

**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)

WOODBRIIDGE GROUP OF COMPANIES, LLC
and WOODBRIDGE MORTGAGE
INVESTMENT FUND 1, LLC,

Plaintiffs,

vs.

JOANNE COX,

Defendant.

Adversary Proceeding
No. 18-_____ (KJC)

**ADVERSARY COMPLAINT FOR (I) AVOIDANCE AND RECOVERY OF
AVOIDABLE TRANSFERS; (II) DISALLOWANCE OF CLAIM PENDING
RECOVERY OF AVOIDABLE TRANSFERS; (III) DECLARATORY RELIEF
REGARDING LACK OF VALID, PERFECTED, ENFORCEABLE SECURITY
INTEREST; AND (IV) AVOIDANCE OF ANY ASSERTED SECURITY
INTERESTS OR OTHER LIENS**

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.

Plaintiffs Woodbridge Group of Companies, LLC (“Woodbridge Group”) and Woodbridge Mortgage Investment Fund 1, LLC (“Fund 1,” and together with Woodbridge Group, “Plaintiffs”), as and for their complaint against defendant Joanne Cox (“Defendant”), hereby allege as follows:

NATURE OF THE ACTION

1. Plaintiffs and hundreds of affiliated entities are debtors and debtors-in-possession (collectively, the “Debtors”) in a series of jointly administered chapter 11 cases styled *In re Woodbridge Group of Companies, LLC, et al.*, Case No. 17-12560 (KJC) (Bankr. D. Del.) (collectively, the “Bankruptcy Case”) arising out of a long-running Ponzi scheme. On October 26, 2018, the Court entered an order confirming the Debtors’ *First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* (the “Plan”), under which the vast majority of prepetition noteholder claims are treated as Class 3 Standard Note Claims. Class 3 Standard Note Claims are unsecured claims under the Plan, and the holders of such claims will receive recoveries based on a netting process calculated by subtracting the aggregate amount of all Prepetition Distributions received by the claimholder from the Outstanding Principal Amount of each Note Claim.²

2. Defendant is a holder of a Class 6 Non-Debtor Loan Note Claim (the “Claim”), which is one of a small minority of Note Claims arising from the “Riverdale” segment of the Debtors’ prepetition operations. Like holders of Class 3 Standard Note Claims, holders of Class 6 Non-Debtor Loan Note Claims do not have valid, enforceable, perfected liens or security

² All capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Plan or the *Disclosure Statement for the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* (the “Disclosure Statement”), as applicable. All references to and descriptions of the Plan herein are qualified in their entirety by the Plan itself and by the Disclosure Statement, and nothing herein is intended to, or shall be construed to, modify the Plan or the Disclosure Statement.

interests, as detailed below. Recognizing this, the Debtors gave holders of Class 6 claims (including Defendant) the option of voluntarily consenting to the reclassification of their Claim as a Class 3 Standard Note Claim, whereupon: (i) the Claim would be treated as if it had always been part of Class 3; (ii) Defendant would have affirmatively agreed to be bound by the Schedule of Principal Amounts and Prepetition Distributions reflected on the Ballot; and (iii) Defendant would have agreed to release all asserted Liens against any Estate Assets.

3. Holders of Class 6 claims overwhelmingly elected to reclassify into Class 3. Of the 51 Class 6 Ballots that were returned, 39 chose to opt-in to Class 3. Defendant, however, declined to opt-in to Class 3. Accordingly, as contemplated by Section 3.7 of the Plan, Plaintiffs bring this action to (i) avoid and recover monies previously paid to Defendant as fictitious profits, (ii) disallow Defendant's Claim pending repayment of the fictitious profits Defendant received prepetition; and (iii) obtain a final determination that Defendant's Claim is not actually secured by any perfected security interest. Granting this relief will result in the reclassification of Defendant's Class 6 Claim as a Class 3 Standard Note Claim, *see* Plan § 3.7, and will require Defendant to repay all fictitious profits she received prepetition before she receives any recovery on her Class 3 Standard Note Claim.

JURISDICTION AND VENUE

4. The Court has jurisdiction over this adversary proceeding under sections 157 and 1334 of the Judicial Code (28 U.S.C. §§ 157 & 1334) and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012. This adversary proceeding is a "core" proceeding within the meaning of section 157(b)(2)(A), (K), and (O) of the Judicial Code (28 U.S.C. § 157(b)(2)(A), (K), & (O)). Plaintiffs consent to the entry of a final judgment by this Court to the extent that it is later

determined that the Court, absent consent of the parties, cannot enter final orders or judgments in this adversary proceeding consistent with Article III of the United States Constitution.

5. Venue of this adversary proceeding is proper in this Court pursuant to sections 1408 and 1409 of the Judicial Code (28 U.S.C. §§ 1408 & 1409).

THE PARTIES

6. Plaintiffs are among the hundreds of Debtors in the Bankruptcy Case. Plaintiffs filed voluntary petitions on December 4, 2017 (the "Petition Date"), and are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases.

7. Defendant is a creditor of Fund 1, having invested \$25,000 (twenty five thousand dollars) on or about November 30, 2016. She is a party to that certain *Loan Agreement* dated as of November 30, 2016 (the "Loan Agreement"), a true and correct copy of which is attached hereto as **Exhibit A**. She is specified as "Lender" under that certain *Promissory Note* dated as of November 30, 2016 (the "Promissory Note"), a true and correct copy of which is attached hereto as **Exhibit B**. In total, Defendant received \$1,260.38 (one thousand two hundred sixty dollars and thirty eight cents) in purported interest payments, as reflected on the schedule of prepetition distributions attached hereto as **Exhibit C**. The precise transfers – including the transferor and the date and amount of each transfer – are detailed in Exhibit C. Exhibit C also sets forth the following totals: (i) the transfers received within the 90 days preceding the Petition Date (the "90 Day Transfers"); and (ii) the transfers received within the two years preceding the Petition Date (the "Two Year Transfers"). The Two Year Transfers are inclusive of the 90 Days Transfers, but Plaintiffs do not seek to recover the same sum more than once. Defendant declined to make the election described in Paragraph 2 when she returned her Ballot (which was received by the

Claims Agent after the October 8, 2018 deadline for creditors to submit their Ballots), a true and correct copy of which is attached hereto as **Exhibit D**.

FACTUAL BACKGROUND

8. As the Court determined in its order confirming the Plan, since at least July 2012 and continuing until shortly before they sought bankruptcy protection, the Debtors were operated as a Ponzi scheme perpetrated by Robert Shapiro. As part of this fraud, Shapiro used the Debtors to raise over one billion dollars from approximately 10,000 investors, who were told that they were investing money to be loaned with respect to particular properties owned by third parties, that those properties were worth substantially more than the loans against the properties, and that they would have the benefit of a stream of payments protected by security interests in the Debtors' loans to those third parties.

9. In reality, these statements were lies. The vast majority of investors' money was not used to make loans to third-party borrowers, and was instead commingled and used for an assortment of expenses, including maintaining a lavish lifestyle for Shapiro and her family, brokers' commissions, overhead (largely for selling even more Notes and Units to investors), and payment of principal and interest to existing investors. The money that was used to acquire property (almost always owned by a disguised affiliate) cannot be traced to any specific investor. These are typical characteristics of Ponzi schemes.

10. Defendant is among a small minority of investors who received documentation (here, the Loan Agreement and the Promissory Note) that purports to pertain to real property that was or is actually owned by a third-party, rather than by a disguised affiliate of the Debtors. Notwithstanding such documentation, however, the money that Defendant invested cannot actually be traced to any specific real property, but was instead comingled with other investors'

funds and Defendant does not have a security interest that is legally enforceable in this Bankruptcy Case; nor do any other holders of Note Claims.

11. Class 6 Non-Debtor Loan Note Claims were separately classified in the Plan on account of a procedural issue related to the determination of their secured status. The comprehensive settlement embodied in the Plan eliminates all intercompany liens and thereby vitiates the need to separately litigate whether any particular Class 3 Standard Note Claim is or is not secured. As the Disclosure Statement explains, however, this feature of the Plan does not moot the issue of whether any Class 6 Non-Debtor Loan Note Claim is or is not secured:

The Plan's comprehensive compromise and settlement resolves [the security interest] issue by providing that any Intercompany Claims that could be asserted by one Debtor against another Debtor will be extinguished immediately before the Effective Date with no separate recovery on account of any such Claims and any Intercompany Liens that could be asserted by one Debtor regarding any Estate Assets owned by another Debtor will be deemed released and discharged on the Effective Date. As a result of this elimination of such Intercompany Claims and Intercompany Liens, there is no further need to litigate about whether any given Noteholder has a perfected security interest or not, nor about whether any given Noteholder has any specialized interest in any particular property (a very limited exception to this statement exists for the Noteholders with Non-Debtor Loan Note Claims, which will retain the ability to litigate whether they have enforceable security interests regarding the applicable non-debtor loans, although the Debtors do not believe any of these parties will ultimately prevail in such litigation). [Disclosure Statement at pp. 64–65.]

