

JUDGE: THE HONORABLE FRANK L. KURTZ  
 HEARING LOCATION: 402 E YAKIMA  
 AVENUE, SUITE 200 (SECOND FLOOR  
 COURTROOM), YAKIMA, WASHINGTON  
 HEARING DATE: MAY 8, 2019  
 HEARING TIME: 10:00 A.M.  
 RESPONSE DATE: AT THE TIME OF  
 HEARING

SUSAN RAE FOX (WSBA NO. 15278)  
 RICHARD J. HYATT (WSBA NO. 14048)  
 RYAN, SWANSON & CLEVELAND, PLLC  
 1201 Third Avenue, Suite 3400  
 Seattle, Washington 98101  
 Phone: 206-464-4224  
 Facsimile: 206-583-0359  
 Email: [fox@ryanlaw.com](mailto:fox@ryanlaw.com)

IN THE UNITED STATES BANKRUPTCY COURT  
 EASTERN DISTRICT OF WASHINGTON  
 AT YAKIMA

In Re:

ASTRIA HEALTH, *et al.*

Debtors and Debtors in Possession.

BANKRUPTCY NO. 19-01189-11  
 (Jointly Administered)

DECLARATION OF STEVE KIENZLER IN  
 SUPPORT OF TIAA COMMERCIAL  
 FINANCE, INC.'S OBJECTION TO  
 EMERGENCY MOTION OF DEBTORS FOR  
 INTERIM AND FINAL ORDERS (I)  
 AUTHORIZING THE DEBTORS TO  
 OBTAIN POSTPETITION FINANCING;  
 (II) GRANTING SECURITY INTERESTS  
 AND SUPERPRIORITY ADMINISTRATIVE  
 EXPENSE STATUS; (III) GRANTING  
 ADEQUATE PROTECTION TO CERTAIN  
 PREPETITION SECURED CREDIT  
 PARTIES; (IV) MODIFYING THE  
 AUTOMATIC STAY; (V) AUTHORIZING  
 THE DEBTORS TO ENTER INTO  
 AGREEMENTS WITH JMB CAPITAL  
 PARTNERS LENDING, LLC;  
 (VI) AUTHORIZING USE OF CASH  
 COLLATERAL; (VII) SCHEDULING A  
 FINAL HEARING; AND (VIII) GRANTING  
 RELATED RELIEF; MEMORANDUM OF  
 POINTS AND AUTHORITIES IN SUPPORT  
 THEREOF

DECLARATION OF STEVE KIENZLER - 1



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1 Steve Kienzler, being first duly sworn, on oath deposes and says:

2 1. I am a Senior Commercial Portfolio Manager with TIAA Commercial  
3 Finance, Inc. ("TIAA CF"). I am of legal age and otherwise fully competent to  
4 testify to the matters stated herein based on my own personal knowledge.

5 2. TIAA CF has a secured interest or lease interest in certain collateral  
6 of the Debtors as a result of acquiring the rights, title and position of a prior lender.

7 3. On June 12, 2018, Regional Health, n/k/a Astria Health, obtained a  
8 loan from GE HFS, LLC, evidenced by a Master Security Agreement ("MSA")  
9 and Equipment Schedule (the "GE HFS Loan").

10 4. Pursuant to the GE HFS Loan, equipment was obtained and placed in  
11 the Yakima Regional Medical Center, n/k/a the Astria Regional Medical Center,  
12 and the Toppenish Community Hospital, n/k/a Astria Toppenish Hospital.  
13 A UCC Financing Statement covering all of the equipment was duly recorded.

14 5. On November 15, 2018, GE HFS, LLC sold the GE HFS Loan to  
15 TIAA CF and assigned all of its interest in the equipment secured by the UCC  
16 Financing Statement.

17 6. By letter dated February 13, 2019, I informed the Debtor that TIAA  
18 CF owned the GE HFS Loan obligation and that it was in default. (*See*, Exhibit 1  
19 attached hereto.)

20 7. On or about March 5, 2015, Frontier Neurosurgery, PLLC, entered  
21 into a Master Security Agreement with General Electric Capital Corporation  
22 ("GECC"), including an Amended and Restated Equipment Schedule, Promissory  
23 Note dated June 25, 2015, and six (6) equipment lease contracts evidenced by a  
24 Master Lease Agreement dated April 28, 2014 (collectively, the "GECC Loan").  
25  
26

8. Pursuant to the GECC Loan, certain equipment was obtained and placed in service. A UCC Financing Statement covering all of the equipment was duly recorded.

9. On November 15, 2018, GECC sold the GECC Loan to TIAA CF and assigned all of its interest in the equipment secured by the UCC Financing Statement.

10. By letter dated February 13, 2019, I informed the Debtor that TIAA CF owned the GECC Loan obligation and that it was in default. (See, Exhibit 2 attached hereto.)

I declare under penalty of perjury under the laws of the State of Missouri and Washington that the foregoing is true and correct.

DATED this 8<sup>th</sup> day of May, 2019.

