

DEBTOR: The Falls at McMinnville, LLC

MONTHLY OPERATING REPORT
CHAPTER 11

CASE NUMBER: 18-25492

Form 2-A
COVER SHEET

For Period Ending: 8/31/2018

Accounting Method: Accrual Basis Cash Basis

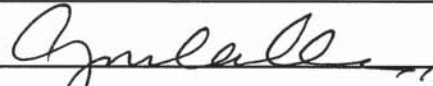
THIS REPORT IS DUE 14 DAYS AFTER THE END OF THE MONTH

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 type="checkbox"/> (1)	<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: 9/14/18 Print Name: GIL A. MILLER
 Signature: 
 Title: CEO for The Falls Transit Center

Footnotes:

(1) No official reconciliation was performed by the Debtor. For the month, there was only one \$25.00 deposit to open the account.

DEBTOR: The Falls at McMinnville, LLC **CASE NO:** 18-25492

**Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

For Period: 7/27/2018 to 8/31/2018

CASH FLOW SUMMARY

	<u>Current Month</u>	<u>Accumulated</u>
1. Beginning Cash Balance	\$ <u> - </u> (1)	\$ <u> - </u> (1)
2. Cash Receipts		
Operations		-
Sale of Assets		-
Loans/advances	25.00	25.00
Other		
Total Cash Receipts	\$ <u> 25.00 </u>	\$ <u> 25.00 </u>
3. Cash Disbursements		
Operations		
Debt Service/Secured loan payment		
Professional fees/U.S. Trustee fees		
Additional Retainer (Professional Fees)		
Other		
Total Cash Disbursements	\$ <u> - </u>	\$ <u> - </u>
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)	<u> 25.00 </u>	<u> 25.00 </u>
5 Ending Cash Balance (to Form 2-C)	\$ <u> 25.00 </u> (2)	\$ <u> 25.00 </u> (2)

CASH BALANCE SUMMARY

	<u>Financial Institution</u>	<u>Book Balance</u>
Petty Cash		\$ 0
DIP Operating Account	<u>Wells Fargo Acct. No 2557</u>	25.00
DIP State Tax Account		0
DIP Payroll Account		0
Other Operating Account		0
Other Interest-bearing Account		0
TOTAL (must agree with Ending Cash Balance above)		\$ <u> 25.00 </u> (2)

(1) Accumulated beginning cash balance is the cash available at the commencement of the case.

Current month beginning cash balance should equal the previous month's ending balance.

(2) All cash balances should be the same.

DEBTOR: The Falls at McMinnville, LLC CASE NO: 18-25492

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 7/27/2018 to 8/31/2018

CASH RECEIPTS DETAIL
(attach additional sheets as necessary)

Account No: **Wells Fargo Acct. No 2557**

Date	Payer	Description	Amount
8/9/2018	Brooks Pickering	Opening Deposit (To be reimbursed)	25.00

Total Cash Receipts \$ 25.00 (1)

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

DEBTOR: The Falls at McMinnville, LLC

CASE NO: 18-25492

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 7/27/2018 to 8/31/2018

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No: **Wells Fargo Acct. No 2557**

Date	Check No.	Payee	Description (Purpose)	Amount
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Total Cash Disbursements \$ - (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: 8/31/2018

	Current Month	Petition Date (1)
ASSETS		
Current Assets:		
Cash (from Form 2-B, line 5)	\$ 25.00	\$
Accounts Receivable (from Form 2-E)		
Receivable from Officers, Employees, Affiliates		
Inventory		
Other Current Assets :(List) _____		
Total Current Assets	\$ <u>25.00</u>	\$ <u>-</u>
Fixed Assets:		
Land and Buildings	\$ 11,406,428.19	\$ 11,406,428.19
Equipment, Furniture and Fixtures		
Total Fixed Assets	<u>11,406,428.19</u>	<u>11,406,428.19</u>
Less: Accumulated Depreciation	(325,755.02)	(302,327.00)
Net Fixed Assets	\$ <u>11,080,673.17</u>	\$ <u>11,104,101.19</u>
Other Assets (List): _____		
TOTAL ASSETS	\$ <u>11,080,698.17</u>	\$ <u>11,104,101.19</u>
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E)	\$	\$
Post-petition Accrued Profesional Fees (from Form 2-E)	13,186.62	
Post-petition Taxes Payable (from Form 2-E)		
Post-petition Notes Payable		
Other Post-petition Payable(List): _____		
Total Post Petition Liabilities	\$ <u>13,186.62</u>	\$ _____
Pre Petition Liabilities:		
Secured Debt	12,106,763.00	12,106,763.00
Priority Debt	633,000.00	633,000.00
Unsecured Debt		
Total Pre Petition Liabilities	\$ <u>12,739,763.00</u>	\$ <u>12,739,763.00</u>
TOTAL LIABILITIES	\$ <u>12,752,949.62</u>	\$ <u>12,739,763.00</u>
OWNERS' EQUITY		
Owner's/Stockholder's Equity	\$ (1,635,636.81)	\$ (1,635,661.81)
Retained Earnings - Prepetition		
Retained Earnings - Post-petition	(36,614.64)	
TOTAL OWNERS' EQUITY	\$ <u>(1,672,251.45)</u>	\$ <u>(1,635,661.81)</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ <u>11,080,698.17</u>	\$ <u>11,104,101.19</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.

