

David L. Mortensen (#8242)
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Attorneys for Gaylynn Mortensen

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 (KLC)

(Jointly Administered)

Hrg. Date: April 2, 2019 at 10:00 a.m. (ET)

Obj. Deadline: February 22, 2019 at 4:00
p.m. (ET)

**GAYLYNN MORTENSEN'S RESPONSE TO DEBTOR'S FOURTH (4TH)
OMNIBUS (NON-SUBSTANTIVE) OBJECTION TO CLAIMS PURSUANT
TO SECTION 502 OF THE BANKRUPTCY CODE,
BANKRUPTCY RULE 3007, AND LOCAL RULES 3007-1 and 3007-2**

Plaintiff Gaylynn Mortensen ("Gaylynn"), by and through her counsel Stoel Rives LLP,
hereby responds to Debtor's Fourth (4th) Omnibus (Non-Substantive) Objection to Claims
Pursuant to Section 502 of the Bankruptcy Code, Bankruptcy Rule 3007, and Local Rules 3007-1

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 counsel for the debtors.

and 3007-2 (the “Fourth Objection”). As set forth below, Gaylynn does not object to part of her claim being modified as proposed by Debtors in the Fourth Objection. Gaylynn responds only to clarify that she has two claims, one in her individual capacity and one through a legal custodian (Mainstar Trust) that is being held for the benefit of Gaylynn. In support of this clarification, Gaylynn represents as follows:

1. On or about June 16, 2017, Gaylynn loaned \$80,864.00 to Woodbridge Mortgage Investment Fund 4, LLC (“Woodbridge”) (the “June Loan”). This loan was evidenced by a Promissory Note and a Loan Agreement, copies of which are attached to Gaylynn’s Proof of Claim attached as Exhibit A. As noted on the loan documents, the June Loan was made by Gaylynn in her individual capacity. As a result, she has an individual claim against Debtors for the June Loan.

2. On or about July 6, 2017, Gaylynn loaned an additional \$111,017.04 to Woodbridge (the “July Loan”). This loan was evidenced by a Promissory Note and a Loan Agreement, copies of which are attached to Gaylynn’s Proof of Claim attached as Exhibit A. As noted on the loan documents, this loan was made through Mainstar Trust, Custodian FBO Gaylynn L. Mortensen #T2177490. As a result, Gaylynn has a derivative claim against Debtors through Mainstar Trust for the July Loan.

3. On or about April 17, 2018, Gaylynn filed her proof of claim providing an accounting of the claim for both loans. A copy of the Proof of Claim is attached as Exhibit A. The Proof of Claim combined her two claims, including her individual claim on the June Loan and her derivative claim on the July Loan, into one claim.

4. Gaylynn does not object to her derivative claim on the July Loan being modified as set forth in the Fourth Objection. She only responds to clarify that her individual claim on the June Loan should not be modified in any way. Thus, in granting the Fourth Objection, the Court and the Debtors should make clear that the modification of Gaylynn's claim on the July Loan does not affect her individual claim on the June Loan. As a result, Gaylynn should have the following claims against the Debtors:

- a. An individual claim in the amount of \$82,996.28 on the June Loan; and
- b. A derivative claim through Mainstar-FBO Gaylynn L Mortensen in the amount of \$109,413.81 through Mainstar Trust.

Gaylynn does not believe that debtors intended to modify her individual claim on the June loan and, accordingly, does not object to the Fourth Objection. To the extent Debtors are seeking to extinguish her individual claim on the June Loan, the Fourth Objection is not non-substantive (as it represents), Gaylynn does object to the Fourth Objection and the Fourth Objection should be overruled as set forth above.

DATED: February 26, 2019.

STOEL RIVES LLP

/s/ David L. Mortensen

David L. Mortensen

Attorneys for Gaylynn Mortensen

CERTIFICATE SERVICE

I hereby certify that on the 26th day of February, 2019, I caused a true and correct copy of the foregoing **GAYLYNN MORTENSEN'S RESPONSE TO DEBTOR'S FOURTH (4TH) OMNIBUS (NON-SUBSTANTIVE) OBJECTION TO CLAIMS PURSUANT TO SECTION 502 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3007, AND LOCAL RULES 3007-1 and 3007-2** to via CM/ECF notice on counsel (including counsel for Debtors) of record who have requested service by CM/ECF.

/s/ Stacy Kamaya

EXHIBIT A

(Gaylynn Mortensen's Proof of Claim)



April 17, 2018

DAVID L. MORTENSEN
Direct (801) 578-6909
dlmortensen@stoel.com

VIA EXPRESS MAIL -- OVERNIGHT DELIVERY

Woodbridge Group of Companies, LLC
c/o GCG
P5151 Blazer Parkway, Suite A
Dublin, Ohio 43017

Re: *Proof of Claim: In re Woodbridge Group of Companies, LLC, et. al., Case No. 17-12560 (KJC)*

Dear Claims Administrator,

I enclose herewith a proof of claim filed by Gaylynn Mortensen in the above-referenced Chapter 11 Proceeding. I also enclose a courtesy copy of the proof of claim and a self-addressed, stamped envelope. Please confirm receipt of the Proof of Claim by stamping the courtesy copy and returning it to me in the self-addressed, stamped envelope.

I invite you to contact me with any questions or if you would like to discuss this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Mortensen", is written over a horizontal line.