Steve Kienzler

# EXHIBIT 1

*To the Declaration of Steve Kienzler*

19-01189-FLK11



TIAA Commercial Finance, Inc.  
10 Waterview Boulevard  
Parsippany, NJ 07054

February 13, 2019

**NOTICE**

Via Federal Express

Regional Health  
100 S. 9<sup>th</sup> Ave.  
Yakima, WA 98902  
Attn.: Cary Rowan

Re: Loan made to Regional Health ("Debtor") by GE HFS, LLC ("Secured Party"), as evidenced by Master Security Agreement (the "MSA") dated June 12, 2018 by such parties, and Equipment Schedule dated as of June 12, 2018, identified by Secured Party as contract # 9934408001 (the "Loan") (now identified as TIAA # 41855065)

Dear Mr. Rowan:

As you may know, GE HFS, LLC sold the Loan to TIAA Commercial Finance, Inc. ("TIAA CF") on November 15, 2018. Our records indicate the contract referenced above is severely past due. As of February 7, 2019, this Loan is currently past due in an amount of \$819,073.89.

An event of default has occurred under the MSA and therefore Secured Party demands payment of all delinquent amounts within 10 days from the date hereof. Please remit the amount of \$819,073.89 made payable to GE HFS, LLC via priority overnight delivery, at:

PNC Bank Firstside Center  
500 First Avenue  
Lockbox Dept.  
RE: Lockbox 641419  
Pittsburgh, PA 15219

In the event said default continues past the 10 day notice period, Lender will seek to pursue its remedies against the Borrower, as provided under the MSA, and TIAA CF hereby reserves all rights and remedies therein.

Sincerely,

Steve Kienzler  
Commercial Portfolio Manager, Sr.  
TIAA Commercial Finance, Inc.  
390 S. Woods Mill Rd, Suite 300  
Chesterfield, MO 63017  
Email to: [steve.kienzler@tiaabank.com](mailto:steve.kienzler@tiaabank.com)  
Phone: 314-851-1846

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# EXHIBIT 2

*To the Declaration of Steve Kienzler*

19-01189-FLK11



TIAA Commercial Finance, Inc.  
10 Waterview Boulevard  
Parsippany, NJ 07054

February 13, 2019

**NOTICE**

Via Federal Express

Frontier Neurosurgery, P.L.L.C.  
6101 Summitview Ave.  
Yakima, WA 98908  
Attn.: Kirt L. Peterson, Executive Director

Dave Atteberry  
7604 Gravestone Court  
Yakima, WA 98908

Re: Six (6) equipment lease contracts between Frontier Neurosurgery, P.L.L.C. ("Frontier") and General Electric Capital Corporation ("GECC"), as evidenced by Master Lease Agreement dated April 28, 2014 and the related Equipment Schedules dated April 28, 2014 through July 1, 2015 referenced below; and two (2) loans made by GECC to Frontier as evidenced by a) a Master Security Agreement Dated March 5, 2015 and a related Amended and Restated Equipment Schedule dated July 1, 2015 and b) a Promissory Note dated June 25, 2015 made by Frontier in favor of GECC (collectively, the leases and loans are referred to herein as the "Contracts"); and the related Guaranty of Dave Atteberry dated March 5, 2015 of Frontier's obligations under the Contracts. The Contract numbers are as follows:

- # 9753434001 originally (now TIAA # 41832527)
- # 9800376001 originally (now TIAA # 41836742)
- # 9800465001 originally (now TIAA # 41836748)
- # 9800638001 originally (now TIAA # 41836766)
- # 9800643001 originally (now TIAA # 41836768)
- # 9800752001 originally (now TIAA # 41836784)
- # 9800539001 originally (now TIAA # 41836759) (loan)
- # 9809487001 originally (now TIAA # 41837460) (loan)

Dear Messrs. Peterson and Atteberry:

As you may know, GECC sold and assigned the above referenced Contracts to TIAA Commercial Finance, Inc. ("TIAA CF" or "Lender") on November 15, 2018. Our records indicate the Contracts are severely past due. As of February 7, 2019, the current amounts that are past due on these Contracts are as follows:

TIAA # 41832527:	\$14,427.22
TIAA # 41836742:	\$26,868.59
TIAA # 41836748:	\$162,853.13
TIAA # 41836766:	\$73,821.37
TIAA # 41836768:	\$26,086.24
TIAA # 41836784:	\$39,254.04
TIAA # 41836759:	\$14,440.66
TIAA # 41837460:	\$47,678.94
<b>Total Past Due Amount:</b>	<b>\$405,430.19</b>

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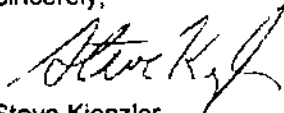
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Lender hereby declares that an event of default has occurred under each of the Contracts and demands payment of all delinquent amounts within 10 days from the date hereof.  
Please remit the amount of \$405,430.19 made payable to General Electric Capital Corporation via priority overnight delivery, at:

PNC Bank Firstside Center  
500 First Avenue  
Lockbox Dept.  
RE: Lockbox 641419  
Pittsburgh, PA 15219

Should such defaults continue past the 10 day notice period, Lender will seek to pursue its remedies against the Borrower and Guarantor Dave Atteberry as provided under the Contracts and Guaranty, respectively, and TIAA CF reserves all rights and remedies therein.

Sincerely,



Steve Kienzler  
Commercial Portfolio Manager, Sr.  
TIAA Commercial Finance, Inc.  
390 S. Woods Mill Rd, Suite 300  
Chesterfield, MO 63017  
Email to: [steve.kienzler@tiaabank.com](mailto:steve.kienzler@tiaabank.com)  
Phone: 314-851-1846