

**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)

Hearing Date:

January 22, 2018, at 10:00 a.m. (ET)

Objection Deadline:

December 31, 2018, at 4:00 p.m. (ET)

**DEBTORS' MOTION FOR ENTRY OF AN ORDER, PURSUANT TO
SECTION 105(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY
RULE 9019, APPROVING THE SETTLEMENT AGREEMENT BY AND
BETWEEN DEBTOR BELLFLOWER FUNDING, LLC AND
50 WEST OWNERS CORP. AND AKAM ASSOCIATES, INC.**

Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession (collectively, the "Debtors") in the above-captioned cases (the "Chapter 11 Cases"), hereby move the Court (this "Motion") for the entry of an order, substantially in the form attached hereto as Exhibit A (the "Proposed Order"), pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code") and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), (i) approving that certain *Stipulation of Settlement* between Debtor Bellflower Funding, LLC ("Bellflower") and 50 West Owners Corp. ("50 West Owners") and AKAM Associates, Inc. ("AKAM," and together with 50 West Owners, the "Defendants"), attached as Exhibit 1 to the Proposed Order (the "Settlement

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.

Agreement”),² which fully resolves the state court action entitled, *Bellflower Funding, LLC v. 50 West Owners Corp. and AKAM Associates, Inc.*, Index Number 654851/2017, pending in the Supreme Court of State of New York, County of New York (the “Action”), and (ii) granting related relief. In support of this Motion, the Debtors rely on the *Declaration of Bradley D. Sharp in Support of the Debtors’ Motion for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving the Settlement Agreement by and between Debtor Bellflower Funding, LLC and 50 West Owners Corp. and AKAM Associates, Inc.* (“Sharp Decl.”), filed concurrently herewith, and respectfully state as follows:

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157 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 is a core proceeding pursuant to 28 U.S.C. § 157(b) and, pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief requested herein are section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Settlement Agreement.

GENERAL BACKGROUND

2. On December 4, 2017, 279 of the Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code. Thereafter on February 9, 2018, March 9, 2018, March 23, 2018, and March 27, 2018, additional affiliated Debtors (27 in total) commenced voluntary cases under chapter 11 of the Bankruptcy Code. Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are continuing to manage their financial affairs as debtors in possession.

3. The Debtors' chapter 11 cases (collectively, the "Chapter 11 Cases") are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. No trustee or examiner has been appointed in the Chapter 11 Cases. An official committee of unsecured creditors (the "Committee") was appointed in the Chapter 11 Cases on December 14, 2017 [Docket No. 79]. On January 23, 2018, the Court approved a settlement providing for the formation of an ad hoc noteholder group (the "Noteholder Group") and an ad hoc unitholder group (the "Unitholder Group") [Docket No. 357].

4. Through the Court's entry of the Confirmation Order [Docket No. 2903], the Court confirmed the *First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and Its Affiliated Debtors* [Docket No. 2397] (the "Plan").

THE ACTION

5. On July 18, 2017, Bellflower filed the Action in the Supreme Court of the State of New York, County of New York alleging, *inter alia*, that Bellflower is the holder of the unsold shares of the shares of stock and the proprietary lease (the "Lease") for Apartment 12B (the "Apartment") of the cooperative apartment building situated at 50 West 96th Street, New York, NY 10025 (the "Premises"). Sharp Decl. ¶ 2.

6. After months of pending litigation, Bellflower and Defendants, wishing to avoid the risk, expense and uncertainty of further litigation, have agreed to fully resolve the Action under the terms set forth in the Settlement Agreement. Sharp Decl. ¶ 6.