David L. Mortensen

c. Gaylynn Mortensen (via email)

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE	
Name of Debtor:	Case No.
Woodbridge Group of Companies, LLC, et al. Case No. 17-12560	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor? Gaylynn L. Mortensen
 Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor _____

2. Has this claim been acquired from someone else?
 No
 Yes. From whom? _____

3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
	<u>Gaylynn Mortensen</u> Name <u>11951 South Kings Crossing Way</u> Number Street <u>Riverton UT 84065</u> City State ZIP Code Contact phone <u>(801) 708-3816</u> Contact email <u>bornondday@gmail.com</u>	<u>Gaylynn Mortensen</u> Name <u>11951 South Kings Crossing Way</u> Number Street <u>Riverton UT 84065</u> City State ZIP Code Contact phone <u>(801) 708-3816</u> Contact email <u>bornondday@gmail.com</u>

Uniform claim identifier for electronic payments in chapter 13 (if you use one):

4. Does this claim amend one already filed?
 No
 Yes. Claim number on court claims registry (if known) _____ Filed on _____
 MM / DD / YYYY

5. Do you know if anyone else has filed a proof of claim for this claim?
 No
 Yes. Who made the earlier filing? _____

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? No
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ 194,564.49. Does this amount include interest or other charges?
 No
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
 Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
 Limit disclosing information that is entitled to privacy, such as health care information.

Money Loaned pursuant to Loan Agreements and Notes (Exs. B-E)

9. Is all or part of the claim secured? No
 Yes. The claim is secured by a lien on property.
Nature of property:
 Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
 Motor vehicle
 Other. Describe: _____

Basis for perfection: See Loan Agreements and Promissory Notes (Exs. B-E)
 Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____
Amount of the claim that is secured: \$ 194,564.49
Amount of the claim that is unsecured: \$ 0.00 (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ 2,902.19

Annual Interest Rate (when case was filed) 5.00 %
 Fixed
 Variable

10. Is this claim based on a lease? No
 Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? No
 Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

- No
- Yes. Check one:
- Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). Amount entitled to priority \$ _____
 - Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____
 - Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____
 - Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____
 - Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____
 - Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. \$ _____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

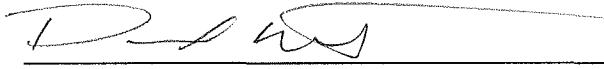
- I am the creditor.
- I am the creditor's attorney or authorized agent.
- I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 04/17/2018
MM / DD / YYYY



Signature

Print the name of the person who is completing and signing this claim:

Name	<u>David</u>	<u>Lynn</u>	<u>Mortensen</u>
	First name	Middle name	Last name
Title	<u>Attorney</u>		
Company	<u>Stoel Rives LLP</u>		
	Identify the corporate servicer as the company if the authorized agent is a servicer.		
Address	<u>201 South Main Street, Suite 1100</u>		
	Number	Street	
	<u>Salt Lake City</u>	<u>UT</u>	<u>84111</u>
	City	State	ZIP Code
Contact phone	<u>(801) 328-3131</u>	Email	<u>dlmortensen@stoel.com</u>

APPENDIX TO PROOF OF CLAIM

1. Claimant: Gaylynn Mortensen files this claim in the Chapter 11 proceeding of Woodbridge Group of Companies, LLC and its affiliated debtors (collectively, the “Woodbridge Parties”). Ms. Mortensen’s funds were loaned to and the claim is asserted against Woodbridge Mortgage Investment Fund 4, LLC (“Woodbridge Fund 4”). To the extent the funds were co-mingled with funds belonging to any of the other Woodbridge Parties, the funds were used by other Woodbridge Parties and/or for any other basis in law or fact, Ms. Mortensen asserts and reserves the right to assert claims against the other Woodbridge Parties.
2. Basis of Claim: The funds were loaned pursuant to two Loan Agreements and Promissory Notes. Copies of the Loan Agreements and Promissory Notes are attached as Exhibits C through F. Woodbridge Fund 4 has failed to repay the loans pursuant to the terms of the Loan Agreements and the Promissory Notes. An accounting of the claim is attached as Exhibit B. Ms. Mortensen may also have fraud-based claims against Woodbridge Fund 4 and other unidentified defendants based on the Woodbridge Parties’ disputed claim that she did not receive a first-priority, perfected lien or other interest against real property that had a value that was greater than the total amount loaned.
3. Third-Party Claims: Ms. Mortensen has asserted a claim against Altus Retirement Services, LLC and Erik D. Nebeker in the Third District Court, Salt Lake County, State of Utah. *See Mortensen v. Altus Retirement Services, LLC*, Case No. 180900777 (Ut. D. Ct. 2018).
4. Reservations of Rights; Other:
 - a. This Proof of Claim is filed to protect Ms. Mortensen from forfeiture of her claim. The execution and filing of this Proof of Claim are not (i) a waiver or release of any of Ms. Mortensen’s rights against Woodbridge Fund 4 or the other Woodbridge Parties, or any other entity or person liable for all or part of the claim, or any property against which Ms. Mortensen is entitled to exercise set off or in which Ms. Mortensen holds a security interest, (ii) an election of a remedy that waives or otherwise affects any other remedy, or (iii) a waiver or release of any of Ms. Mortensen’s rights against any third party and any non-Debtor party co-liaible for the debt underlying the claim or liable under a guaranty.
 - b. Ms. Mortensen expressly reserves the right to amend, modify, and/or supplement this Proof of Claim at any time for whatever reason, including, without limitation, for the purpose of filing additional claims and requests for payment and/or to specify the amount of Ms. Mortensen’s claims. By virtue of the filing of the Proof of Claim, Ms. Mortensen does not waive, and hereby expressly reserves, her right to pursue claims and requests for payment including, but not limited to, the claims and requests for payment described herein, against the above-captioned debtor(s) based upon alternative legal theories.

