907	2,088	76,310
MANAGEMENT FEE	5,828	5,828	5,828	5,828	5,828	5,828	9,007	2,649	5,828	5,828	5,828	14,852	78,960
TOTAL OTHER FIXED EXPENSES	18,309	18,743	22,347	23,922	27,064	30,485	37,517	33,317	25,951	21,807	20,227	27,932	307,621
OTHER INCOME / (EXPENSE)													
INTEREST EXPENSE	(12,115)	(12,115)	(12,115)	(12,115)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(204,780)
INTEREST INCOME	0	0	0	2	25	0	0	0	0	0	0	0	27
GAIN / LOSS SALE OF ASSET	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	0	0	3,318	(383)	0	0	0	0	0	0	0	0	6,838
TOTAL OTHER INCOME	(12,115)	(12,115)	(8,797)	(12,496)	(19,515)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(15,637)	(197,915)
DEPRECIATION	15,107	15,107	15,107	15,107	15,107	15,107	15,107	15,107	15,107	15,107	15,107	3,905	170,082
LOAN FEE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0
START-UP EXPENSE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NET INCOME / (LOSS)	(53,720)	(46,641)	(1,028)	(21,419)	6,093	78,198	147,722	167,529	(16,231)	(34,662)	(51,311)	(65,092)	109,438

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SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2014 MONTHLY ACTUALS & BUDGET

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,452	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,035
ROOMS SOLD	845	1,210	2,042	2,360	2,388	3,191	3,613	3,671	2,701	1,880	1,130	847	25,848
ROOMS OCCUPIED	882	1,247	2,074	2,362	2,362	3,227	3,622	3,692	2,719	1,880	1,130	847	26,045
PERCENTAGE OF OCCUPANCY	17.9%	28.0%	42.1%	49.5%	47.9%	67.7%	73.5%	74.9%	58.1%	38.1%	23.7%	17.2%	44.9%
AVERAGE DAILY RATE	68.19	74.54	78.46	77.25	79.33	89.65	103.82	114.66	80.87	74.06	73.88	71.58	87.45
REVENUE PER AVAILABLE ROOM	12.20	20.88	33.02	38.27	38.01	60.65	76.29	85.88	46.10	28.25	17.50	12.30	39.25
REVENUE	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	TOTAL
ROOMS	\$ 60,141	\$ 92,956	\$ 162,735	\$ 182,532	\$ 187,374	\$ 289,286	\$ 376,037	\$ 423,322	\$ 219,898	\$ 139,230	\$ 83,488	\$ 60,632	\$ 2,277,630
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	3,563	3,197	4,169	3,687	3,075	4,506	4,140	4,413	3,849	3,947	3,169	2,876	44,591
TOTAL REVENUE	63,704	96,153	166,904	186,219	190,449	293,792	380,177	427,735	223,747	143,177	86,656	63,508	2,322,221
DEPARTMENTAL EXPENSE													
ROOMS	31,140	37,241	67,248	59,126	58,803	70,760	91,099	94,719	86,752	57,435	38,771	34,655	727,750
TELEPHONE-LINE CHARGES	1,440	2,717	2,124	2,150	741	2,979	2,212	2,810	2,245	1,595	1,595	1,595	24,203
OTHER	634	460	855	443	1,193	941	855	257	748	765	474	356	9,231
TOTAL DEPARTMENTAL EXPENSE	33,214	40,418	70,227	61,719	60,737	74,680	93,568	99,634	89,745	59,796	40,840	36,606	761,184
OVERHEAD EXPENSE													
SALES & MARKETING	1,282	1,374	3,686	984	5,042	3,746	2,312	1,832	7,278	1,647	1,451	4,049	34,682
REPAIRS & MAINTENANCE	14,972	9,942	14,228	7,894	16,754	12,079	12,373	11,848	12,815	12,906	14,201	11,235	151,247
ADMINISTRATION & GENERAL	11,085	12,347	14,656	14,683	13,599	13,281	15,440	20,310	15,960	17,993	14,520	12,370	176,244
ENERGY	9,282	8,863	8,810	10,680	9,086	13,443	13,422	10,890	11,442	10,769	9,288	7,884	123,859
TOTAL OVERHEAD EXPENSE	36,621	32,526	41,380	34,241	44,481	42,549	43,547	44,880	47,495	43,315	39,460	35,538	486,033
GROSS OPERATING PROFIT	(6,131)	23,209	55,297	90,259	85,231	176,563	243,062	283,221	86,507	40,066	6,556	(8,656)	1,075,005
OTHER FIXED EXPENSES													
INSURANCE, TAXES, & RENT	3,153	16,758	5,916	28,423	18,541	8,225	8,425	8,869	6,380	25,104	15,130	52,679	197,605
FRANCHISE FEE	2,405	3,720	6,509	7,296	7,494	11,488	14,837	16,944	8,795	5,569	3,340	2,425	90,822
MANAGEMENT FEE	8,470	3,768	6,908	7,528	6,226	11,748	15,065	17,182	9,037	5,727	3,466	2,540	97,666
TOTAL OTHER FIXED EXPENSES	14,028	24,246	19,333	43,247	32,261	31,461	38,327	42,995	24,212	36,400	21,936	57,645	386,092
OTHER INCOME / (EXPENSE)													
INTEREST EXPENSE	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(234,480)
INTEREST INCOME	0	0	0	0	0	0	3	0	0	0	0	0	3
GAIN / LOSS SALE OF ASSET	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	0	89	0	4,218	0	(79)	5,359	0	0	0	0	0	9,587
TOTAL OTHER INCOME	(19,540)	(19,451)	(19,540)	(15,322)	(19,540)	(19,619)	(14,178)	(19,540)	(19,540)	(19,540)	(19,540)	(19,540)	(224,890)
DEPRECIATION	14,174	14,174	14,174	14,174	14,174	14,174	14,174	14,174	14,174	14,174	14,174	14,174	170,088
LOAN FEE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0
START-UP EXPENSE AMORTIZATION	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NET INCOME / (LOSS)	(53,873)	(34,662)	2,250	17,516	19,256	111,309	176,383	206,512	28,581	(30,048)	(49,294)	(99,995)	293,935
CASH BEGINNING OF PERIOD													
OCCUPANCY TAX COLLECTED													734,492
OCCUPANCY TAX REMITTED													6,910
ADMINISTRATIVE & EXECUTORY													(10,439)
CAPITAL CONTRIBUTION													(120,000)
CHANGE IN CASH DURING PERIOD													(35,120)
CASH ENDING OF PERIOD													698,391
													(120,940)
													491,704