SUMMARY OF SALIENT TERMS OF THE SETTLEMENT AGREEMENT³

7. The Settlement Agreement provides, among other things, that (i) Bellflower will pay the Settlement Sum to Defendants, which consists of \$17,500.00 on account of a flip tax and the total outstanding monthly maintenance and other related charges owed (which amounts equaled \$66,465.49 as of October 31, 2018, but are continuing to accumulate monthly); (ii) upon full payment of the Settlement Sum by Bellflower, Defendants will (a) waive all late charges that have been assessed against the Shares and Lease and (b) remove any such charges from the account for the Apartment and/or Bellflower; (iii) Defendants agree to recognize Bellflower (including its successors and/or assigns), as of the date of the Foreclosure, as “holders of unsold shares,” and Bellflower, its successors and/or assigns, shall be entitled to the rights and privileges of same (“Unsold Share status”) as set forth in the Governing Documents; (iv) the Unsold Share Status shall include exemption from the payment by Bellflower, its successors and/or assigns, of fees or flip taxes of any kind whatsoever, aside from the Settlement Sum, if and/or when Bellflower, its successors and/or assigns, sell the Apartment with the exception of the administrative fees payable to the managing agent and/or 50 West Owners’ attorney in connection with any transfer of the Shares and Lease; (v) upon the Effective Date, Defendants agree to facilitate the transfer of the physical Shares and Lease to Bellflower, or such other entity as Bellflower may designate, and the Unsold Share Status as to same, provided there is

³ In the event of a conflict between any term addressed in this summary with any term in the Settlement Agreement, the Settlement Agreement will govern in all respects.

compliance with the Governing Document; and (vi) the Settlement Agreement is subject to the approval of the Court pursuant to this Motion.

RELIEF REQUESTED

8. By this Motion, the Debtors request the entry of the Proposed Order, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019(a), approving the Settlement Agreement and granting related relief.

BASIS FOR RELIEF

9. Section 105(a) of the Bankruptcy Code provides that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” *See* 11 U.S.C. § 105(a). Bankruptcy Rule 9019 provides, in pertinent part, that “on motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” *See* Fed. R. Bank. P. 9019(a).

10. “The federal courts have a well-established policy of encouraging settlement to promote judicial economy and limit the waste of judicial resources.” *Russian Standard Vodka (USA), Inc. v. Allied Domecq Spirits & Wine USA, Inc.*, 523 F. Supp. 2d 376, 384 (S.D.N.Y. 2007); *see also, e.g., U.S. Bancorp Mortg. Co. v. Bonner Mall P’ship*, 513 U.S. 18, 27–28 (1994) (discussing the general utility of settlement vis-à-vis judicial economy at various stages of proceedings). The force of this established federal policy is particularly acute in the bankruptcy context, where compromises and settlements are “a normal part of the process of reorganization.” *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968). Indeed, in order to “minimize litigation and expedite the administration of a bankruptcy estate, ‘compromises are favored in bankruptcy.’” *Myers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996) (quoting 9 Alan N. Resnick & Henry J. Sommer, Collier on Bankruptcy ¶ 9019.3[1] (15th ed. rev. 1993)); *see also In re Penn Cent. Transp. Co.*, 596 F.2d

1102, 1113 (3d Cir. 1979); *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006); *In re Culmtech, Ltd.*, 118 B.R. 237, 238 (Bankr. M.D. Pa. 1990).

11. The decision whether to approve a proposed settlement is committed to the discretion of the bankruptcy court, “which must determine if the compromise is fair, reasonable, and in the interest of the estate.” *In re Louise’s, Inc.*, 211 B.R. 798, 801 (D. Del. 1997). In exercising that discretion, the United States Court of Appeals for the Third Circuit has stated that courts should consider “(1) the probability of success in litigation; (2) the likely difficulties in collection; (3) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and (4) the paramount interest of the creditors.” *In re Martin*, 91 F.3d at 393; *see also Will v. Nw. Univ. (In re Nutraquest, Inc.)*, 434 F.3d 639, 644 (3d Cir. 2006); *In re Marvel Entm’t Grp., Inc.*, 222 B.R. 243, 249 (D. Del. 1998). The proponent of a settlement is not required to demonstrate “that the settlement is the best possible compromise. Rather, the court must conclude that the settlement is ““within the reasonable range of litigation possibilities.”” *In re World Health*, 344 B.R. at 296; *see also, e.g., Nellis v. Shugrue*, 165 B.R. 115, 123 (S.D.N.Y. 1994) (Sotomayor, J.) (“[I]n assessing the fairness of the settlement, a judge does not have to be convinced that the settlement is the best possible compromise or that the parties have maximized their recovery.”); *In re Coram Healthcare Corp.*, 315 B.R. 321, 330 (Bankr. D. Del. 2004) (“[T]he court does not have to be convinced that the settlement is the best possible compromise.”).

