

**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)

**DECLARATION OF BRADLEY D. SHARP IN SUPPORT OF DEBTORS' MOTION TO
SELL 350 MARKET STREET, #301-312, BASALT, 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 350 Market Street, #301-312, 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 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 Debtors' board of managers was reconstituted as a three-person board consisting of Richard Nevins, M. 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 is located at 350 Market Street (a/k/a 300 Market Street) and consists of 12 commercial units (#301–312) situated on the third floor of a commercial building in Basalt, Colorado. I understand that the Seller purchased the Property in December 2014 for a purchase price of \$4,600,000, with the intention of building out the units and leasing them to commercial tenants or eventually reselling the Property.

4. In consultation with the Debtors' other advisors, I have determined that selling the Property now on an "as is" basis at the price of \$2,100,000 best maximizes the value of the Property. The Property has been formally listed on the multiple-listing service and marketed by the Debtors since May 1, 2018. The Property was previously listed on the multiple-listing service prior to the Petition Dates without success. During the current listing period, the Debtors received an offer for the Property from one potential buyer (prior to the Purchaser's offer) in the amount of \$1,750,000. The Debtors countered that offer at \$2,500,000 and received no response. 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 is reasonable in comparison to comparable properties in the market in which the Property is located and in light of the fact that 10 of the 12 commercial units are vacant and there is limited interest in a third floor commercial property in Basalt, Colorado. Accordingly, I have 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 in the amount of \$1,950,000 for the Property. The Debtors made a counter-offer in the amount of \$2,500,000. The Purchaser responded on May 3, 2018 with a second offer in the amount of \$2,100,000. The Debtors believe that this purchase price provides significant value and, accordingly, countersigned the final Purchase Agreement on May 10, 2018. Under the Purchase Agreement, the Purchaser agreed to purchase the Property for \$2,100,000, with a \$100,000 initial cash deposit, \$1,470,000 to be financed by a loan, and the balance of 530,000 to be paid in cash at closing.

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: July 18, 2018

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