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SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2015 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,452	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,035
ROOMS SOLD	906	1,279	2,127	2,423	2,421	3,310	3,715	3,784	2,788	1,930	1,162	870	26,716
ROOMS OCCUPIED	906	1,279	2,127	2,423	2,421	3,310	3,715	3,784	2,788	1,930	1,162	870	26,716
PERCENTAGE OF OCCUPANCY	18.4%	28.7%	43.2%	50.8%	49.1%	69.4%	75.4%	76.8%	58.5%	39.2%	24.4%	17.7%	46.0%
AVERAGE DAILY RATE	69.33	75.65	79.71	78.55	80.93	91.23	105.09	116.27	82.21	75.00	74.85	72.49	88.78
REVENUE PER AVAILABLE ROOM	12.74	21.73	34.40	39.90	39.75	63.30	79.21	89.27	48.06	29.37	18.23	12.80	40.87
REVENUE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	62,810	96,730	169,560	190,330	195,940	301,940	390,440	439,990	229,230	144,780	86,970	63,100	2,371,820
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	1,758	2,297	3,773	4,478	4,478	5,923	6,457	6,407	4,753	3,534	2,308	1,739	47,905
TOTAL REVENUE	64,568	99,027	173,333	194,808	200,418	307,863	396,897	446,397	233,983	148,314	89,278	64,839	2,419,725
DEPARTMENTAL EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	36,568	42,780	57,396	72,345	61,837	78,188	87,469	90,512	79,693	53,493	40,169	35,975	736,423
TELEPHONE-LINE CHARGES	2,830	2,830	2,830	2,830	2,830	2,830	2,830	2,830	2,830	2,830	2,830	2,830	33,960
OTHER	377	518	858	991	991	1,339	1,489	1,503	1,110	787	488	366	10,818
TOTAL DEPARTMENTAL EXPENSE	39,775	46,128	61,084	76,166	65,658	82,357	91,787	94,845	83,653	57,110	43,487	39,171	781,201
OVERHEAD EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
SALES & MARKETING	1,420	1,562	4,450	2,093	4,855	3,933	2,029	2,289	7,444	1,362	1,464	5,553	38,254
REPAIRS & MAINTENANCE	10,568	10,105	12,460	17,207	13,339	15,962	17,252	16,441	18,180	11,712	11,656	9,027	163,910
ADMINISTRATION & GENERAL	10,481	11,961	12,837	16,268	13,955	16,751	18,466	19,778	17,610	12,265	14,684	10,488	175,544
ENERGY	7,911	8,910	10,830	11,228	11,218	13,372	14,534	14,931	12,567	10,238	8,342	7,771	131,851
TOTAL OVERHEAD EXPENSE	30,380	32,338	40,576	46,796	43,368	50,018	52,281	53,439	55,801	35,576	36,146	32,839	509,558
GROSS OPERATING PROFIT	(5,587)	20,561	71,673	71,846	91,392	175,488	252,829	298,113	94,549	55,628	9,646	(7,171)	1,128,966
OTHER FIXED EXPENSES	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
INSURANCE, TAXES, & RENT	3,178	15,510	11,171	25,783	15,510	3,178	3,178	3,178	3,178	25,783	15,510	34,060	159,214
FRANCHISE FEE	2,512	3,669	6,782	7,613	7,922	12,078	15,618	17,600	9,169	5,791	2,524	2,524	94,873
MANAGEMENT FEE	2,583	3,961	6,933	7,792	8,017	12,315	15,876	17,856	9,359	5,933	3,571	2,594	96,789
TOTAL OTHER FIXED EXPENSES	8,273	23,340	24,887	41,188	31,364	27,570	34,671	38,633	21,706	37,507	22,560	39,177	350,875
INCOME BEFORE CAPEX & PLAN PMTS	(13,860)	(2,779)	46,786	30,657	60,028	147,918	218,158	259,480	72,843	18,121	(12,914)	(46,348)	778,090
ADEQUATE PROTECTION PAYMENTS	19,540	19,540	0	0	0	0	0	0	0	0	0	0	39,080
CAPEX	0	0	0	34,833	34,833	0	0	0	0	0	0	0	69,667
NET CASH FLOW FOR PLAN PMTS	(33,400)	(22,319)	46,786	(4,176)	25,195	147,918	218,158	259,480	72,843	18,121	(12,914)	(46,348)	669,344
PLAN PAYMENTS	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLASS 1	0	0	24,113	24,113	24,674	0	0	0	0	0	0	0	72,900
CLASS 2	0	0	26,366	26,366	26,366	26,366	26,366	26,366	26,366	26,366	26,366	26,366	263,661
CLASS 3	0	0	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	43,833
CLASS 4	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
CLASS 5	0	0	14,428	14,428	14,428	0	0	0	0	0	0	0	43,284
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	83,250	0	0	0	0	0	0	0	0	0	83,250
ADMINISTRATIVE & EXECUTORY	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
TOTAL PLAN PAYMENTS	0	0	162,540	79,290	79,851	40,749	40,749	40,749	40,749	40,749	40,749	40,749	606,928
TOTAL INCOME AFTER PLAN PAYMENTS	(33,400)	(22,319)	(115,755)	(83,467)	(54,656)	107,169	177,409	218,731	32,093	(22,628)	(53,663)	(87,098)	62,416
CASH BEGINNING OF PERIOD	491,704	452,476	434,796	380,398	295,175	247,474	371,939	546,313	788,053	820,962	752,044	697,319	491,704
OCCUPANCY TAX COLLECTED	7,091	10,389	18,089	20,742	21,403	32,368	40,747	45,437	24,168	15,760	9,858	7,194	253,244
OCCUPANCY TAX REMITTED	(12,919)	(5,750)	(6,732)	(22,498)	(14,448)	(15,072)	(43,781)	(23,428)	(23,352)	(62,050)	(10,920)	(8,124)	(248,074)
CAPITAL CONTRIBUTION	0	0	50,000	0	0	0	0	0	0	0	0	0	50,000
CHANGE IN CASH DURING PERIOD	(33,400)	(22,319)	(115,755)	(83,467)	(54,656)	107,169	177,409	218,731	32,093	(22,628)	(53,663)	(87,098)	62,416
CASH ENDING OF PERIOD	452,476	434,796	380,398	295,175	247,474	371,939	546,313	788,053	820,962	752,044	697,319	609,291	609,291
III(B) ELECTION	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLAIM PAYMENTS	0	0	30,749	30,749	30,749	30,749	30,749	30,749	30,749	30,749	30,749	30,749	307,494

CONFIDENTIAL - NOT FOR DISTRIBUTION

SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2016 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,611	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,194
ROOMS SOLD	934	1,316	2,189	2,495	2,494	3,407	3,823	3,891	2,867	1,988	1,198	897	27,499
ROOMS OCCUPIED	934	1,316	2,189	2,495	2,494	3,407	3,823	3,891	2,867	1,988	1,198	897	27,499
PERCENTAGE OF OCCUPANCY	18.9%	28.5%	44.4%	52.3%	50.6%	71.4%	77.6%	78.9%	60.1%	40.3%	25.1%	18.2%	47.3%
AVERAGE DAILY RATE	70.69	77.09	81.22	80.06	82.46	92.94	106.98	118.40	83.79	76.43	76.33	73.98	90.44
REVENUE PER AVAILABLE ROOM	13.40	22.00	36.07	41.88	41.73	66.39	82.98	93.47	50.36	30.83	19.17	13.46	42.74
REVENUE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	66,026	101,453	177,788	199,755	205,664	316,658	408,993	460,690	240,229	151,942	91,441	66,361	2,487,000
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	1,819	2,376	3,902	4,632	4,634	6,128	6,681	6,627	4,915	3,657	2,388	1,798	49,555
TOTAL REVENUE	67,845	103,829	181,690	204,387	210,298	322,786	415,674	467,317	245,144	155,599	93,829	68,159	2,536,555
DEPARTMENTAL EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	37,544	43,997	69,975	63,955	63,996	81,046	90,691	104,490	71,522	55,245	41,328	36,924	760,715
TELEPHONE-LINE CHARGES	2,887	2,887	2,887	2,887	2,887	2,887	2,887	2,887	2,887	2,887	2,887	2,887	34,639
OTHER	389	534	885	1,023	1,023	1,381	1,535	1,549	1,144	812	504	378	11,157
TOTAL DEPARTMENTAL EXPENSE	40,821	47,418	73,747	67,865	67,906	85,314	95,113	108,926	75,553	58,944	44,718	40,189	806,512
OVERHEAD EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
SALES & MARKETING	1,445	1,385	5,154	1,497	4,949	3,987	2,066	2,964	6,940	1,385	1,489	5,646	38,907
REPAIRS & MAINTENANCE	10,851	10,404	16,346	14,260	13,795	16,533	17,875	20,524	15,270	12,095	11,983	9,276	169,213
ADMINISTRATION & GENERAL	10,723	12,249	16,256	13,634	14,348	17,263	19,085	23,485	15,021	12,592	15,007	10,731	180,364
ENERGY	8,123	9,165	11,176	11,597	11,589	13,842	15,065	15,464	12,990	10,559	8,575	7,974	136,110
TOTAL OVERHEAD EXPENSE	31,142	33,204	48,933	40,989	44,681	51,625	54,082	62,436	50,221	36,631	37,054	33,626	524,594
GROSS OPERATING PROFIT	(4,118)	23,207	59,011	95,533	97,712	185,848	266,509	295,955	119,370	60,024	12,056	(5,656)	1,208,449
OTHER FIXED EXPENSES	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
INSURANCE, TAXES, & RENT	3,261	15,840	13,286	26,545	15,840	3,261	3,261	3,261	3,261	26,545	15,840	34,143	164,343
FRANCHISE FEE	2,641	4,058	7,112	7,990	8,227	12,666	18,428	9,609	6,078	3,658	2,887	2,654	99,480
MANAGEMENT FEE	2,714	4,153	7,268	8,175	8,412	12,911	16,697	18,693	9,806	6,224	3,753	2,726	101,462
TOTAL OTHER FIXED EXPENSES	8,616	24,051	27,666	42,710	32,478	28,839	36,248	40,381	22,676	38,846	23,251	39,524	366,285
INCOME BEFORE CAPEX & PLAN PMTS	(12,733)	(844)	31,346	52,823	65,233	157,009	230,261	255,573	96,694	21,178	(11,195)	(45,180)	840,164
CAPEX	0	0	0	36,296	36,296	0	0	0	0	0	0	0	72,592
NET CASH FLOW FOR PLAN PMTS	(12,733)	(844)	31,346	16,527	28,937	157,009	230,261	255,573	96,694	21,178	(11,195)	(45,180)	767,572
PLAN PAYMENTS	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLASS 1	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 2	26,366	26,366	26,366	26,366	26,366	26,366	26,366	26,366	26,366	26,366	26,366	26,366	316,393
CLASS 3	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	52,600
CLASS 4	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
TOTAL PLAN PAYMENTS	40,749	40,749	40,749	40,749	40,749	40,749	40,749	40,749	40,749	40,749	40,749	40,749	488,993
TOTAL INCOME AFTER PLAN PAYMENTS	(53,483)	(41,594)	(9,404)	(24,222)	(11,812)	116,259	189,512	214,824	55,944	(19,571)	(51,944)	(85,930)	278,579
CASH BEGINNING OF PERIOD	609,291	549,883	513,132	515,615	489,604	485,042	619,385	805,759	1,044,554	1,101,229	1,033,413	980,328	609,291
OCCUPANCY TAX COLLECTED	7,458	10,905	18,983	21,786	22,482	33,974	42,721	47,617	25,350	16,553	10,371	7,570	267,770
OCCUPANCY TAX REMITTED	(13,383)	(6,063)	(7,097)	(23,574)	(15,232)	(15,890)	(45,859)	(23,645)	(24,620)	(64,797)	(11,513)	(8,565)	(246,238)
CAPITAL CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0	0
CHANGE IN CASH DURING PERIOD	(53,483)	(41,594)	(9,404)	(24,222)	(11,812)	116,259	189,512	214,824	55,944	(19,571)	(51,944)	(85,930)	278,579
CASH ENDING OF PERIOD	549,883	513,132	515,615	489,604	485,042	619,385	805,759	1,044,554	1,101,229	1,033,413	980,328	893,403	893,403
III(B) ELECTION	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLAIM PAYMENTS	30,749	30,749	30,749	30,749	30,749	30,749	30,749	30,749	30,749	30,749	30,749	30,749	368,993