- c. By virtue of filing the Proof of Claim, Ms. Mortensen does not, and the Proof of Claim shall not be deemed to, consent to the jurisdiction of this Court for any matter unrelated to the adjudication of this Proof of Claim. Ms. Mortensen does not waive her right to seek to withdraw the reference or to dispute the jurisdiction of this Court to hear any proceeding, motion or other matter apart from the allowance of this Proof of Claim, including any non-core matter.
- d. To the extent that any of the debtors assert claims against Ms. Mortensen, Ms. Mortensen reserves the right to assert that such claims are subject to rights of setoff and/or recoupment, which rights are treated as secured claims under the Bankruptcy Code.
- e. The claims and requests for payment described in the preceding paragraphs are filed only to preserve any and all rights and entitlements Ms. Mortensen may have, as hereinabove asserted, and nothing set forth herein should be construed as an admission that any valid claims or causes of action exist against Ms. Mortensen.

DATE	PRINCIPAL	ORIGINAL INTEREST	ADJUSTED INTEREST	PAYMENTS	INTEREST PAID	PRINCIPAL PAID	TOTAL OWED
6/16/2017	\$80,864.00						
				\$33.69 (7/3/17)			
7/1/2017		\$155.08	\$155.08	\$336.93 (7/18/17)	\$155.08	\$215.54	\$80,648.46
8/1/2017		\$336.93	\$335.87	\$336.93 (8/22/17)	\$336.93	\$1.06	\$80,647.40
9/1/2017		\$336.93	\$335.86	\$336.93 (9/19/17)	\$336.93	\$1.07	\$80,646.33
10/1/2017		\$336.93	\$335.86	\$336.93 (10/17/17)	\$336.93	\$1.07	\$80,645.26
11/1/2017		\$336.93	\$335.86	\$0.00	\$0.00	\$0.00	\$80,981.12
12/1/2017		\$336.93	\$335.86	\$0.00	\$0.00	\$0.00	\$81,316.98
1/1/2018		\$336.93	\$335.86	\$0.00	\$0.00	\$0.00	\$81,652.84
2/1/2018		\$336.93	\$335.86	\$0.00	\$0.00	\$0.00	\$81,988.70
3/1/2018		\$336.93	\$335.86	\$0.00	\$0.00	\$0.00	\$82,324.56
4/1/2018		\$336.93	\$335.86	\$0.00	\$0.00	\$0.00	\$82,660.42
5/1/2018		\$336.93	\$335.86	\$0.00	\$0.00	\$0.00	\$82,996.28

DATE	PRINCIPAL	ORIGINAL INTEREST	ADJUSTED INTEREST	PAYMENTS	INTEREST PAID	PRINCIPAL PAID	TOTAL OWED
7/16/2017	\$111,017.04						
8/1/2017		\$380.19		\$0.00	\$0.00	\$0.00	\$111,397.23
9/1/2017		\$462.57		\$0.00	\$0.00	\$0.00	\$111,859.80
10/1/2017		\$462.57		\$0.00	\$0.00	\$0.00	\$112,322.37
11/1/2017		\$462.57		\$0.00	\$0.00	\$0.00	\$112,784.94
12/1/2017		\$462.57		\$0.00	\$0.00	\$0.00	\$113,247.51
1/1/2018		\$462.57		\$0.00	\$0.00	\$0.00	\$113,710.08
2/1/2018		\$462.57		\$0.00	\$0.00	\$0.00	\$114,172.65
3/1/2018		\$462.57		\$0.00	\$0.00	\$0.00	\$114,635.22
4/1/2018		\$462.57		\$0.00	\$0.00	\$0.00	\$115,097.79
5/1/2018		\$462.57		\$0.00	\$0.00	\$0.00	\$115,560.36
		\$4,543.32					

Property ID : Electra Court - Los Angeles, CA
Principal : \$80,864.00
Int. Rate : 5.00%

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") made on this June 16, 2017, by and between **GAYLYNN L. MORTENSEN**, an individual having an address of 11951 South Kings Crossing, Riverton, Utah 84065 (hereinafter referred to as the "Lender") and **WOODBIDGE MORTGAGE INVESTMENT FUND 4, LLC**, a Delaware limited liability company, having an office at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 ("Woodbridge").