12. The Debtors have determined, in an exercise of the Debtors’ sound business judgment, that the terms of the Settlement Agreement are fair and reasonable and that the best interests of the Debtors’ estates and creditors will be served by the entry of the Proposed Order. Sharp Decl. ¶ 4. The terms of the Settlement Agreement are the product of good faith,

arm's-length negotiations between the Debtors and Defendants. *Id.* Further, the settlement falls well within the range of reasonable litigation outcomes in that the Settlement Agreement provides Bellflower with substantially all it seeks pursuant to the Action—(i) waiver of the late fees added to the account, (ii) transfer of the Unsold Share Status to Bellflower and its successors and/or assigns along with all rights appurtenant and related thereto, including but not limited to the fact that Bellflower will not have to pay any flip tax in the future, nor will any person or entity that Bellflower sells or assigns the shares and lease to, and (iii) declaratory judgment that the Unsold Share Status will continue and remain with Bellflower and its successors and/or assigns until such time as the Tenant that is currently residing in the unit vacates, after which Bellflower or its successors or assigns will have to sell the unit to a person who will be actually residing in the apartment.

13. Turning to the *Martin* factors, a *bona fide* dispute exists concerning the Action, pursuant to which Bellflower contends that Defendants improperly refused to transfer the shares of stock and proprietary lease of the Premises and insisted on payment of a high flip tax as a condition of any transfer and any future transfer of such stock and lease. Given the fact-intensive nature of the dispute, the Debtors could ultimately be unsuccessful. Given this uncertainty and the positive resolution of the issues embodied by the terms of the Settlement Agreement, the first *Martin* factor—probability of success in the litigation—weighs in favor of approving the Settlement Agreement. In addition, absent approval of the Settlement Agreement, the Debtors would be forced to proceed with prosecuting the Action, including seeking additional discovery, drafting briefs, and preparing for argument, which would require the time, attention, and resources of the Debtors and their management and professionals. Sharp Decl. ¶ 6. By contrast, the Settlement Agreement resolves the parties' disputes in an efficient and consensual manner,

avoiding costly and time-consuming litigation that would detract from the value of the estates and the recovery of creditors. *Id.* Moreover, the proposed consensual resolution of this dispute will free the Debtors to devote additional time and effort to the numerous other issues confronting them in these Chapter 11 Cases. *Id.* Therefore, the third and fourth *Martin* factors—the complexity of the litigation and the expense, inconvenience, and delay necessarily attending it as well as the consideration of the paramount interests of creditors—further support approving the Settlement Agreement.

14. Accordingly, the Debtors respectfully submit that the Settlement Agreement is fair, reasonable, and in the best interests of the estates and should therefore be approved under Bankruptcy Rule 9019 and section 105(a) of the Bankruptcy Code.

NOTICE

15. The Debtors have provided notice of this Motion to: (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel for the DIP lender; (iii) counsel for the Committee; (iv) counsel for the Noteholder Group; (v) counsel for the Unitholder Group; (vi) the Defendants and counsel thereto; and (vii) all parties who have requested notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

[Signature page follows]

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court (i) enter the Proposed Order granting the relief requested herein and (ii) grant such other and further relief as may be just and proper under the circumstances.

Dated: December 17, 2018
Wilmington, Delaware

/s/ Betsy L. Feldman

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Counsel for the Debtors and Debtors in Possession

**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)

Hearing Date:

January 22, 2019, at 10:00 a.m. (ET)

Objection Deadline:

December 31, 2018, at 4:00 p.m. (ET)

NOTICE OF MOTION

TO: (I) THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (II) COUNSEL FOR THE DIP LENDER; (III) COUNSEL FOR THE COMMITTEE; (IV) COUNSEL FOR THE NOTEHOLDER GROUP; (V) COUNSEL FOR THE UNITHOLDER GROUP; (VI) 50 WEST OWNERS CORP. AND AKAM ASSOCIATES INC., AND COUNSEL THERETO; (VII) ALL PARTIES THAT HAVE REQUESTED NOTICE IN THESE CHAPTER 11 CASES PURSUANT TO LOCAL RULE 2002-1.

PLEASE TAKE NOTICE that Woodbridge Group of Companies, LLC and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) have filed the attached *Debtors’ Motion for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving the Settlement Agreement by and between Debtor Bellflower Funding, LLC and 50 West Owners Corp. and AKAM Associates, Inc.* (the “Motion”).