CONFIDENTIAL - NOT FOR DISTRIBUTION

SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2017 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,452	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,035
ROOMS SOLD	957	1,346	2,239	2,553	2,552	3,485	3,909	3,977	2,931	2,034	1,227	920	28,130
ROOMS OCCUPIED	19,496	30,226	45,476	53,576	51,876	73,176	79,376	80,776	61,476	41,376	25,776	18,776	48,576
PERCENTAGE OF OCCUPANCY	72.10	78.63	82.82	81.66	84.12	94.78	109.05	120.69	85.45	77.96	77.89	75.40	92.21
AVERAGE DAILY RATE	14.00	23.77	37.62	43.71	43.55	86.48	97.38	92.51	52.51	32.17	20.03	14.07	44.70
REVENUE PER AVAILABLE ROOM													
REVENUE	68,995	105,838	185,433	208,490	214,673	330,325	426,276	479,996	250,462	158,579	95,566	69,367	2,594,000
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	1,870	2,441	4,011	4,762	4,762	6,298	6,866	6,811	5,052	3,758	2,453	1,850	50,931
OTHER INCOME	70,865	108,279	189,444	213,250	219,435	336,623	433,142	486,807	255,514	162,337	98,019	71,217	2,644,931
TOTAL REVENUE													
DEPARTMENTAL EXPENSE													
ROOMS	38,475	45,138	71,854	65,900	65,943	83,633	93,603	107,637	73,670	56,829	42,419	37,847	782,947
TELEPHONE-LINE CHARGES	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	35,332
OTHER	400	547	907	1,048	1,048	1,416	1,573	1,587	1,172	833	517	388	11,436
TOTAL DEPARTMENTAL EXPENSE	41,818	48,630	75,705	69,892	69,936	87,993	98,121	112,168	77,787	60,606	45,880	41,180	829,715
OVERHEAD EXPENSE													
SALES & MARKETING	1,470	1,409	5,237	1,523	5,044	4,042	2,103	3,018	7,060	1,409	1,516	5,740	39,572
REPAIRS & MAINTENANCE	11,129	10,691	16,805	14,699	14,224	17,069	18,460	21,161	15,745	12,458	12,299	9,522	174,262
ADMINISTRATION & GENERAL	10,962	12,534	16,658	13,998	14,730	17,755	19,621	24,137	15,427	12,910	15,328	10,971	185,049
ENERGY	8,330	9,412	11,506	11,947	11,938	14,283	15,542	15,964	13,391	10,864	8,801	8,176	140,155
TOTAL OVERHEAD EXPENSE	31,891	34,046	50,206	42,167	45,936	53,150	55,726	64,300	51,623	37,642	37,943	34,409	539,039
GROSS OPERATING PROFIT	(2,844)	25,603	63,533	101,191	103,563	195,481	279,296	310,339	126,105	64,089	14,196	(4,372)	1,276,178
OTHER FIXED EXPENSES													
INSURANCE, TAXES, & RENT	3,347	16,177	15,570	27,329	16,177	3,347	3,347	3,347	3,347	27,329	16,177	34,229	169,722
FRANCHISE FEE	2,760	4,234	7,417	8,340	8,587	13,213	17,051	19,200	10,018	6,343	3,823	2,775	103,760
MANAGEMENT FEE	2,835	4,331	7,578	8,530	8,777	13,465	17,326	19,472	10,221	6,493	3,921	2,849	105,797
TOTAL OTHER FIXED EXPENSES	8,941	24,742	30,565	44,198	33,542	30,025	37,724	42,019	23,586	40,165	23,921	39,852	379,279
INCOME BEFORE CAPEX & PLAN PMTS	(11,786)	861	32,967	56,992	70,022	165,456	241,572	268,320	102,519	23,923	(9,724)	(44,225)	896,898
CAPEX	0	0	0	38,048	38,048	0	0	0	0	0	0	0	76,097
NET CASH FLOW FOR PLAN PMTS	(11,786)	861	32,967	18,944	31,973	165,456	241,572	268,320	102,519	23,923	(9,724)	(44,225)	820,802
PLAN PAYMENTS													
CLASS 1	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 2	26,366	26,366	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	422,653
CLASS 3	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	52,600
CLASS 4	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PLAN PAYMENTS	40,749	40,749	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	595,252
TOTAL INCOME AFTER PLAN PAYMENTS	(52,535)	(39,888)	(18,408)	(32,431)	(19,402)	114,081	190,197	216,944	51,143	(27,452)	(61,100)	(95,600)	225,549
CASH BEGINNING OF PERIOD	893,403	834,650	799,797	793,769	759,514	747,641	880,544	1,067,501	1,309,328	1,361,137	1,283,592	1,221,279	893,403
OCCUPANCY TAX COLLECTED	7,797	11,384	19,812	22,752	23,481	35,463	44,555	49,645	26,447	17,286	10,843	7,916	277,380
OCCUPANCY TAX REMITTED	(14,014)	(6,349)	(7,432)	(7,432)	(15,811)	(16,640)	(16,640)	(16,640)	(24,762)	(25,782)	(27,379)	(28,969)	(271,706)
CAPITAL CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0	0
CHANGE IN CASH DURING PERIOD	(52,535)	(39,888)	(18,408)	(32,431)	(19,402)	114,081	190,197	216,944	51,143	(27,452)	(61,100)	(95,600)	225,549
CASH ENDING OF PERIOD	834,650	799,797	793,769	759,514	747,641	880,544	1,067,501	1,309,328	1,361,137	1,283,592	1,221,279	1,124,626	1,124,626
III(B) ELECTION													
CLAIM PAYMENTS	30,749	30,749	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	475,252

CONFIDENTIAL - NOT FOR DISTRIBUTION

SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2018 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,452	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,035
ROOMS SOLD	983	1,381	2,297	2,621	2,620	3,606	3,969	4,028	3,035	2,119	1,262	949	28,870
ROOMS OCCUPIED	983	1,381	2,297	2,621	2,620	3,606	3,969	4,028	3,035	2,119	1,262	949	28,870
PERCENTAGE OF OCCUPANCY	19.9%	31.0%	46.6%	54.9%	53.2%	75.6%	80.5%	81.7%	63.6%	43.0%	26.5%	19.3%	49.7%
AVERAGE DAILY RATE	73.58	80.17	84.43	83.27	85.78	95.82	112.22	124.46	86.26	78.33	79.40	76.66	93.97
REVENUE PER AVAILABLE ROOM	14.67	24.87	39.35	45.75	45.59	72.44	90.37	101.71	54.89	33.68	21.01	14.76	46.75
REVENUE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	72,331	110,720	193,933	218,242	224,736	345,537	445,411	501,327	261,814	165,989	100,206	72,754	2,713,000
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	1,928	2,517	4,136	4,909	4,911	6,527	7,037	6,970	5,242	3,910	2,531	1,914	59,531
TOTAL REVENUE	74,259	113,237	198,069	223,151	229,647	352,064	452,448	508,297	267,056	169,899	102,737	74,668	2,765,531
DEPARTMENTAL EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	50,486	46,380	62,905	68,069	68,115	86,990	96,210	110,344	76,525	59,082	43,622	38,875	807,603
TELEPHONE-LINE CHARGES	3,003	3,003	3,003	3,003	3,003	3,003	3,003	3,003	3,003	3,003	3,003	3,003	36,039
OTHER	411	563	932	1,078	1,078	1,466	1,603	1,613	1,215	867	532	401	11,761
TOTAL DEPARTMENTAL EXPENSE	53,900	49,946	66,840	72,150	72,197	91,460	100,816	114,960	80,743	62,953	47,158	42,279	855,402
OVERHEAD EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
SALES & MARKETING	2,150	1,434	4,667	1,550	5,141	4,099	2,142	3,072	7,183	1,434	1,542	5,837	40,250
REPAIRS & MAINTENANCE	15,040	10,999	13,680	15,176	14,691	17,736	18,991	21,722	16,339	12,936	12,639	9,791	179,739
ADMINISTRATION & GENERAL	14,405	12,833	13,890	14,388	15,138	18,285	20,229	24,877	15,861	13,250	15,663	11,222	190,042
ENERGY	8,547	9,674	11,861	12,326	12,317	14,866	15,936	16,341	13,928	11,300	9,044	8,595	144,536
TOTAL OVERHEAD EXPENSE	40,142	34,940	41,098	43,439	47,288	54,986	57,297	66,012	53,311	38,919	38,889	35,245	554,566
GROSS OPERATING PROFIT	(19,784)	28,351	87,131	107,561	110,162	205,619	294,335	327,325	133,002	68,027	16,691	(2,857)	1,355,563
OTHER FIXED EXPENSES	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
INSURANCE, TAXES, & RENT	3,435	16,522	17,671	28,136	16,522	3,435	3,435	3,435	3,435	28,136	16,522	34,317	175,000
FRANCHISE FEE	2,893	4,429	7,757	8,730	9,989	13,821	17,816	20,053	10,473	6,640	4,008	2,910	108,520
MANAGEMENT FEE	2,970	4,529	7,923	8,926	9,186	14,083	18,098	20,332	10,682	6,796	4,109	2,987	110,621
TOTAL OTHER FIXED EXPENSES	9,298	25,480	33,351	45,792	34,697	31,339	39,349	43,820	24,590	41,572	24,640	40,214	394,142
INCOME BEFORE CAPEX & PLAN PMTS	(29,082)	2,871	53,780	61,769	75,465	174,280	254,986	283,505	108,413	26,455	(7,949)	(43,070)	961,422
CAPEX	0	0	0	39,674	39,674	0	0	0	0	0	0	0	79,348
NET CASH FLOW FOR PLAN PMTS	(29,082)	2,871	53,780	22,095	35,791	174,280	254,986	283,505	108,413	26,455	(7,949)	(43,070)	882,074
PLAN PAYMENTS	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLASS 1	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 2	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	445,905
CLASS 3	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	52,600
CLASS 4	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
TOTAL PLAN PAYMENTS	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	616,504
TOTAL INCOME AFTER PLAN PAYMENTS	(80,457)	(48,505)	2,405	(29,280)	(15,584)	122,905	203,610	232,129	57,037	(24,920)	(59,324)	(94,246)	266,570
CASH BEGINNING OF PERIOD	1,124,626	1,037,744	994,483	1,009,812	978,681	970,927	1,113,464	1,313,731	1,571,725	1,629,328	1,552,321	1,491,698	1,124,626
OCCUPANCY TAX COLLECTED	8,178	11,918	20,737	23,834	24,599	37,125	46,595	51,895	27,668	18,107	11,376	8,306	290,340
OCCUPANCY TAX REMITTED	(14,603)	(6,674)	(7,813)	(25,687)	(16,769)	(17,493)	(49,938)	(26,030)	(27,103)	(70,194)	(12,674)	(9,429)	(284,405)
CAPITAL CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0	0
CHANGE IN CASH DURING PERIOD	(80,457)	(48,505)	2,405	(29,280)	(15,584)	122,905	203,610	232,129	57,037	(24,920)	(59,324)	(94,446)	266,570
CASH ENDING OF PERIOD	1,037,744	994,483	1,009,812	978,681	970,927	1,113,464	1,313,731	1,571,725	1,629,328	1,552,321	1,491,698	1,396,130	1,396,130
III(B) ELECTION	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLAIM PAYMENTS	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	496,504

