

**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)

Re: Docket Nos. 529, 531, 532, 533, and 658

**CERTIFICATION OF COUNSEL REGARDING CONSENT ORDER APPROVING
STIPULATION BETWEEN DEBTOR GRAND MIDWAY INVESTMENTS, LLC
AND TINTARELLA LLC**

The undersigned counsel hereby certifies as follows:

1. On December 4, 2017 and February 9, 2018, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) commenced these chapter 11 cases.

2. On February 8, 2018, Tintarella LLC (“Tintarella,” and together with the Debtors, the “Parties”) filed its motion for stay relief (the “Motion”) [D.I. 529] and various declarations in support thereof [D.I. 531, 532, 533]. Among other things, Tintarella alleged that its interests in a property located at 800 Stradella Road, Los Angeles, California 90077 (the “Property”) were not adequately protected such that cause existed to lift the automatic stay.

3. After negotiations, the Parties have reached an agreement concerning the immediate issues raised in the Motion without the immediate need for a hearing on the Motion. As set forth in greater detail in the Stipulation, the Parties have agreed that Tintarella will provide its consent to allow the Debtors to commence work on the Property so the Debtors may

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 92423. 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.

work towards preserving certain entitlements. In return, the Debtors have agreed to make certain payments to Tintarella as adequate protection. The Parties have agreed to a proposed consent order approving the Stipulation (the “Consent Order”), a copy of which is attached hereto as Exhibit A.

WHEREFORE, the Parties respectfully request that the Consent Order be entered at the Court’s earliest convenience.

[Signature Page Follows]

Dated: March 8, 2018
Wilmington, Delaware

/s/ Michael S. Neiburg

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Exhibit A

Consent Order

**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)

Re: Docket Nos. 529, 531, 532, and 533

**CONSENT ORDER APPROVING STIPULATION BETWEEN DEBTOR GRAND
MIDWAY INVESTMENTS, LLC AND TINTARELLA LLC REGARDING (I)
ADEQUATE PROTECTION TO TINTARELLA LLC, (II) SCHEDULING FINAL
HEARING ON MOTION FOR RELIEF FROM AUTOMATIC STAY AND/OR FOR
ADEQUATE PROTECTION, (III) CONSENT TO CERTAIN CONSTRUCTION WORK
ON PROPERTY, AND (IV) RELATED AGREEMENTS**

The Court having considered the *Stipulation Between Debtor Grand Midway Investments, LLC and Tintarella LLC Regarding (I) Adequate Protection to Tintarella LLC, (II) Scheduling Final Hearing On the Motion For Relief From Automatic Stay and/or For Adequate Protection, (III) Consent to Certain Construction Work on Property, And (IV) Related Agreements*, a copy of which is annexed hereto as Exhibit I and was submitted under certification of counsel on March 8, 2018 (the “Stipulation”), it is hereby ORDERED that:

1. The Stipulation is approved.
2. The Stipulation is incorporated herein by reference and made a part hereof

as if fully set forth herein.

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3. A final hearing on *Tintarella LLC's Motion for Relief from Automatic Stay and/or for Adequate Protection* [D.I. 529] shall be set for July ____, 2018 at __:__ .m. ET (the "Final Hearing").

4. The Debtors are authorized to enter into one or more agreements with, and timely pay (which may include a partial or full prepayment or other accommodation to assure payment) Heltzer Development Group, Inc. or any other contractor engaged by the Debtors to complete the Grading Work on the Property described on Exhibit A to the Stipulation. The Debtors shall take all actions necessary so as to prevent any liens or claims to be placed against the Property and are authorized to immediately pay or otherwise satisfy any valid mechanics liens that are placed on the Property in connection with the Grading Work.

5. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order and the Stipulation; provided, however, that if any disputes arise with Heltzer Development Group, Inc. or any other contractor engaged by the Debtors to complete the Grading Work on the Property, such disputes may be resolved in accordance with the terms of any such Grading Work agreement, which may include binding arbitration.

6. Any agreement or dispute between Debtors and any contractor engaged by the Debtors to complete the Grading Work on the Property shall not impair or otherwise affect: (a) Tintarella's rights under the Stipulation; (b) Tintarella's rights under the Note and Deed of Trust; or (c) the timing of the Final Hearing.

Dated: Wilmington, Delaware
March ____, 2018

Kevin J. Carey
United States Bankruptcy Judge

Exhibit I

Stipulation

**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)

Re: Docket Nos. 529, 531, 532, and 533

**STIPULATION BETWEEN DEBTOR GRAND MIDWAY INVESTMENTS, LLC AND
TINTARELLA LLC REGARDING (I) ADEQUATE PROTECTION TO TINTARELLA
LLC, (II) SCHEDULING FINAL HEARING ON MOTION FOR RELIEF FROM
AUTOMATIC STAY AND/OR FOR ADEQUATE PROTECTION, (III) CONSENT TO
CERTAIN CONSTRUCTION WORK ON PROPERTY, AND (IV) RELATED
AGREEMENTS**

Debtor Grand Midway Investments, LLC (“GMI”) and Tintarella LLC (“Tintarella” and, with GMI, the “Parties”) having conferred regarding *Tintarella LLC’s Motion for Relief from Automatic Stay and/or for Adequate Protection* [D.I. 529] (the “Motion”),² the Debtors’ informal objection thereto and related issues, and the Parties having stipulated and agreed (the “Stipulation”) as set forth herein, subject to the entry of a consent order authorizing and approving the Stipulation (the “Consent Order”),

A. WHEREAS, on or about January 30, 2017, Tintarella entered into that certain Purchase and Sale Agreement with GMI, one of the Debtors, pursuant to which Tintarella agreed to sell and GMI agreed to purchase land situated in the Bel-Air section of Los Angeles, California, more commonly known as 800 Stradella Road, Los Angeles, California 90077 (the “Property”) for the sum of \$36,000,000.