WITNESSETH:

WHEREAS, Lender wishes to make a loan (the "Loan") to Woodbridge to fund, in part, a loan to a third-party borrower, as more fully defined below (the "Pledged Loan"); and

WHEREAS, Lender advanced to Woodbridge a portion of the funds that, with other funds from Woodbridge, will be used to make the Pledged Loan; and

WHEREAS, Lender acknowledges that Woodbridge has executed or intends to execute other notes and loan agreements to fund the Pledged Loan on a pari passu basis with other lenders; and

WHEREAS, Woodbridge and Lender have agreed to the foregoing transaction on the terms and conditions and in reliance upon the representations and warranties of Woodbridge and Lender hereinafter set forth:

NOW, THEREFORE, in consideration of the foregoing and in further consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Lender has agreed to lend Woodbridge the sum of Eighty Thousand Eight Hundred Sixty-Four and 00/100 Dollars (\$80,864.00). The foregoing obligation shall be evidenced by Woodbridge's promissory note to Lender, in the original principal amount of Eighty Thousand Eight Hundred Sixty-Four and 00/100 Dollars (\$80,864.00), in the form of Exhibit A hereto and made a part hereof (as the same may be amended or modified from time to time, the "Note"), with appropriate insertion of dates.

The Note shall bear interest at a rate equal to five and 00/100 percent (5.00%) per annum, subject to such default rates as may be set forth in the Note; provided, however, that the rate of interest charged thereunder shall never exceed the maximum amount, if any, allowable by law. Interest shall be payable as provided in the Note and shall be charged on the daily outstanding principal balance on the basis of the actual days elapsed and on a three hundred sixty (360) day year.

Interest shall be payable as provided in the Note. The entire outstanding principal balance of the Note shall be due and payable in full on October 1, 2018 unless sooner prepaid. Woodbridge may prepay the Note without penalty at any time.

2. **Security Interest.** Woodbridge hereby grants to the Lender a security interest in all of the Woodbridge's present and future right, title and interest in and to any and all of the following (the "Collateral");

- (a) That certain loan in the principal amount of Twenty-Four Million Nine Hundred Ninety Thousand and 00/100 Dollars (\$24,990,000.00) (the "Pledged Loan") extended or to be extended to Diamond Cove Investments, LLC (the "Borrower") secured by a first priority lien on the real property located at 1 Electra Court, Los Angeles, California 90046 (the "Premises");
- (b) The promissory note evidencing the Pledged Loan (the "Underlying Note");
- (c) The mortgage or deed of trust securing the Pledged Loan with an interest in the Premises (the

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Principal : \$80,864.00
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"Underlying Mortgage"); and

- (d) Title insurance policies and such other instruments or documentation as may be executed and delivered to Woodbridge in conjunction with the Pledged Loan (said Underlying Note, Underlying Mortgage and other associated loan documents collectively hereafter referred to as the "Loan Documents").
- (e) Upon the consummation of the Pledged Loan, Woodbridge will execute and deliver to Lender collateral assignment documents substantially in the form attached hereto as Exhibits B and C.
- (f) Lender acknowledges that they are only providing the financing for a portion of the Pledged Loan and, therefore, Woodbridge retains the right to execute other notes, loan agreements, assignments, and collateral assignments in favor of other lenders as may be necessary to fund the Pledged Loan secured by the Collateral on a pari passu basis with such other lenders. Lender further agrees that it, and any such other lenders, shall execute an Intercreditor Agreement substantially in the form attached hereto as Exhibit D in order to confirm that their interests in the Collateral are of equal priority.

3. Representations and Warranties.

(a) Woodbridge represents and warrants to Lender that Woodbridge has or will have good and marketable title to the Pledged Loan and the Collateral free from any adverse liens, security interests or encumbrances on record as of the date of the Pledged Loan.

(b) The execution and delivery of the Note, this Agreement, and every other agreement, instrument or document executed and delivered to Lender by Woodbridge pursuant to the terms hereof, are valid, legal and binding upon it and enforceable in accordance with their respective terms.

(c) All information furnished or to be furnished by Woodbridge pursuant to the terms hereof will not, at the time the same is furnished, contain any untrue statement of a material fact and will not omit to state a material fact necessary to make the information so furnished, in the light of the circumstances under which such information is furnished, not misleading.

(d) Lender represents and warrants to Woodbridge that: (i) the Loan Documents and the Pledged Loan they evidence constitute a commercial loan transaction and are not for investment purposes; and (ii) Lender has reviewed the Loan Documents and the associated other information on the Borrower of the Pledged Loan, and has had the opportunity to review said documents and information with its own legal counsel, and has had sufficient access to all of said documents and information to allow it to make its own credit decision with respect to the Pledged Loan, and has, in fact, made its own credit decision in making the Loan.

4. General Provisions.

(a) This Agreement is an integrated document and all terms and provisions are embodied herein and shall not be varied by parol;

(b) This Agreement is made, executed and delivered in the State of Delaware and it is the specific desire and intention of the parties that it shall in all respects be construed under the laws of the State of Delaware;

(c) The captions for the paragraphs contained in this Agreement have been inserted for convenience only and form no part of this Agreement and shall not be deemed to affect the meaning or construction of any of the covenants, agreements, conditions or terms hereof;

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Principal : \$80,864.00
Int. Rate : 5.00%

(d) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided, however, that Lender shall not assign, voluntarily, by operation of law or otherwise, any of its rights hereunder without the prior written consent of Woodbridge and any such attempted assignment without such consent shall be null and void;

(e) No delay or failure of Lender in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise preclude any further exercise thereof or the exercise of any other rights, powers or privileges; and

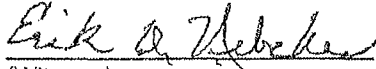
(f) This Agreement, the security interest hereby granted to Lender by Woodbridge and every representation, warranty, covenant, promise and other then herein contained shall survive until the Note has been paid in full.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK, SIGNATURE PAGE TO FOLLOW]

Property ID : Electra Court - Los Angeles, CA
Principal : \$80,864.00
Int. Rate : 5.00%

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the day and year first above written.