12. The vast majority of creditors holding Class 6 Non-Debtor Loan Note Claims elected on their Ballots to be reclassified as holders of Class 3 Standard Note Claims, thereby avoiding the need for further litigation. Defendant, however, did not so elect – hence the filing of this adversary proceeding to fully and finally resolve the issue of secured status, as contemplated in the Plan. *See* Plan § 3.7.

13. Finally, Defendant does not have any valid, perfected, enforceable security interest. At most, the Loan Agreement and Promissory Note purport to grant a security interest

in one Plaintiff's interest in a third-party loan. Perfection of such a security interest requires either: (i) the filing of a UCC-1 with the Delaware Secretary of State (as that Plaintiff is a Delaware entity), or (ii) possession of the underlying third-party loan documents. Defendant has filed no UCC-1, and does not have possession of the underlying loan documents. As such, Defendant is not properly classified or treated as a secured creditor in this Bankruptcy Case.

FIRST CLAIM FOR RELIEF

Avoidance and Recovery of Actual Intent Fraudulent Transfers (Bankruptcy Code)

14. Plaintiffs reallege and incorporate herein Paragraphs 1 through 13, as if fully set forth herein.

15. The Two Year Transfers constituted transfers of Plaintiffs' property.

16. The Two Year Transfers were made by Plaintiffs with actual intent to hinder, delay, or defraud their creditors insofar as such transfers were prepetition distributions of fictitious profits from the Ponzi scheme.

17. The Two Year Transfers were made to or for the benefit of Defendant.

18. As a result of the foregoing, Plaintiffs are entitled to judgment pursuant to Bankruptcy Code sections 548(a), 550(a), and 551: (a) avoiding the Two Year Transfers free and clear of any claimed interest of Defendant, (b) directing that the Two Year Transfers be set aside, and (c) recovering such Two Year Transfers or the value thereof from Defendant for the benefit of the estate of Plaintiffs.

SECOND CLAIM FOR RELIEF

Avoidance and Recovery of Constructive Fraudulent Transfers (Bankruptcy Code)

19. Plaintiffs reallege and incorporate herein Paragraphs 1 through 13, as if fully set forth herein.

20. The Two Year Transfers constituted transfers of Plaintiffs' property.

21. The Two Year Transfers were made by Plaintiffs for less than reasonably equivalent value at a time when Plaintiffs (i) were insolvent; and/or (ii) were engaged or about to engage in business or a transaction for which any capital remaining with Plaintiffs were an unreasonably small capital; and/or (iii) intended to incur, or believed that Plaintiffs would incur, debts beyond their ability to pay as such debts matured.

22. The Two Year Transfers were made to or for the benefit of Defendant.

23. As a result of the foregoing, Plaintiffs are entitled to judgment pursuant to Bankruptcy Code sections 548(a), 550(a), and 551: (a) avoiding the Two Year Transfers free and clear of any claimed interest of Defendant, (b) directing that the Two Year Transfers be set aside, and (c) recovering such Two Year Transfers or the value thereof from Defendant for the benefit of the estate of Plaintiffs.

THIRD CLAIM FOR RELIEF

Avoidance and Recovery of Actual Intent Voidable Transactions (State Law)

24. Plaintiffs reallege and incorporate herein Paragraphs 1 through 13, as if fully set forth herein.

25. The Two Year Transfers constituted transfers of Plaintiffs' property.

26. The Two Year Transfers were made by Plaintiffs with actual intent to hinder, delay, or defraud their creditors insofar as such transfers were prepetition distributions of fictitious profits from the Ponzi scheme.

27. The Two Year Transfers were made to or for the benefit of Defendant.

28. Each Plaintiff that made one or more of the Two Year Transfers has at least one creditor with an allowable unsecured claim for liabilities, which claim remained unsatisfied as of the Petition Date.

29. The Two Year Transfers are avoidable under applicable law – California Civil Code section 3439.04(a)(1) and/or comparable provisions of law in other jurisdictions that have adopted the Uniform Voidable Transactions Act, the Uniform Fraudulent Transfer Act, or the Uniform Fraudulent Conveyance Act – by a creditor holding an allowed unsecured claim and thus by Plaintiffs pursuant to Bankruptcy Code section 544(b).

30. As a result of the foregoing, Plaintiffs are entitled to judgment pursuant to Bankruptcy Code sections 544(b), 550(a), and 551: (a) avoiding the Two Year Transfers free and clear of any claimed interest of Defendant, (b) directing that the Two Year Transfers be set aside, and (c) recovering such Two Year Transfers or the value thereof from Defendant for the benefit of the estate of Plaintiffs.

FOURTH CLAIM FOR RELIEF

Avoidance and Recovery of Constructive Voidable Transactions (State Law)

31. Plaintiffs reallege and incorporate herein Paragraphs 1 through 13, as if fully set forth herein.

32. The Two Year Transfers constituted transfers of Plaintiffs' property.

33. The Two Year Transfers were made by Plaintiffs for less than reasonably equivalent value at a time when Plaintiffs (i) were insolvent; and/or (ii) were engaged or was about to engage in business or a transaction for which any capital remaining with Plaintiffs were an unreasonably small capital; and/or (iii) intended to incur, or believed that they would incur, debts beyond their ability to pay as such debts matured.

34. The Two Year Transfers were made to or for the benefit of Defendant.

35. At the times of, and/or subsequent to, each of the Two Year Transfers, each Plaintiff that made one or more of the Two Year Transfers has at least one creditor with an allowable unsecured claim for liabilities, which claim remained unsatisfied as of the Petition Date.

36. The Two Year Transfers are avoidable under applicable law – California Civil Code section 3439.04(a)(2) and/or comparable provisions of law in other jurisdictions that have adopted the Uniform Voidable Transactions Act, the Uniform Fraudulent Transfer Act or the Uniform Fraudulent Conveyance Act – by a creditor holding an allowed unsecured claim and thus by Plaintiffs pursuant to Bankruptcy Code section 544(b).

37. As a result of the foregoing, Plaintiffs are entitled to judgment pursuant to Bankruptcy Code sections 544(b), 550(a), and 551: (a) avoiding the Two Year Transfers free and clear of any claimed interest of Defendant, (b) directing that the Two Year Transfers be set aside, and (c) recovering such Two Year Transfers or the value thereof from Defendant for the benefit of the estate of Plaintiffs.

FIFTH CLAIM FOR RELIEF

Avoidance and Recovery of Preferential Transfers

38. Plaintiffs reallege and incorporate herein Paragraphs 1 through 13, as if fully set forth herein.

39. The 90 Day Transfers constituted transfers of Plaintiffs' property.

40. The 90 Day Transfers were made to or for the benefit of Defendant on account of an antecedent debt and while Plaintiffs were insolvent. The affirmative assertion that Plaintiffs were insolvent at the times of the 90 Day Transfers is not intended to and does not shift the

burden of proof or alter the presumption of insolvency provided by Bankruptcy Code section 547(f).

41. By virtue of the 90 Day Transfers, Defendant received more than Defendant would have received if the 90 Day Transfers had not been made and Defendant received a distribution pursuant to a chapter 7 liquidation.

42. As a result of the foregoing, Plaintiffs are entitled to judgment pursuant to Bankruptcy Code sections 547(b), 550(a), and 551: (a) avoiding the 90 Day Transfers free and clear of any interest of Defendant, (b) directing that the 90 Day Transfers be set aside, and (c) recovering the 90 Day Transfers or the value thereof from Defendant for the benefit of the estates of Plaintiffs.

SIXTH CLAIM FOR RELIEF

Objection to Claim (Bankruptcy Code Section 502(d))

43. Plaintiffs reallege and incorporate herein Paragraphs 1 through 42, as if fully set forth herein.

44. The Claim is not allowable because:

- a. Defendant has received property, including one or more of the 90 Day Transfers or the Two Year Transfers, recoverable under Bankruptcy Code section 550; and/or
- b. Defendant has received a transfer, including one or more of the 90 Day Transfers or the Two Year Transfers, avoidable under Bankruptcy Code section 544, 547, or 548.

45. In either event, the Claim must be disallowed under Bankruptcy Code section 502(d) unless and until Defendant has fully repaid the amount, or turned over any such property, for which she is liable under Bankruptcy Code section 550.

SEVENTH CLAIM FOR RELIEF

Declaratory Judgment Regarding Lack of Valid, Perfected, Enforceable Security Interest

46. Plaintiffs reallege and incorporate herein Paragraphs 1 through 13, as if fully set forth herein.

47. An actual controversy has arisen and exists between Plaintiffs and Defendant regarding whether Defendant has any valid, perfected, enforceable security interest in any property of the Debtors' estates. Defendant was provided the opportunity to voluntarily consent to being treated the same as all other investors who were defrauded by Shapiro's Ponzi scheme, but she declined that opportunity, thus necessitating this adversary proceeding.

48. The controversy between Plaintiffs and Defendant is real and immediate, not actual or hypothetical, and its resolution will determine Defendant's entitlements under the Plan.

