

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

WOODBIDGE GROUP OF COMPANIES, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

Ref. Doc. Nos. 1751, 1752, 1871

**ORDER, PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY CODE AND
BANKRUPTCY RULE 9019, AUTHORIZING AND APPROVING THE DEBTORS'
ENTRY INTO A SETTLEMENT WITH 805 NIMES PLACE, LLC**

Upon the *Debtors' Motion for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Authorizing and Approving the Debtors' Entry into a Settlement with 805 Nimes Place, LLC* (the "Motion")² filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"); and this Court having found that it has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and it appearing that notice of the Motion has been given as set forth

¹ 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 this information may be obtained on the website of the Debtors' noticing and claims agent at www.gardencitygroup.com/cases/WGC, or by contacting the undersigned counsel for the Debtors.

² Capitalized terms used, but not otherwise defined herein, have the meaning given to them in the Motion.

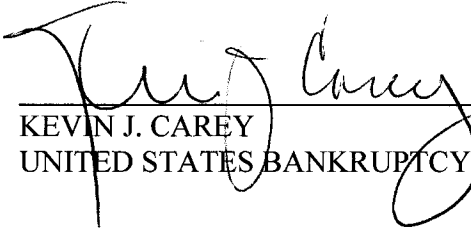
in the Motion and that such notice is adequate and no other or further notice need be given; and this Court having found and determined that the relief sought in the Motion is in the best interest of the Debtors, their estates, and their creditors; and that the legal and factual bases set forth in the Motion, the *Declaration of Bradley D. Sharp in Support of Debtors' Motion for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Authorizing and Approving the Debtors' Entry into a Settlement with 805 Nimes Place, LLC*, and the entire record of the Chapter 11 Cases establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, the Debtors are authorized to enter into the Stipulation, in substantially the form attached hereto as Exhibit 1, which Stipulation is authorized, approved in its entirety, and incorporated as an order of this Court.
3. The Debtors and Nimes, as applicable, are authorized and empowered to take any and all actions necessary or appropriate to consummate, carry out, effectuate, or otherwise enforce the terms, conditions, and provisions of the Stipulation.
4. The fourteen (14) day stay of effectiveness imposed by Bankruptcy Rule 6004(h) is hereby waived and the relief granted herein shall take effect immediately upon the entry of this Order.
5. The Stipulation shall be binding upon and shall inure to the benefit of the parties thereto and their respective successors and assigns.

6. The Court shall retain jurisdiction and power over any and all matters arising from or related to the interpretation or implementation of this Order and the Stipulation.

Dated: June 1, 2018
Wilmington, Delaware



KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Stipulation

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

WOODBRIIDGE GROUP OF COMPANIES, LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

**STIPULATION RESOLVING DISPUTE BETWEEN
805 NIMES PLACE, LLC AND BISHOP WHITE INVESTMENTS, LLC**

Bishop White Investments, LLC, a debtor and debtor in possession in the above-captioned bankruptcy cases (“BWI”) and its debtor-affiliates including without limitation the Woodbridge Group of Companies, LLC (together with BWI, the “Debtors”), on the one hand, and 805 Nimes Place, LLC (“Nimes” and, together with the Debtors, the “Parties”), on the other hand, by and through the undersigned counsel, hereby stipulate (this “Stipulation”) and agree as follows:

RECITALS

A. **WHEREAS**, pursuant to that certain *Loan Agreement*, dated as of May 31, 2017 (the “Loan Agreement”), Nimes loaned the original principal amount of \$20,000,000 (the “Loan”) to BWI to finance BWI’s purchase of the real property commonly known as 805 Nimes Place, Los Angeles, California 90077 (the “Property”) from Nimes;

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B. **WHEREAS**, the Loan is evidenced by, among other things, that certain *Promissory Note*, dated as of May 31, 2017, as amended by that certain *First Amendment to Promissory Note and Other Loan Documents*, dated as of August 10, 2017 and that certain *Second Amendment to Promissory Note and Other Loan Documents*, dated as of November 2, 2017 (collectively, the “Note”);

C. **WHEREAS**, BWI’s obligations under the Loan Agreement and the Note are secured by that certain Deed of Trust, Security Agreement and Financing Statement signed by BWI and recorded against the Property on May 31, 2017 (“Deed of Trust”);

D. **WHEREAS**, BWI defaulted under the Loan Agreement, the Note and the Deed of Trust as noticed to BWI and evidenced by that certain Notice of Default and Election to Sell Under Deed of Trust recorded against the Property on December 1, 2017 (the “BWI Default”).