Signed, Sealed, and Delivered
in the Presence of:


(Witness)

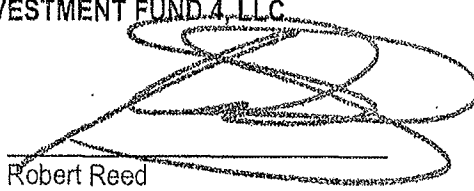

(Witness)


GAYLYNN L. MORTENSEN





WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC

By: 
Robert Reed
Its Authorized Representative

Property ID : Electra Court - Los Angeles, CA
Principal : \$80,864.00
Int. Rate : 5.00%

PROMISSORY NOTE

\$80,864.00

June 16, 2017
Sherman Oaks, California

FOR VALUE RECEIVED, the undersigned, **WOODBIDGE MORTGAGE INVESTMENT FUND 4, LLC**, a Delaware limited liability company having an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 (hereinafter referred to as the "**Borrower**") does hereby promise to pay to the order of **GAYLYNN L. MORTENSEN**, an individual having an address of 11951 South Kings Crossing, Riverton, Utah 84065 (hereinafter referred to as "**Lender**"), at such place as the Lender may designate by written notice to Borrower, the principal sum of Eighty Thousand Eight Hundred Sixty-Four and 00/100 Dollars (\$80,864.00), together with interest on all unpaid balances beginning as of the date hereof, at the fixed rate per annum as set forth in Section 1 hereof.

1. **Interest Rate**. The unpaid balance of the principal sum of Eighty Thousand Eight Hundred Sixty-Four and 00/100 Dollars (\$80,864.00) shall bear interest from the date hereof through July 1, 2018, at a fixed rate of interest equal to five and 00/100 percent (5.00%) per annum. After July 1, 2018, the unpaid balance of this Note shall bear interest at a fixed rate equal to nine and 00/100 percent (9.00%) per annum. The rate of interest charged hereunder shall never exceed the maximum amount, if any, allowable by law. Interest shall be charged on the principal balance from time to time outstanding on the basis of the actual number of days elapsed computed on the basis of a 360 day year.

2. **Default Interest Rate**. During the continuance of any Event of Default (as more particularly defined in Paragraph 6 below) under this Note by acceleration or otherwise, interest shall accrue from and after such Event of Default at four (4) percentage points above the interest rate then in effect hereunder (the "**Default Interest Rate**").

3. **Repayment**. Borrower promises to pay the interest and principal on this Note, as set forth below:

Monthly payments of interest shall be made commencing on July 1, 2017 and continuing on the same day of each and every month to occur thereafter, both before and after maturity by acceleration or otherwise.

The entire principal balance plus accrued and unpaid interest thereon, and all other sums and charges due to the Lender hereunder, unless sooner paid, shall be due and payable on October 1, 2018 (the "**Maturity Date**"). Upon and after the eighth (8th) day following Borrower's receipt of written notice from Lender of Borrower's failure to pay the entire principal balance plus accrued and unpaid interest on the Maturity Date as required, any outstanding amounts due under this Note shall bear interest at a fixed rate of twenty-four and 00/100 percent (24.00%) per annum.

4. **Application of Payments**. All payments pursuant to this Note shall be made in legal tender of the United States of America and shall be applied first to the payment of delinquency or late charges, if any; second, to the payment of accrued and unpaid interest on this Note; and third, the balance on account of the principal of this Note.

5. **Cure Period and Notice of Default**. Failure of Borrower to pay by its due date any installment of the principal or of interest within thirty (30) days from the date the same becomes due and payable,

Property ID : Electra Court - Los Angeles, CA
Principal : \$80,864.00
Int. Rate : 5.00%

shall constitute a "Payment Default" under this Note. Borrower shall have a cure period of not less than thirty (30) days after receipt of written notice ("Notice of Default") of any alleged breach or Payment Default under the terms of this Note to cure the same.

6. **Event of Default.** Any alleged breach or Payment Default under this Note that is not fully cured following the expiration of the applicable cure period specified in a given Notice of Default shall constitute an event of default ("Event of Default") under this Note.

7. **Waiver of Rights.**

a. BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY COURT AND IN ANY SUIT ACTION OR PROCEEDING OR ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTIONS OF WHICH THIS NOTE OR THE COLLATERAL ASSIGNMENT DOCUMENTS (AS DEFINED BELOW) ARE A PART AND/OR THE ENFORCEMENT OF ANY OF LENDER'S RIGHTS AND REMEDIES. BORROWER ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY, VOLUNTARILY AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER.

b. Borrower hereby waives diligence, demand, presentment for payment, protest and notice of protest, and notice of any renewals or extensions of this Note, and agrees that the time for payment of this Note may be changed and extended at Lender's sole discretion, without impairing its liability thereon, and further consents to the release of any party liable for this obligation, or the release of all or any part of the collateral given as security for the payment of this Note, without affecting its liability with respect hereto.

