

**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)

Ref. Docket Nos. 22, 56, 59, & 130

**SUPPLEMENTAL DECLARATION OF LAWRENCE R. PERKINS
IN SUPPORT OF THE THIRD INTERIM ORDER ON EMERGENCY MOTION
FOR: ENTRY OF INTERIM AND FINAL ORDERS (I) PURSUANT TO 11 U.S.C.
§§ 105, 361, 362, 363, 364, 507, AND 552 AUTHORIZING DEBTORS TO (A) OBTAIN
POSTPETITION SECURED FINANCING, (B) USE CASH COLLATERAL, (C) GRANT
ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES;
(II) MODIFYING THE AUTOMATIC STAY; (III) SCHEDULING A FINAL
HEARING PURSUANT TO BANKRUPTCY RULES 4001(b) AND
4001(c); AND (IV) GRANTING RELATED RELIEF**

I, Lawrence R. Perkins, hereby declare under penalty of perjury, pursuant to section 1746 of title 28 of the United States Code, as follows:

1. I am CEO and Founder of SierraConstellation Partners, LLC (“SCP”), headquartered at 400 South Hope Street, Suite 1050, 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”). The sole manager of WGC Independent Manager is Beilinson Advisory Group,

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 14225 Ventura Boulevard #100, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, for which the Debtors have requested joint administration, 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’ proposed noticing and claims agent at www.gardencitygroup.com/cases/WGC, or by contacting the proposed counsel for the Debtors.

LLC, a Delaware limited liability company. The Debtors' management structure is further described in the *Declaration of Lawrence R. Perkins in Support of the Debtors' Chapter 11 Petitions and Requests First Day Relief* [Docket No. 12] (the "First Day Declaration")² and the *Supplemental Declaration of Lawrence R. Perkins* [Docket No. 84].

2. I submit this declaration to supplement the First Day Declaration as it relates to the DIP Financing and in support of the *Third Interim Order on Emergency Motion for: Entry of Interim and Final Orders (I) Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 507, and 552 Authorizing Debtors to (A) Obtain Postpetition Secured Financing, (B) Use Cash Collateral, (C) Grant Adequate Protection to Prepetition Secured Parties; (II) Modifying the Automatic Stay; (III) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and 4001(c); and (IV) Granting Related Relief* filed contemporaneously herewith (the "Third Interim DIP Order").

THE DEBTORS' NEED FOR A THIRD INTERIM DIP FINANCING

3. The Court approved the first interim DIP Financing on December 5, 2017, in the amount of \$6,000,000 [Docket No. 56]³ and the second interim DIP Financing on December 21, 2017, in the amount of \$25,000,000 [Docket No. 130]. Based on discussions with the DIP Lender, the Official Committee of Unsecured Creditors, the Office of the United States Trustee for the District of Delaware, and other parties in interest, the Debtors have determined to request the entry of the Third Interim DIP Order, which will authorize the Debtors to borrow an additional \$19,000,000 for a total interim DIP Financing of \$44,000,000 (the "Third Interim DIP Financing"). Based on the analysis done at my direction, the Third Interim DIP Financing is necessary to provide the Debtors with the requisite liquidity to operate until the Court can

² Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the First Day Declaration.

³ A corrected first interim DIP order was entered at Docket No. 59.

consider granting the relief requested by the DIP Motion on a final basis at the hearing scheduled for February 13, 2018, at 1:00 p.m. (ET). In further support of the Third Interim DIP Financing, attached hereto as Exhibit I is an updated version of the Cash Flow Projections (the “Updated Cash Flow Projections”), which was attached to the previous interim DIP Financing Order [Docket No. 130] as Exhibit E.

4. I believe that, as evidenced by the Updated Cash Flow Projections, the Third Interim DIP Financing is crucial to bridge the Debtors to the hearing on February 13th and will enable the Debtors to continue to operate their businesses in order to preserve and maximize the value of their estates and recoveries for their creditors. Moreover, based on my experience, the terms of the Third Interim DIP Financing are fair and reasonable and entry into the Third Interim DIP Financing is in the best interest of the Debtors’ estates, their creditors, and all other parties in interest.

**THE ADEQUATE PROTECTION PROPERTIES
PROVIDE SUFFICIENT ADEQUATE PROTECTION**

5. As established as part of the evidentiary record of these cases at the December 21, 2017, hearing, the Debtors identified twelve properties to be offered in the form of replacement liens as adequate protection to the noteholders appearing to have liens on the DIP Collateral (the “Adequate Protection Properties”). Frederick Chin from Province, Inc. was qualified as an expert and his testimony established an overall value in the Adequate Protection Properties of \$242,650,000. In light of that overall value, I testified that the new equity in the Adequate Protection Properties is \$80,154,000 after accounting for the debt associated with the potential noteholder claims related to the Adequate Protection Properties. In light of this, I believe that the Debtors’ noteholders are adequately protected by the Adequate Protection Properties even with the additional incremental draw under the Third Interim DIP Financing.

THE THIRD INTERIM DIP FINANCING SHOULD BE APPROVED

6. Based upon the foregoing and the facts and circumstances of these cases, I believe that the Third Interim DIP Financing is in the best interests of the debtors, remains the best financing that is currently available to the Debtors given that Debtors have no better binding terms at this time, and the size of the Third Interim DIP Financing is both necessary and adequate to meet the Debtors' immediate and projected liquidity requirements until the Court considers the requested final relief at the hearing on February 13th.

