

**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 711 WALDEN DR., BEVERLY HILLS, 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 4100, 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 711 Walden Dr., Beverly Hills, California Property Owned by the Debtors Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (II) Approving the*

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.

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, 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 8,227 square foot single-family home situated on 0.42 acres in Beverly Hills, California. I understand that the Seller purchased the Property in August 2015 for a purchase price of \$7,600,000 with the intention of developing the Property for resale. The Seller has since developed the Property by constructing a new luxury home and related residential Improvements thereon. 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 formally listed on the multiple-listing service since June 7, 2018 and has been widely

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

marketed, including through various online and print media advertisements, as well as promotional content on social media sites. I understand that the Property has received seven offers in total in the range of \$10,000,000 to \$13,275,000. After countering all seven offers, the Debtors ultimately determined that the Purchaser's all cash offer under the Purchase Agreement is the highest and best offer the Debtors have received. Moreover, the Purchase Agreement and the purchase price reflected therein represent a fair and reasonable offer for the Property, which the Seller is selling for a price that exceeds its purchase price by \$5,675,000,³ and which 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 on an "as is" basis to the Purchaser is the best way to maximize the value of the Property.

5. On November 22, 2018, the Purchaser made an all cash \$13,260,000 offer on the Property. On November 23, 2018, the Debtors countered that offer with a request for the Purchaser's highest and best offer. On November 23, 2018, the Purchaser responded by increasing its offer to \$13,275,000. The Debtors believe that this purchase price provides significant value, and accordingly, the Seller countersigned the final Purchase Agreement on November 23, 2018. Under the Purchase Agreement, the Purchaser agreed to purchase the Property for \$13,275,000, with a \$750,000 initial cash deposit, and the balance of \$12,525,000 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

³ This figure does not account for construction costs and other amounts spent in connection with the development of the Property.

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: December 19, 2018

/s/ Bradley D. Sharp

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