PLEASE TAKE FURTHER NOTICE that responses or objections to the Motion must be filed on or before **December 31, 2018, at 4:00 p.m. (ET)** (the “Objection Deadline”) with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 North Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of any response or objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

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PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION WILL BE HELD ON JANUARY 22, 2019, AT 11:00 A.M. (ET) BEFORE THE HONORABLE KEVIN J. CAREY IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 5, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED, SERVED, AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THEN THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR A HEARING.

Dated: December 17, 2018
Wilmington, Delaware

/s/ Betsy L. Feldman

YOUNG CONAWAY STARGATT & TAYLOR, LLP
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-and-

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Counsel for the Debtors and Debtors in Possession

EXHIBIT A

Proposed Order

**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)

Ref. Doc. No. ____

**ORDER, PURSUANT TO SECTION 105(a) OF THE BANKRUPTCY CODE AND
BANKRUPTCY RULE 9019, APPROVING THE SETTLEMENT AGREEMENT BY
AND BETWEEN DEBTOR BELLFLOWER FUNDING, LLC AND
50 WEST OWNERS CORP. AND AKAM ASSOCIATES, INC.**

Upon the *Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving the Settlement Agreement by and between Debtor Bellflower Funding, LLC and 50 West Owners Corp. and AKAM Associates, Inc.* (the “Motion”)² filed by the above-captioned debtors and debtors in possession (collectively, the “Debtors”); and this Court having found that it has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and it appearing that notice of the Motion has been given as

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.

² Capitalized terms used, but not otherwise defined herein, have the meaning given to them in the Motion.

set forth in the Motion and that such notice is adequate and no other or further notice need be given; and this Court having found and determined that the relief sought in the Motion is in the best interest of the Debtors, their estates, and their creditors; and that the legal and factual bases set forth in the Motion, the *Declaration of Bradley D. Sharp in Support of the Debtors' Motion for Entry of an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving the Settlement Agreement by and between Debtor Bellflower Funding, LLC and 50 West Owners Corp. and AKAM Associates, Inc.*, and that the record of the Chapter 11 Cases establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, the Settlement Agreement, attached hereto as Exhibit 1, is approved, and the terms and conditions of the Settlement Agreement (including, without limitation, the mutual releases set forth therein) are incorporated into this Order as if fully set forth herein.
3. The Debtors and Defendants, as applicable, are authorized and empowered to take any and all actions necessary or appropriate to consummate, carry out, effectuate, or otherwise enforce the terms, conditions, and provisions of the Settlement Agreement.
4. The Settlement Agreement shall be binding upon and shall inure to the benefit of the parties thereto and their respective successors and assigns.

5. The Court shall retain jurisdiction and power over any and all matters arising from or related to the interpretation or implementation of this Order or the Settlement Agreement.

Dated: _____
Wilmington, Delaware

KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Settlement Agreement

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

BELLFLOWER FUNDING LLC,

Plaintiff(s),

-Against-

50 WEST OWNERS CORP. and AKAM
ASSOCIATES, INC.,

Defendant(s).

Index No.: 654851/2017

STIPULATION OF
SETTLEMENT

IT IS STIPULATED AND AGREED, BY AND BETWEEN THE PARTIES HERETO AND THEIR ATTORNEYS, THAT THE WITHIN ENTITLED ACTION IS HEREBY SETTLED UPON THE FOLLOWING TERMS AND CONDITIONS:

WHEREAS, Defendant 50 WEST OWNERS CORP. (the "Corporation") is a cooperative housing corporation organized and existing under the laws of the State of New York, which owns the residential cooperative apartment building located at 50 West 96th Street, New York, New York 10025 (the "Premises"); and

WHEREAS, Defendant AKAM ASSOCIATES, INC., is the managing agent (the "Managing Agent") for the Corporation and is a corporation organized and existing under the laws of the State of New York (the Corporation and the Managing Agent are hereinafter collectively referred to as the "Defendants"); and