CONFIDENTIAL - NOT FOR DISTRIBUTION

SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2019 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,452	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,035
ROOMS SOLD	1,003	1,409	2,343	2,674	2,673	3,679	4,049	4,110	3,097	2,162	1,287	965	29,451
ROOMS OCCUPIED	1,003	1,409	2,343	2,674	2,673	3,679	4,049	4,110	3,097	2,162	1,287	965	29,451
PERCENTAGE OF OCCUPANCY	20.3%	31.6%	47.1%	56.1%	54.2%	77.1%	82.1%	83.4%	64.9%	43.9%	27.0%	19.6%	50.7%
AVERAGE DAILY RATE	75.03	81.77	86.13	84.92	87.48	97.73	114.47	126.93	87.97	79.89	81.01	78.44	95.85
REVENUE PER AVAILABLE ROOM	15.27	25.88	40.94	47.61	47.44	75.38	94.03	105.84	57.11	35.04	21.86	15.36	48.64
REVENUE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	75,255	115,208	201,796	227,082	233,837	359,544	463,492	521,689	272,437	172,712	104,255	75,693	2,823,000
TELEPHONE	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER INCOME	1,972	2,576	4,232	5,023	5,025	6,681	7,204	7,139	5,370	4,001	2,587	1,950	55,761
TOTAL REVENUE	77,227	117,784	206,028	232,105	238,862	366,225	470,696	528,828	277,807	176,713	106,842	77,643	2,876,761
DEPARTMENTAL EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
ROOMS	51,590	47,557	64,686	70,073	70,123	89,684	110,414	102,462	78,800	60,742	44,717	39,753	830,601
TELEPHONE-LINE CHARGES	3,063	3,063	3,063	3,063	3,063	3,063	3,063	3,063	3,063	3,063	3,063	3,063	36,759
OTHER	420	575	952	1,102	1,102	1,498	1,637	1,649	1,242	886	543	408	12,015
TOTAL DEPARTMENTAL EXPENSE	55,073	51,196	68,702	74,238	74,288	94,246	115,114	107,174	83,105	64,691	48,323	43,224	879,375
OVERHEAD EXPENSE	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
SALES & MARKETING	2,188	1,459	4,741	1,577	5,240	4,156	2,847	2,462	7,307	1,459	1,569	5,935	40,940
REPAIRS & MAINTENANCE	15,395	11,296	14,079	15,625	15,131	18,291	23,280	18,691	16,836	13,312	12,961	10,030	184,927
ADMINISTRATION & GENERAL	14,714	13,127	14,242	14,760	15,528	18,791	24,075	22,324	16,282	13,576	15,990	11,467	194,877
ENERGY	8,761	9,933	12,209	12,684	15,338	16,450	16,874	16,874	14,363	11,656	9,277	8,596	148,865
TOTAL OVERHEAD EXPENSE	41,058	35,815	45,272	44,655	48,583	56,376	66,652	60,351	54,788	39,973	39,797	36,029	569,549
GROSS OPERATING PROFIT	(18,904)	30,774	92,055	113,211	115,990	215,403	288,929	361,303	139,913	72,049	18,722	(1,609)	1,427,836
OTHER FIXED EXPENSES	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
INSURANCE, TAXES, & RENT	3,525	16,874	20,049	28,968	16,874	3,525	3,525	3,525	3,525	28,968	16,874	34,407	180,641
FRANCHISE FEE	3,010	4,008	8,072	9,083	9,353	14,382	18,540	20,868	10,897	6,908	4,270	3,028	112,920
MANAGEMENT FEE	3,089	4,711	8,241	9,284	9,554	14,649	18,828	21,153	11,112	7,069	4,274	3,106	115,070
TOTAL OTHER FIXED EXPENSES	9,625	26,194	36,362	47,335	35,782	32,556	40,893	45,546	25,535	42,945	25,318	40,541	408,632
INCOME BEFORE CAPEX & PLAN PMTS	(28,529)	4,580	55,692	65,876	80,208	182,847	248,036	315,757	114,378	29,104	(6,596)	(42,150)	1,019,204
CAPEX	0	0	0	41,483	41,483	0	0	0	0	0	0	0	82,966
NET CASH FLOW FOR PLAN PMTS	(28,529)	4,580	55,692	24,393	38,725	182,847	248,036	315,757	114,378	29,104	(6,596)	(42,150)	936,239
PLAN PAYMENTS	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLASS 1	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 2	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	445,905
CLASS 3	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	52,600
CLASS 4	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
TOTAL PLAN PAYMENTS	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	51,375	616,504
TOTAL INCOME AFTER PLAN PAYMENTS	(79,904)	(46,795)	4,317	(26,982)	(12,650)	131,472	196,661	264,382	63,003	(22,271)	(57,971)	(93,525)	319,734
CASH BEGINNING OF PERIOD	1,396,130	1,309,480	1,268,142	1,285,909	1,256,996	1,252,497	1,404,400	1,597,579	1,888,883	1,952,481	1,875,995	1,816,674	1,396,130
OCCUPANCY TAX COLLECTED	8,509	12,401	21,577	24,798	25,595	38,629	48,484	54,001	28,790	18,840	11,855	8,641	302,100
OCCUPANCY TAX REMITTED	(15,254)	(6,943)	(8,128)	(6,943)	(8,128)	(18,198)	(17,444)	(17,444)	(28,195)	(73,055)	(13,185)	(9,809)	(295,983)
CAPITAL CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0	0
CHANGE IN CASH DURING PERIOD	(79,904)	(46,795)	4,317	(26,982)	(12,650)	131,472	196,661	264,382	63,003	(22,271)	(57,971)	(93,525)	319,734
CASH ENDING OF PERIOD	1,309,480	1,268,142	1,285,909	1,256,996	1,252,497	1,404,400	1,597,579	1,888,883	1,952,481	1,875,995	1,816,674	1,721,981	1,721,981
III(B) ELECTION	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTAL
CLAIM PAYMENTS	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	496,504