E. **WHEREAS**, as of the date hereof, the principal amount owing on the Loan is \$17,000,000;

F. **WHEREAS**, Nimes asserts a secured claim (the “Nimes Claim”) against BWI in the total amount of at least \$18,617,923.84, consisting of: (i) the principal amount of \$17,000,000; (ii) accrued interest of at least \$442,708.33 (through June 5, 2018); (iii) accrued default interest of at least \$764,090.50 (as of June 5, 2018); (iv) attorneys’ fees of at least \$400,000; and (v) other fees totaling at least \$11,125;

G. **WHEREAS**, BWI disputes the amount of Nimes’s asserted secured claim, including, without limitation, the amount of default interest and attorneys’ fees asserted by Nimes;

H. **WHEREAS**, Nimes has indicated that, among other things, it may seek relief from the above-captioned bankruptcy court (the “Bankruptcy Court”) relative to certain actions

and omissions of BWI and to otherwise protect the Nimes Claim, the Note and the Property, including, potentially, relief from the automatic stay in order to continue a foreclosure action (collectively, the “Nimes Relief”);

I. **WHEREAS**, BWI has indicated that, absent entry into this Stipulation, it had reserved its alleged right to seek to restructure the Nimes Claim under a chapter 11 plan;

J. **WHEREAS**, on April 13, 2018, Nimes filed the *Motion of 805 Nimes Place, LLC for Order Authorizing Examination of Debtors Under Federal Rule of Bankruptcy Procedure 2004 and Local Rule of Bankruptcy Procedure 2004-1* [Docket No. 1264] (the “Nimes 2004 Motion”);

K. **WHEREAS**, on April 17, 2018, the above-captioned debtors and debtors in possession (the “Debtors”) filed the *Debtors’ Motion for Entry of Order Under Bankruptcy Rule 2004 Directing Examination and Production of Documents from 805 Nimes Place, LLC* [Docket No. 1582] (the “Debtor 2004 Motion” and, together with the Nimes 2004 Motion, the “Rule 2004 Motions”);

L. **WHEREAS**, on April 27, 2018, the Bankruptcy Court entered orders granting each of the Rule 2004 Motions [Docket Nos. 1675 & 1676] (together the “Rule 2004 Orders”);

M. **WHEREAS**, the Rule 2004 Orders provide, *inter alia*, that each of the Parties shall produce documents and make their designated representative available for deposition in accordance with the timelines set forth therein;

N. **WHEREAS**, the Parties anticipate that discovery in connection with the Rule 2004 Motions and any future litigation concerning the Nimes Relief, the BWI Default, the Loan, Loan Agreement, Deed of Trust, the Nimes Claim or the Property will require significant expense, including attorneys’ fees; and

O. **WHEREAS**, the Parties desire to resolve their disputes concerning the Loan, the Nimes Claim, the Property, the Nimes Relief, the BWI Default, the Deed of Trust, the Loan Agreement and the Rule 2004 Motions pursuant to the terms set forth below.

STIPULATION

NOW, THEREFORE, the Parties hereby stipulate and agree as follows:

1. The Recitals stated above constitute and form an integral part of this Stipulation and are incorporated by reference as if set forth herein in full.
2. On or before the fifth business day after entry by the Bankruptcy Court of an order approving this Stipulation (the "Payoff Date"), the Debtors shall indefeasibly pay via wire transfer (pursuant to wiring instructions to be provided by Nimes) the following amounts to Nimes (collectively, the "Payoff Amount"): (i) the full \$17,000,000 principal balance owing on the Loan; *plus* (ii) accrued and unpaid interest at the non-default rate (which amount is \$442,708.33 as of June 5, 2018) *plus* (iii) per diem interest in the amount of \$3,493.15 for each calendar day after June 5, 2018 until Nimes is paid in full pursuant to this Stipulation; *plus* (iv) \$250,000 in respect of Nimes's prepetition and postpetition attorneys' fees (without the necessity of filing any fee application, motion, stipulation or other request by Nimes or its counsel).
3. As soon as practicable following receipt of the Payoff Amount, Nimes shall release its lien on the Property and shall execute such documents as are necessary to effectuate such lien release.
4. Excepting only those claims and obligations arising under this Stipulation (if any):
 - (a) The Debtors, on behalf of themselves and their estates (collectively, the foregoing are referred to as the "Woodbridge Releasers"), hereby release and

forever discharge Nimes and its current and future officers, managers, directors, agents, attorneys, employees, successors, assigns, subsidiaries, and affiliates, from any and all claims, demands, costs, liabilities, obligations, actions and causes of action of every nature, kind or description, whether legal or equitable, known or unknown, liquidated or unliquidated, contingent or non-contingent, suspected or unsuspected, with respect to any conduct, acts, omissions, facts, matters, transactions or oral or written statements or occurrences relating to or arising out of the sale of the Property, the Loan, or the Property that are owned or assertable by or for the benefit of the Woodbridge Releasors.

