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Counsel for the Debtor in Possession The Falls at Gilbert, LLC

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF UTAH
CENTRAL DIVISION

In re:

THE FALLS AT GILBERT, LLC, an
Arizona limited liability company,

Address: 9067 S 1300 W, #301
West Jordan, UT 84088,

Tax I.D. No. 45-2474566,

Debtor.

Bankruptcy Case No. 18-25419

Chapter 11

Honorable R. Kimball Mosier

[Filed Electronically]

**DECLARATION OF GIL A. MILLER IN OPPOSITION TO RLS CAPITAL, INC.'S
MOTION FOR RELIEF FROM THE AUTOMATIC STAY OR IN THE ALTERNATIVE
TO PROHIBIT USE OF CASH COLLATERAL**

1. My name is Gil A. Miller (“**Miller**”), and I am the Chief Restructuring Officer of Debtor The Falls Event Center, LLC (“**Debtor TFEC**”). I have been acting in that capacity since September 14, 2018.

2. On July 11, 2018, Debtor TFEC filed its bankruptcy petition with this Court under Chapter 11 of Title 11 of the United States Code, and since that date Debtor TFEC has been operating as a Debtor-in-Possession in its Chapter 11 Bankruptcy under Bankruptcy Case No. 18-25116 (the “**TFEC Case**”).

3. On July 16, 2018, The Falls at Gilbert, LLC (“**Debtor Gilbert**”) filed its bankruptcy petition with this Court under Chapter 11 of Title 11 of the United States Code, and since that date Debtor Gilbert has been operating as a Debtor-in-Possession in its Chapter 11 Bankruptcy under Bankruptcy Case No. 18-25419 (the “**Gilbert Case**”).

4. Debtor Gilbert is the wholly owned subsidiary of Debtor TFEC.

5. I have either personal knowledge of the facts testified to in this Declaration or knowledge gained through review of the books and records of Debtor TFEC and my investigation of the business affairs and operations of Debtor TFEC and its Subsidiaries (the “**Subsidiaries**”).

6. Lender RLS Capital, Inc. (the “**Lender**” or “**RLS**”) filed its *Motion for Relief From the Automatic Stay or in the Alternative to Prohibit Use of Cash Collateral* (the “**Motion**”) on October 3, 2018 in the Gilbert Case.

7. In June of 2018, Brooks Pickering (“**Pickering**”) was appointed as the Chief Restructuring Officer (“**CRO**”) for Debtor TFEC, as part of the restructuring for Debtor TFEC and its Subsidiaries, including Debtor Gilbert.

8. Pickering determined that a comprehensive approach was needed for the restructuring and reorganization of Debtor TFEC and its Subsidiaries. Accordingly, Pickering directed that the TFEC Case be filed with the United States Bankruptcy Court for the District of Utah on July 11, 2018.

9. On September 14, 2018, Pickering resigned as the CRO of Debtor TFEC, and I was appointed as the successor CRO of Debtor TFEC.

10. The real property described in the *Deed of Trust and Assignment of Rents* attached as Exhibit B to the Motion (the “**Gilbert Event Center**”) is improved with a special purpose event center building that is available for use to the general public to host wedding receptions and other events. The Gilbert Event Center is one of eight event centers that are currently being operated (collectively the “**Event Centers**”). The real property at each of the eight locations is owned by separate entities owned by TFEC. These related entities, including Debtor Gilbert, are referred to herein as the “**Subsidiaries.**”

11. As part of the operations and management of all of the Subsidiaries, including Debtor Gilbert, Debtor TFEC handles the bookings for all of the Event Centers, collects the deposits and use fees, employs the staff for each of the Event Centers, and owns the tables, chairs, linens, audio/visual equipment and other personal property associated with each of the Event Centers. Debtor TFEC is also responsible for insuring and maintaining each of the Event Centers, which has historically included servicing the debt obligations and operational expenses associated with each of the Event Centers, including the Gilbert Event Center. Accordingly, Debtor TFEC has always handled all of the finances associated with each of the Subsidiaries, including Debtor Gilbert.

12. In recognition of how the operations and management of the Subsidiaries and the Event Centers have been handled in the past, and as part of the still developing restructuring and reorganization plans for Debtor TFEC and the Subsidiaries, I have determined that it would be best to substantively consolidate some of the Subsidiaries into the TFEC Case. In addition, Debtor TFEC (under my direction) is working to sell certain undeveloped real property owned by some of the Subsidiaries as well as some of the Event Centers that I have determined cannot

be operated profitably in the near future. Debtor TFEC has already made progress in implementing its plan. Debtor TFEC has been successful in selling the Peoria property owned by Debtor TFEC's Peoria subsidiary, the Fairfield property owned by Debtor TFEC's Fairfield subsidiary, and the Centennial property owned by Debtor TFEC's Centennial subsidiary. The sale of the Cedar Park property owned by Debtor TFEC's Cedar Park subsidiary is pending. These sales are significant steps toward a successful reorganization. However, the Gilbert Event Center is vital to the success of the overall plan, and Debtor TFEC and its Subsidiaries, including Debtor Gilbert, will not be able to effectively reorganize without the Gilbert Event Center.

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

Dated this 22nd day of October, 2018.

Gil A. Miller

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