

DEBTOR: The Falls at McMinnville, LLC

**MONTHLY OPERATING REPORT  
CHAPTER 11**

CASE NUMBER: 18-25492

**Form 2-A  
COVER SHEET**

For Period Ending: 9/30/2018

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	Previously	REQUIRED REPORTS/DOCUMENTS
Attached	Waived	
<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: 10/15/18

Print Name: Gil A. Miller

Signature: 

Title: CR: J TFEZ

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: 9/01/2018 to 9/30/2018

**CASH FLOW SUMMARY**

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

**CASH BALANCE SUMMARY**

	Financial Institution	Book Balance
Petty Cash	<u>        </u>	\$ 0
DIP Operating Account	<u>Wells Fargo Acct. No 2557</u>	25.00
DIP State Tax Account	<u>        </u>	0
DIP Payroll Account	<u>        </u>	0
Other Operating Account	<u>        </u>	0
Other Interest-bearing Account	<u>        </u>	0
TOTAL (must agree with Ending Cash Balance above)		\$ <u><u>25.00</u></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: 9/01/2018 to 9/30/2018

**CASH RECEIPTS DETAIL**  
*(attach additional sheets as necessary)*

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

Date	Payer	Description	Amount
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Total Cash Receipts \$                     - (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: 9/01/2018 to 9/30/2018

**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: 9/30/2018

	Current Month	Petition Date (1)
<b>ASSETS</b>		
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) _____		
<b>Total Current Assets</b>	\$ <u>25.00</u>	\$ <u>-</u>
Fixed Assets:		
Land and Buildings	\$ 11,406,428.19	\$ 11,406,428.19
Equipment, Furniture and Fixtures		
<b>Total Fixed Assets</b>	<u>11,406,428.19</u>	<u>11,406,428.19</u>
Less: Accumulated Depreciation	( 325,755.02 )	( 302,327.00 )
<b>Net Fixed Assets</b>	\$ <u>11,080,673.17</u>	\$ <u>11,104,101.19</u>
Other Assets (List): _____		
<b>TOTAL ASSETS</b>	\$ <u><u>11,080,698.17</u></u>	\$ <u><u>11,104,101.19</u></u>
<b>LIABILITIES</b>		
Post-petition Accounts Payable (from Form 2-E)	\$	\$
Post-petition Accrued Professional Fees (from Form 2-E)	15,343.12	
Post-petition Taxes Payable (from Form 2-E)		
Post-petition Notes Payable		
Other Post-petition Payable(List): _____		
<b>Total Post Petition Liabilities</b>	\$ <u>15,343.12</u>	\$ _____
Pre Petition Liabilities:		
Secured Debt	12,106,763.00	12,106,763.00
Priority Debt	633,000.00	633,000.00
Unsecured Debt		
<b>Total Pre Petition Liabilities</b>	\$ <u>12,739,763.00</u>	\$ <u>12,739,763.00</u>
<b>TOTAL LIABILITIES</b>	\$ <u><u>12,755,106.12</u></u>	\$ <u><u>12,739,763.00</u></u>
<b>OWNERS' EQUITY</b>		
Owner's/Stockholder's Equity	\$ (1,612,208.79)	\$ (1,635,661.81)
Retained Earnings - Prepetition		
Retained Earnings - Post-petition	(62,199.16)	
<b>TOTAL OWNERS' EQUITY</b>	\$ <u>(1,674,407.95)</u>	\$ <u>(1,635,661.81)</u>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	\$ <u><u>11,080,698.17</u></u>	\$ <u><u>11,104,101.19</u></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. Page 1 of 1  
Rev. 12/10/2009

(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 McMinnville, LLC

**CASE NO:** 18-25492

**Form 2-D**  
**PROFIT AND LOSS STATEMENT**  
For Period 9/01/2018 to 9/30/2018

	Current <u>Month</u>	Accumulated <u>Total (1)</u>
Gross Operating Revenue	\$ -	\$ -
Less: Discounts, Returns and Allowances	( - )	( - )
<b>Net Operating Revenue</b>	\$ <u>-</u>	\$ <u>-</u>
Cost of Goods Sold	<u>-</u>	<u>-</u>
<b>Gross Profit</b>	\$ <u>-</u>	\$ <u>-</u>
Operating Expenses		
Officer Compensation	\$ -	\$ -
Selling, General and Administrative	-	-
Rents and Leases	-	-
Depreciation, Depletion and Amortization	23,428.02	46,856.04
Other (list): _____	-	-
_____	<u>-</u>	<u>-</u>
Total Operating Expenses	\$ <u>23,428.02</u>	\$ <u>46,856.04</u>
<b>Operating Income (Loss)</b>	\$ <u>(23,428.02)</u>	\$ <u>(46,856.04)</u>
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)	\$ <u>-</u>	\$ <u>-</u>
Reorganization Expenses		
Legal and Professional Fees	\$ 2,156.50	\$ 15,343.12
Other Reorganization Expense	<u>-</u>	<u>-</u>
Total Reorganization Expenses	\$ <u>2,156.50</u>	\$ <u>15,343.12</u>
<b>Net Income (Loss) Before Income Taxes</b>	\$ <u>(25,584.52)</u>	\$ <u>(62,199.16)</u>
Federal and State Income Tax Expense (Benefit)	<u>-</u>	<u>-</u>
<b>NET INCOME (LOSS)</b>	\$ <u><u>(25,584.52)</u></u>	\$ <u><u>(62,199.16)</u></u>

