

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

In re:

WOODBRIIDGE 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 805 NIMES PLACE, 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 805 Nimes Place, 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").<sup>2</sup> All facts set forth in this Declaration are based upon my personal knowledge of the Debtors' operations,

<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.

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

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 1.19 acre vacant lot situated in Los Angeles, California. The Seller purchased the Property in May 2017 for a purchase price of \$35,000,000. The Seller intended to develop the Property by constructing a high-end luxury home, however, no such development was ever completed and the development site remains vacant. The Purchaser made an all cash offer under the Purchase Agreement to acquire the Property on an "as is" basis, with no financing contingencies. Accordingly, the Debtors have determined that selling the Property now on an "as is" basis best maximizes the value of the Property.

4. In consultation with the Debtors' other advisors, I have determined that selling the Property to the Purchaser pursuant to the Purchase Agreement is the best way to maximize the value of the Property. The Property has been formally listed on the multiple-listing service for over 60 days and has been heavily marketed, including through advertisements in various publications. After several rounds of negotiation, the Purchaser's offer to acquire the Property under the Purchase Agreement resulted in the highest and otherwise best offer (and the only

offer) the Debtors have received for the Property and represents a fair and reasonable sale price relative to comparable properties in the market in which the Property is located.

5. On July 16, 2018, the Purchaser made an all cash \$27,000,000 offer on the Property. The Purchaser's offer is contingent on (and indivisible from) the Purchaser's substantially contemporaneous offer to acquire another property owned by the Debtors.<sup>3</sup> On July 20, 2018, the Debtors countered the Purchaser's offer in the amount of \$30,500,000. On July 24, 2018, the Purchaser responded by raising its offer to \$28,000,000. On July 27, 2018, the Debtors made a second counter offer in the amount of \$30,000,000. On August 3, 2018, the Purchaser responded by raising its offer to \$28,100,000. On August 6, 2018, the Debtors made a third counter offer in the amount of \$29,000,000. On August 9, 2018, the Purchaser responded indicating that it would hold firm at its \$28,100,000 offer, but agreeing to a shorter inspection period (reduced from 30 days to 17 days), which the Debtors agreed to.

6. Thereafter, the Purchaser failed to waive all applicable contingencies and raised certain concerns regarding the Property (referred to in the First Amendment as the "Buyer Concerns"). In response, the Debtors extended the contingency period several times as the parties continued to negotiate a resolution of these issues. Ultimately, on September 26, 2018, the Purchaser and the Seller entered into the First Amendment, pursuant to which, among other things, the Seller agreed to credit the Purchaser with \$3,000,000 (the "\$3,000,000 Credit") toward the purchase price in consideration for the Purchaser immediately waiving all contingencies (other than (i) the contingency that the Sale Order be entered by October 31, 2018, (ii) the Nightingale Contingency, and (iii) a contingency related to title insurance with respect to mechanics liens) and the Purchaser agreed to provide an additional cash deposit (the

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<sup>3</sup> The other property is 9212 Nightingale Drive, Los Angeles, CA, and the Debtors are filing a separate motion with respect to the sale of that property substantially concurrently herewith. The Purchase Agreement provides that the closing of the sale of the Property is contingent on the simultaneous closing of the sale of 9212 Nightingale (the "Nightingale Contingency").

“Amendment Consideration”). Under the Purchase Agreement as amended, the Purchaser is purchasing the Property for \$25,100,000 (which reflects the reduction of the original price of \$28,100,000 by the \$3,000,000 Credit), with an initial cash deposit of \$843,000, an additional deposit in the form of the Amendment Consideration in the amount of \$1,667,000, and the balance of \$22,590,000 to be paid in cash at closing. The initial cash deposit and the Amendment Consideration are being held by A&A Escrow Services, Inc. (the “Escrow Agent”) as escrow agent.

7. 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: September 28, 2018

/s/ Bradley D. Sharp

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