49. This Court has the power and authority to resolve the controversy.

50. Plaintiffs are entitled to a declaration that Defendant has no valid, perfected, enforceable security interest in any property of the Debtors' estates.

EIGHTH CLAIM FOR RELIEF

Avoidance of Any Asserted Security Interests or Other Liens

51. Plaintiffs reallege and incorporate herein Paragraphs 1 through 13, as if fully set forth herein.

52. Bankruptcy Code section 544(a) grants a bankruptcy trustee (which includes Plaintiffs, *see* 11 U.S.C. § 1107(a)) the power to avoid transfers of property of the debtor, including the granting of a security interest or other lien, that would be voidable by certain parties outside of bankruptcy. More specifically, section 544(a)(1) vests the trustee with the rights, powers, and avoidance abilities of "a creditor that extends credit to the debtor at the time

of the commencement of the case, and that obtains, at such time and with respect to such credit, a judicial lien on all property on which a creditor on a simple contract could have obtained such a judicial lien, whether or not such a creditor exists.” 11 U.S.C. § 544(a)(1). Section 544(a)(3) separately vests the trustee with the rights, powers, and avoidance abilities of “a bona fide purchaser of real property, other than fixtures, from the debtor, against whom applicable law permits such transfer to be perfected, that obtains the status of a bona fide purchaser and has perfected such transfer at the time of the commencement of the case, whether or not such a purchaser exists.” *Id.* § 544(a)(3).

53. Whether because of the lack of perfection or otherwise, any security interests or other liens that Defendant could assert with respect to any property of the Debtors or their bankruptcy estates would be avoidable under applicable non-bankruptcy law by either a judicial lien creditor, or a bona fide purchaser of real property, or both. As such, Plaintiffs can similarly avoid any such security interests or liens in the Bankruptcy Case.

54. Plaintiffs are entitled to a judgment avoiding any asserted security interests or other liens asserted by Defendant pursuant to Bankruptcy Code section 544(a).

PRAYER FOR RELIEF

By reason of the foregoing, the Court should enter judgment in favor of Plaintiffs and against Defendant:

- a. On the first, second, third, and fourth claims for relief, (i) avoiding the Two Year Transfers free and clear of any claimed interest of Defendant, (ii) directing that the Two Year Transfers be set aside, and (iii) ordering Defendant to pay to Plaintiffs the amount of the Two Year Transfers;
- b. On the fifth claim for relief, (i) avoiding the 90 Day Transfers free and clear of any claimed interest of Defendant, (ii) directing that the 90 Day Transfers be set aside, and (iii) ordering Defendant to pay to Plaintiffs the amount of the 90 Day Transfers;

- c. On the sixth claim for relief, (i) disallowing the Claim under Bankruptcy Code section 502(d) unless and until Defendant has paid the amount, or turned over any such property, for which she is liable under Bankruptcy Code section 550, and (ii) determining the correct amount of the Outstanding Principal Amounts and Prepetition Distributions associated with the Claim for all purposes under the Plan upon repayment of the amount for which Defendant is liable under Bankruptcy Code section 550;
- d. On the seventh claim for relief, (i) declaring that Defendant has no valid, perfected, enforceable security interest in any property of the Debtors' estates, and (ii) reclassifying Defendant's Class 6 Non-Debtor Loan Note Claim as a Class 3 Standard Note Claim;
- e. On the eighth claim for relief, avoiding any security interests or other liens that Defendant may assert regarding any property of the Debtors' estates; and
- f. On all claims for relief, awarding Plaintiffs prejudgment interest as permitted by law, costs of suit, and such other and further relief as may be necessary or appropriate.

Dated: November 16, 2018
Wilmington, Delaware

/s/ Michael S. Neiburg
YOUNG CONAWAY STARGATT & TAYLOR, LLP
Sean M. Beach (No. 4070)
Edmon L. Morton (No. 3856)
Michael S. Neiburg (No. 5275)
Ian J. Bambrick (No. 5455)
Rodney Square, 1000 North King Street
Wilmington, Delaware 19801
Tel: (302) 571-6600
Fax: (302) 571-1253

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP
Kenneth N. Klee (*pro hac vice*)
Michael L. Tuchin (*pro hac vice*)
David A. Fidler (*pro hac vice*)
Jonathan M. Weiss (*pro hac vice*)
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067

Counsel to Plaintiffs

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") made on this November 30, 2016, by and between **JOANNE COX**, an individual having an address of 720 Cregan Avenue, Swarthmore, Pennsylvania 19081 (hereinafter referred to as the "Lender") and **WOODBIDGE MORTGAGE INVESTMENT FUND 1, LLC**, a Delaware limited liability company, having an office at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 ("Woodbridge").

WITNESSETH:

WHEREAS, Lender wishes to make a loan (the "Loan") to Woodbridge to fund, in part, a loan to a third-party borrower, as more fully defined below (the "Pledged Loan"); and

WHEREAS, Lender advanced to Woodbridge a portion of the funds that, with other funds from Woodbridge, will be used to make the Pledged Loan; and

WHEREAS, Lender acknowledges that Woodbridge has executed or intends to execute other notes and loan agreements to fund the Pledged Loan on a pari passu basis with other lenders; and

WHEREAS, Woodbridge and Lender have agreed to the foregoing transaction on the terms and conditions and in reliance upon the representations and warranties of Woodbridge and Lender hereinafter set forth:

NOW, THEREFORE, in consideration of the foregoing and in further consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Lender has agreed to lend Woodbridge the sum of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00). The foregoing obligation shall be evidenced by Woodbridge's promissory note to Lender, in the original principal amount of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00), in the form of Exhibit A hereto and made a part hereof (as the same may be amended or modified from time to time, the "Note"), with appropriate insertion of dates.

The Note shall bear interest at a rate equal to five and 50/100 percent (5.50%) per annum, subject to such default rates as may be set forth in the Note; provided, however, that the rate of interest charged thereunder shall never exceed the maximum amount, if any, allowable by law. Interest shall be payable as provided in the Note and shall be charged on the daily outstanding principal balance on the basis of the actual days elapsed and on a three hundred sixty (360) day year.

Interest shall be payable as provided in the Note. The entire outstanding principal balance of the Note shall be due and payable in full on April 1, 2018, unless sooner prepaid. Woodbridge may prepay the Note without penalty at any time.

2. **Security Interest**. Woodbridge hereby grants to the Lender a security interest in all of the Woodbridge's present and future right, title and interest in and to any and all of the following (the "Collateral"):

- (a) That certain loan in the principal amount of One Hundred Twenty-Six Thousand Five Hundred and 00/100 Dollars (\$126,500.00) (the "Pledged Loan") extended or to be extended to Annetia Reed (the "Borrower") secured by a first priority lien on the real property located at 8008-8010 South Western Avenue, Chicago, Illinois 60620 (the "Premises");
- (b) The promissory note evidencing the Pledged Loan (the "Underlying Note");
- (c) The mortgage or deed of trust securing the Pledged Loan with an interest in the Premises (the

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

“Underlying Mortgage”); and

- (d) Title insurance policies and such other instruments or documentation as may be executed and delivered to Woodbridge in conjunction with the Pledged Loan (said Underlying Note, Underlying Mortgage and other associated loan documents collectively hereafter referred to as the “Loan Documents”).
- (e) Upon the consummation of the Pledged Loan, Woodbridge will execute and deliver to Lender collateral assignment documents substantially in the form attached hereto as Exhibits B and C.
- (f) Lender acknowledges that they are only providing the financing for a portion of the Pledged Loan and, therefore, Woodbridge retains the right to execute other notes, loan agreements, assignments, and collateral assignments in favor of other lenders as may be necessary to fund the Pledged Loan secured by the Collateral on a pari passu basis with such other lenders. Lender further agrees that it, and any such other lenders, shall execute an Intercreditor Agreement substantially in the form attached hereto as Exhibit D in order to confirm that their interests in the Collateral are of equal priority.

3. Representations and Warranties.

(a) Woodbridge represents and warrants to Lender that Woodbridge has or will have good and marketable title to the Pledged Loan and the Collateral free from any adverse liens, security interests or encumbrances on record as of the date of the Pledged Loan.

(b) The execution and delivery of the Note, this Agreement, and every other agreement, instrument or document executed and delivered to Lender by Woodbridge pursuant to the terms hereof, are valid, legal and binding upon it and enforceable in accordance with their respective terms.

(c) All information furnished or to be furnished by Woodbridge pursuant to the terms hereof will not, at the time the same is furnished, contain any untrue statement of a material fact and will not omit to state a material fact necessary to make the information so furnished, in the light of the circumstances under which such information is furnished, not misleading.

(d) Lender represents and warrants to Woodbridge that: (i) the Loan Documents and the Pledged Loan they evidence constitute a commercial loan transaction and are not for investment purposes; and (ii) Lender has reviewed the Loan Documents and the associated other information on the Borrower of the Pledged Loan, and has had the opportunity to review said documents and information with its own legal counsel, and has had sufficient access to all of said documents and information to allow it to make its own credit decision with respect to the Pledged Loan, and has, in fact, made its own credit decision in making the Loan.