WHEREAS, Plaintiff BELLFLOWER FUNDING LLC ("Plaintiff") (Plaintiff and Defendants are sometimes individually referred to as "Party" and collectively as "Parties") was the successful bidder for shares of stock (the "Shares") and a proprietary lease (the "Lease") attributable to apartment 12B (the "Apartment") in the Premises, at the foreclosure sale (the "Foreclosure") for the Shares and Lease owned by Twelve Bee Corp. ("Twelve Bee"), an affiliate

of the former sponsor of the premises (the "Sponsor") pursuant to a loan made by Plaintiff to Twelve Bee; and

WHEREAS, as a result of the Foreclosure, Plaintiff is entitled to become the the owner of the Shares and Lease allocated to the Apartment; and

WHEREAS, on July 18, 2017, Plaintiff commenced the instant proceeding in Supreme Court, New York County, under Index Number 654851/2017 (the "Action"), seeking various forms of relief by the filing of a summons and complaint; and

WHEREAS, on March 9, 2018, Plaintiff filed a voluntary petition under chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), and is one debtor in a jointly-administered case involving multiple entities (collectively, the "Debtors") pending under Case Number 17-12560 (the "Woodbridge Bankruptcy"); and

WHEREAS, the Apartment is presently occupied by tenant, Cynthia Burke and/or any persons related to and/or residing with Cynthia Burke (collectively, the "Tenant"); and

WHEREAS, the Parties wish to reach a full and final settlement of the Action and all matters arising therefrom;

NOW THEREFORE, in consideration of the mutual promises set forth herein, it is hereby stipulated and agreed by and among the Parties, subject to the approval of the Bankruptcy Court, as follows:

1. Jurisdiction. The Parties consent to the jurisdiction of the Supreme Court of the State of New York, County of New York; provided, however, that Plaintiff must first seek approval of the terms of this Stipulation of Settlement from the Bankruptcy Court. Promptly after execution of this Stipulation of Settlement, the Debtors shall file a motion under Bankruptcy Rule 9019 with the Bankruptcy Court seeking such approval (the "Approval

Motion”). Debtors’ counsel shall supply a draft of the Approval Motion to Defendants’ counsel for any comments or edits, prior to filing same in Bankruptcy Court. The effectiveness of this Stipulation of Settlement is subject in all respects to the approval of the Bankruptcy Court and shall be effective upon entry of a final order of the Bankruptcy Court approving this Stipulation of Settlement (the “Effective Date”).

2. Settlement Payment. Plaintiff agrees to pay the sums of: (i) \$17,500.00 (the “Flip Tax”) and (ii) the total outstanding monthly maintenance and other related charges owed pursuant to the Shares and Lease as of the Effective Date, (which equals \$69,593.08 as of November 30, 2018, but shall continue to accumulate monthly) (the “Back Due Charges”) (the Flip Tax and the Back Due Charges shall be collectively referred to as the “Settlement Sum”) to Defendants, together with any administrative fees payable to the managing agent and/or the Corporation’s attorney in connection with the Transfer of Shares (as that term is defined herein), as a full and complete settlement of any and all claims that Defendants may have as to any amounts due to Defendants related to the Flip Tax, the Back Due Charges, and/or any other amounts allegedly due under the Lease, the Corporation’s By-Laws (the “By-Laws”), the Sponsor’s Offering Plan (the “Offering Plan”), and/or any agreement between the Parties or between the Defendants and Plaintiff’s predecessor(s) in interest, including but not limited to an agreement dated May 17, 1994. Payment by Plaintiff under this paragraph shall be made at the same time as the formal transfer of the Shares and Lease as set forth in paragraph 5 below (it being understood and agreed that Plaintiff’s ownership of the Shares and rights under the Lease occurred on the date of the Foreclosure and that the transfer contemplated hereunder relates to that date).

