

DEBTOR: The Falls at Elk Grove, LLC

MONTHLY OPERATING REPORT
CHAPTER 11

CASE NUMBER: 18-25208

Form 2-A
COVER SHEET

For Period Ending: 10/31/2018

Accounting Method: Accrual Basis Cash Basis

THIS REPORT IS DUE 14 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each
Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. File the original with the Clerk of Court. Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts IMPORTANT: Redact account numbers and remove check images
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Executed on: 11/14/18

Print Name: Gil A. Miller

Signature: 

Title: Chief Restructuring Officer for the Falls Event Center LLC

DEBTOR: The Falls at Elk Grove, LLC CASE NO: 18-25208

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 10/01/2018 to 10/31/2018

CASH RECEIPTS DETAIL
(attach additional sheets as necessary)

Account No: Rabobank Acct 3666

Date	Payer	Description	Amount
10/22/2018	The Falls Event Center, LLC	Intercompany Loan	325.00

Total Cash Receipts \$ 325.00 (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

DEBTOR: The Falls at Elk Grove, LLC

CASE NO: 18-25208

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 10/01/2018 to 10/31/2018

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No: **Wells Fargo Acct. No 2565**

Date	Check No.	Payee	Description (Purpose)	Amount
10/31/2018		Wells Fargo	Monthly Service Fee	10.00

Total Cash Disbursements \$ 10.00 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

Form 2-C
COMPARATIVE BALANCE SHEET

For Period Ended: 10/31/2018

ASSETS	Current Month	Petition Date (1)
Current Assets:		
Cash (from Form 2-B, line 5)	\$ -	\$ -
Accounts Receivable (from Form 2-E)	-	-
Receivable from Officers, Employees, Affiliates	-	-
Inventory	-	-
Other Current Assets :(List) <u>Professional Retainers</u>	15,263.60	15,263.60
 Total Current Assets	<u>\$ 15,263.60</u>	<u>\$ 15,263.60</u>
Fixed Assets:		
Land and Buildings	\$ 13,624,530.00	\$ 13,624,530.00
Equipment, Furniture and Fixtures		
Total Fixed Assets	<u>13,624,530.00</u>	<u>13,624,530.00</u>
Less: Accumulated Depreciation	(1,080,034.32)	(994,881.00)
Net Fixed Assets	<u>\$ 12,544,495.68</u>	<u>\$ 12,629,649.00</u>
Other Assets (List): _____ _____ _____		
 TOTAL ASSETS	 <u>\$ 12,559,759.28</u>	 <u>\$ 12,644,912.60</u>
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E)	\$ -	\$ -
Post-petition Accrued Professional Fees (from Form 2-E)	39,585.00	
Post-petition Taxes Payable (from Form 2-E)	-	-
Post-petition Notes Payable		
Other Post-petition Payable(List): _____ _____		
Total Post Petition Liabilities	<u>\$ 39,585.00</u>	<u>\$ -</u>
Pre Petition Liabilities:		
Secured Debt	8,295,135.21	8,295,135.21
Priority Debt		
Unsecured Debt	-	-
Total Pre Petition Liabilities	<u>\$ 8,295,135.21</u>	<u>\$ 8,295,135.21</u>
TOTAL LIABILITIES	<u>\$ 8,334,720.21</u>	<u>\$ 8,295,135.21</u>
OWNERS' EQUITY		
Owner's/Stockholder's Equity	\$ 4,378,161.82	\$ 4,349,777.39
Retained Earnings - Prepetition		
Retained Earnings - Post-petition	(153,122.75)	
TOTAL OWNERS' EQUITY	<u>\$ 4,225,039.07</u>	<u>\$ 4,349,777.39</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	<u>\$ 12,559,759.28</u>	<u>\$ 12,644,912.60</u>

(1) Petition date values are taken from the Debtor's balance sheet as of the petition date or are the values listed on the Debtor's schedules.

(2) The book value of the Debtor's real estate may overstate the value and may not represent fair market value. The Debtor is working on obtaining better estimates.