4. General Provisions.

(a) This Agreement is an integrated document and all terms and provisions are embodied herein and shall not be varied by parol;

(b) This Agreement is made, executed and delivered in the State of Delaware and it is the specific desire and intention of the parties that it shall in all respects be construed under the laws of the State of Delaware;

(c) The captions for the paragraphs contained in this Agreement have been inserted for convenience only and form no part of this Agreement and shall not be deemed to affect the meaning or construction of any of the covenants, agreements, conditions or terms hereof;

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

(d) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided, however, that Lender shall not assign, voluntarily, by operation of law or otherwise, any of its rights hereunder without the prior written consent of Woodbridge and any such attempted assignment without such consent shall be null and void;

(e) No delay or failure of Lender in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise preclude any further exercise thereof or the exercise of any other rights, powers or privileges; and

(f) This Agreement, the security interest hereby granted to Lender by Woodbridge and every representation, warranty, covenant, promise and other then herein contained shall survive until the Note has been paid in full.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK, SIGNATURE PAGE TO FOLLOW]

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the day and year first above written.

Signed, Sealed, and Delivered
in the Presence of:



(Witness)


(Witness)


JOANNE COX




**WOODBIDGE MORTGAGE
INVESTMENT FUND 1, LLC**

By: 
Robert Reed
Its Authorized Representative

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

EXHIBIT LIST

- EXHIBIT A Note from Woodbridge to Lender
- EXHIBIT B Form of Assignment
- EXHIBIT C Form of Collateral Assignment
- EXHIBIT D Form of Intercreditor Agreement

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

EXHIBIT A

Note from Woodbridge to Lender

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

EXHIBIT B

Form of Assignment

ASSIGNMENT OF PROMISSORY NOTE AND MORTGAGE

THIS ASSIGNMENT OF PROMISSORY NOTE AND MORTGAGE (this "**Assignment**") made as of the ___ day of _____, 20___, by **WOODBRIIDGE MORTGAGE INVESTMENT FUND 1, LLC**, a Delaware limited liability company with an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 (the "**Assignor**"), in favor of _____, having an address of _____ (the "**Assignee**").

WHEREAS, Assignee has extended a term loan (the "**Loan**") in the original principal amount of ___ Hundred Thousand and 00/100 Dollars (\$___,000.00) to Assignor (the obligations of Assignor in respect of the Promissory Note evidencing said Loan being hereinafter referred to as the "**Obligations**"); and

WHEREAS, it is a condition of Assignee's agreement to extend such Loan that Assignor assign to Assignee its interest in certain documents hereinafter described, and the indebtedness related thereto, as security for the Obligations;

NOW, THEREFORE, as security for the Obligations, and as an inducement to Assignee to extend the Loan and in consideration therefor, and in consideration of Ten Dollars (\$10.00) to Assignor paid, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, bargains, sells, assigns, conveys, transfers and sets over unto Assignee a security interest in and lien upon, all of Assignor's right, title and interest in, to and under: (a) a certain Mortgage from _____, dated ___, 20___, in favor of Assignor (the "**Assigned Mortgage**"), encumbering certain real and personal property described therein. (b) a certain Promissory Note in the principal amount of ___ Hundred Thousand and 00/100 Dollars (\$___,000.00), dated _____, 20___, made by _____ and payable to the order of Assignor (the "**Assigned Note**"), and all proceeds thereof and all other documents securing or guarantying the same (the Assigned Mortgage, the Assigned Note, and all other documents or instruments securing or guarantying the same being hereinafter referred to collectively as the "**Assigned Documents**").

Assignor further covenants and agrees as follows:

1. The occurrence of an "Event of Default" under the Promissory Note evidencing the Loan, or under the Collateral Assignment dated of even date herewith, beyond the applicable notice and cure period shall constitute an "**Event of Default**" under this Assignment. So long as no Event of Default shall have occurred, Assignor shall be entitled to collect all payments of interest and all scheduled payments of principal (collectively, "**Scheduled Payments**") on the Assigned Documents.

2. In the event of any payment (other than Scheduled Payments or pre-payments) under the Assigned Note, the obligor under the Assigned Documents ("**Borrower**") is hereby irrevocably authorized and directed to make such payment directly to Assignee or to such person as Assignee shall otherwise direct. Assignor shall immediately pay over to Assignee any such payment received directly from Borrower.

3. Upon written notice from Assignee that an Event of Default exists, Borrower shall thereafter make, and is hereby irrevocably authorized and directed to make, all payments under the Assigned Documents directly to Assignee or to such person as Assignee shall otherwise direct, to be applied against the Obligations until such Obligations are satisfied. Upon satisfaction of such Obligations, all remaining payments under the Assigned Documents, if any, shall resume to be made and directed to Assignor.

4. Upon the occurrence of an Event of Default, Assignor will not grant any waivers, indulgences, modifications, extensions or other departures by Borrower from or of the obligations required to be performed by Borrower under the Assigned Documents and any security or other agreement executed in connection therewith, without the prior written consent of Assignee. At Assignee's request, Assignor shall also provide to Assignee such other information regarding the Borrower or the Premises secured by the Assigned Mortgage as Assignor may have in its possession.

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

5. This Assignment is executed only as security for the Obligations. The execution and delivery of this Assignment shall not subject Assignee to, or transfer or pass to Assignee, or in any way affect or modify, the liability of Assignor under any or all of the Assigned Documents.

6. In the exercise of its powers hereunder or under any documents relating to the Obligations, no liability shall be asserted or enforced against Assignee, all such liability being hereby expressly waived and released by Assignor. Assignor hereby agrees to indemnify Assignee, and hold it harmless, from any and all liabilities, losses, or damages which Assignee shall incur by reason of this Assignment or the Assigned Documents and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or, undertakings required to be performed by Assignor in connection with the Assigned Documents.

7. Assignor hereby agrees and acknowledges that neither the acceptance of this Assignment by Assignee nor the exercise of, or failure to exercise, any right, power or remedy in this instrument conferred upon Assignee shall be deemed or construed to obligate Assignee, or its successors or assigns, to pay any sum of money, take any action or incur any liability in connection with any of the Assigned Documents. It is further agreed and understood by Assignor that neither Assignee nor its successors or assigns shall be liable in any way for any costs, expenses or liabilities connected with, or any charges or liabilities resulting from, any of the Assigned Documents.

8. This Assignment shall be binding upon Assignor and its successors and assigns, and shall inure to the benefit of Assignee and its successors and assigns. Notwithstanding anything contained herein, however, neither the Note nor the other Loan Documents are assignable by Assignee without the Assignor's written consent, and any such attempted assignment without such consent shall be null and void. This Assignment shall be governed by and construed and enforced in accordance with the laws of the State of Delaware.

9. (a) Any notice, report, demand, request or other instrument or communication authorized or required under this Assignment to be given to Assignor, Assignee or Borrower shall be deemed given if addressed to the party intended to receive the same, at the address of such party set forth below, (i) when delivered at such address by hand or by overnight delivery service, or (ii) three (3) days after the same is deposited in the United States mail as first class certified mail, return receipt requested, postage paid, whether or not the same is actually received by such party:

Assignor: Woodbridge Mortgage Investment Fund 1, LLC
14225 Ventura Boulevard
Suite 100
Sherman Oaks, California 91423

Assignee: _____

(b) Any party may change the address to which any such notice, report, demand, request or other instrument or communication to such party is to be delivered or mailed, by giving written notice of such change to the other parties, but no such notice of change shall be effective unless and until received by such other parties.

10. Upon full payment and performance of the Obligations, this Assignment shall terminate and shall be of no further force and effect. Upon such termination, Assignee shall indorse the Assigned Note to the order of Assignor (or otherwise as Assignor may direct), without recourse, warranty or representation, and Assignee shall deliver the Assigned Note to Assignor.

11. Notwithstanding anything to the contrary set forth in this Assignment, unless and until Assignee shall have exercised its rights under paragraph 3 above, Assignor shall be entitled to foreclose the Assigned Mortgage. The proceeds of such foreclosure shall be applied to payment of the Obligations before being used for any other purpose.

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the date first written above.

Assignor:

**WOODBIDGE MORTGAGE
INVESTMENT FUND 1, LLC**

By: _____
Robert Reed
Its Authorized Representative

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

EXHIBIT C

Form of Collateral Assignment

COLLATERAL ASSIGNMENT OF NOTE, MORTGAGE, AND OTHER LOAN DOCUMENTS

THIS COLLATERAL ASSIGNMENT OF NOTE, MORTGAGE, AND OTHER LOAN DOCUMENTS (this "Assignment"), dated as of this ____ day of ____ 20__, is made and given by **WOODBRIIDGE MORTGAGE INVESTMENT FUND 1, LLC**, a Delaware limited liability company ("Borrower"), having an address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423, and in favor of _____, having an address of _____, his or her successors and assigns ("Lender").