CONFIDENTIAL - NOT FOR DISTRIBUTION

SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2020 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,611	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,194
ROOMS SOLD	1,021	1,430	2,377	2,717	2,716	3,765	4,067	4,116	3,169	2,226	1,311	983	29,898
ROOMS OCCUPIED	1,021	1,430	2,377	2,717	2,716	3,765	4,067	4,116	3,169	2,226	1,311	983	29,898
PERCENTAGE OF OCCUPANCY	20.7%	31.0%	48.2%	57.0%	55.1%	78.9%	82.5%	83.5%	66.4%	45.2%	27.5%	19.9%	51.4%
AVERAGE DAILY RATE	76.50	83.34	87.78	86.54	89.16	98.77	117.66	130.77	88.82	80.33	82.57	79.98	97.63
REVENUE PER AVAILABLE ROOM	15.85	25.85	42.33	49.29	49.13	77.96	97.08	109.20	59.01	36.28	22.69	15.95	50.16
REVENUE	78,111	119,173	208,647	235,128	242,161	371,871	478,526	538,238	281,464	178,819	108,243	78,619	2,919,000
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	2,016	2,631	4,321	5,132	5,134	6,858	7,311	7,231	5,514	4,122	2,646	1,994	54,911
OTHER INCOME	80,127	121,804	212,968	240,260	247,295	378,729	485,837	545,469	286,978	182,941	110,889	80,613	2,973,911
TOTAL REVENUE	82,143	124,435	217,289	245,392	252,429	385,588	493,148	552,700	292,492	187,063	113,535	82,627	3,028,822
DEPARTMENTAL EXPENSE	52,675	48,622	66,278	71,932	71,985	92,574	112,539	104,272	81,223	62,758	45,804	52,016	862,678
ROOMS	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	37,495
TELEPHONE-LINE CHARGES	428	585	969	1,122	1,122	1,535	1,651	1,658	1,273	913	554	416	12,227
OTHER	56,228	52,332	70,371	76,178	76,232	97,234	117,315	109,055	85,620	66,795	49,483	55,557	912,399
TOTAL DEPARTMENTAL EXPENSE	56,653	51,232	70,340	76,178	76,232	97,234	117,315	109,055	85,620	66,795	49,483	55,557	912,399
OVERHEAD EXPENSE	2,226	1,484	4,817	1,605	5,341	4,214	2,898	2,508	7,434	1,484	1,597	6,712	42,319
SALES & MARKETING	15,754	11,580	14,456	16,058	15,554	18,898	23,797	19,082	17,374	13,758	13,287	14,046	193,643
REPAIRS & MAINTENANCE	15,026	13,414	14,576	15,119	15,906	19,267	24,668	22,887	16,674	13,894	16,321	15,038	202,790
ADMINISTRATION & GENERAL	8,970	10,170	13,026	13,026	13,026	15,857	16,745	17,139	14,838	12,028	9,506	8,801	152,613
ENERGY	41,975	36,649	46,366	45,807	49,818	58,233	68,108	61,616	36,320	41,164	40,710	44,597	591,365
TOTAL OVERHEAD EXPENSE	68,726	61,817	78,785	75,556	84,687	92,942	116,822	105,037	100,178	66,626	60,907	79,050	591,365
GROSS OPERATING PROFIT	(18,075)	32,823	96,232	118,275	121,246	223,261	300,415	374,798	145,038	74,981	20,695	(19,541)	1,470,148
OTHER FIXED EXPENSES	3,618	17,234	22,028	29,824	17,234	3,618	3,618	3,618	3,618	29,824	17,234	34,500	188,970
INSURANCE, TAXES, & RENT	3,124	4,767	8,346	9,405	9,686	14,875	19,141	19,082	17,374	13,758	13,287	14,046	193,643
FRANCHISE FEE	3,205	4,872	8,519	9,610	9,892	15,149	19,433	21,810	11,479	7,318	4,436	3,225	118,956
MANAGEMENT FEE	9,948	26,873	38,893	48,840	36,812	33,642	42,193	46,967	26,356	44,295	25,999	40,870	421,687
TOTAL OTHER FIXED EXPENSES	(28,023)	5,950	57,339	69,435	84,434	189,619	258,222	327,832	118,682	30,687	(5,304)	(60,410)	1,048,461
INCOME BEFORE CAPEX & PLAN PMTS	0	0	0	43,151	43,151	0	0	0	0	0	0	0	86,303
CAPEX	(28,023)	5,950	57,339	26,283	41,282	189,619	258,222	327,832	118,682	30,687	(5,304)	(60,410)	962,158
NET CASH FLOW FOR PLAN PMTS	(28,023)	5,950	57,339	26,283	41,282	189,619	258,222	327,832	118,682	30,687	(5,304)	(60,410)	962,158
PLAN PAYMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 1	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	445,905
CLASS 2	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	52,600
CLASS 3	10,000	10,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	170,000
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PLAN PAYMENTS	51,375	51,375	56,375	56,375	56,375	56,375	56,375	56,375	56,375	56,375	56,375	56,375	666,504
TOTAL INCOME AFTER PLAN PAYMENTS	(79,399)	(45,425)	963	(30,092)	(15,093)	133,243	201,847	271,456	62,306	(25,689)	(61,680)	(116,786)	295,654
CASH BEGINNING OF PERIOD	1,721,981	1,635,549	1,595,730	1,610,559	1,578,567	1,571,826	1,726,103	1,924,428	2,223,445	2,286,143	2,204,920	2,141,795	1,721,981
OCCUPANCY TAX COLLECTED	8,839	12,844	22,339	25,708	26,537	40,005	50,125	55,789	29,784	12,298	8,983	312,780	312,780
OCCUPANCY TAX REMITTED	(15,873)	(7,238)	(8,473)	(8,473)	(8,473)	(18,185)	(18,970)	(28,229)	(29,393)	(75,063)	(13,745)	(10,225)	(306,649)
CAPITAL CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0	0
CHANGE IN CASH DURING PERIOD	(79,399)	(45,425)	963	(30,092)	(15,093)	133,243	201,847	271,456	62,306	(25,689)	(61,680)	(116,786)	295,654
CASH ENDING OF PERIOD	1,635,549	1,595,730	1,610,559	1,578,567	1,571,826	1,726,103	1,924,428	2,223,445	2,286,143	2,204,920	2,141,795	2,023,766	2,023,766
III(B) ELECTION	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	496,504
CLAIM PAYMENTS	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	496,504

CONFIDENTIAL - NOT FOR DISTRIBUTION

SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2021 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,452	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,035
ROOMS SOLD	1,034	1,446	2,402	2,749	2,748	3,804	4,068	4,114	3,217	2,271	1,329	1,036	30,218
ROOMS OCCUPIED	1,034	1,446	2,402	2,749	2,748	3,804	4,068	4,114	3,217	2,271	1,329	1,036	30,218
PERCENTAGE OF OCCUPANCY	21.0%	32.5%	48.7%	57.6%	55.8%	79.7%	82.5%	83.5%	67.4%	46.1%	27.9%	21.0%	52.1%
AVERAGE DAILY RATE	78.08	84.88	89.42	88.18	90.87	100.67	120.90	134.37	89.99	81.17	84.21	78.50	99.44
REVENUE PER AVAILABLE ROOM	16.38	27.57	43.57	50.82	50.66	80.28	99.78	112.15	60.69	37.40	23.46	16.50	51.78
REVENUE	80,737	122,736	214,781	242,410	249,703	382,936	491,829	552,792	289,496	184,342	111,916	81,322	3,005,000
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	2,052	2,677	4,395	5,224	5,224	6,974	7,390	7,306	5,627	4,216	2,693	2,074	55,849
OTHER INCOME	82,789	125,413	219,176	247,632	254,927	389,910	499,219	560,098	295,123	188,558	114,609	83,396	3,060,849
TOTAL REVENUE	82,789	125,413	219,176	247,632	254,927	389,910	499,219	560,098	295,123	188,558	114,609	83,396	3,060,849
DEPARTMENTAL EXPENSE	42,182	49,627	67,695	73,593	73,649	106,210	102,814	105,885	83,237	64,451	46,825	53,656	869,822
ROOMS	3,187	3,187	3,187	3,187	3,187	3,187	3,187	3,187	3,187	3,187	3,187	3,187	38,244
TELEPHONE-LINE CHARGES	435	593	981	1,138	1,138	1,555	1,658	1,664	1,295	933	563	437	12,389
OTHER	45,803	53,407	71,863	77,918	77,974	110,952	107,659	110,736	87,718	68,571	50,575	57,280	920,456
TOTAL DEPARTMENTAL EXPENSE	45,803	53,407	71,863	77,918	77,974	110,952	107,659	110,736	87,718	68,571	50,575	57,280	920,456
OVERHEAD EXPENSE	1,575	1,510	4,895	1,633	5,444	4,961	2,261	2,554	7,564	1,510	1,625	6,825	42,358
SALES & MARKETING	12,267	11,858	14,817	16,470	15,956	23,226	20,437	19,459	17,858	14,161	13,604	14,477	194,592
REPAIRS & MAINTENANCE	11,949	13,696	14,898	15,466	16,270	23,107	21,841	23,411	17,048	14,203	16,649	15,352	203,890
ADMINISTRATION & GENERAL	9,170	10,400	13,339	13,339	15,330	16,236	16,999	17,395	15,249	12,382	9,726	9,144	156,179
ENERGY	34,961	37,464	47,417	46,908	51,001	67,531	61,538	62,818	57,720	42,256	41,604	45,799	597,018
TOTAL OVERHEAD EXPENSE	34,961	37,464	47,417	46,908	51,001	67,531	61,538	62,818	57,720	42,256	41,604	45,799	597,018
GROSS OPERATING PROFIT	2,024	34,542	99,896	122,806	125,952	211,428	330,021	386,543	149,685	77,731	22,431	(19,685)	1,543,375
OTHER FIXED EXPENSES	3,714	17,602	24,193	30,706	17,602	3,714	3,714	3,714	3,714	30,706	17,602	34,596	191,575
INSURANCE, TAXES, & RENT	3,229	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	52,600
FRANCHISE FEE	3,312	5,017	8,767	9,905	10,197	15,596	19,969	22,404	11,805	7,542	4,584	3,336	120,200
MANAGEMENT FEE	10,255	27,528	41,552	50,307	37,787	34,628	43,356	48,229	27,098	45,622	26,663	41,184	434,209
TOTAL OTHER FIXED EXPENSES	10,255	27,528	41,552	50,307	37,787	34,628	43,356	48,229	27,098	45,622	26,663	41,184	434,209
INCOME BEFORE CAPEX & PLAN PMTS	(8,231)	7,014	58,344	72,498	88,165	176,800	286,666	338,314	122,586	32,109	(4,232)	(60,867)	1,109,166
CAPEX	0	0	0	44,609	44,609	0	0	0	0	0	0	0	89,217
NET CASH FLOW FOR PLAN PMTS	(8,231)	7,014	58,344	27,889	43,557	176,800	286,666	338,314	122,586	32,109	(4,232)	(60,867)	1,019,949
PLAN PAYMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 1	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	445,905
CLASS 2	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	52,600
CLASS 3	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	56,375	56,375	56,375	56,375	56,375	56,375	56,375	56,375	56,375	56,375	56,375	56,375	676,504
TOTAL PLAN PAYMENTS	(64,606)	(49,361)	1,969	(28,486)	(12,819)	120,425	230,290	281,938	66,211	(24,266)	(60,607)	(117,243)	343,445
TOTAL INCOME AFTER PLAN PAYMENTS	2,023,766	1,951,925	1,908,294	1,924,492	1,894,154	1,889,851	2,031,829	2,258,578	2,568,586	2,634,955	2,554,094	2,491,943	2,023,766
CASH BEGINNING OF PERIOD	9,145	13,246	23,028	26,538	27,398	41,251	51,593	57,381	30,677	20,159	12,727	9,299	322,440
OCCUPANCY TAX COLLECTED	(16,380)	(7,515)	(8,798)	(8,798)	(18,882)	(19,698)	(55,133)	(29,312)	(30,519)	(76,753)	(14,272)	(10,617)	(316,270)
OCCUPANCY TAX REMITTED	(64,606)	(49,361)	1,969	(28,486)	(12,819)	120,425	230,290	281,938	66,211	(24,266)	(60,607)	(117,243)	343,445
CAPITAL CONTRIBUTION	1,951,925	1,908,294	1,924,492	1,894,154	1,889,851	2,031,829	2,258,578	2,568,586	2,634,955	2,554,094	2,491,943	2,373,381	2,373,381
CHANGE IN CASH DURING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH ENDING OF PERIOD	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	496,504
III(B) ELECTION													
CLAIM PAYMENTS													