3. Late Charges. Upon full payment of the Settlement Sum, Defendants agree to waive any and all late charges that have been assessed against the Shares and Lease, through and including the date of closing. Defendants further agree to remove any such charges from the account for the Apartment and/or the Plaintiff.
4. Unsold Share Status. Defendants agree to recognize Plaintiff, its successors and assigns, as of the date of the Foreclosure, as “holders of unsold shares” as that term is defined in the Offering Plan and the Lease, and Plaintiff, its successors and/or assigns, shall be entitled to the rights and privileges of same (the “Unsold Share Status”) as set forth in the Lease, By-Laws, and the Corporation’s House Rules and Regulations (the “House Rules”) (the Lease, By-Laws, and House Rules are collectively the “Governing Documents”). Notwithstanding anything to contrary contained here, the Plaintiff, its successors and/or assigns, shall be recognized as “holders of unsold shares” until either: (i) Plaintiff, or any of its successors, assigns, principals, shareholders, officers, employees, or other related person to any of the foregoing, either occupy or have a family member occupy the Apartment as specified in paragraph 38 of the Lease, or (ii) Tenant vacates the Apartment, in which case any subsequent transfer and/or sale shall be to a bonafide occupant who shall not receive this Unsold Share Status. This Unsold Share Status shall include exemption from the payment by the Plaintiff, its successors and/or assigns of fees or flip taxes of any kind whatsoever, aside from the Settlement Sum, if and/or when Plaintiff, its successors and/or assigns sell the Apartment with the exception of the administrative fees payable to the managing agent and/or the Corporation’s attorney in connection with any transfer of the Shares and Lease. Furthermore, as set forth in the Governing Documents, if and/or when Plaintiff, its successors and/or assigns sell the Apartment, Plaintiff, its successors and

assigns shall be entitled to transfer its Unsold Share Status and the exemption referred to herein, except as otherwise set forth herein or in the Governing Documents. These terms shall also apply to any transfers for “no consideration” between and/or among Plaintiff, its successors and assigns, and any related and/or affiliated entities.

5. Transfer of Shares. Upon the Effective Date, Defendants agree to facilitate the transfer of the physical Shares and Lease to Plaintiff, or such other entity as Plaintiff may designate, and the Unsold Share Status as to same, provided there is compliance with the Governing Documents (*i.e.* not to anyone who will be occupying the Apartment) (the “Transfer of Shares”). Defendants agree to execute the documents attached hereto as Exhibit A (the “Transfer Documents”), and any and all other documents reasonably necessary to effectuate the transfer of the Shares, the Lease, and the Unsold Share Status, into the name of the Plaintiff or such other entity as Plaintiff may designate, and to issue an appropriate new stock certificate and proprietary lease in accordance with the terms of this paragraph, this Stipulation of Settlement, and the Governing Documents. The transfer of the Shares and Lease shall occur within 30 days of the Effective Date.
6. Responsibilities as Shareholder. Upon the Transfer of Shares, Plaintiff agrees to be bound by the terms and conditions of the Governing Documents as of the date of the Foreclosure and shall assume all shareholder responsibilities as set forth therein from the date of the Foreclosure, with the exception of those provisions inapplicable to Plaintiff by virtue of its Unsold Share Status; provided that any and all financial responsibilities between the date of the Foreclosure and the Effective Date are settled per paragraph 2 hereof. Plaintiff expressly acknowledges that it is obligated to pay all monthly maintenance charges that accrue going forward from the Effective Date. The Corporation shall also not be

responsible for managing the Apartment, the Tenant, and/or the Apartment's occupants, including the responsibilities of maintaining leases, obtaining lease renewals, for rent collection, and/or other related issues.

7. Right to Appeal. The Parties waive: (a) the right to appeal or seek any stays other than as specifically set forth herein; (b) to bring orders to show cause to seek a further stay of this Stipulation of Settlement; or (c) to bring any other actions with respect to the Action or the facts herein.
8. Mutual Releases. Upon the Effective Date, the Parties agree to mutually release and forever discharge each other and their respective members, managers, investors, officers, directors, affiliates, employees, heirs, insurers, policy holders, executors, agents, successors and/or assigns, including the Parties' attorneys, from and against any and all actions, causes of action, suits, debts, dues, sums of money, accounts, bills, specialties, covenants, contracts, controversies, agreements, promises, damages, costs, claims, counterclaims, cross claims, and expenses, asserted or that could have been asserted whether existing, or known or unknown by the Parties at this time, in law or equity, from the beginning of the world to the day of the date of this Stipulation of Settlement, arising out of, related to, or which were or could have been alleged in connection with the Action, including any matters arising out of this Stipulation of Settlement with the exception of any breach of this Stipulation of Settlement.
9. Indemnification. Plaintiff agrees to indemnify and hold harmless Defendants, their members, managers, investors, officers, directors, affiliates, employees, heirs, insurers, policy holders, executors, agents, successors and/or assigns, including their attorneys, against any damages, claims, and/or liabilities arising from the Foreclosure or made by

Twelve Bee or the tenant of the Apartment, and/or the Sponsor, and shall reimburse any losses, costs, fines, fees, and expenses (including reasonable attorneys' fees and disbursements) incurred as a result of same.

