

**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 LOT R-79 EPPLEY DR., ASPEN, COLORADO PROPERTY**

I, Bradley D. Sharp, hereby declare under penalty of perjury, pursuant to section 1746 of title 28 of the United States Code, as follows:

1. I am President and CEO of Development Specialists, Inc. ("DSI"), located at 333 S. Grand Avenue Suite 4070, Los Angeles, California 90071, and the Chief Restructuring Officer of WGC Independent Manager LLC, a Delaware limited liability company ("WGC Independent Manager"), which is the sole manager of debtor Woodbridge Group of Companies, LLC, a Delaware limited liability company and an affiliate of each of the above-captioned debtors and debtors in possession (each, a "Debtor" and collectively, the "Debtors"). I submit this declaration (this "Declaration") in support of the *Debtors' Motion for Entry of an Order (I) Authorizing the Sale of Lot R-79 Eppley Dr., Aspen, Colorado Property Owned by the Debtors Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (II) Approving the Related Purchase Agreement; and (III) Granting Related Relief* (the "Sale Motion").² All facts 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 a vacant residential lot in Aspen, Colorado, together with three transferable development rights ("TDRs") that permit expanded development on the Real Property. I understand that the Seller purchased the Property, inclusive of the TDRs, in June 2015 for a purchase price of \$3,600,000. The Debtors have not undertaken any development of the Property. The Purchaser made an all cash offer under the Purchase Agreement to acquire the Property, inclusive of the TDRs, 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 formally listed on the multiple-listing service with the current brokerage firm for approximately 162 days and was previously listed with another brokerage firm for over 1,340 days. The Property has also been widely marketed, including through various local media advertisements and broker presentations. The Debtors received three offers for the Property (prior to the Purchaser's offer). The first offer was in the amount of \$2,500,000; however, that offer was never put in writing. The second offer was in the amount of \$2,750,000. The Debtors

countered the second bidder's offer in the amount of \$3,300,000, which was accepted and the parties signed a purchase agreement. Thereafter, the second bidder failed to deliver the initial cash deposit and the Debtors therefore terminated the purchase agreement. The third offer was in the amount of \$2,500,000. The Debtors countered the third bidder's offer in the amount of \$2,995,000; however, the third bidder held firm at \$2,500,000. In light of the foregoing, the Purchaser's all cash offer in the amount of \$2,600,000, is the best offer the Debtors have received for the Property. Moreover, the Purchaser's offer is a reasonable sale price relative to comparable properties in the market in which the Property is located. Accordingly, the Debtors determined that selling the Property, inclusive of the TDRs, on an "as is" basis to the Purchaser is the best way to maximize the value of the Property.

5. On October 16, 2018, the Purchaser made an all cash offer on the Property in the amount of \$2,500,000. The Debtors informed the Purchaser that multiple parties were bidding on the Property and, on October 18, 2018, the Purchaser increased its offer to \$2,600,000. The Debtors believe that this purchase price provides significant value, and accordingly, the Seller countersigned the Purchase Agreement on October 19, 2018. The Purchaser is purchasing the Property, inclusive of the TDRs, under the Purchase Agreement for \$2,600,000, comprised of a \$75,000 initial cash deposit, and the balance of \$2,525,000 to be paid as a 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, except as disclosed in the Sale Motion with respect to Laura Gee, the Seller's broker, who

is currently employed by Sotheby's, but is a former employee of Woodbridge Realty of Colorado, LLC, which is controlled by Robert Shapiro.

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: December 6, 2018

/s/ Bradley D. Sharp

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