CONFIDENTIAL - NOT FOR DISTRIBUTION

SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2022 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,452	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,035
ROOMS SOLD	1,050	1,465	2,433	2,788	2,787	3,853	4,120	4,163	3,254	2,301	1,351	1,054	30,619
ROOMS OCCUPIED	1,050	1,465	2,433	2,788	2,787	3,853	4,120	4,163	3,254	2,301	1,351	1,054	30,619
PERCENTAGE OF OCCUPANCY	21.3%	32.9%	49.4%	58.4%	56.5%	80.8%	83.6%	84.5%	68.2%	46.7%	28.3%	21.4%	52.8%
AVERAGE DAILY RATE	79.68	86.49	91.09	89.86	92.61	102.59	122.99	136.70	91.72	82.79	85.86	80.01	101.28
REVENUE PER AVAILABLE ROOM	16.97	28.46	44.96	52.52	52.37	82.87	102.80	115.46	62.57	38.65	24.32	17.11	53.43
REVENUE	83,659	126,711	221,629	250,529	258,109	395,284	506,702	569,078	298,470	190,500	116,002	84,327	3,101,000
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	2,093	2,729	4,480	5,326	5,328	7,109	7,533	7,445	5,753	4,298	2,749	2,119	56,942
OTHER INCOME	85,752	129,440	226,109	255,855	263,437	402,393	514,235	576,523	304,203	194,798	118,751	86,446	3,157,942
TOTAL REVENUE	88,845	132,169	230,609	261,181	268,437	409,502	521,768	583,968	314,153	199,096	121,500	90,672	3,214,884
DEPARTMENTAL EXPENSE	43,108	50,705	69,281	75,448	75,507	108,760	105,379	108,440	85,156	65,972	59,632	43,087	890,475
ROOMS	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	39,009
TELEPHONE-LINE CHARGES	442	602	997	1,157	1,157	1,579	1,684	1,688	1,313	947	573	445	12,585
OTHER	46,801	54,558	73,528	79,856	79,914	113,590	110,313	113,379	89,720	70,170	63,456	46,783	942,069
TOTAL DEPARTMENTAL EXPENSE	47,643	58,359	77,776	82,661	82,771	123,419	121,276	125,717	98,384	74,087	67,485	50,679	1,044,663
OVERHEAD EXPENSE	1,603	1,536	4,974	1,662	5,549	5,033	2,302	2,601	7,696	1,536	2,354	6,240	43,086
SALES & MARKETING	12,559	12,150	15,204	16,914	16,389	23,834	20,998	19,991	18,323	14,532	17,857	10,903	199,654
REPAIRS & MAINTENANCE	12,204	13,991	15,239	15,834	16,658	23,659	22,374	23,978	17,446	14,528	20,447	12,221	208,579
ADMINISTRATION & GENERAL	9,383	10,643	13,120	13,667	16,649	17,433	17,433	17,831	15,621	12,684	9,960	9,360	160,029
ENERGY	35,749	38,321	48,536	48,086	52,264	69,175	63,108	64,401	59,087	43,281	50,618	38,724	611,347
TOTAL OVERHEAD EXPENSE	68,895	73,690	90,020	83,185	102,856	115,816	103,823	111,818	116,125	71,479	81,411	62,707	1,033,665
GROSS OPERATING PROFIT	3,202	36,561	104,045	127,913	131,259	219,628	340,814	398,743	155,396	81,347	4,677	940	1,604,525
OTHER FIXED EXPENSES	3,812	17,978	26,237	31,614	17,978	3,812	3,812	3,812	3,812	31,614	17,978	34,694	197,150
INSURANCE, TAXES, & RENT	3,346	5,068	8,865	10,021	10,324	15,811	20,268	22,763	11,959	6,440	4,640	3,373	124,040
FRANCHISE FEE	3,430	5,178	9,044	10,234	10,537	16,096	20,569	23,061	12,168	7,792	4,750	3,458	126,318
MANAGEMENT FEE	10,588	28,224	44,146	51,869	38,839	35,719	44,649	49,636	27,919	47,026	27,568	41,525	447,507
TOTAL OTHER FIXED EXPENSES	17,364	48,470	72,055	82,124	65,700	55,526	70,690	75,560	32,939	55,868	26,958	48,356	277,865
INCOME BEFORE CAPEX & PLAN PMTS	(7,386)	8,337	59,899	76,044	92,419	183,909	296,165	349,107	127,477	34,321	(22,690)	(40,585)	1,157,018
CAPEX	0	0	0	45,913	45,913	0	0	0	0	0	0	0	91,825
NET CASH FLOW FOR PLAN PMTS	(7,386)	8,337	59,899	30,132	46,507	183,909	296,165	349,107	127,477	34,321	(22,690)	(40,585)	1,065,193
PLAN PAYMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 1	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	445,905
CLASS 2	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	52,600
CLASS 3	15,000	15,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	230,000
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	56,375	56,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	726,504
TOTAL PLAN PAYMENTS	(63,761)	(48,038)	(1,477)	(31,244)	(14,869)	122,534	234,790	287,731	66,102	(27,054)	(84,066)	(101,960)	338,688
TOTAL INCOME AFTER PLAN PAYMENTS	2,373,381	2,902,279	2,260,111	2,273,271	2,240,227	2,234,058	2,378,728	2,609,953	2,926,332	2,992,338	2,907,487	2,821,769	496,504
CASH BEGINNING OF PERIOD	9,485	13,694	23,795	27,462	28,356	42,640	53,231	59,159	31,674	20,859	13,203	9,650	333,210
OCCUPANCY TAX COLLECTED	(16,827)	(7,823)	(9,159)	(29,262)	(19,656)	(20,505)	(56,796)	(30,512)	(31,770)	(78,656)	(14,856)	(11,052)	(326,874)
OCCUPANCY TAX REMITTED	(63,761)	(48,038)	(1,477)	(31,244)	(14,869)	122,534	234,790	287,731	66,102	(27,054)	(84,066)	(101,960)	338,688
CAPITAL CONTRIBUTION	2,302,279	2,260,111	2,273,271	2,240,227	2,234,058	2,378,728	2,609,953	2,926,332	2,992,338	2,907,487	2,821,769	2,718,406	4,965,504
CHANGE IN CASH DURING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH ENDING OF PERIOD	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	496,504
III(B) ELECTION													
CLAIM PAYMENTS													