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: January 17, 2017

/s/ Lawrence R. Perkins

Lawrence R. Perkins

CEO & Founder

SierraConstellation Partners LLC

Exhibit I

Updated Cash Flow Projections

Woodbridge Companies

Consolidated Weekly Cash Forecast

(\$ in thousands)

	1	2	3	4	5	6	7	8	9	10	11	12	13	13 Week
	F	F	F	F	F	F	F	F	F	F	F	F	F	F
	W.E.	W.E.	W.E.	W.E.	W.E.	W.E.	W.E.	W.E.	W.E.	W.E.	W.E.	W.E.	W.E.	W.E.
	1/19	1/26	2/2	2/9	2/16	2/23	3/2	3/9	3/16	3/23	3/30	4/6	4/13	4/13
OPERATING CASH - Beginning Book Balance	32,844	29,437	42,567	45,253	48,059	46,497	55,914	69,664	70,245	68,047	68,309	74,632	76,737	32,844
Total Net Property Sales - Non Collateral	-	-	-	969	933	9,020	6,989	-	-	-	-	5,838	2,272	26,022
Total Net Property Sales - Collateral	-	-	1,425	-	-	-	-	5,985	-	3,800	9,215	19,475	13,300	53,200
Total Net Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Inflows / Bond Returns / Insurance Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Inflows	-	-	1,425	969	933	9,020	6,989	5,985	-	3,800	9,215	25,313	15,572	79,222
Disbursements														
Total Funds Redemptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Property Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Soft Costs - Design	330	445	130	363	335	80	80	306	285	80	80	80	306	2,900
Total General Contractor Costs	2,577	3,672	3,517	3,154	2,566	3,435	2,287	2,466	2,310	3,300	2,241	2,241	798	34,566
Total Plus Development Costs	-	-	-	290	-	-	-	290	-	-	-	290	-	870
Total Maintenance Costs	30	30	30	30	30	30	30	30	30	30	30	30	30	390
Total Property Management Costs	-	5	-	-	-	5	-	-	-	5	-	-	-	15
Total HOA Dues	5	150	-	-	20	-	-	-	20	-	-	-	-	195
Total Appraisals & Title Reports	30	-	-	5	5	5	5	5	5	5	5	5	5	80
Total Property Taxes	-	500	-	-	-	-	-	-	1,900	-	-	-	1,500	3,900
Total Property Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funds Interest Payments (Reserved)	-	-	5,926	-	-	-	5,926	-	-	-	5,926	-	-	17,777
Total Operating Overhead	271	273	271	196	344	223	271	196	324	243	196	271	236	3,317
Contingency	125	125	125	125	125	125	125	125	125	125	125	125	125	1,625
Total Operating Disbursements	3,367	5,200	9,999	4,163	3,426	3,903	8,724	3,418	5,000	3,788	8,603	3,042	3,000	65,634
Net Cash Flow from Operations	(3,367)	(5,200)	(8,574)	(3,194)	(2,493)	5,118	(1,734)	2,567	(5,000)	12	612	22,270	12,572	13,588
Legal and Professional Fees														
Legal & Consulting Fees	40	670	-	-	3,020	700	-	-	3,148	950	-	-	2,084	10,612
Accounting	-	-	-	-	50	-	-	-	50	-	-	-	-	100
Total Legal and Professional Fees	40	670	-	-	3,070	700	-	-	3,198	950	-	-	2,084	10,712
Net Cash Flow Before Line of Credit	(3,407)	(5,870)	(8,574)	(3,194)	(5,563)	4,418	(1,734)	2,567	(8,198)	(938)	612	22,270	10,488	2,876
Payments to / (Advances from Loan)	-	(19,000)	(5,575)	(6,000)	(4,000)	(5,000)	(10,000)	1,985	(6,000)	(1,200)	215	19,475	13,300	(21,800)
Loan Interest	-	-	240	-	-	-	442	-	-	-	-	690	-	1,372
Loan Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow from All Activities	(3,407)	13,130	(3,239)	2,806	(1,563)	9,418	7,824	582	(2,198)	262	397	2,105	(2,812)	23,304
TOTAL CASH - Ending Book Balance	29,437	42,567	45,253	48,059	46,497	55,914	69,664	70,245	68,047	68,309	74,632	76,737	73,925	73,925
Less: Total Proceeds from Property Sales	15,280	15,280	15,280	16,249	17,182	26,203	33,192	33,192	33,192	33,192	33,192	39,029	41,302	41,302
Less: Total Accrued Admin Costs	7,106	7,363	8,290	9,179	7,048	7,236	8,125	8,951	6,630	6,506	7,332	8,066	6,716	6,716
Interest Reserve	5,926	5,926	11,851	11,851	11,851	11,851	17,777	17,777	17,777	17,777	23,702	23,702	23,702	23,702
NET OPERATING CASH - Ending Book Balance	1,125	13,998	9,832	10,781	10,416	10,624	10,570	10,326	10,450	10,835	10,406	5,939	2,205	2,205
Ending DIP Balance	25,000	44,000	49,575	55,575	59,575	64,575	74,575	72,590	78,590	79,790	79,575	60,100	46,800	46,800
Ending DIP Availability	75,000	56,000	49,000	43,000	39,000	34,000	24,000	20,000	14,000	9,000	-	-	-	-
Total Liquidity - Net Operating Cash + DIP Availability	76,125	69,998	58,832	53,781	49,416	44,624	34,570	30,326	24,450	19,835	10,406	5,939	2,205	2,205