8. **Lender's Rights.** Lender's rights hereunder shall be cumulative and not exclusive and may be exercised at the sole discretion of Lender with respect to priority, order and type of collateral or security realized upon or applied toward the indebtedness evidenced hereby until this Note and all accrued and unpaid interest and other sums and charges due hereunder shall have been paid in full. Further, no failure on the part of Lender to exercise any right or remedy hereunder, whether before or after the occurrence of an Event of Default hereunder, shall constitute a waiver thereof, and no waiver of any past default shall constitute waiver of any future default or of any other default.

9. **Prepayment.** The Borrower shall have the right to prepay this Note in whole or in part at any time without penalty.

10. **Binding Effect.** This Note shall bind the successors and assigns of Borrower and shall inure to the benefit of the Lender, its successors and assigns.

11. **Captions and Section Headings.** The captions and section headings used in this Note are for convenience only and shall not be used to interpret, modify or affect in any way the covenants and agreements herein contained.

12. **Severability.** In the event that any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Note shall operate or would prospectively operate, to invalidate this Note, then the remaining provisions of this Note shall remain operative and in full force and effect, shall be valid, legal and enforceable and shall in no way be affected, prejudiced or disturbed thereby.

Property ID : Electra Court - Los Angeles, CA
Principal : \$80,864.00
Int. Rate : 5.00%

13. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the State of Delaware.

14. **No Assignment.** Neither this Note, the Loan Agreement of even date herewith between Borrower and Lender, nor all other instruments executed or to be executed in connection therewith (collectively, the "Collateral Assignment Documents") are assignable by Lender without the Borrower's written consent and any such attempted assignment without such consent shall be null and void.

15. **Commercial Transaction.** Lender and Borrower each acknowledge and stipulate that the Loan is a commercial transaction.

16. **Security.** This Note will be secured inter alia by the Collateral Assignment Documents upon execution thereof.

WOODBIDGE MORTGAGE
INVESTMENT FUND, LLC

By: 

Robert Reed
Its Authorized Representative

Accepted and Agreed to by Lender:


GAYLYNN L. MORTENSEN

Property ID : Electra Court - Los Angeles, CA
Principal : \$111,017.40
Int. Rate : 5.00%

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") made on this July 6, 2017, by and between MAINSTAR TRUST, CUSTODIAN FBO GAYLYNN L. MORTENSEN #T2177490, an entity having an address of 214 W. 9th Street, P.O. Box 420, Onaga, Kansas 66521 (hereinafter referred to as the "Lender") and WOODBRIDGE MORTGAGE INVESTMENT FUND 4, LLC, a Delaware limited liability company, having an office at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 ("Woodbridge").

WITNESSETH:

WHEREAS, Lender wishes to make a loan (the "Loan") to Woodbridge to fund, in part, a loan to a third-party borrower, as more fully defined below (the "Pledged Loan"); and

WHEREAS, Lender advanced to Woodbridge a portion of the funds that, with other funds from Woodbridge, will be used to make the Pledged Loan; and

WHEREAS, Lender acknowledges that Woodbridge has executed or intends to execute other notes and loan agreements to fund the Pledged Loan on a pari passu basis with other lenders; and

WHEREAS, Woodbridge and Lender have agreed to the foregoing transaction on the terms and conditions and in reliance upon the representations and warranties of Woodbridge and Lender hereinafter set forth:

NOW, THEREFORE, in consideration of the foregoing and in further consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Lender has agreed to lend Woodbridge the sum of One Hundred Eleven Thousand Seventeen and 40/100 Dollars (\$111,017.40). The foregoing obligation shall be evidenced by Woodbridge's promissory note to Lender, in the original principal amount of One Hundred Eleven Thousand Seventeen and 40/100 Dollars (\$111,017.40), in the form of Exhibit A hereto and made a part hereof (as the same may be amended or modified from time to time, the "Note"), with appropriate insertion of dates.

The Note shall bear interest at a rate equal to five and 00/100 percent (5.00%) per annum, subject to such default rates as may be set forth in the Note; provided, however, that the rate of interest charged thereunder shall never exceed the maximum amount, if any, allowable by law. Interest shall be payable as provided in the Note and shall be charged on the daily outstanding principal balance on the basis of the actual days elapsed and on a three hundred sixty (360) day year.

Interest shall be payable as provided in the Note. The entire outstanding principal balance of the Note shall be due and payable in full on November 1, 2018 unless sooner prepaid. Woodbridge may prepay the Note without penalty at any time.

2. Security Interest. Woodbridge hereby grants to the Lender a security interest in all of the Woodbridge's present and future right, title and interest in and to any and all of the following (the "Collateral"):

(a) That certain loan in the principal amount of Twenty-Four Million Nine Hundred Ninety Thousand and 00/100 Dollars (\$24,990,000.00) (the "Pledged Loan") extended or to be extended to Diamond Cove Investments, LLC (the "Borrower") secured by a first priority lien on the real property located at 1 Electra Court, Los Angeles, California 90046 (the "Premises");

(b) The promissory note evidencing the Pledged Loan (the "Underlying Note");

(c) The mortgage or deed of trust securing the Pledged Loan with an interest in the Premises (the

Property ID : Elsetra Court - Los Angeles, CA
Principal : \$111,017.40
Int. Rate : 5.00%