CONFIDENTIAL - NOT FOR DISTRIBUTION

SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2023 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,452	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,035
ROOMS SOLD	1,066	1,484	2,464	2,827	2,851	3,903	4,172	4,162	3,291	2,357	1,373	1,071	31,021
ROOMS OCCUPIED	1,066	1,484	2,464	2,827	2,851	3,903	4,172	4,162	3,291	2,357	1,373	1,071	31,021
PERCENTAGE OF OCCUPANCY	21.6%	33.3%	50.0%	59.3%	57.8%	81.8%	84.6%	84.4%	69.0%	47.8%	28.8%	21.7%	53.5%
AVERAGE DAILY RATE	81.30	88.15	92.81	91.58	93.57	104.54	125.13	140.77	93.51	83.52	87.55	81.62	103.16
REVENUE PER AVAILABLE ROOM	17.58	29.38	46.40	54.28	54.12	85.54	105.91	118.87	64.51	39.94	25.20	17.74	55.14
REVENUE	86,667	130,809	228,691	258,896	266,773	408,017	522,051	585,892	307,729	196,847	120,208	87,420	3,200,000
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	2,134	2,781	4,566	5,430	5,461	7,247	7,678	7,527	5,840	4,411	2,805	2,163	58,043
OTHER INCOME	88,801	133,590	233,257	264,326	272,234	415,264	529,729	593,419	313,569	201,258	123,013	89,583	3,258,043
TOTAL REVENUE	88,801	133,590	233,257	264,326	272,234	415,264	529,729	593,419	313,569	201,258	123,013	89,583	3,258,043
DEPARTMENTAL EXPENSE	44,056	51,809	70,908	77,352	89,708	99,515	108,013	110,232	87,126	67,964	60,945	44,052	911,680
ROOMS	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	39,790
TELEPHONE-LINE CHARGES	450	612	1,012	1,175	1,184	1,604	1,709	1,695	1,332	971	584	453	12,782
OTHER	47,821	55,737	75,236	81,844	94,208	104,435	113,038	115,243	91,773	72,251	64,844	47,821	964,251
TOTAL DEPARTMENTAL EXPENSE	47,821	55,737	75,236	81,844	94,208	104,435	113,038	115,243	91,773	72,251	64,844	47,821	964,251
OVERHEAD EXPENSE	1,631	1,563	5,054	1,691	6,369	4,393	2,345	2,649	7,830	1,563	2,395	6,346	43,828
SALES & MARKETING	12,857	12,450	15,600	17,368	20,902	20,465	21,572	20,389	18,800	14,989	18,279	11,172	204,843
REPAIRS & MAINTENANCE	12,465	14,293	15,589	16,211	20,581	20,699	22,922	24,538	17,854	14,862	20,865	12,484	213,383
ADMINISTRATION & GENERAL	9,600	10,891	13,439	14,022	14,107	17,074	17,878	18,089	16,002	13,090	10,200	9,578	163,972
ENERGY	36,554	39,197	49,682	49,292	61,959	62,631	64,717	65,685	60,486	44,504	51,740	39,580	626,026
TOTAL OVERHEAD EXPENSE	36,554	39,197	49,682	49,292	61,959	62,631	64,717	65,685	60,486	44,504	51,740	39,580	626,026
GROSS OPERATING PROFIT	4,426	38,657	108,339	133,190	116,067	248,199	351,974	412,490	161,309	84,503	6,429	2,183	1,667,766
OTHER FIXED EXPENSES	3,913	18,362	28,496	32,548	18,362	3,913	3,913	3,913	3,913	32,548	18,362	34,795	203,035
INSURANCE, TAXES, & RENT	3,467	5,232	9,148	10,356	16,321	20,882	23,436	23,737	12,309	7,874	4,808	3,497	128,000
FRANCHISE FEE	3,552	5,344	9,330	10,573	10,889	16,611	21,189	23,377	12,543	8,050	4,921	3,583	130,322
MANAGEMENT FEE	10,931	28,938	46,974	53,477	39,922	36,844	45,984	51,085	28,764	48,473	28,191	41,875	461,357
TOTAL OTHER FIXED EXPENSES	(6,505)	9,719	61,365	79,713	76,145	211,355	305,990	361,405	132,545	36,030	(21,661)	(39,692)	1,206,409
INCOME BEFORE CAPEX & PLAN PMTS	0	0	0	47,369	47,369	0	0	0	0	0	0	0	94,738
CAPEX	(6,505)	9,719	61,365	32,344	28,776	211,355	305,990	361,405	132,545	36,030	(21,661)	(39,692)	1,111,671
NET CASH FLOW FOR PLAN PMTS	(6,505)	9,719	61,365	32,344	28,776	211,355	305,990	361,405	132,545	36,030	(21,661)	(39,692)	1,111,671
PLAN PAYMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 1	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	445,905
CLASS 2	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	52,600
CLASS 3	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
CLASS 4	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PLAN PAYMENTS	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	736,504
TOTAL INCOME AFTER PLAN PAYMENTS	(67,881)	(51,656)	(10)	(29,031)	(32,599)	149,979	244,615	300,030	71,170	(25,345)	(83,037)	(101,067)	375,167
CASH BEGINNING OF PERIOD	2,718,406	2,643,034	2,597,393	2,612,441	2,581,660	2,557,952	2,730,669	2,971,694	3,300,971	3,371,788	3,287,398	3,202,597	2,718,406
OCCUPANCY TAX COLLECTED	9,835	14,155	24,587	28,414	29,343	44,072	54,921	60,994	32,702	21,581	13,694	10,012	344,310
OCCUPANCY TAX REMITTED	(17,326)	(8,140)	(9,529)	(30,163)	(20,451)	(21,335)	(58,511)	(31,747)	(33,055)	(80,626)	(15,457)	(11,500)	(337,840)
CAPITAL CONTRIBUTION	(67,881)	(51,656)	(10)	(29,031)	(32,599)	149,979	244,615	300,030	71,170	(25,345)	(83,037)	(101,067)	375,167
CHANGE IN CASH DURING PERIOD	2,643,034	2,597,393	2,612,441	2,581,660	2,557,952	2,730,669	2,971,694	3,300,971	3,371,788	3,287,398	3,202,597	3,100,042	3,100,042
CASH ENDING OF PERIOD	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	496,504
III(B) ELECTION													
CLAIM PAYMENTS													

CONFIDENTIAL - NOT FOR DISTRIBUTION

SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2024 MONTHLY CONFIRMATION PLAN

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
ROOMS AVAILABLE	4,929	4,611	4,929	4,770	4,929	4,770	4,929	4,929	4,770	4,929	4,770	4,929	58,194
ROOMS SOLD	1,086	1,507	2,501	2,874	2,898	3,963	4,235	4,223	3,337	2,394	1,399	1,091	31,508
ROOMS OCCUPIED	1,086	1,507	2,501	2,874	2,898	3,963	4,235	4,223	3,337	2,394	1,399	1,091	31,508
PERCENTAGE OF OCCUPANCY	22.0%	32.7%	50.7%	60.3%	58.8%	83.1%	85.9%	85.7%	70.0%	48.6%	29.3%	22.1%	54.1%
AVERAGE DAILY RATE	82.89	89.85	94.61	93.34	95.40	106.56	127.35	143.22	143.22	85.19	89.28	83.29	105.08
REVENUE PER AVAILABLE ROOM	18.26	29.36	48.00	56.24	56.09	88.53	109.42	122.71	66.69	41.38	26.18	18.43	56.90
REVENUE	90,021	135,402	236,610	268,257	276,463	422,287	539,307	604,818	318,125	203,949	124,896	90,865	3,311,000
ROOMS	0	0	0	0	0	0	0	0	0	0	0	0	0
TELEPHONE	2,184	2,841	4,663	5,551	5,582	7,404	7,844	7,688	5,964	4,507	2,869	2,212	59,310
OTHER INCOME	92,205	138,243	241,273	273,808	282,045	429,691	547,151	612,506	324,089	208,456	127,765	93,077	3,370,310
TOTAL REVENUE	94,389	141,043	245,933	279,359	287,647	437,142	557,145	620,194	330,054	211,405	128,030	86,152	3,429,620
DEPARTMENTAL EXPENSE	45,089	3,382	3,382	3,382	3,382	3,382	3,382	3,382	3,382	3,382	3,382	3,382	40,585
ROOMS	45,089	3,382	3,382	3,382	3,382	3,382	3,382	3,382	3,382	3,382	3,382	3,382	40,585
TELEPHONE-LINE CHARGES	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER	459	623	1,030	1,198	1,207	1,633	1,740	1,725	1,354	989	596	463	13,014
TOTAL DEPARTMENTAL EXPENSE	45,548	3,995	4,412	4,580	4,589	5,015	5,122	5,107	4,736	4,371	3,978	3,845	43,599
OVERHEAD EXPENSE	1,660	1,590	5,135	1,721	6,490	4,454	2,388	2,698	7,967	2,315	1,712	6,453	44,584
SALES & MARKETING	13,175	12,769	16,024	17,858	21,462	21,056	22,195	20,981	19,316	19,475	14,650	11,456	210,417
REPAIRS & MAINTENANCE	12,738	14,609	15,961	16,614	21,074	21,232	23,516	25,190	18,291	18,812	17,704	12,758	218,699
ADMINISTRATION & GENERAL	9,832	11,154	13,782	14,395	14,482	17,537	18,362	18,576	16,417	13,426	10,455	9,809	168,226
ENERGY	37,405	40,122	30,902	50,587	63,509	64,280	66,460	67,445	61,990	54,028	44,520	40,477	641,726
TOTAL OVERHEAD EXPENSE	63,610	64,635	60,719	86,321	100,960	99,173	106,559	112,680	100,714	85,741	70,629	64,771	738,777
GROSS OPERATING PROFIT	48,841	76,408	185,214	193,038	186,687	337,969	350,586	307,514	229,340	125,664	57,401	21,280	2,690,843
OTHER FIXED EXPENSES	4,016	3,601	3,688	3,688	3,688	3,688	3,688	3,688	3,688	3,688	3,688	3,688	44,584
INSURANCE, TAXES, & RENT	4,016	3,601	3,688	3,688	3,688	3,688	3,688	3,688	3,688	3,688	3,688	3,688	44,584
FRANCHISE FEE	3,601	5,416	10,730	21,572	21,886	17,188	21,886	24,500	12,964	8,338	5,111	3,723	134,812
MANAGEMENT FEE	3,688	5,530	9,651	10,952	11,282	17,188	21,886	24,500	12,964	8,338	5,111	3,723	134,812
TOTAL OTHER FIXED EXPENSES	11,305	14,547	24,069	36,318	36,656	38,064	47,474	52,709	29,705	16,777	13,426	11,134	476,334
INCOME BEFORE CAPEX & PLAN PMTS	37,536	61,861	161,145	156,720	150,031	299,905	303,112	254,805	199,636	108,887	44,000	9,146	2,214,509
CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	97,741
NET CASH FLOW FOR PLAN PMTS	37,536	61,861	161,145	156,720	150,031	299,905	303,112	254,805	199,636	108,887	44,000	9,146	2,116,768
PLAN PAYMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 1	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 2	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	36,992	445,905
CLASS 3	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	52,600
CLASS 4	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
CLASS 5	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 6	0	0	0	0	0	0	0	0	0	0	0	0	0
CLASS 7	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE & EXECUTORY	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PLAN PAYMENTS	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	61,375	736,504
TOTAL INCOME AFTER PLAN PAYMENTS	(66,811)	(49,967)	1,941	(26,272)	(29,412)	158,679	255,763	312,691	76,949	(43,099)	(61,264)	(99,965)	429,234
CASH BEGINNING OF PERIOD	3,100,042	3,025,615	2,981,828	2,999,301	2,971,330	2,951,030	3,133,127	3,385,267	3,727,895	3,804,217	3,700,639	3,637,490	3,100,042
OCCUPANCY TAX COLLECTED	10,225	14,671	25,472	29,477	30,446	45,674	56,817	63,054	33,854	22,887	14,240	10,415	356,730
OCCUPANCY TAX REMITTED	(17,842)	(8,491)	(9,940)	(31,175)	(22,255)	(60,440)	(33,117)	(34,482)	(82,865)	(16,125)	(11,996)	(11,996)	(350,062)
CAPITAL CONTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0	0
CHANGE IN CASH DURING PERIOD	(66,811)	(49,967)	1,941	(26,272)	(29,412)	158,679	255,763	312,691	76,949	(43,099)	(61,264)	(99,965)	429,234
CASH ENDING OF PERIOD	3,025,615	2,981,828	2,999,301	2,971,330	2,951,030	3,133,127	3,385,267	3,727,895	3,804,217	3,700,639	3,637,490	3,535,944	3,535,944
III(B) ELECTION	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	496,504
CLAIM PAYMENTS	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	41,375	496,504