(b) Nimes hereby releases and forever discharges each of the Woodbridge Releasors and each of their current and future officers, managers, directors, agents, attorneys, employees, successors, assigns, subsidiaries, and affiliates, from any and all claims, demands, costs, liabilities, obligations, actions and causes of action of every nature, kind or description, whether legal or equitable, known or unknown, liquidated or unliquidated, contingent or non-contingent, suspected or unsuspected, with respect to any conduct, acts, omissions, facts, matters, transactions or oral or written statements or occurrences relating to or arising out of the sale of the Property, the Loan, or the Property that are owned or assertable by or for the benefit of Nimes.

5. With respect to the foregoing releases in paragraph 4, each Party hereby knowingly, voluntarily, and expressly waives any and all rights such Party may have pursuant to section 1542 of the California Civil Code, which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Parties acknowledge that they may hereafter discover facts different from or in addition to those now known or believed to be true with respect to the matters released hereunder, and agree that this Stipulation and the releases provided in paragraph 4 above, shall remain effective in all respects notwithstanding the discovery or existence of any such different or additional facts.

6. Following execution of this Stipulation, the Debtors shall file a motion (the "9019 Motion") and proposed order (in form and content acceptable to Nimes, the "Approval Order") seeking Bankruptcy Court approval of this Stipulation, which 9019 Motion and Approval Order shall be filed on or before May 15, 2018 and shall be scheduled to be heard on or before the June

5, 2018 omnibus hearing. This Stipulation is not effective unless and until such time as this Stipulation is approved by the Approval Order.

7. The Parties agree that upon full execution of this Stipulation, all dates, deadlines, and requirements pertaining to document production and examinations set forth in the Rule 2004 Orders shall be stayed pending the earlier of (a) June 11, 2018, or (b) Bankruptcy Court's ruling on the 9019 Motion. Upon entry by the Bankruptcy Court of the Approval Order, each of the Parties shall be deemed to have complied in full with any and all obligations set forth in the Rule 2004 Orders. In the event that the Bankruptcy Court does not approve the 9019 Motion, the Parties shall produce documents pursuant to the Rule 2004 Orders by June 21, 2018, and confer in an attempt to establish mutually agreeable dates between June 26 and June 29, 2018, for the taking of depositions pursuant to the Rule 2004 Orders; if the Parties cannot reach agreement on such dates, one or both Parties may seek the involvement of the Bankruptcy Court on an expedited basis pursuant to a telephonic conference.

8. This Stipulation is to be construed under and governed by the internal laws of the State of California (without regard to conflict of laws principles) and, as applicable, the Bankruptcy Code.

9. The undersigned are duly authorized and empowered to execute this Stipulation on behalf of the respective Parties and their releasors.

10. Each Party represents and warrants that such Party has not assigned or encumbered, and will not assign or encumber, any claims or rights released under this Stipulation.

11. The Parties have participated in and jointly consented to the drafting of this Stipulation, and any claimed ambiguity shall not be construed for or against either of the Parties on account of such drafting.

12. This Stipulation and all of its terms shall be binding upon and shall inure to the benefit of the Parties and each of their respective executors, heirs, permitted successors and assigns, and all persons and entities claiming by or through the Parties.

13. During the pendency of the Bankruptcy Case, the Parties expressly consent and submit to the exclusive jurisdiction of the Bankruptcy Court over any actions or proceedings relating to the enforcement or interpretation of this Stipulation and any Party bringing such action or proceeding shall bring such action or proceeding in the Bankruptcy Court. The Parties consent to the Bankruptcy Court entering a final judgment determining such matter and agree that a final judgment in any such action or proceeding, including all appeals, shall be conclusive and may be enforced in other jurisdictions (including any foreign jurisdictions) by suit on the judgment or in any other manner provided by applicable law.

14. This Stipulation contains the entire agreement and understanding among the Parties concerning the matters set forth herein and supersedes all prior or contemporaneous stipulations, negotiations, representations, understandings, and discussions among the Parties or their respective counsel with respect to the subject matter of this Stipulation.

15. This Stipulation may be executed in several counterparts, and any and all such executed counterparts, taken together, will constitute a single agreement binding on all Parties to this Stipulation. Facsimiles of signatures may be taken as the actual signatures.

Dated: May 11, 2018



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