"Underlying Mortgage"); and

- (d) Title insurance policies and such other instruments or documentation as may be executed and delivered to Woodbridge in conjunction with the Pledged Loan (said Underlying Note, Underlying Mortgage and other associated loan documents collectively hereafter referred to as the "Loan Documents").
- (e) Upon the consummation of the Pledged Loan, Woodbridge will execute and deliver to Lender collateral assignment documents substantially in the form attached hereto as Exhibits B and C.
- (f) Lender acknowledges that they are only providing the financing for a portion of the Pledged Loan and, therefore, Woodbridge retains the right to execute other notes, loan agreements, assignments, and collateral assignments in favor of other lenders as may be necessary to fund the Pledged Loan secured by the Collateral on a pari passu basis with such other lenders. Lender further agrees that it, and any such other lenders, shall execute an Intercreditor Agreement substantially in the form attached hereto as Exhibit D in order to confirm that their interests in the Collateral are of equal priority.

3. Representations and Warranties.

(a) Woodbridge represents and warrants to Lender that Woodbridge has or will have good and marketable title to the Pledged Loan and the Collateral free from any adverse liens, security interests or encumbrances on record as of the date of the Pledged Loan.

(b) The execution and delivery of the Note, this Agreement, and every other agreement, instrument or document executed and delivered to Lender by Woodbridge pursuant to the terms hereof, are valid, legal and binding upon it and enforceable in accordance with their respective terms.

(c) All information furnished or to be furnished by Woodbridge pursuant to the terms hereof will not, at the time the same is furnished, contain any untrue statement of a material fact and will not omit to state a material fact necessary to make the information so furnished, in the light of the circumstances under which such information is furnished, not misleading.

(d) Lender represents and warrants to Woodbridge that: (i) the Loan Documents and the Pledged Loan they evidence constitute a commercial loan transaction and are not for investment purposes; and (ii) Lender has reviewed the Loan Documents and the associated other information on the Borrower of the Pledged Loan, and has had the opportunity to review said documents and information with its own legal counsel, and has had sufficient access to all of said documents and information to allow it to make its own credit decision with respect to the Pledged Loan, and has, in fact, made its own credit decision in making the Loan.

4. General Provisions.

(a) This Agreement is an integrated document and all terms and provisions are embodied herein and shall not be varied by parol;

(b) This Agreement is made, executed and delivered in the State of Delaware and it is the specific desire and intention of the parties that it shall in all respects be construed under the laws of the State of Delaware;

(c) The captions for the paragraphs contained in this Agreement have been inserted for convenience only and form no part of this Agreement and shall not be deemed to affect the meaning or construction of any of the covenants, agreements, conditions or terms hereof;

Property ID : Electra Court - Los Angeles, CA
Principal : \$111,017.40
Int. Rate : 5.00%

(d) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided, however, that Lender shall not assign, voluntarily, by operation of law or otherwise, any of its rights hereunder without the prior written consent of Woodbridge and any such attempted assignment without such consent shall be null and void;

(e) No delay or failure of Lender in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise preclude any further exercise thereof or the exercise of any other rights, powers or privileges; and

(f) This Agreement, the security interest hereby granted to Lender by Woodbridge and every representation, warranty, covenant, promise and other then herein contained shall survive until the Note has been paid in full.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK, SIGNATURE PAGE TO FOLLOW]

Property ID : Electra Court - Los Angeles, CA
Principal : \$111,017.40
Int. Rate : 3.00%

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the day and year first above written.

Signed, Sealed, and Delivered
in the Presence of:

MAINSTAR TRUST, CUSTODIAN
FBO GAYLYNN L. MORTENSEN #T2177490

Erik A. Anderson
(Witness)

Mainstar Trust

By: Joyel Harty
Name: Joyel Harty
Title: Account Officer

[Signature]
(Witness)

Gaylynn L. Mortensen
GAYLYNN L. MORTENSEN

[Signature]
(Witness)

[Signature]
(Witness)

WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC

Dale Golden

By: [Signature]
Robert Reed
Its Authorized Representative

Norma Young

Property ID : Electra Court - Los Angeles, CA
Principal : \$111,017.40
Int. Rate : 5.00%

PROMISSORY NOTE

\$111,017.40

July 6, 2017
Sherman Oaks, California

FOR VALUE RECEIVED, the undersigned, **WOODBRIIDGE MORTGAGE INVESTMENT FUND 4, LLC**, a Delaware limited liability company having an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 (hereinafter referred to as the "Borrower") does hereby promise to pay to the order of **MAINSTAR TRUST, CUSTODIAN FBO GAYLYNN L. MORTENSEN #T2177490**, an entity having an address of 214 W. 9th Street, P.O. Box 420, Onaga, Kansas 66521 (hereinafter referred to as "Lender"), at such place as the Lender may designate by written notice to Borrower, the principal sum of One Hundred Eleven Thousand Seventeen and 40/100 Dollars (\$111,017.40), together with interest on all unpaid balances beginning as of the date hereof, at the fixed rate per annum as set forth in Section 1 hereof.

1. **Interest Rate.** The unpaid balance of the principal sum of One Hundred Eleven Thousand Seventeen and 40/100 Dollars (\$111,017.40) shall bear interest from the date hereof through August 1, 2018, at a fixed rate of interest equal to five and 00/100 percent (5.00%) per annum. After August 1, 2018, the unpaid balance of this Note shall bear interest at a fixed rate equal to nine and 00/100 percent (9.00%) per annum. The rate of interest charged hereunder shall never exceed the maximum amount, if any, allowable by law. Interest shall be charged on the principal balance from time to time outstanding on the basis of the actual number of days elapsed computed on the basis of a 360 day year.

