

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

In re:

WOODBRIIDGE GROUP OF COMPANIES
LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

(Jointly Administered)

**DECLARATION OF BRADLEY D. SHARP IN SUPPORT OF DEBTORS' MOTION TO
SELL 4030 MADELIA AVE., SHERMAN OAKS, 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 4030 Madelia Ave., Sherman Oaks, California Property Owned by the Debtors Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (II) Approving the Related Purchase Agreement; and (III) Granting Related Relief* (the "Sale Motion").² All facts set forth in this Declaration are based upon my personal knowledge of the Debtors' operations,

¹ The last four digits of Woodbridge Group of Companies, LLC's federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14140 Ventura Boulevard #302, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses are not provided herein. A complete list of such information may be obtained on the website of the Debtors' noticing and claims agent at www.gardencitygroup.com/cases/WGC, or by contacting the undersigned counsel for the Debtors.

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

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 0.46 acre vacant lot situated in Sherman Oaks, California. I understand that the Seller purchased the Property in August 2014 for a purchase price of \$1,325,000. I understand that the Seller intended to develop the Property; however, no development was ever undertaken and the Real Property remains vacant. The Purchaser made an all cash offer under the Purchase Agreement to acquire the Property on an "as is" basis.

4. In consultation with the Debtors' other advisors, I have determined that selling the Property now on an "as is" basis best maximizes the value of the Property. The Property has been marketed for sale and formally listed on the multiple-listing service for over 195 days, and has been widely marketed, including through various publications. The Purchaser's all cash offer to acquire the Property under the Purchase Agreement is the highest and best offer (and the only offer) the Debtors received. Accordingly, the Debtors determined that selling the Property on an "as is" basis to the Purchaser is the best way to maximize the value of the Property.

5. On October 11, 2018, the Purchaser made an all cash \$700,000 offer on the Property. On October 15, 2018, the Debtors responded with a counter offer in the amount of \$850,000. On October 15, 2018, the Purchaser responded by raising its offer to \$730,000. On October 18, 2018, the Debtors responded with a second counter offer in the amount of \$800,000. On October 18, 2018, the Purchaser responded with a best and final offer in the amount of \$750,000, which the Debtors accepted on October 19, 2018. Following the Purchaser's inspection of the Property, however, the Debtors and the Purchaser agreed to reduce the purchase price to \$700,000. The Debtors believe that this purchase price provides significant value, and accordingly, countersigned the final Purchase Agreement on October 19, 2018, and countersigned the escrow instructions, dated November 14, 2018, which provide for the lower purchase price. Under the Purchase Agreement, the Purchaser agreed to purchase the Property for \$700,000, with a \$22,500 initial cash deposit, and the balance of \$677,500 to be paid as a single cash down payment due at closing.

6. To the best of my knowledge, (i) the Purchase Agreement was the product of good faith, arm's-length negotiations between the Purchaser and the Seller, (ii) the Purchaser is not related to or an affiliate of the Debtors or any of their insiders or former insiders, and (iii) no non-debtor affiliate or current or former officer, director, employee, managing member or affiliate of any of the Debtors (other than Seller) is a party to, or broker in connection with, the Sale.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: November 27, 2018

/s/ Bradley D. Sharp

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