DEBTOR: The Falls at McMinnville, LLC

CASE NO: 18-25492

Form 2-D
PROFIT AND LOSS STATEMENT
 For Period 7/27/2018 to 8/31/2018

	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	23,428.02	23,428.02
Other (list): _____	-	-
	-	-
Total Operating Expenses	\$ 23,428.02	\$ 23,428.02
Operating Income (Loss)	\$ (23,428.02)	\$ (23,428.02)
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	\$ 13,186.62	\$ 13,186.62
Other Reorganization Expense	-	-
Total Reorganization Expenses	\$ 13,186.62	\$ 13,186.62
Net Income (Loss) Before Income Taxes	\$ (36,614.64)	\$ (36,614.64)
Federal and State Income Tax Expense (Benefit)	-	-
NET INCOME (LOSS)	\$ (36,614.64)	\$ (36,614.64)

(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 McMinnville, LLC

CASE NO: 18-25492

**Form 2-E
SUPPORTING SCHEDULES**

For Period: 07/27/18 to 08/31/18

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	0		0			-
Accrued Income Tax:						
Federal	0	0	0			0
State	0	0	0			0
Other: _____	0	0	0			0
TOTALS	\$ 0	\$ -	\$ 0			\$ -

(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	Everest	1M/2M 4M/4M	01/13/2019	\$ 09/30/2018
Property (Fire, Theft)	Travelers	\$94,000,000	12/22/2018	\$ 09/30/2018
Property (Fire, Theft)	First Mercury	1M/2M	07/30/2019	09/30/2018
Vehicle	n/a	\$	\$	
Other (list):	n/a	\$	\$	
		\$	\$	

DEBTOR: The Falls at McMinnville, LLC

CASE NO: 18-25492

**Form 2-E
SUPPORTING SCHEDULES**

For Period: 07/27/18 to 08/31/18

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	\$ <u>0.00</u>

* 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	\$ -				
Unsecured Creditors Committee Fees	-	-	-		-
Debtor's Counsel		13,186.62			13,186.62
Accountant to Debtor	-				
Total	<u>\$ -</u>	<u>\$ 13,186.62</u>	<u>\$ -</u>		<u>\$ 13,186.62</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 McMinnville, LLC

CASE NO: 18-25492

**Form 2-F
QUARTERLY FEE SUMMARY ***
For the Month Ended: 8/31/2018

<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>	\$ 0.00			
August	<u>2018</u>				
September	<u>2018</u>				
TOTAL 3rd Quarter	\$	<u>_____ 0.00 _____</u>	\$ _____	_____	_____
October	<u>2018</u>	\$ _____			
November	<u>2018</u>				
December	<u>2018</u>				
TOTAL 4th Quarter	\$	<u>_____ 0.00 _____</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 McMinnville, LLC

CASE NO: 18-25492

Form 2-G
NARRATIVE

For the Period Ending: 8/31/2018

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 27, 2018. This report provides information on the operations of the Debtor for the period July 27, 2018 through August 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 has worked quickly with the Debtor to prepare and file this monthly operating report, but RMA and the Debtor are in the process of analyzing and investigating 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.

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.

Wells Fargo Simple Business Checking

Account number: [REDACTED] ■ August 9, 2018 - August 31, 2018 ■ Page 1 of 4



THE FALLS AT MCMINNVILLE, LLC
DEBTOR IN POSSESSION
CH 11 CASE # 18-25492 (UT)
510 NE CAPT M K SMITH WAY
MCMINNVILLE OR 97128-8877

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: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (119)

P.O. Box 6995

Portland, OR 97228-6995

Your Business and Wells Fargo

Access complimentary resources and tools to help you create or revise your business plan - whether you're an experienced business owner or just starting out. Find out more at wellsfargoworks.com/plan.

Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to wellsfargo.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



IMPORTANT ACCOUNT INFORMATION

In the "Available balance, posting order, and overdrafts" section of the Deposit Account Agreement under the question "How do we process (post) transactions to your account?", we are replacing the paragraph beginning with "Your available balance will be reduced by pending withdrawals" to include a new fee waiver, as follows:

Your available balance will be reduced by pending withdrawals, such as debit card transactions we have authorized and must pay when they are sent to us for payment. If your account has insufficient funds as reflected by your available balance, the bank may assess overdraft and/or non-sufficient funds (NSF) fees on transactions we pay or return during nightly processing. A pending transaction will typically remain pending until we receive it for payment from your account, but we must release the pending transaction hold after three business days for most transactions. These pending transactions may be sent to us for payment after they have dropped from your account, but we must pay them when we receive them for payment.

In some circumstances, previously-authorized transactions may be paid into overdraft if other transactions or fees have reduced your balance before the pending transactions are sent to us for payment. To minimize the number of overdraft fees in these circumstances, we track transactions that reduced your available balance while pending and caused overdraft fees on other transactions. If these transactions are presented for payment within 10 business days after they first appeared as pending, we will waive any overdraft fees on those transactions. In rare circumstances, the merchant presents transactions for payment with a different identification code than

Account number: [REDACTED] ■ August 9, 2018 - August 31, 2018 ■ Page 2 of 4



was used when the transaction was sent for authorization and we are unable to match them. In those cases, you may be charged an overdraft fee if the transaction is paid into overdraft.

In addition, in the "Available balance, posting order, and overdrafts" section of the Deposit Account Agreement under the heading "IMPORTANT INFORMATION ABOUT FEES," we added the following:

We track transactions that reduced your available balance while pending and caused overdraft fees on other transactions. If these transactions are presented for payment within 10 business days after they first appeared as pending, we will waive any overdraft fees on those transactions. In rare circumstances, the merchant presents transactions for payment with a different identification code than was used when the transaction was sent for authorization and we are unable to match them.

Activity summary

Beginning balance on 8/9	\$0.00
Deposits/Credits	25.00
Withdrawals/Debits	- 0.00
Ending balance on 8/31	\$25.00
Average ledger balance this period	\$25.00

Account number: [REDACTED]
THE FALLS AT MCMINNVILLE, LLC
DEBTOR IN POSSESSION
CH 11 CASE # 18-25492 (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
8/9		Deposit	25.00		25.00
Ending balance on 8/31					25.00
Totals			\$25.00	\$0.00	

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 wellsfargo.com/feefaq for a link to these documents, and answers to common monthly service fee questions.

Fee period 08/09/2018 - 08/31/2018 Standard monthly service fee \$10.00 You paid \$0.00

We waived the fee this fee period to allow you to meet the requirements to avoid the monthly service fee. Your fee waiver is about to expire. You will need to meet the requirement(s) to avoid the monthly service fee.

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"/>

Account number: [REDACTED] ■ August 9, 2018 - August 31, 2018 ■ Page 3 of 4



Account transaction fees summary

<i>Service charge description</i>	<i>Units used</i>	<i>Units included</i>	<i>Excess units</i>	<i>Service charge per excess units (\$)</i>	<i>Total service charge (\$)</i>
Cash Deposited (\$)	0	3,000	0	0.0030	0.00
Transactions	1	50	0	0.50	0.00
Total service charges					\$0.00

Account number: XXXXXXXXXX ■ August 9, 2018 - August 31, 2018 ■ Page 4 of 4



General statement policies for Wells Fargo Bank

■ **Notice:** Wells Fargo Bank, N.A. may furnish information about accounts belonging to individuals, including sole proprietorships, to consumer reporting agencies. If this applies to you, you have the right to dispute the accuracy of information that we have reported by writing to us at: Overdraft Collections and Recovery, P.O. Box 5058, Portland, OR 97208-5058.

You must describe the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that relates to an identity theft, you will need to provide us with an identity theft report.

Account Balance Calculation Worksheet

1. Use the following worksheet to calculate your overall account balance.
2. Go through your register and mark each check, withdrawal, ATM transaction, payment, deposit or other credit listed on your statement. Be sure that your register shows any interest paid into your account and any service charges, automatic payments or ATM transactions withdrawn from your account during this statement period.
3. Use the chart to the right to list any deposits, transfers to your account, outstanding checks, ATM withdrawals, ATM payments or any other withdrawals (including any from previous months) which are listed in your register but not shown on your statement.

ENTER

A. The ending balance shown on your statement \$ _____

ADD

B. Any deposits listed in your register or transfers into your account which are not shown on your statement. + \$ _____

..... **TOTAL \$** _____

CALCULATE THE SUBTOTAL
(Add Parts A and B)

..... **TOTAL \$** _____

SUBTRACT

C. The total outstanding checks and withdrawals from the chart above - \$ _____

CALCULATE THE ENDING BALANCE
(Part A + Part B - Part C)

This amount should be the same as the current balance shown in your check register \$ _____

Number	Items Outstanding	Amount
Total amount \$		