DEBTOR: The Falls at Elk Grove, LLC

CASE NO: 18-25208

Form 2-D
PROFIT AND LOSS STATEMENT
 For Period 10/01/2018 to 10/31/2018

	Current Month	Accumulated Total (1)
Gross Operating Revenue	\$ -	\$ -
Less: Discounts, Returns and Allowances	(-)	(-)
Net Operating Revenue	\$ -	\$ -
Cost of Goods Sold	-	-
Gross Profit	\$ -	\$ -
Operating Expenses		
Officer Compensation	\$ -	\$ -
Selling, General and Administrative	-	-
Rents and Leases	-	-
Depreciation, Depletion and Amortization	28,384.44	113,537.75
Other (list): _____	-	-
	-	-
Total Operating Expenses	\$ 28,384.44	\$ 113,537.75
Operating Income (Loss)	\$ (28,384.44)	\$ (113,537.75)
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ -	\$ -
Gains (Losses) on Sale of Assets	-	-
Interest Income	-	-
Interest Expense	-	-
Other Non-Operating Income	-	-
Net Non-Operating Income or (Expenses)	\$ -	\$ -
Reorganization Expenses		
Legal and Professional Fees	\$ 5,784.00	\$ 39,585.00
Other Reorganization Expense	-	-
Total Reorganization Expenses	\$ 5,784.00	\$ 39,585.00
Net Income (Loss) Before Income Taxes	\$ (34,168.44)	\$ (153,122.75)
Federal and State Income Tax Expense (Benefit)	-	-
NET INCOME (LOSS)	\$ (34,168.44)	\$ (153,122.75)

(1) Accumulated Totals include all revenue and expenses since the petition date.

(2) Accrued interest from the Debtor's secured debt is included on The Falls Event Center, LLC (BK Case No. 18-25116), operating report. While The Falls Event Center is not obligated on the debt, it is expected that The Falls Event Center will make the eventual payments. It is the practice of the Debtor that The Falls Events Center collects all revenues and pays all expenses.

DEBTOR: The Falls at Elk Grove, LLC

CASE NO: 18-25208

**Form 2-E
SUPPORTING SCHEDULES**

For Period: 10/01/18 to 10/31/18

POST PETITION TAXES PAYABLE SCHEDULE

	<u>Beginning Balance (1)</u>	<u>Amount Accrued</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Check Number</u>	<u>Ending Balance</u>
Income Tax Withheld:						
Federal	\$ 0	\$ 0	\$ 0			\$ 0
State	0	0	0			0
FICA Tax Withheld	0	0	0			0
Employer's FICA Tax	0	0	0			0
Unemployment Tax						
Federal	0	0	0			0
State	0	0	0			0
Sales, Use & Excise Taxes	0	0	0			0
Property Taxes	-					-
Accrued Income Tax:						
Federal	0	0	0			0
State	0	0	0			0
Other: _____	0	0	0			0
TOTALS	\$ -	\$ -	\$ -			\$ -

(1) For first report, Beginning Balance will be \$0; thereafter, Beginning Balance will be Ending Balance from prior report.

INSURANCE SCHEDULE

	<u>Carrier</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Premium Paid Through</u>
Workers' Compensation	n/a	\$		\$
General Liability	n/a	\$		\$
Property (Fire, Theft)	AmTrust North America	\$14,600,000 1M/2M Liability	11/11/2018	\$ 10/31/2018
Vehicle	n/a	\$		\$
Other (list):	n/a	\$		\$
		\$		\$

DEBTOR: The Falls at Elk Grove, LLC

CASE NO: 18-25208

**Form 2-E
SUPPORTING SCHEDULES**

For Period: 10/01/18 to 10/31/18

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

<u>Due</u>	<u>Accounts Receivable</u>	<u>Post Petition Accounts Payable</u>
	\$ 0.00	\$ 0.00
Under 30 days	0.00	0.00
30 to 60 days	0.00	0.00
61 to 90 days	0.00	0.00
91 to 120 days	0.00	0.00
Over 120 days	0.00	0.00
	<u>0.00</u>	
Total Post Petition	<u>0.00</u>	
Pre Petition Amounts		
Total Accounts Receivable	\$ 0.00	
Less: Bad Debt Reserve	<u>0.00</u>	
Net Accounts Receivable (to Form 2-C)	<u>0.00</u>	
	Total Post Petition Accounts Payable	\$ 0.00

* Attach a detail listing of accounts receivable and post-petition accounts payable

TO ATTORNEYS AND OTHER PROFESSIONALS

	<u>Month-end Retainer Balance</u>	<u>Current Month's Accrual</u>	<u>Paid in Current Month</u>	<u>Date of Court Approval</u>	<u>Month-end Balance Due *</u>
Debtor's Counsel	\$ 15,263.60	\$ 5,784.00			\$ 38,991.00
Unsecured Creditors Committee Fees	-	-	-		-
Debtor's Counsel Accountant to Debtor	-				594.00
Total	<u>\$ 15,263.60</u>	<u>\$ 5,784.00</u>	<u>\$ -</u>		<u>\$ 39,585.00</u>

*Balance due to include fees and expenses incurred but not yet paid.