Background:

Lender has agreed to make, and Borrower has agreed to accept, a loan in the original maximum principal amount of ____ Hundred Thousand and 00/100 Dollars (\$____,000.00) (the "Loan") upon the terms and conditions set forth in that certain Promissory Note, dated _____, in the original principal amount of ____ Hundred Thousand and 00/100 Dollars (\$____,000.00) made by Borrower and payable to Lender (as the same may be amended or modified from time to time, the "Note").

Lender understands that Borrower shall utilize the proceeds of the Loan to fund a loan to a third party borrower, such loan to be made pursuant to the "Underlying Documents" more particularly described in Section 2.1.1 below. As a condition to making the Loan, Lender has required Borrower to assign to Lender, as additional security for the Loan, all of Borrower's right, title and interest in and to the promissory notes, security instruments and other loan documents conveyed including without limiting the generality of the foregoing, all rights to receive payments under such collateral.

Statement of Agreement

NOW, THEREFORE, for valuable consideration, separate and distinct from the consideration given by Lender with respect to the Loan, the receipt and adequacy of which are hereby acknowledged, Borrower agrees as follows:

1. **Recitals.** The Recitals are incorporated herein by this reference.
2. **Assignment.** As security for the performance of all obligations of Borrower to Lender under the Note, the Assignment of Promissory Note and Mortgage, and all other documents now or hereafter evidencing, securing or related to the Loan (collectively, the "Loan Documents"), Borrower hereby assigns and transfers to Lender, on a non-exclusive basis, all of its right, title and interest in and to the following collateral (the "Collateral"):
 - 2.1.1. All right, title, interest, claims or rights of Borrower now or hereafter in and to the notes, deeds to secure debt, security instruments, guaranties and other loan documents (collectively, the "Underlying Documents") described on **Exhibit "A"** attached hereto and incorporated herein by this reference; and
 - 2.1.2. Any and all proceeds of a casualty or condemnation, repayment of loans, proceeds of foreclosure sales, and payments of any kind or nature whatsoever, now or hereafter distributable or payable to Borrower by reason of Borrower's ownership of the Underlying Documents; and
 - 2.1.3. All accounts, contract rights, security entitlements, investment property and general intangibles now or hereafter evidencing, arising from or relating to any of the foregoing; and
 - 2.1.4. All right of Borrower to collect and enforce payments pursuant to the terms of the Underlying Documents; and
 - 2.1.5. All documents, writings, leases, books, files, records, computer tapes, programs, ledger books and ledger pages arising from or used in connection with any of the foregoing; and
 - 2.1.6. All renewals, extensions, additions, substitutions or replacements of any of the foregoing; and
 - 2.1.7. All powers, options, rights, privileges and immunities pertaining to any of the foregoing; and

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

2.1.8. All proceeds of any of the foregoing and all cash, security or other property distributed on account of any of the foregoing.

3. Representations and Warranties. Borrower hereby represents and warrants that: (a) Borrower is or will be the true owner of the interests under the Underlying Documents; (b) Borrower has not assigned or granted a security interest in the Collateral to any person or entity that is or will be superior to that of the Lender; and (c) to Borrower's knowledge, (i) Borrower's interest in the Collateral is not and will not be subject to any claims, setoffs, encumbrances or deductions, and (ii) the Loan Documents constitute and will constitute valid and binding obligations of Borrower.

4. No Assumption by Lender and Covenants of Borrower. Neither this Assignment nor any action or actions on the part of Lender after the date hereof shall constitute an assumption by Lender of any obligations under the Underlying Documents, and Borrower shall continue to be liable for all obligations thereunder arising after the date hereof. Borrower agrees to perform punctually any and all obligations it may have under the Underlying Documents, to take such steps as it may deem necessary or appropriate to secure performance by the obligor(s) and guarantor(s) of the Underlying Documents thereon of all of its obligations under the applicable Underlying Documents.

5. Benefits Conditionally Retained by Borrower. Lender hereby grants Borrower the right to continue to receive the benefits of, and exercise the rights under, the Underlying Documents unless an Event of Default (as described in Section 14 below) exists, in which event such rights may be revoked at any time thereafter at the option of Lender.

6. Action by Lender Following Event of Default. Lender shall have the right, but not an obligation, at any time while an Event of Default exists, without notice and without taking possession of the Property or any part thereof, to take in Lender's name or in the name of Borrower such action as Lender may, at any time or from time to time, reasonably determine to be necessary to cure any default under the Underlying Documents or to protect or exercise the rights of Borrower or Lender thereunder, and may otherwise exercise any other rights or remedies Lender has under the Loan Documents. Lender shall incur no liability if any action taken by it or on its behalf pursuant to this Assignment shall prove to be in whole or in part inadequate or invalid; and Borrower hereby agrees to indemnify, defend, and hold Lender free and harmless from and against any loss, costs, liability or reasonable expense (including, without limitation, reasonable attorneys' and accountants' fees and expenses, court costs and investigation expenses) actually incurred by Lender in connection with its actions under this Section 6.

7. Power of Attorney. Borrower hereby irrevocably constitutes and appoints Lender as its true and lawful agent and attorney-in-fact, with full power of substitution, to demand, receive and enforce all rights of Borrower under the Underlying Documents, following the occurrence and during the continuance of an Event of Default, to modify, supplement and terminate the Underlying Documents, to transfer the Underlying Documents to Lender, to give appropriate releases, receipts for or on behalf of Borrower in connection with the Underlying Documents, to file, pursue, receive payment and acquittances for or otherwise compromise each and every claim Borrower has or may have against the obligor(s) and guarantor(s) of the Underlying Documents for payment or otherwise under the Underlying Documents, all in the name, place and stead of Borrower or in Lender's name, with the same force and effect as Borrower could have if this Assignment had not been made. Borrower authorizes any third party to rely exclusively on the certificate of an officer of Lender or its successor for the establishment of an Event of Default and hereby waives and releases any claim Borrower may have against such third party for such reliance. Borrower hereby agrees to deliver to Lender, upon Lender's written demand and after the occurrence and during the continuance of an Event of Default, all instruments and documents as Lender may reasonably require in order to permit Lender's succession to the right, title and interest of Borrower in and to the Underlying Documents as provided herein. Borrower appoints Lender as its attorney-in-fact to execute any and all such documents on Borrower's behalf upon any failure of Borrower to so execute such documents, it is hereby recognized that the power of attorney herein granted is coupled with an interest and is irrevocable. At Lender's option, Lender may record this Assignment in the recording office. By acceptance of this Assignment, Lender agrees that it shall not exercise the power of attorney granted herein unless there shall have occurred and be continuing an Event of Default.

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

8. Binding Effect. This Assignment shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns, including without limitation any purchaser upon foreclosure of the lien and security interests created by the Underlying Documents or under a deed in lieu of such foreclosure and any receiver in possession of the Property.

9. No Release or Termination. The taking of this Assignment by Lender shall not affect the release of any other collateral now or hereafter held by Lender as security for the obligations of Borrower under the Loan Documents, nor shall the taking of additional security for any such obligations hereafter effect a release or termination of this Assignment, or any terms or provisions hereof.

10. No Waiver. No failure or delay on the part of Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder are cumulative and may be exercised by Lender either independently of or concurrently with any other right, remedy or power contained herein or in any instrument executed in connection with the Loan Documents.

11. Captions. The section titles or captions contained in this Assignment are for convenience only and shall not be deemed to define, limit or otherwise modify the scope or intent of this Assignment.

12. Variation in Pronouns. All the terms and words used in this Assignment, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Assignment or any paragraph or clause herein may require, the same as if such word had been fully and properly written in the correct number and gender.

13. Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be given in the manner required by the Loan Documents.

14. Event of Default. The occurrence of an Event of Default under the Note or any of the other Loan Documents beyond the applicable notice and cure period shall constitute an "Event of Default" under this Assignment.

15. Successors and Assigns. This Assignment shall be binding upon Borrower and its successors and assigns and shall insure to the benefit of the Lender and Lender's successors; provided, however, and notwithstanding anything contained herein, neither the Note nor the Loan Documents are assignable by Lender, in whole or in part, and any such attempted assignment shall be null and void.

16. Governing Law. The parties hereby acknowledge, consent and agree this Assignment and the rights of all parties mentioned herein shall be governed by the laws of the State of Delaware.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK – SIGNATURE PAGE FOLLOWS]

Property ID : Western Renewal - Chicago, IL
 Principal : \$25,000.00
 Int. Rate : 5.50%

IN WITNESS WHEREOF, the Borrower, acting by its duly authorized officer, has signed, sealed and delivered this Assignment on the date above written.