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SHILO INN, SEASIDE EAST, LLC & MOSES LAKE, INC
2025 MONTHLY CONFIRMATION PLAN

	JAN	FEB	TOTAL
ROOMS AVAILABLE	4,929	4,452	9,381
ROOMS SOLD	1,086	1,507	2,593
ROOMS OCCUPIED	1,086	1,507	2,593
PERCENTAGE OF OCCUPANCY	22.0%	33.8%	27.6%
AVERAGE DAILY RATE	82.89	89.85	86.94
REVENUE PER AVAILABLE ROOM	18.26	30.41	24.03
Budget	Budget	Budget	TOTAL
REVENUE	90,021	135,402	225,423
ROOMS	0	0	0
TELEPHONE	2,184	2,841	5,025
OTHER INCOME	92,205	138,243	230,448
TOTAL REVENUE			
DEPARTMENTAL EXPENSE	45,089	53,007	98,097
ROOMS	3,382	3,382	6,764
TELEPHONE-LINE CHARGES	459	623	1,082
OTHER	48,931	57,012	105,943
TOTAL DEPARTMENTAL EXPENSE			
OVERHEAD EXPENSE	1,660	1,590	3,250
SALES & MARKETING	13,175	12,769	25,944
REPAIRS & MAINTENANCE	12,738	14,609	27,347
ADMINISTRATION & GENERAL	9,832	11,154	20,986
ENERGY	37,405	40,122	77,527
TOTAL OVERHEAD EXPENSE			
GROSS OPERATING PROFIT	5,870	41,109	46,978
OTHER FIXED EXPENSES	4,016	38,417	42,434
INSURANCE, TAXES, & RENT	3,601	5,416	9,017
FRANCHISE FEE	3,688	5,530	9,218
MANAGEMENT FEE	11,305	49,563	60,668
TOTAL OTHER FIXED EXPENSES			
INCOME BEFORE CAPEX & PLAN PMTS	(5,435)	(8,254)	(13,690)
CAPEX	0	0	0
NET CASH FLOW FOR PLAN PMTS	(5,435)	(8,254)	(13,690)
PLAN PAYMENTS	0	0	0
CLASS 1	36,992	36,992	73,984
CLASS 2	4,383	4,383	8,767
CLASS 3	20,000	20,000	40,000
CLASS 4	0	0	0
CLASS 5	0	0	0
CLASS 6	0	0	0
CLASS 7	0	0	0
ADMINISTRATIVE & EXECUTORY	0	0	0
TOTAL PLAN PAYMENTS	61,375	61,375	122,751
TOTAL INCOME AFTER PLAN PAYMENTS	(66,811)	(69,630)	(136,441)
CASH BEGINNING OF PERIOD	3,535,944	3,461,516	3,535,944
OCCUPANCY TAX COLLECTED	10,225	14,671	24,896
OCCUPANCY TAX REMITTED	(17,842)	(8,491)	(26,333)
CAPITAL CONTRIBUTION	0	0	0
CHANGE IN CASH DURING PERIOD	(66,811)	(69,630)	(136,441)
CASH ENDING OF PERIOD	3,461,516	3,398,067	3,398,067
III(B) ELECTION	41,375	41,375	82,751
CLAIM PAYMENTS			

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90017.

A true and correct copy of the foregoing document entitled (*specify* **Motion to Confirm Debtor's Chapter 11 Plan of Reorganization, Dated November 12, 2014 as Revised on December 11, 2014; Memorandum of Points and Authorities; Declaration of Earl J. Duckworth in Support Thereof**) will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **February 10, 2015**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued

on attached page

2. SERVED BY UNITED STATES MAIL: On **February 10, 2015**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued

on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **February 10, 2015**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA ATTORNEY SERVICE

The Hon. Vicente Zurzolo
United States Bankruptcy Court
255 E. Temple St., #1360
Los Angeles, CA 90012

Service information continued

on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

February 10, 2015

Jason Klassi

/s/ Jason Klassi

Date

Printed Name

Signature

1 **2:13-bk-21601-VZ Notice will be electronically mailed to:**

2 Natalie B. Daghandan on behalf of Creditor California Bank & Trust
natalie.daghandan@bryancave.com,
3 raul.morales@bryancave.com;theresa.macaulay@bryancave.com

4 John-Patrick M Fritz on behalf of Plaintiff Shilo Inn, Boise Airport, LLC
jpf@lnbrb.com

5 John-Patrick M Fritz on behalf of Plaintiff Shilo Inn, Nampa Blvd, LLC
6 jpf@lnbrb.com

7 John-Patrick M Fritz on behalf of Plaintiff Shilo Inn, Newberg, LLC
jpf@lnbrb.com

8 John-Patrick M Fritz on behalf of Plaintiff Shilo Inn, Seaside East, LLC
9 jpf@lnbrb.com

10 John-Patrick M Fritz on behalf of Plaintiff Shilo Inn, Twin Falls, LLC
jpf@lnbrb.com

11 John-patrick M Fritz on behalf of Debtor Shilo Inn, Boise Airport, LLC
12 jpf@lnbrb.com

13 John-patrick M Fritz on behalf of Debtor Shilo Inn, Moses Lake, Inc.
jpf@lnbrb.com

14 John-patrick M Fritz on behalf of Debtor Shilo Inn, Nampa Blvd, LLC
15 jpf@lnbrb.com

16 John-patrick M Fritz on behalf of Debtor Shilo Inn, Newberg, LLC
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17 John-patrick M Fritz on behalf of Debtor Shilo Inn, Seaside East, LLC
18 jpf@lnbrb.com

19 John-patrick M Fritz on behalf of Debtor Shilo Inn, Twin Falls, LLC
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20 David B Golubchik on behalf of Attorney Levene, Neale, Bender Yoo & Brill LLP
21 dbg@lnbyb.com, dbg@ecf.inforuptcy.com;stephanie@lnbyb.com

22 David B Golubchik on behalf of Debtor Shilo Inn, Boise Airport, LLC
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23 David B Golubchik on behalf of Debtor Shilo Inn, Moses Lake, Inc.
24 dbg@lnbyb.com, dbg@ecf.inforuptcy.com;stephanie@lnbyb.com

25 David B Golubchik on behalf of Debtor Shilo Inn, Nampa Blvd, LLC
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26 David B Golubchik on behalf of Debtor Shilo Inn, Newberg, LLC
27 dbg@lnbyb.com, dbg@ecf.inforuptcy.com;stephanie@lnbyb.com

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1 David B Golubchik on behalf of Debtor Shilo Inn, Seaside East, LLC
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3 David B Golubchik on behalf of Debtor Shilo Inn, Twin Falls, LLC
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4 David B Golubchik on behalf of Plaintiff Shilo Inn, Twin Falls, LLC
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5
6 Jeffrey S Kwong on behalf of Debtor Shilo Inn, Twin Falls, LLC
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7 Mary D Lane on behalf of Interested Party Courtesy NEF
mal@msk.com, mec@msk.com

8
9 Hal M Mersel on behalf of Creditor California Bank & Trust
mark.mersel@bryancave.com, ginny.hamel@bryancave.com

10 Hal M Mersel on behalf of Defendant California Bank and Trust, N.A.
mark.mersel@bryancave.com, ginny.hamel@bryancave.com

11
12 Kelly L Morrison on behalf of U.S. Trustee United States Trustee (LA)
kelly.l.morrison@usdoj.gov

13 Kerry A. Moynihan on behalf of Creditor California Bank & Trust
kerry.moynihan@bryancave.com, apameh.vaziri@bryancave.com;raul.morales@bryancave.com

14
15 Kerry A. Moynihan on behalf of Defendant California Bank and Trust, N.A.
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16 Terence A Pruit on behalf of Interested Party Washington State Department of Natural Resources
terryp@atg.wa.gov

17
18 Kurt Ramlo on behalf of Interested Party Courtesy NEF
kr@lnbyb.com

19 United States Trustee (LA)
ustpregion16.la.ecf@usdoj.gov

20
21 Sharon Z. Weiss on behalf of Creditor California Bank & Trust
sharon.weiss@bryancave.com, raul.morales@bryancave.com ve.com

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