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**

<u>Payee Name</u>	<u>Position</u>	<u>Nature of Payment</u>	<u>Amount</u>
_____	_____	_____	\$ 0
_____	_____	_____	0
_____	_____	_____	0

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.

DEBTOR: The Falls at Elk Grove, LLC

CASE NO: 18-25208

**Form 2-F
QUARTERLY FEE SUMMARY ***
For the Month Ended: 10/31/2018

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	_____	\$ _____			
February	_____				
March	_____				
TOTAL 1st Quarter		\$ <u>_____</u>	\$ _____	_____	_____
April	_____	\$ _____			
May	_____				
June	_____				
TOTAL 2nd Quarter		\$ <u>_____</u>	\$ _____	_____	_____
July	<u>2018</u>	\$ _____			
August	<u>2018</u>	\$ _____			
September	<u>2018</u>	\$ _____			
TOTAL 3rd Quarter		\$ <u>0.00</u>	\$ <u>325</u>	_____	_____
October	<u>2018</u>	\$ 10.00			
November	<u>2018</u>				
December	<u>2018</u>				
TOTAL 4th Quarter		\$ <u>10.00</u>	\$ _____	_____	_____

FEE SCHEDULE (as of JANUARY 1, 2008)

Subject to changes that may occur to 28 U.S.C. §1930(a)(6)

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	< of 1% or \$250K
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	< of 1% or \$250K
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	< of 1% or \$250K
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999.....	< of 1% or \$250K
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999....	< of 1% or \$250K
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more	< of 1% or \$250K

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717

DEBTOR: The Falls at Elk Grove, LLC

CASE NO: 18-25208

**Form 2-G
NARRATIVE**

For the Period Ending: 10/31/2018

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

The Debtor filed its chapter 11 voluntary bankruptcy petition on July 16, 2018. This report provides information on the operations of the Debtor for the period October 1, 2018 through October 31, 2018.

The Debtor is a holding company holding property operated by The Falls Events Center, LLC, (See Case 18-25116). All revenues and expenses are reported by The Falls Events Center, LLC.

On Septmeber 4, 2018, an order was entered by the Bankruptcy Court authorizing the Debtor to retain and employ Rocky Mountain Advisory, LLC ("RMA"), acting through its principal Gil A. Miller, to serves as Chief Restructuring Advisor. RMA and the Debtor continue to analyze and investigate the Debtor's assets and liability balances. Therefore, future monthly operating reports may be revised to reflect such examination and assets and liabilities may change significantly and materially. As such, amounts reported as of the Petition Date and in the future may change based on this ongoing analysis. For example, the book value of the assets reported by the Debtor may be overstated. We are in the process of obtaining valuations or appraisals of the properties.

Asset and liability balances may be over or under stated and are subject to material modification. The financial statements may change as information becomes available to the Debtor. The Debtor may dispute the nature and amount of the assets and liabilities presented in these financial statements.

As new information and evidence becomes available, the balance sheet will be updated to reflect the correct amounts of assets and liabilities. That liabilities and assets may be omitted, listed and/or adjusted on the Debtor's balance sheet does not necessarily reflect the final opinion as to the eventual treatment of the assets and liabilities in a plan of reorganization or otherwise.



Rabobank, N.A.
 PO Box 6010
 Santa Maria, CA 93456-6010
 www.RabobankAmerica.com

Rabobank Return Service Requested



Rabobank, N.A.
 Member FDIC
 NMLS #649477

Period Covered:
 October 01, 2018 - October 31, 2018
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Gil Miller
 215 South State Street, Suite 550
 Salt Lake City UT 84111

Case Number 18-25208
 Case Name THE FALLS AT ELK GROVE. LLC
 Trustee Number [REDACTED]
 Trustee Name Gil Miller

Questions
 (800) 634-7734
 banking@bmsadvantage.com
 www.bmsadvantage.com

CONSOLIDATED BALANCE SUMMARY

Account	Number	Ending Balance Prior Period	Ending Balance This Period
Checking Account TRUSTEE CHECKING	[REDACTED] 3666	\$0.00	\$325.00
Total		\$0.00	\$325.00

Notable Information For You...

