

**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)

**DECLARATION OF BRADLEY D. SHARP IN SUPPORT OF DEBTORS' MOTION TO
SELL 800 STRADELLA ROAD, LOS ANGELES, CALIFORNIA 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 800 Stradella Road, Los Angeles, California 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 Motion").² All facts

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 such 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 defined herein shall have the meanings assigned to such terms in the Sale Motion.

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. The Property consists of an approximately 1.89 acre vacant lot located in Los Angeles, California. I understand that the Seller purchased the Property as a vacant lot in January 2017 for a purchase price of approximately \$36,000,000. Thereafter, the Debtors began developing the Property by grading the Land, constructing a retaining wall, and preparing building plans, which projects were completed in 2018.

4. Following initial development of the Property, the Debtors (including me and the Debtors' other advisors), after extensive consideration and consultation with the Committee, and analysis of potential recoveries under both "build" and "sell" scenarios, have concluded that selling the Property now, on an "as is" basis, without incurring the costs of formally listing and further marketing the Property (which has already been extensively marketed informally), pursuant to the Purchaser's all cash offer is the best way to maximize value for the Debtors' estates, while concurrently minimizing market, pricing, and construction risk that would accompany an expensive and time-consuming build out. The Property is not currently listed on

the multiple listings service, but the Property has been listed previously for approximately six months and the brokerage community in the high-end neighborhood in which the Property is situated has kept apprised of the development of the Property in anticipation of its sale, and the Property has also received coverage in the media. I understand that the Property has received two offers in the past (in addition to the Purchaser's offer) in the amounts of \$40,500,000 and \$41,000,000. After multiple rounds of negotiation, the Purchaser's all cash offer under the Purchase Agreement is the highest and otherwise best offer the Debtors have received, and the Debtors were unable to obtain a better purchase price on better terms over the course of approximately 17 months since acquiring the Property. Moreover, I, in consultation with the Debtors other advisors, have determined that the sale price, which exceeds the Seller's purchase price by approximately \$8,000,000, is reasonable in comparison to comparable properties in the market in which the Property is located. Accordingly, the Debtors determined that selling the Property on an "as is" basis to the Purchaser is the best way to maximize the value of the Property.

5. The Purchaser made an initial offer for the Property on February 12, 2018 in the amount of \$39,000,000, and the Seller responded with a counteroffer in the amount of \$42,750,000. On February 14, 2018, the Purchaser made a second offer in the amount of \$40,500,000, which the Seller rejected. On April 12, 2018 and again on May 22, 2018, the Purchaser made an offer in the amount of \$44,000,000, which the Seller verbally countered at \$45,000,000, however, the Purchaser declined to increase its offer to that amount. Finally, on June 15, 2018, the Purchaser signed the Purchase Agreement with an all cash offer in the amount of \$44,000,000, with a \$1,320,000 initial cash deposit and the balance of \$42,680,000 to be paid in cash at closing. The Debtors believe that this purchase price provides significant value and, accordingly, countersigned the final Purchase Agreement on June 15, 2018.

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.

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: June 19, 2018

/s/ Bradley D. Sharp

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