2. **Default Interest Rate.** During the continuance of any Event of Default (as more particularly defined in Paragraph 6 below) under this Note by acceleration or otherwise, interest shall accrue from and after such Event of Default at four (4) percentage points above the interest rate then in effect hereunder (the "Default Interest Rate").

3. **Repayment.** Borrower promises to pay the interest and principal on this Note, as set forth below:

Monthly payments of interest shall be made commencing on August 1, 2017 and continuing on the same day of each and every month to occur thereafter, both before and after maturity by acceleration or otherwise.

The entire principal balance plus accrued and unpaid interest thereon, and all other sums and charges due to the Lender hereunder, unless sooner paid, shall be due and payable on November 1, 2018 (the "Maturity Date"). Upon and after the eighth (8th) day following Borrower's receipt of written notice from Lender of Borrower's failure to pay the entire principal balance plus accrued and unpaid interest on the Maturity Date as required, any outstanding amounts due under this Note shall bear interest at a fixed rate of twenty-four and 00/100 percent (24.00%) per annum.

4. **Application of Payments.** All payments pursuant to this Note shall be made in legal tender of the United States of America and shall be applied first to the payment of delinquency or late charges, if any; second, to the payment of accrued and unpaid interest on this Note; and third, the balance on account of the principal of this Note.

5. **Cure Period and Notice of Default.** Failure of Borrower to pay by its due date any installment of the principal or of interest within thirty (30) days from the date the same becomes due and payable,

Property ID : Electra Court - Los Angeles, CA
Principal : \$111,017.40
Int. Rate : 5.00%

shall constitute a "Payment Default" under this Note. Borrower shall have a cure period of not less than thirty (30) days after receipt of written notice ("Notice of Default") of any alleged breach or Payment Default under the terms of this Note to cure the same.

6. **Event of Default.** Any alleged breach or Payment Default under this Note that is not fully cured following the expiration of the applicable cure period specified in a given Notice of Default shall constitute an event of default ("Event of Default") under this Note.

7. **Waiver of Rights.**

a. BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY COURT AND IN ANY SUIT ACTION OR PROCEEDING OR ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTIONS OF WHICH THIS NOTE OR THE COLLATERAL ASSIGNMENT DOCUMENTS (AS DEFINED BELOW) ARE A PART AND/OR THE ENFORCEMENT OF ANY OF LENDER'S RIGHTS AND REMEDIES. BORROWER ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY, VOLUNTARILY AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER.

b. Borrower hereby waives diligence, demand, presentment for payment, protest and notice of protest, and notice of any renewals or extensions of this Note, and agrees that the time for payment of this Note may be changed and extended at Lender's sole discretion, without impairing its liability thereon, and further consents to the release of any party liable for this obligation, or the release of all or any part of the collateral given as security for the payment of this Note, without affecting its liability with respect hereto.

8. **Lender's Rights.** Lender's rights hereunder shall be cumulative and not exclusive and may be exercised at the sole discretion of Lender with respect to priority, order and type of collateral or security realized upon or applied toward the indebtedness evidenced hereby until this Note and all accrued and unpaid interest and other sums and charges due hereunder shall have been paid in full. Further, no failure on the part of Lender to exercise any right or remedy hereunder, whether before or after the occurrence of an Event of Default hereunder, shall constitute a waiver thereof, and no waiver of any past default shall constitute waiver of any future default or of any other default.

9. **Prepayment.** The Borrower shall have the right to prepay this Note in whole or in part at any time without penalty.

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11. **Captions and Section Headings.** The captions and section headings used in this Note are for convenience only and shall not be used to interpret, modify or affect in any way the covenants and agreements herein contained.

12. **Severability.** In the event that any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Note shall operate or would prospectively operate, to invalidate this Note, then the remaining provisions of this Note shall remain operative and in full force and effect, shall be valid, legal and enforceable and shall in no way be affected, prejudiced or disturbed thereby.

Property ID : Electra Court - Los Angeles, CA
Principal : \$111,017.40
Int. Rate : 5.00%

13. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Delaware.

14. No Assignment. Neither this Note, the Loan Agreement of even date herewith between Borrower and Lender, nor all other instruments executed or to be executed in connection therewith (collectively, the "Collateral Assignment Documents") are assignable by Lender without the Borrower's written consent and any such attempted assignment without such consent shall be null and void.

15. Commercial Transaction. Lender and Borrower each acknowledge and stipulate that the Loan is a commercial transaction.

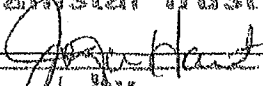
16. Security. This Note will be secured inter alia by the Collateral Assignment Documents upon execution thereof.

WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC

By: 
Robert Reed
Its Authorized Representative

Accepted and Agreed to by Lender:

MAINSTAR TRUST, CUSTODIAN
FBO GAYLYNN L. MORTENSEN #T2177490

By: 
Name: Joyce Hart
Title: Account Officer

Accepted and Agreed to by Account Holder:


GAYLYNN L. MORTENSEN