BORROWER:

**WOODBIDGE MORTGAGE
 INVESTMENT FUND 1, LLC**

By: _____ (Seal)
 Robert Reed
 Its Authorized Representative

STATE OF CONNECTICUT)
) ss.
 COUNTY OF TOLLAND)

On this ___ of _____, 20__, before me, the undersigned notary public, personally appeared Robert Reed, Authorized Representative of Woodbridge Mortgage Investment Fund 1, LLC, a Delaware limited liability company, to me known and known by me to be the party executing the foregoing Collateral Assignment of Note, Mortgage and Other Loan Documents instrument on behalf of said limited liability company, in favor of _____, and acknowledged said instrument and the execution thereof, to be his free act and deed as such officer and the free act and deed of said limited liability company.

Notary Public _____
 Printed Name: _____
 My commission expires _____
 (Notary Seal)

EXHIBIT A TO COLLATERAL ASSIGNMENT

1. That certain Mortgage from _____, dated _____, in favor of Woodbridge Mortgage Investment Fund 1, LLC, encumbering certain real and personal property described therein.
2. That certain Promissory Note in the original principal amount of _____ Hundred Thousand and 00/100 Dollars (\$____,000.00), dated _____, 20__, made by _____ and payable to the order of Woodbridge Mortgage Investment Fund 1, LLC.

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

EXHIBIT D

Form of Intercreditor Agreement

INTERCREDITOR AGREEMENT (PARI PASSU)

THIS INTERCREDITOR AGREEMENT ("Agreement") is entered into by and between _____, having an address at _____ ("First Party") and _____, having an address at _____ ("Second Party") (First Party and Second Party are sometimes herein referred to collectively as the "Lenders" and individually as a "Lender"), as of the date written below.

WITNESSETH

WHEREAS, the Lenders have agreed collectively to lend \$_____ to Woodbridge Mortgage Investment Fund I, LLC, a Delaware limited liability company ("Woodbridge"), and

WHEREAS, in return for the loans by the Lenders, Woodbridge will execute and deliver to each of them promissory notes each in the original principal amount of \$_____ (the "Notes"), and

WHEREAS, Woodbridge intends to use the funds (the "Loans") provided by Lenders to finance a mortgage loan in the principal amount of \$_____ to _____, to be evidenced by a promissory note and secured by a mortgage on property located at _____ (the "Underlying Note" and the "Mortgage" respectively), and

WHEREAS, upon closing of the Loans, Woodbridge will deliver to each of the Lenders a collateral assignment of the Underlying Note and Mortgage as security for the Notes (the "Collateral Assignments"); and

WHEREAS, the Lenders wish that each of them shall be treated equally with reference to the payment under the respective Notes and/or enforcement of the Collateral Assignments; and

WHEREAS, this Agreement shall be effective and bind the parties hereto.

NOW THEREFORE, the parties hereto agree as follows:

1. The above recitals are hereby made a part of this Agreement.
2. Unless explicitly agreed to the contrary in writing, the Lenders shall have equal rights of enforcement, priorities, duties, and obligations under the Notes, and the Collateral Assignments and any other documentation executed and delivered in connection therewith (the "Loan Documents").
3. In the event of a default under any of the Notes, the Collateral Assignments or other Loan Documents, all of the Notes shall be in default, and shall be due and payable at the option of the Lenders acting in concert.
4. If any of the Lender(s) desire to exercise any rights it may have under the Loan Documents, it shall notify the other Lender(s) as soon as practicable.
5. All notices, consents, waivers, and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by fax (with written confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and fax numbers as set forth below (or to such other addresses and fax numbers as a party may designate by notice to the other parties):

LENDERS:

First Party

and

Second Party

6. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

Agreement may be brought against any of the parties in the courts of the State of Delaware, or, if it has or can acquire jurisdiction, in the United States District Court for the District of Delaware, and each of the parties consents to the jurisdiction of such courts (and of the appropriate Appellate Courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

7. This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the Agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

8. If any provision of this Agreement is held invalid or unenforceable by any court or competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

9. This Agreement will be governed by the laws of the State of Delaware without regard to conflicts of interest principles.

10. This Agreement may be executed in any number of counterparts, each of which taken together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the ____ day of _____, 20__.

LENDER(S):

FIRST PARTY

SECOND PARTY

Acknowledged and Agreed to by:

**WOODBRIIDGE MORTGAGE
INVESTMENT FUND 1, LLC**

By: _____
Robert Reed
Its Authorized Representative

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

PROMISSORY NOTE

\$25,000.00

November 30, 2016
Sherman Oaks, California

FOR VALUE RECEIVED, the undersigned, **WOODBIDGE MORTGAGE INVESTMENT FUND 1, LLC**, a Delaware limited liability company having an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 (hereinafter referred to as the "Borrower") does hereby promise to pay to the order of **JOANNE COX**, an individual having an address of 720 Cregan Avenue, Swarthmore, Pennsylvania 19081 (hereinafter referred to as "Lender"), at such place as the Lender may designate by written notice to Borrower, the principal sum of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00), together with interest on all unpaid balances beginning as of the date hereof, at the fixed rate per annum as set forth in Section 1 hereof.

1. **Interest Rate.** The unpaid balance of the principal sum of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) shall bear interest from the date hereof through January 1, 2018, at a fixed rate of interest equal to five and 50/100 percent (5.50%) per annum. After January 1, 2018, the unpaid balance of this Note shall bear interest at a fixed rate equal to nine and 00/100 percent (9.00%) per annum. The rate of interest charged hereunder shall never exceed the maximum amount, if any, allowable by law. Interest shall be charged on the principal balance from time to time outstanding on the basis of the actual number of days elapsed computed on the basis of a 360 day year.

2. **Default Interest Rate.** During the continuance of any Event of Default (as more particularly defined in Paragraph 6 below) under this Note by acceleration or otherwise, interest shall accrue from and after such Event of Default at four (4) percentage points above the interest rate then in effect hereunder (the "Default Interest Rate").

3. **Repayment.** Borrower promises to pay the interest and principal on this Note, as set forth below:

Monthly payments of interest shall be made commencing on January 1, 2017 and continuing on the same day of each and every month to occur thereafter, both before and after maturity by acceleration or otherwise.

The entire principal balance plus accrued and unpaid interest thereon, and all other sums and charges due to the Lender hereunder, unless sooner paid, shall be due and payable on April 1, 2018 (the "Maturity Date"). Upon and after the eighth (8th) day following Borrower's receipt of written notice from Lender of Borrower's failure to pay the entire principal balance plus accrued and unpaid interest on the Maturity Date as required, any outstanding amounts due under this Note shall bear interest at a fixed rate of twenty-four and 00/100 percent (24.00%) per annum.

4. **Application of Payments.** All payments pursuant to this Note shall be made in legal tender of the United States of America and shall be applied first to the payment of delinquency or late charges, if any; second, to the payment of accrued and unpaid interest on this Note; and third, the balance on account of the principal of this Note.

5. **Cure Period and Notice of Default.** Failure of Borrower to pay by its due date any installment of the principal or of interest within thirty (30) days from the date the same becomes due and payable, shall constitute a "Payment Default" under this Note. Borrower shall have a cure period of not less

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

than thirty (30) days after receipt of written notice ("Notice of Default") of any alleged breach or Payment Default under the terms of this Note to cure the same.

6. **Event of Default.** Any alleged breach or Payment Default under this Note that is not fully cured following the expiration of the applicable cure period specified in a given Notice of Default shall constitute an event of default ("Event of Default") under this Note.

7. **Waiver of Rights.**

a. BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY COURT AND IN ANY SUIT ACTION OR PROCEEDING OR ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTIONS OF WHICH THIS NOTE OR THE COLLATERAL ASSIGNMENT DOCUMENTS (AS DEFINED BELOW) ARE A PART AND/OR THE ENFORCEMENT OF ANY OF LENDER'S RIGHTS AND REMEDIES. BORROWER ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY, VOLUNTARILY AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER.

b. Borrower hereby waives diligence, demand, presentment for payment, protest and notice of protest, and notice of any renewals or extensions of this Note, and agrees that the time for payment of this Note may be changed and extended at Lender's sole discretion, without impairing its liability thereon, and further consents to the release of any party liable for this obligation, or the release of all or any part of the collateral given as security for the payment of this Note, without affecting its liability with respect hereto.

8. **Lender's Rights.** Lender's rights hereunder shall be cumulative and not exclusive and may be exercised at the sole discretion of Lender with respect to priority, order and type of collateral or security realized upon or applied toward the indebtedness evidenced hereby until this Note and all accrued and unpaid interest and other sums and charges due hereunder shall have been paid in full. Further, no failure on the part of Lender to exercise any right or remedy hereunder, whether before or after the occurrence of an Event of Default hereunder, shall constitute a waiver thereof, and no waiver of any past default shall constitute waiver of any future default or of any other default.

9. **Prepayment.** The Borrower shall have the right to prepay this Note in whole or in part at any time without penalty.

10. **Binding Effect.** This Note shall bind the successors and assigns of Borrower and shall inure to the benefit of the Lender, its successors and assigns.

11. **Captions and Section Headings.** The captions and section headings used in this Note are for convenience only and shall not be used to interpret, modify or affect in any way the covenants and agreements herein contained.