10. Entire Agreement. This Stipulation of Settlement constitutes the entire agreement of the Parties hereto, and supersedes any prior contemporaneous oral agreements, negotiations, and discussions, and there are no further or other agreements or understandings, written or oral, in effect between the Parties relating to the subject matter of this Stipulation of Settlement.
11. Strict Compliance. All terms of this Stipulation of Settlement require strict compliance, any failure to comply with any term hereof, shall be a default under the terms of this Stipulation of Settlement. All dates set forth herein are "time is of the essence" and any failure to make a timely payment shall be a default under the terms of this Stipulation of Settlement.
12. No Waiver. This Stipulation of Settlement is not to be construed as a waiver or estoppel of any of the Parties' rights under the Lease and/or By-Laws or in connection with the Foreclosure. No waiver of any provision of this Stipulation of Settlement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.
13. Effectiveness and Counterparts. This Stipulation of Settlement shall not take effect and shall not be enforceable as against any Party hereto unless and until it is fully executed by the Parties and approved by the Bankruptcy Court (*i.e.* the Effective Date). This Stipulation of Settlement may be executed in any number of counterparts, all of which taken together

shall constitute one and the same instrument, and any of the Parties hereto may execute this Stipulation of Settlement by signing any such counterpart each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same Stipulation of Settlement. Facsimile, digital and/or electronic copies of such signed counterparts may be used in lieu of the original for any purpose and may be filed with the Court without further notice by either side to the other.

14. No Admission of Liability. This Stipulation of Settlement is a compromise of a disputed matter and may not be construed as an admission of any Party's liability in any of the within matters as to any of the asserted claims against the other and the Parties agree that all matters arising out of the claims in the Action as set forth above are finally compromised and settled.
15. Draftsman. This Stipulation of Settlement is the result of an arm's length, negotiated settlement between the Parties and may not be construed against any one party versus the other.
16. Notices. Any notice or other communication required or permitted to be given under this Stipulation of Settlement shall be made by e-mail and shall also be sent by either hand-delivery or first-class mail to the Parties' respective attorneys at the following addresses, and shall be deemed given when received:

If to Plaintiff:

Daniel S. Finger, Esq.
Finger & Finger, A Professional Corporation
158 Grand Street
White Plains, New York 10601
Email: daniel@fingerandfinger.com

If to Defendants:

Prior to March 1, 2019

Jeffrey M. Schwartz, Esq.
Schwartz Sladkus Reich Greenberg Atlas LLP
270 Madison Avenue, 9th Floor
New York, New York 10016
Email: jschwartz@ssrga.com

And after March 1, 2019

Jeffrey Schwartz, Esq.
Schwartz Sladkus Reich Greenberg Atlas LLP
444 Madison Avenue
New York, New York 10022
Email: jchwartz@ssrga.com

17. Damages. The Parties hereto agree that the terms and provisions of this Stipulation of Settlement may be enforced in equity, and all Parties hereto waive any claim to the defense that the remedy at law is adequate for a breach of any of the terms and provisions of this Stipulation of Settlement.
18. Attorneys' Fees. In the event of a default under this Stipulation of Settlement, the defaulting Party shall reimburse the non-defaulting Party or Parties for all costs and expenses reasonably incurred by the non-defaulting Party or Parties in connection with the default, including without limitation reasonable attorneys' fees.
19. Applicable Law. This Stipulation of Settlement shall be governed by and shall be construed in accordance with the laws of the State of New York and the Supreme Court, County of New York shall be the proper venue in the event of any dispute involving this Stipulation of Settlement.
20. Binding Effect. This Stipulation of Settlement is intended to bind and benefit the Parties, their heirs, agents, legal representatives, assigns, and successors in interest, except as otherwise set forth herein.