(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: 09/01/18 to 09/30/18

**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
<b>TOTALS</b>	<b>\$ <u>0</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>0</u></b>			<b>\$ <u>-</u></b>

(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: 09/01/18 to 09/30/18

**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>	
<b>Total Post Petition</b>	<u>0.00</u>	
<b>Pre Petition Amounts</b>		
Total Accounts Receivable	\$ <u>0.00</u>	
Less: Bad Debt Reserve	<u>0.00</u>	
<b>Net Accounts Receivable (to Form 2-C)</b>	<u>\$ 0.00</u>	
	<b>Total Post Petition Accounts Payable</b>	<b>\$ <u>0.00</u></b>

\* 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		1,716.50			14,903.12
Accountant to Debtor	-	440.00			440.00
<b>Total</b>	<u>\$ -</u>	<u>\$ 2,156.50</u>	<u>\$ -</u>		<u>\$ 15,343.12</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>
_____	_____	_____	\$ <u>0</u>
_____	_____	_____	<u>0</u>
_____	_____	_____	<u>0</u>

\*\*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: 9/30/2018

<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	_____				
<b>TOTAL 1st Quarter</b>	<b>\$</b>	<b>_____ -</b>	<b>\$ _____</b>		
April	_____	\$			
May	_____				
June	_____				
<b>TOTAL 2nd Quarter</b>	<b>\$</b>	<b>_____ -</b>	<b>\$ _____</b>		
July	<u>2018</u>	\$ -			
August	<u>2018</u>	-			
September	<u>2018</u>	-			
<b>TOTAL 3rd Quarter</b>	<b>\$</b>	<b>_____ 0.00</b>	<b>\$ _____</b>		
October	<u>2018</u>	\$			
November	<u>2018</u>				
December	<u>2018</u>				
<b>TOTAL 4th Quarter</b>	<b>\$</b>	<b>_____ 0.00</b>	<b>\$ _____</b>		

**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:** 9/30/2018

**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 September 1, 2018 through September 30, 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 are 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. For example, the book value of the real estate 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.

# Wells Fargo Simple Business Checking



Account number: [REDACTED] ■ September 1, 2018 - September 30, 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: wells Fargo.com/biz

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

## Your Business and Wells Fargo

Since August 2003, the Wells Fargo/Gallup Small Business Index has surveyed small business owners on current and future perceptions of their business financial situation. View the latest results at wells Fargo.com.

## 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 9/1	\$25.00
Deposits/Credits	0.00
Withdrawals/Debits	- 0.00
<b>Ending balance on 9/30</b>	<b>\$25.00</b>
 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.

## 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.

Account number: [REDACTED] ■ September 1, 2018 - September 30, 2018 ■ Page 2 of 4



**Monthly service fee summary (continued)**

Fee period 09/01/2018 - 09/30/2018 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. This is the final period with the fee waived. For the next fee period, you 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 <b>ONE</b> of the following account requirements		
· Average ledger balance	\$500.00	\$25.00 <input type="checkbox"/>

The Monthly service fee summary fee period ending date shown above includes a Saturday, Sunday, or holiday which are non-business days. Transactions occurring after the last business day of the month will be included in your next fee period.  
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
<b>Total service charges</b>					<b>\$0.00</b>



**IMPORTANT ACCOUNT INFORMATION**

Effective November 10, 2018, the sentence "Certain electronic credit transfers, such as those through card networks or funds transfer systems, will be available on the first business day after the day we receive the transfer" in the first paragraph of the "Your ability to withdraw funds" section under the "Funds availability policy" in the Deposit Account Agreement will be replaced with "Certain electronic credit transfers, such as those through card networks or funds transfer systems, will be available on the day we receive the transfer."

**A reminder...**

You can request to close your account at any time if the account is in good standing (e.g. does not have a negative balance or restrictions such as holds on funds, legal order holds or court blocks on the account). At the time of your request, we will assist you in withdrawing or transferring any remaining funds, bringing your account balance to zero.

- All outstanding items need to be processed and posted to your account before your request to close otherwise they will be returned unpaid.

- Any recurring payments or withdrawals from your account need to be cancelled before your request to close (examples include bill payments, automated debit card payments, and direct deposits) otherwise, they may be returned unpaid.

- We will not be liable for any loss or damage that may result from not honoring items that are presented or received after your account is closed.

- At the time of your request to close:

- For interest-earning accounts, it stops earning interest from the date you request to close your account.
- Overdraft Protection and/or Debit Card Overdraft Service will be removed on the date you request to close your account.
- The Agreement continues to apply.

Account number: [REDACTED] ■ September 1, 2018 - September 30, 2018 ■ Page 3 of 4



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- If you have requested to close your account and a positive balance remains, we may send you a check for the remaining balance.

- All other aspects of the Agreement remain the same. If there is a conflict between the updated language above and the Agreement, the updated language will control.

Thank you for being a Wells Fargo customer. As a valued Wells Fargo customer, we hope you find this information helpful. If you have questions or concerns, please contact your local banker or call the number listed on your statement.