12. **Severability.** In the event that any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Note shall operate or would prospectively operate, to invalidate this Note, then the remaining provisions of this Note shall remain operative and in full force and effect, shall be valid, legal and enforceable and shall in no way be affected, prejudiced or disturbed thereby.

Property ID : Western Renewal - Chicago, IL
Principal : \$25,000.00
Int. Rate : 5.50%

13. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the State of Delaware.

14. **No Assignment.** Neither this Note, the Loan Agreement of even date herewith between Borrower and Lender, nor all other instruments executed or to be executed in connection therewith (collectively, the "Collateral Assignment Documents") are assignable by Lender without the Borrower's written consent and any such attempted assignment without such consent shall be null and void.

15. **Commercial Transaction.** Lender and Borrower each acknowledge and stipulate that the Loan is a commercial transaction.

16. **Security.** This Note will be secured inter alia by the Collateral Assignment Documents upon execution thereof.

WOODBIDGE MORTGAGE
INVESTMENT FUND 1, LLC

By: 

Robert Reed
Its Authorized Representative

Accepted and Agreed to by Lender:



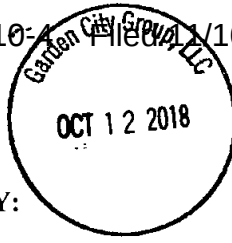
JOANNE COX

Exhibit C
Distributions to Joanne Cox

<u>Date</u>	<u>Transferor</u>	<u>Transferee</u>	<u>Memo</u>	<u>Amount</u>
12/18/17	Woodbridge Mortgage Investment Fund 1, LLC	JOANNE COX	MTG1 SR WESTERN RNWL, IL - INT OCT	114.58
10/17/17	Woodbridge Mortgage Investment Fund 1, LLC	JOANNE COX	MTG1 SR WESTERN RNWL, IL - INT AUG	114.58
10/03/17	Woodbridge Mortgage Investment Fund 1, LLC	JOANNE COX	MTG1 SR WESTERN RNWL, IL - INT SEP	114.58
08/01/17	Woodbridge Mortgage Investment Fund 1, LLC	JOANNE COX	MTG1 SR WESTERN RNWL, IL - INT JUL	114.58
08/01/17	Woodbridge Mortgage Investment Fund 1, LLC	JOANNE COX	MTG1 SR WESTERN RNWL, IL - INT JUN	114.58
07/05/17	Woodbridge Mortgage Investment Fund 1, LLC	JOANNE COX	MTG1 SR WESTERN RNWL, IL - INT APR	114.58
07/05/17	Woodbridge Mortgage Investment Fund 1, LLC	JOANNE COX	MTG1 SR WESTERN RNWL, IL - INT MAY	114.58
04/03/17	Woodbridge Mortgage Investment Fund 1, LLC	JOANNE COX	MTG1 SR WESTERN RNWL, IL - INT FEB	114.58
04/03/17	Woodbridge Mortgage Investment Fund 1, LLC	JOANNE COX	MTG1 SR WESTERN RNWL, IL - INT MAR	114.58
02/06/17	Woodbridge Mortgage Investment Fund 1, LLC	JOANNE COX	MTG1 SR WESTERN RNWL, IL - INT DEC	114.58
02/06/17	Woodbridge Mortgage Investment Fund 1, LLC	JOANNE COX	MTG1 SR WESTERN RNWL, IL - INT JAN	114.58
TOTAL FOR TRANSFERS DURING 90-DAY PERIOD PRIOR TO BANKRUPTCY FILING				<u>\$343.74</u>
TOTAL FOR TRANSFERS DURING TWO-YEAR PERIOD PRIOR TO BANKRUPTCY FILING				<u>\$1,260.38</u>

BALLOT #7769

10-12-18 P01:57 IN



Item 2. Vote on Plan. CHECK ONE BOX ONLY:

- ACCEPTS (votes FOR) the Plan.**
- REJECTS (votes AGAINST) the Plan.**

Item 3. Election to Reclassify as Class 3 Claim. Under the Plan, a “Non-Debtor Loan Note Claim” is a Note Claim against a Woodbridge Fund Debtor that is or was purportedly secured by a security interest in a loan between the applicable Fund Debtor and a non-Debtor borrower (by contrast, the Standard Note Claims are or were purportedly secured by loans extended by a Fund Debtor to another Debtor, which Intercompany Liens are eliminated under the Plan). The Debtors dispute that any Class 6 Non-Debtor Loan Note Claim is actually secured by a perfected Lien, and no Class 6 Claim will be Allowed in any respect under the Plan. Instead, the Liquidation Trust may litigate against any Claimant holding a Non-Debtor Loan Note Claim who does not check the box below to have its Claim reclassified as a Class 3 Claim (i) any disputes about the secured or unsecured status, amount, and priority of such Non-Debtor Loan Note Claim; (ii) any Liquidation Trust Actions that may exist against such Noteholder; and (iii) any other matters pertaining to such Noteholder’s rights against the Debtors or the Estates.

In order to settle and avoid such potential litigation, this Item 3 provides an opportunity for you to affirmatively consent to reclassification of your Claim as a Class 3 Claim. If you check the box below, then (a) your Claim will be treated as if such Claim had always been part of Class 3, including for distribution and voting purposes, and the amount of your Claim will be based on the applicable amount set forth in Item 4 below (to which amount you will have agreed and be bound); and (b) you will have agreed to release all purported Liens against any assets or property of the Debtors’ Estates.

Before checking the box below, please review the calculation of your Net Note Claim in Item 4 below. Checking the box below will BOTH (1) reclassify your Class 6 Claim as a Class 3 Claim and (2) bind you to the Net Note Claim amount set forth in Item 4.

- The undersigned Claimant consents to (OPTS IN to) reclassification of its Class 6 Claim as a Class 3 Claim.**



Item 4. Calculation of Net Note Claim Amounts. Under the Plan, Distributions to Holders of Class 3 Standard Note Claims (and Holders of Class 6 Non-Debtor Loan Note Claims who consent to reclassification of their Claims as Class 3 Claims or who have their Claims reclassified as Class 3 Claims after litigation with the Liquidation Trust) will be based on, among other things, the amount of such Holder’s Net Note Claim. The term “Net Note Claim” is based on the Outstanding Principal Amount of your Note Claim, *minus* the aggregate amount of all Prepetition Distributions received by you (*i.e.*, all amounts you were paid on account of Notes before the bankruptcy filing, other than the return or repayment of principal). Based on their books and records, the Debtors have prepared a “Schedule of Principal Amounts and Prepetition Distributions” (the amounts calculated for your Net Note Claim are set forth below and a copy of the full schedule is attached to the Disclosure Statement) that lists the Debtors’ calculation of the Net Note Claim associated with your Claim and all other Note Claims. As set forth in the Schedule of Principal Amounts and Prepetition Distributions, the Debtors have calculated the amount of your Net Note Claim as follows:

Outstanding Principal Amount:	\$25,000.00
<i>Minus</i> Total Prepetition Distributions:	\$1,260.38
<i>Equals</i> Net Note Claim:	\$23,739.62

If you affirmatively consent in Item 3 above to have your Class 6 Claim reclassified as a Class 3 Claim, then you shall have also agreed to be bound by the Net Note Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions and you are prohibited from disputing the amount of your Net Note Claim as set forth in the Schedule of Principal Amounts and Prepetition Distributions.

If you do not check the box above in Item 3, either because you do not agree to reclassify your Class 6 Claim as a Class 3 Claim or because you disagree with the Net Note Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions, you will be a Disputing Claimant. This will significantly delay the timing of Distributions (if any) to you. The Debtors reserve all rights to object to the validity, amount, or any other aspect of any Claim held by a Disputing Claimant. In addition, the Debtors reserve any Liquidation Trust Actions that may exist regarding the particular Disputing Claimant, all of which the Liquidation Trust may determine to pursue against the particular Disputing Claimant as part of post-Confirmation litigation relating to the correct Net Note Claim amounts and related matters.

Item 5. Contributed Claim Election. You may own Contributed Claims, which are defined in the Plan as “all Causes of Action that a Noteholder or Unitholder has against any Person that is not a Released Party and that are related in any way to the Debtors, their predecessors, their respective affiliates, or any Excluded Parties.” The Plan provides that you may agree to contribute your Contributed Claims, if any, to the Liquidation Trust. By electing such option, you agree that, subject to the occurrence of the Effective Date and the formation of the Liquidation Trust, you will be deemed to have, among other things, contributed your Contributed Claims to the Liquidation Trust. In such case, you will no longer be permitted to pursue your Contributed Claims on your own behalf (including if you are a member of any class action lawsuit), and any recovery received on account of such Contributed Claims will be Liquidation Trust Assets to be distributed to all Liquidation Trust Beneficiaries in accordance with the Plan. If you check the box below and your Claim is classified and treated as a Class 3 Claim, then your relative share of Liquidation Trust recoveries will be enhanced by having the amount that otherwise would be your Net Note Claim increased by the Contributing Claimants Enhancement Multiplier (*i.e.*, 105%). You also may choose to make such election because aggregating all Contributed Claims and similar Liquidation Trust Actions may enable the pursuit and settlement of such litigation claims in a



more efficient and effective manner. If you do not elect to contribute your Contributed Claims, you will remain able to pursue such claims (at your own cost and expense) in an appropriate forum; your success or failure on any such claims that you retain may affect your rights against other parties. The Debtors encourage anyone not contributing their Contributed Claims to consult with their own counsel about any such claims and related matters.