21. Severability. If any provision of this Stipulation of Settlement is held by a court to be void, inoperative as a matter of law, invalid or unenforceable, then all other provisions shall nevertheless continue in full force and effect and same shall in no way affect the validity or enforceability of this Stipulation of Settlement as a whole.
22. Authority to Bind Respective Parties. The signatories herein hereby acknowledge that they each have the authority (with, as to Plaintiff, the approval of the Bankruptcy Court) to enter into this Stipulation of Settlement and bind the directors, officers and shareholders of each Party.
23. Amendments to By-Laws. It is agreed that any future amendment to the By-Laws shall not cause any provision of this Stipulation of Settlement to be null and void or to cause any provision of this Stipulation of Settlement to not be given full force and effect.
24. Benefit of Counsel. The Parties represent and warrant that each has undertaken its, his, or her own investigation of the facts and is relying solely upon its, his, or her own knowledge and advice of its, his, or her own counsel. The Parties represent and warrant that each has consulted with counsel with respect to the preparation, negotiation, and execution of this Stipulation of Settlement to the extent they deemed such consultation necessary or appropriate and that this Stipulation of Settlement is a result of a negotiated compromise and settlement of the above Action.
25. Execution of Necessary Documents. The Parties agree to take all necessary steps and execute all documents necessary to effectuate each and every provision of this Stipulation of Settlement.
26. Stipulation of Discontinuance. Simultaneously with the execution of this Stipulation of Settlement, Plaintiff shall execute the Stipulation of Discontinuance in the form annexed


hereto as Exhibit B, the original of which shall be held by counsel for Plaintiff and shall be filed with the Court upon the Transfer of Shares to Plaintiff.

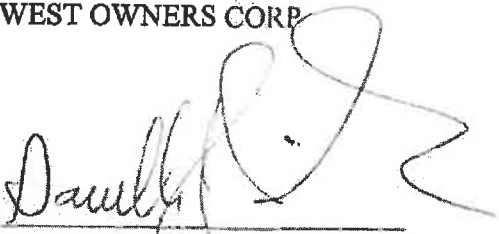
27. Extension of Time to Answer. Plaintiff agrees to extend Defendants' time to answer the summons and complaint filed in the Action until the Transfer of Shares has occurred and shall execute any stipulations necessary to do so.

28. Amendments. This Stipulation of Settlement may not be modified, amended, changed or terminated, except in a writing signed by the Parties hereto.

Dated: White Plains, New York
November __, 2018

BELLFLOWER FUNDING LLC
Debtor in Possession


By: 
Name: *Bradley Long*
Title: *CRO*

50 WEST OWNERS CORP
By: 
Name: *Danielle J. Wiedemann*
Title: *President*

Approved as to Form:

AKAM ASSOCIATES

KLEE, TUCHIN, BOGDANOFF & STERN
LLP
Bankruptcy Counsel for Debtors in Possession in Woodbridge Bankruptcy

By: 
Name: *Robert J. Pfister*
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Telephone: (310) 407-4000
Facsimile: (310) 407-9090
Email: RPfister@ktbslaw.com


By: 
Name: *Gina Faccalano*
Title: *Asst. Secretary*

EXHIBIT A
TRANSFER DOCUMENTS

EXHIBIT B

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

<p>BELLFLOWER FUNDING LLC,</p> <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">-against-</p> <p>50 WEST OWNERS CORP. and AKAM ASSOCIATES, INC.,</p> <p style="text-align: center;">Defendants.</p>
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Index No.654851/2017

**STIPULATION OF
DISCONTINUANCE
WITH PREJUDICE**

IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned attorneys for the parties to this action, that whereas no party hereto is an infant, incompetent person for whom a committee has been appointed, or conservatee, and no person not a party has an interest in the subject matter of the action, this action be, and the same hereby is discontinued, with prejudice, and without costs to any party as against any other.

This stipulation may be filed with the Clerk of the Court without further notice, may be signed in counterparts, and electronic signatures on this stipulation shall be deemed originals.

Dated: New York, New York
November __, 2018

**FINGER & FINGER, A PROFESSIONAL
CORPORATION**

**SCHWARTZ SLADKUS REICH
GREENBERG ATLAS LLP**

By: _____
Daniel S. Finger
Attorneys for Plaintiff
158 Grand Street
White Plains, New York 10601
(914) 949-0308

By: _____
Jeffrey M. Schwartz
Attorneys for Defendants
270 Madison Avenue, 9th Floor
New York, NY 10016
(212) 743-7000