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Attorneys for Michael F. Thomson, Chapter 11 Trustee

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH**

In re:

THE FALLS EVENT CENTER LLC; THE
FALLS AT GILBERT, LLC; THE FALLS
AT ST. GEORGE, LLC; THE FALLS AT
FRESNO, LLC; THE FALLS AT CLOVIS,
LLC; THE FALLS OF LITTLETON, LLC;
THE FALLS AT CUTTEN ROAD, LLC;
THE FALLS AT STONE OAK PARKWAY,
LLC; THE FALLS AT BEAVERTON, LLC;
AND THE FALLS AT ROSEVILLE, LLC,

Consolidated Debtors.

Bankr. Case Nos.

18-25116; 18-25419; 18-26653; 18-27713;
18-28140; and 18-27111
(Substantively Consolidated as Case No. 18-
25116)

Chapter 11

The Honorable R. Kimball Mosier

**NOTICE OF CHAPTER 11 TRUSTEE'S MOTION PURSUANT TO 11 U.S.C. §
363(b)(1) TO AUTHORIZE TRUSTEE TO (1) EFFECTUATE THE SALE OF
PROPERTY OF THE DEBTOR'S WHOLLY OWNED, NON-DEBTOR SUBSIDIARY,
THE FALLS AT BURR RIDGE, LLC, TO A THIRD PARTY BUYER, SUBJECT TO
HIGHER AND BETTER OFFERS, (2) RELEASE LIEN IN FAVOR OF THE DEBTOR
AGAINST THE PROPERTY, AND (3) ALLOCATE GROSS SALE PROCEEDS AND
NOTICE OF HEARING**

Objection Deadline: May 17, 2019 at 4:00 p.m. (Mountain)
Competing Bid Deadline: May 17, 2019 at 4:00 p.m. (Mountain)
Auction Date (If Necessary): May 20, 2019 at 11:00 a.m. (Mountain)
Hearing Date: May 21, 2019 at 11:00 a.m. (Mountain)

PLEASE TAKE NOTICE that Michael F. Thomson, the duly appointed Chapter 11 Trustee (the “Trustee”) for the bankruptcy estate of above-referenced substantively consolidated debtors (collectively, the “Debtors”), has filed with the United States Bankruptcy Court for the District of Utah the *Chapter 11 Trustee’s Motion Pursuant to 11 U.S.C. § 363(b)(1) to Authorize Trustee to (1) Effectuate Sale of Property of the Debtor’s Wholly Owned, Non-Debtor Subsidiary, The Falls at Burr Ridge, LLC, to a Third Party Buyer, Subject to Higher and Better Offers, (2) Release Lien in Favor of the Debtor Against the Property, and (3) Allocate Gross Sale Proceeds* (the “Motion”). The Motion is supported by the *Declaration* of the Trustee filed concurrently therewith.

A copy of the Motion and the Declaration have been served electronically via the Court’s CM/ECF system or via First Class U.S. Mail on the Office of the United States Trustee and on parties who have entered an appearance in the above-captioned bankruptcy case. If you have not received a copy of the Motion referenced above and you would like one, you may obtain a copy by requesting one from the undersigned counsel.

YOUR RIGHTS MAY BE AFFECTED. You should read the Motion carefully and discuss it with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

PLEASE TAKE FURTHER NOTICE that pursuant to the Motion the Trustee seeks the entry of an order approving the sale of certain real property located at 120 Harvester Drive, Burr Ridge, IL 60527 (the “Property”), owned by the Debtors’ non-debtor subsidiary The Falls at Burr Ridge, LLC, to RRZ Real Estate, LLC, (the “Buyer”), pursuant to a *Real Estate Sale and Purchase Agreement* attached to the Motion as **Exhibit 1** (the “Agreement”).¹ Under the Agreement, Buyer will pay \$1,150,000 for the Property. The sale proceeds will be allocated by the Trustee to pay the first lien holder, real property taxes due on the Property, and costs of sale as discuss in the Motion. The remaining proceeds will be allocated to the Debtors, and in conjunction therewith, the Trustee will release a Deed of Trust recorded against the Property in

¹ Please refer to the Agreement for a full description of the Agreement’s terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion and/or Agreement.

favor of The Falls Event Center LLC. The Deed of Trust that will be released refers to certain convertible secured promissory notes supposedly issued by The Falls Event Center LLC to investors pursuant to a private placement offering dated November 1, 2016, none of which have been separately recorded against the Property.

Competing Offers

The proposed sale of the Property to the Buyer is subject to higher and better offers. If the Trustee receives an offer for the Property that he deems, in his sole and absolute discretion, to be higher and better (a "Qualified Offer"), then the Trustee will give written notice to the Buyer, as well as to any other parties that have submitted a Qualified Offer, of his intent to conduct an auction of the Property. Any auction of the Property will be conducted by the Trustee on May 20, 2019 at 11:00 a.m. (Mountain Time) at the offices of Dorsey & Whitney LLP, 111 South Main Street, Suite 2100, Salt Lake City, Utah 84111. Persons or entities desiring to take part in the auction must attend the auction in person or by telephone, and the Trustee will make appropriate arrangements for any party wishing to take part in the auction telephonically.

If an auction is held relating to the Property, the Trustee shall determine, in his sole and absolute discretion, which offer made at the auction constitutes the highest and best offer. Immediately thereafter, the Trustee shall report the results of the auction by filing a Notice of Auction with the Court, and it will be the sale to the winning auction bidder for which Court approval shall be sought pursuant to the Motion.

To be a Qualified Offer, the offer must: (a) be submitted to the Trustee in writing so that it is received by the Trustee and his undersigned counsel by no later than **May 17, 2019 at 4:00 p.m. (Mountain Time)** (the "Bid Deadline"); and (b) be accompanied with proof of ability to pay for the Property and a deposit of at least \$50,000.00 in certified funds.

In the event of an auction, no offer will be deemed to be a winning bid unless the bidder has taken part in the auction, either in person or by telephone, and submits proof sufficient to the Trustee that it has ability to pay for the Property. If no higher or better offers are received by the

Trustee prior to the Bid Deadline, the Buyer shall be the Buyer of the Property for purposes of the Motion.

(1) On or before **May 17, 2019 at 4:00 p.m. (Mountain Time)**, file with the Bankruptcy Court a written Objection explaining your position, at:
Clerk of the Court
United States Bankruptcy Court
350 South Main Street, Room 301
Salt Lake City, UT 84101

(2) If you mail your objection to the Bankruptcy Court for filing, you must mail it early enough so that the Court will **receive** it on or before **May 17, 2019 at 4:00 p.m. (Mountain Time)**. You must also mail a copy to the undersigned counsel at 111 South Main Street, Suite 2100, Salt Lake City, Utah 84111.

(3) You must also attend the hearing on **May 21, 2019 at 11:00 a.m. Mountain Time** before the Honorable R. Kimball Mosier, Chief United States Bankruptcy Judge, in his courtroom, Room 369 of the Frank E. Moss United States Courthouse, 350 South Main Street, Salt Lake City, Utah 84101. **There will be no further notice of the hearing, and failure to attend the hearing will be deemed a waiver of your objection.**

If you or your attorney do not take these steps, the Bankruptcy Court may decide that you do not oppose the relief sought in the Motion and may enter an Order granting that relief. In the absence of a timely filed objection, the undersigned counsel may and will ask the Court to enter an order approving the Motion without hearing.

DATED this 3rd day of May, 2019.

/s/ Peggy Hunt

Michael F. Thomson

Peggy Hunt

Jessica G. McKinlay

DORSEY & WHITNEY LLP

Attorneys for Chapter 11 Trustee