

**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 633 FOOTHILL ROAD, BEVERLY HILLS, 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 633 Foothill Road, Beverly Hills, California Property Owned by the Debtors Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (ii) Approving the*

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.

Related Purchase Agreement; and (iii) Granting Related Relief (the “Sale Motion”).² 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, 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 consists of an approximately 7,720 square foot single-family situated in Beverly Hills, California. I understand that the Seller purchased the Property in July 2017 for a purchase price of \$7,600,000. I understand that the Seller intended to demolish the Improvements and develop the Property, however, no such development was ever undertaken and the original Improvements still remain. The Purchaser made an offer under the Purchase Agreement to acquire the Property on an “as is” basis, with no financing contingencies.

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 been marketed for sale for approximately 71 days and has been formally listed on the multiple-

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

listing service at the current listing price of \$7,795,000 since July 20, 2018. The Property was previously listed, without success, at a higher listing price of \$8,250,000. I understand that the Property has received three offer in total. The first offer was for \$7,950,000, however, that offer was cancelled following the completion of inspections. The second and third offers (one of which was from Purchaser) were each in the amount of \$7,500,000. The Debtors responded to both offers with a request for best and final offers. The Purchaser held firm at \$7,500,000 (which was then lowered to \$7,250,000 as described below) and the other bidder withdrew its offer. The Purchaser's offer to acquire the Property under the Purchase Agreement, with no financing contingencies, is thus the highest and otherwise best offer the Debtors have received (other than those withdrawn and/or cancelled). 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. On July 24, 2018, the Purchaser made an all cash \$7,500,000 offer on the Property. After the Debtors' request for best and final offers, the Purchaser held firm at that price, which the Debtors accepted. On August 8, 2018, however, after the Purchaser completed its diligence and indicated that its estimated construction costs would be higher than anticipated, the Purchaser informed Seller that it did not wish to proceed any longer at \$7,500,000, but was willing to proceed at \$7,250,000. Accordingly, the Purchaser and the Seller agreed to amend the Purchase Agreement to reduce the purchase price to \$7,250,000, with no financing contingencies. The Debtors believe that this purchase price provides significant value, and accordingly, the Seller countersigned the Purchase Agreement as amended on August 9, 2018. Under the Purchase Agreement, the Purchaser agreed to purchase the Property for \$7,250,000,

with a \$225,000 initial cash deposit, and the balance of \$7,025,000 to be paid as a single cash down payment due 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: August 24, 2018

/s/ Bradley D. Sharp

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