By checking the box below, you agree to contribute your Contributed Claims, if any, to the Liquidation Trust. Checking the box below means that, to the extent that your Class 6 Claim is classified and treated as a Class 3 Claim, you will receive the benefit of the Contributing Claimants Enhancement Multiplier, which will result in you receiving a larger proportional recovery than other Holders of Class 3 Claims who do not make this election.



The undersigned Claimant elects to (OPTS IN to) contribute its Contributed Claims to the Liquidation Trust.

By checking the foregoing box, the undersigned Claimant represents and warrants that its Contributed Claims are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition or encumbrance of any kind that would adversely affect in any way such Claimant's ability to contribute such Contributed Claims to the Liquidation Trust.

IMPORTANT INFORMATION REGARDING THE RELEASES

Following confirmation, subject to Article IX of the Plan, the Plan will be substantially consummated on the Effective Date. Among other things, certain release, injunction, exculpation, and discharge provisions set forth in Sections 11.10, 11.11, 11.12, and 11.13 of the Plan will become effective. In determining how to cast your vote on the Plan, it is important to read these provisions of the Plan carefully so that you understand how confirmation and substantial consummation of the Plan — which effectuates such provisions — will affect you.

Specifically, the releases in Section 11.11 of the Plan bind the “Releasing Parties,” which the Plan defines as “Collectively, (a) the Debtors, (b) the Estates, and (c) any Person that has sought or could seek to exercise any rights of the Estates, including each of the Committees (but not their individual members), the Wind-Down CEO, the Liquidation Trustee, and any other successor to the Debtors or any other estate representative that is or could be appointed or selected pursuant to Bankruptcy Code section 1123(b)(3) or otherwise.” The releases provide for, among other things, the following:

Releases and Related Matters.

(a) On the Effective Date, for good and valuable consideration, each of the Releasing Parties shall be deemed to have forever released, waived, and discharged each of the Released Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities whatsoever, whether known or unknown, whether foreseen or unforeseen, whether liquidated or unliquidated, whether fixed or contingent, whether matured or unmatured, existing or hereafter arising, at law, in equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, or the Plan, except for acts or omissions that are determined in a Final Order to have constituted actual fraud or willful misconduct; *provided, however*, that nothing in Section 11.11 of the Plan shall release or otherwise affect any Person's rights under the Plan or the Confirmation Order.



(b) Entry of the Confirmation Order shall constitute (i) the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in Section 11.11 of the Plan; and (ii) the Bankruptcy Court's findings that such releases are (1) in exchange for good and valuable consideration provided by the Released Parties (including performance of the terms of the Plan), and a good-faith settlement and compromise of the released claims, (2) in the best interests of the Debtors, the Estates, and any Holders of Claims that are Releasing Parties, (3) fair, equitable, and reasonable, (4) given and made after due notice and opportunity for hearing, and (5) a bar to any of the Releasing Parties asserting any released claim against any of the Released Parties.

Item 6. Certification. By signing this Ballot, the Claimant certifies that: (i) on the Voting Record Date, it was the Holder of the Class 6 Non-Debtor Loan Note Claim to which this Ballot pertains or an authorized signatory for such Holder; (ii) it has full power and authority to (x) vote to accept or reject the Plan, (y) determine whether to dispute the Net Note Claim amounts set forth in the Schedule of Principal Amounts and Prepetition Distributions, make the Contributed Claims election, and make the election to consent to reclassification as a Class 3 Claim, and (z) execute and return the Ballot; and (iii) it has reviewed the Voting Instructions set forth below and received a copy of the Disclosure Statement, the Plan, and other solicitation materials. The undersigned understands that an otherwise properly completed, executed, and timely returned Ballot that does not indicate either acceptance or rejection of the Plan or indicates both acceptance and rejection of the Plan will not be counted. The undersigned also certifies that its vote on the Plan is subject to all the terms and conditions set forth in the Plan and the Disclosure Statement.

JOANNE COX
720 CREGHAN AVE
SWARTHMORE, PA 19081

Name of Claimant: Joanne Cox
Signature: Joanne M. Cox
Name (if different from Claimant): Creditor
Title: Creditor
Address: 720 Creghan Ave
Swarthmore, PA 19081
Dated: 9/18/15

Please make sure you have provided all information requested in this Ballot. Please read and follow the instructions set forth in the attached Voting Instructions carefully. Please complete, sign, and date this Ballot and return it by mail, hand delivery, or overnight courier so that it is received by the Voting Agent by the Voting Deadline on October 8, 2018 at 4:00 p.m. (prevailing Eastern Time).

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)

**BALLOT FOR HOLDERS OF CLASS 6 NON-DEBTOR LOAN NOTE CLAIMS FOR
ACCEPTING OR REJECTING THE FIRST AMENDED JOINT CHAPTER 11 PLAN OF
LIQUIDATION OF WOODBRIDGE GROUP OF COMPANIES, LLC
AND ITS AFFILIATED DEBTORS**

**TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY GARDEN CITY GROUP,
LLC BY OCTOBER 8, 2018 AT 4:00 P.M. (PREVAILING EASTERN TIME).**

This ballot (the “Ballot”) is being provided to you by the above-captioned debtors and debtors in possession (the “Debtors”) to solicit your vote to accept or reject the *First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. 2397] (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”)² proposed by the Debtors and described in the related *Disclosure Statement for the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. 2398] (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”) that was approved by an order [Docket No. 2396] of the United States Bankruptcy Court for the District of Delaware (the “Court”). The Disclosure Statement describes the Plan and provides information to assist you in deciding how to vote your Ballot. Court approval of the Disclosure Statement does not indicate Court approval of the Plan. If you do not have a Disclosure Statement or Plan, you may obtain a copy free of charge at the Debtors’ restructuring website maintained by Garden City Group, LLC (the “Voting Agent”) at <http://cases.gardencitygroup.com/wgc/>. Copies of the Disclosure Statement and Plan are also available: (i) for a fee, on the Court’s website, www.deb.uscourts.gov (a PACER account is required); (ii) upon written request to the Voting Agent at Woodbridge Group of Companies, LLC, c/o Garden City Group, LLC, P.O. Box 10545, Dublin, Ohio

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 All capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan.



43017-0208; or (iii) by contacting the Voting Agent via email to WGCInfo@choosegcg.com with "Woodbridge Solicitation" referenced in the subject line or via telephone at 1-888-735-7613.

IMPORTANT

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your Claim has been placed in Class 6 – Non-Debtor Loan Note Claims under the Plan.

If your Ballot is not actually received by the Voting Agent on or before October 8, 2018 at 4:00 p.m. (prevailing Eastern Time) (the "Voting Deadline"), and such deadline is not extended by the Debtors or order of the Court, your vote will not count as either an acceptance or a rejection of the Plan. If the Plan is confirmed by the Court, it will be binding on you whether or not you vote and regardless of how you vote.

You may return your Ballot in the return envelope provided in your package or send it to:

If by First Class Mail:

Woodbridge Group of Companies, LLC
 c/o Garden City Group, LLC
 P.O. Box 10545
 Dublin, Ohio 43017-0208

or

If by Overnight Mail or Hand Delivery:

Woodbridge Group of Companies, LLC
 c/o Garden City Group, LLC
 5151 Blazer Parkway, Suite A
 Dublin, Ohio 43017

ACCEPTANCE OR REJECTION OF THE PLAN

Item 1. Applicable Debtor(s). For purposes of voting to accept or reject the Plan, as of December 4, 2017 (the "Voting Record Date"), the undersigned (the "Claimant") was a Holder of a Class 6 Non-Debtor Loan Note Claim against the Debtor(s) set forth below in the Outstanding Principal Amount(s) set forth below.

Debtor	Outstanding Principal Amount
Woodbridge Mortgage Investment Fund 1, LLC	\$25,000.00
Woodbridge Mortgage Investment Fund 2, LLC	\$0.00
Woodbridge Mortgage Investment Fund 3, LLC	\$0.00
Woodbridge Mortgage Investment Fund 3a, LLC	\$0.00
Woodbridge Mortgage Investment Fund 4, LLC	\$0.00
Woodbridge Commercial Bridge Loan Fund 1, LLC	\$0.00
Woodbridge Commercial Bridge Loan Fund 2, LLC	\$0.00

PHILADELPHIA
PA 191
09 OCT 198
PM 4 L



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 84 DUBLIN, OH

POSTAGE WILL BE PAID BY ADDRESSEE

WOODBRIIDGE GROUP OF COMPANIES LLC
C/O GCG
PO BOX 10545
DUBLIN OH 43017-9781