*Did you know that electronic copies of bank statements and check images may be found within your BMS software? Rabobank issues electronic copies of each month's bank statement and check images automatically to BMS clients. **CaseLink Office** and **TrustWorks** users can find copies within QuikDocs. **CaseLink Web** users can find copies within the documents module. Look for the copies in the banking folder within each specific case.*



Rabobank, N.A.
 PO Box 6010
 Santa Maria, CA 93456-6010
 www.RabobankAmerica.com

Rabobank Return Service Requested

Period Covered:
 October 01, 2018 - October 31, 2018
 Page 2 of 2

Gil Miller
 215 South State Street, Suite 550
 Salt Lake City UT 84111

Case Number 18-25208
 Case Name THE FALLS AT ELK GROVE. LLC
 Trustee Number [REDACTED]
 Trustee Name Gil Miller

Questions
 (800) 634-7734
 banking@bmsadvantage.com
 www.bmsadvantage.com

TRUSTEE CHECKING

Account Number: [REDACTED] 3666

Enclosures	0	Beginning Balance	\$0.00
Avg Collected Balance	\$182.00	+ Total Additions	\$325.00
		- Total Subtractions	\$0.00
		Ending Balance	\$325.00

Credits

Date	Description	Additions
10-22	DEPOSIT 100001	325.00

Daily Balances

Date	Amount
10-22	325.00

Bank Reconciliation Summary Worksheet

Trustee: Gil Miller (640150)

Period End: 10/31/18

Bank Balance Through October 2018

Case	Account #	(A) Ledger Balance	(B) Add (Less) Outstanding Items	(C) Adjusted Ledger Balance (A + B)	(D) Add (Less) Balancing Items	(E) Reconciled Ledger Balance (C + D)	(F) Less Bank Balance	(G) Unreconciled Difference (E - F)
18-25208 THE FALLS AT ELK GROVE, LLC	██████████3666	325.00	0.00	325.00	0.00	325.00	325.00	0.00
Trustee Totals		\$325.00	\$0.00	\$325.00	\$0.00	\$325.00	\$325.00	\$0.00

Wells Fargo Simple Business Checking

Account number: [REDACTED] 2565 ■ October 1, 2018 - October 31, 2018 ■ Page 1 of 3



THE FALLS AT ELK GROVE, LLC
 DEBTOR IN POSSESSION
 CH 11 CASE # 18-25208 (UT)
 8280 ELK GROVE BLVD
 ELK GROVE CA 95758-9513

Questions?

Available by phone 24 hours a day, 7 days a week:
 Telecommunications Relay Services calls accepted

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wells Fargo.com/biz

Write: Wells Fargo Bank, N.A. (119)
 P.O. Box 6995
 Portland, OR 97228-6995

Your Business and Wells Fargo

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Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to wells Fargo.com/biz or call the number above if you have questions or if you would like to add new services.

- Business Online Banking
- Online Statements
- Business Bill Pay
- Business Spending Report
- Overdraft Protection

Activity summary

Beginning balance on 10/1	\$25.00
Deposits/Credits	0.00
Withdrawals/Debits	- 10.00
Ending balance on 10/31	\$15.00
Average ledger balance this period	\$25.00

Account number: [REDACTED] 2565

THE FALLS AT ELK GROVE, LLC
DEBTOR IN POSSESSION
CH 11 CASE # 18-25208 (UT)

Utah account terms and conditions apply

For Direct Deposit use
 Routing Number (RTN): 124002971

For Wire Transfers use
 Routing Number (RTN): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed on your statement or visit your Wells Fargo store.



Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
10/31		Monthly Service Fee		10.00	15.00
Ending balance on 10/31					15.00
Totals			\$0.00	\$10.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Monthly service fee summary

For a complete list of fees and detailed account information, see the Wells Fargo Account Fee and Information Schedule and Account Agreement applicable to your account (EasyPay Card Terms and Conditions for prepaid cards) or talk to a banker. Go to wells Fargo.com/feefaq for a link to these documents, and answers to common monthly service fee questions.

Fee period 10/01/2018 - 10/31/2018	Standard monthly service fee \$10.00	You paid \$10.00
How to avoid the monthly service fee	Minimum required	This fee period
Have any ONE of the following account requirements		
· Average ledger balance	\$500.00	\$25.00 <input type="checkbox"/>

C1/C1

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	0	3,000	0	0.0030	0.00
Transactions	0	50	0	0.50	0.00
Total service charges					\$0.00

The Falls at Elk Grove, LLC
Monthly Bank Account Reconciliation
Wells Fargo Acct. No 2565
October 2018

Beginning Balance	\$25.00
Add: Cleared Deposits	\$0.00
Less: Cleared Withdrawals	\$10.00
Equals: Bank Balance	<u>\$15.00</u>
Add: Deposits in Transit	\$0.00
Less: Checks Outstanding	\$0.00
Equals: Book Balance	<u>\$15.00</u>
Book Balance	\$15.00
Unreconciled Difference	<u><u>\$0.00</u></u>