

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

In re:

WOODBIDGE GROUP OF COMPANIES  
LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

**DECLARATION OF BRADLEY D. SHARP IN SUPPORT OF  
DEBTORS' MOTION TO SELL 403 AND 417 CRYSTAL CANYON DRIVE,  
CARBONDALE, COLORADO PROPERTY**

I, Bradley D. Sharp, hereby declare under penalty of perjury, pursuant to section 1746 of title 28 of the United States Code, as follows:

1. I am President and CEO of Development Specialists, Inc. ("DSI"), located at 333 S. Grand Avenue Suite 4070, Los Angeles, California 90071, and the Chief Restructuring Officer of WGC Independent Manager LLC, a Delaware limited liability company ("WGC Independent Manager"), which is the sole manager of debtor Woodbridge Group of Companies, LLC, a Delaware limited liability company and an affiliate of each of the above-captioned debtors and debtors in possession (each, a "Debtor" and collectively, the "Debtors"). I submit this declaration (this "Declaration") in support of the *Debtors' Motion for Entry of an Order (i) Authorizing the Sale of 403 and 417 Crystal Canyon Drive, Carbondale, Colorado Property Owned by the Debtors Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (ii) Approving the Related Purchase Agreement; and (iii) Granting Related Relief* (the "Sale

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<sup>1</sup> The last four digits of Woodbridge Group of Companies, LLC's federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14140 Ventura Boulevard #302, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses are not provided herein. A complete list of such information may be obtained on the website of the Debtors' noticing and claims agent at [www.gardencitygroup.com/cases/WGC](http://www.gardencitygroup.com/cases/WGC), or by contacting the undersigned counsel for the Debtors.

Motion”).<sup>2</sup> All facts set forth in this Declaration are based upon my personal knowledge of the Debtors’ operations, information learned from my review of relevant documents, and discussions with the Debtors’ professional advisors. I am authorized to submit this Declaration on behalf of the Debtors and, if called upon to testify, I could and would testify competently to the facts set forth herein.

2. Pursuant to the terms of the settlement approved by this Court on January 23, 2018 between the Debtors, the Official Committee of Unsecured Creditors, the Securities and Exchange Commission, the Ad Hoc Committee of Noteholders, and the Ad Hoc Committee of Unitholders (the “Settlement”), the Debtors’ board of managers was reconstituted as a three-person board consisting of Richard Nevins, Freddie Reiss, and Michael Goldberg (collectively, the “Board”) [D.I. 357-1]. On January 26, 2018, the Board approved my retention as the Debtors’ new Chief Restructuring Officer. On February 13, 2018, the Court entered an order approving my retention as Chief Restructuring Officer [D.I. 573].

3. I understand that in July 2016 the Seller made a bulk purchase of lots in the River Valley Ranch community in Carbondale, Colorado with the intention of holding such properties for future sale as vacant lots or for future possible development. The Property, which consists of two vacant lots, each of which is approximately .46 acres, was among the lots acquired in that bulk purchase. Ultimately, the Debtors determined that there would be no benefit to constructing new homes on the Real Property given the existing inventory in the River Valley Ranch community.

4. In consultation with the Debtors’ other advisors, I have determined that selling the Property now on an “as is” basis best maximizes the value of the Property. The Property has not been formally listed on the multiple-listing service, however, the Debtors have been marketing

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Sale Motion.

the Property informally for sale as a vacant lot for over a year and a half, and the Purchaser's offer under the Purchase Agreement is the highest and otherwise best offer the Debtors have received. Moreover, I, in consultation with the Debtors other advisors, have determined that the sale price, which exceeds the proportional share of the bulk purchase price attributable to the Property, is reasonable in comparison to comparable properties in the market in which the Property is located. Additionally, I understand that the Purchaser, who previously made an offer on the Property when the Seller was subject to the Asset Freeze, has been considering various lots in the River Valley Ranch community and has been waiting since late 2017 for the Asset Freeze on the Seller to be lifted so that the parties can proceed with the Sale. Accordingly, I have determined that selling the Property on an "as is" basis to the Purchaser is the best way to maximize value of the Property.

5. After an informal exchange of offers, on December 21, 2017 the Purchaser made a \$340,000 offer on the Property (*i.e.*, \$170,000 for each lot). However, I understand that the transaction was unable to proceed at that time because the Seller was subject to the Asset Freeze. Accordingly, on March 8, 2018, the Purchaser renewed its offer and signed the Purchase Agreement with an offer of \$340,000. On March 14, 2018, the Seller responded with a counteroffer in respect of certain non-price terms, which the Purchaser accepted. The Debtors believe that this purchase price provides significant value and, accordingly, countersigned the final Purchase Agreement on March 16, 2018. Under the Purchase Agreement, the Purchaser agreed to purchase the Property for \$340,000, with a \$10,000 initial cash deposit, a \$92,000 cash down payment due at closing, and the balance of \$238,000 to be financed by a loan.

6. To the best of my knowledge, (i) the Purchase Agreement was the product of good faith, arm's-length negotiations between the Purchaser and the Seller, (ii) the Purchaser is not related to or an affiliate of the Debtors or any of their insiders or former insiders, and (iii) no non-debtor affiliate or current or former officer, director, employee, managing member or

affiliate of any of the Debtors (other than Seller) is a party to, or broker in connection with, the Sale, except as disclosed in the Sale Motion with respect to Laura Gee, the Seller's broker, who is currently employed by Sotheby's, but is a former employee of Woodbridge Realty of Colorado, LLC, which is controlled by Robert Shapiro.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: May 15, 2018

/s/ Bradley D. Sharp

Bradley D. Sharp  
Chief Restructuring Officer, WGC Independent  
Manager, LLC