B. WHEREAS, pursuant to the terms of sale, GMI paid \$10,000,000 to Tintarella and entered into a Note secured by a Deed of Trust with Tintarella as beneficiary, for the balance of \$26,000,000 payable in twelve (12) monthly interest only payments of \$173,333.33 with a maturity date of January 30, 2018. The Note has matured.

C. WHEREAS, Tintarella has a first priority security interest in the Property.

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² Capitalized terms not defined herein shall have the meaning ascribed to them in the Motion.

D. WHEREAS, Tintarella alleges that GMI defaulted on the Note by failing to make required monthly interest only payments, incremental interest payments, and late fees.

E. WHEREAS, the Debtors have not made post-petition payments to Tintarella under the Note.

F. WHEREAS, the Deed of Trust on the Property provides that Tintarella's prior written consent is required before any Improvements (as defined the Deed of Trust) can be made to the Property.

G. WHEREAS, the Debtors have requested Tintarella's consent to pursue certain construction and grading work on the Property.

It is, therefore, stipulated and agreed by the Parties, that:

- A. The Debtors shall make adequate protection payments to Tintarella as follows:
- a. The Cure Payment - within three (3) business days of the Court's entry of the Consent Order, the Debtors shall make a payment to Tintarella in the amount of \$901,866.68 (the "Cure Payment"), which is the total of the Interest Cure Payment, the Late Fee Cure Payment, and the Attorneys' Fees (as each term is defined below).
 - i. The Interest Cure Payment - \$780,000.00 for past due interest (the "Interest Cure Payment"), which represents: (1) monthly interest payments at the contract rate in the amount \$173,333.33 plus (2) incremental monthly interest payments at the default rate in the amount of \$86,666.66 for a total of \$260,000.00 (the "Monthly Interest Payment") for January 2018, February 2018, and March 2018.
 - ii. The Late Fee Cure Payment - \$26,866.68, which represents the monthly late fee of \$8,955.56 for January 2018, February 2018, and March 2018.
 - iii. Attorneys' Fees - \$95,000.00 for the reasonable attorneys' fees and costs incurred by Tintarella as a result of GMI's default under the Note and Deed of Trust as provided therein, but expressly excluding all fees and costs associated with monitoring the bankruptcy cases (the "Attorneys' Fees").
 - b. Monthly Interest Payment - starting April 1, 2018 and continuing on the first day of each month thereafter, the Debtors shall pay Tintarella the Monthly Interest Payment until the earlier of (i) Tintarella being granted relief from the automatic stay to pursue its contractual and state law rights with respect to the Property, (ii) payment in full of Tintarella's secured debt in the principal amount of \$26,000,000.00, plus any other interest and fees provided for under

the Note and Deed of Trust that have been incurred and not paid, through the date of such payment in full (the "Secured Debt"), or (iii) the date of payment of the net sale proceeds to Tintarella, in an amount not to exceed the Secured Debt, following Court approval and closing on the sale of the Property; *provided, however* that in the event the principal amount of Tintarella's claim (\$26,000,000) has been reduced, such Monthly Interest Payment shall likewise be reduced by the same percentage.

- c. On or before three (3) business days after the Court's entry of the Consent Order, the Debtors shall deposit in a designated segregated account holding only the funds identified in this paragraph c. (the "Escrow Account"): (1) an amount equal to the Monthly Interest Payment for April 2018 and May 2018 for the sole purpose of making such payments to Tintarella as and when due; and (2) \$500,000 for the purposes and subject to the conditions described in Section I below. The Debtors shall provide to Tintarella's counsel account information and proof of deposit of the foregoing amounts into the Escrow Account. The Debtors may not use or pledge any of the funds deposited into the Escrow Account for any purpose other than as set forth herein. The amounts required to be paid under Section A of this Stipulation shall be paid to Tintarella by wire transfer pursuant to instructions provided by Tintarella's counsel.
 - d. On or before three (3) business days after the Court's entry of the Consent Order, the Debtors shall pay all delinquent property and any other taxes (including penalties), if any (the "Tax Cure"), to the respective taxing authorities, and will timely pay any and all taxes going forward until the Property is sold or relief from stay is granted to Tintarella to pursue its contractual and state law rights with respect to the Property. The Debtors shall provide evidence of any such tax payments made since the Petition Date upon execution of this Stipulation and will provide evidence of any future tax payments within fifteen (15) days following such payment(s).
- B. If the adequate protection payments made hereunder are determined by a final, non-appealable order of the Court to have resulted in payment of a claim that is not allowed under section 506(b) of the Bankruptcy Code, then such amounts will be deemed to have been applied to the principal amount of the secured claim of Tintarella.
 - C. The Parties shall request that the Court schedule a final hearing on the Motion in July 2018 (the "Final Hearing").
 - D. The Parties shall meet and confer on or before May 1, 2018 (the "Meet and Confer") to discuss a discovery schedule for the Final Hearing.
 - E. Litigation concerning the Motion, including any discovery, shall be stayed until the earlier of (i) the Meet and Confer, (ii) the Debtors' failure to make any of the

payments required hereunder, subject to a five (5) business day cure period, (iii) further agreement of the Parties, or (iv) further order of the Court.

- F. The Court shall hold status conferences, any of which may be continued by agreement of the Parties, on the Motion and the Parties' adherence to this Stipulation and the Consent Order on each omnibus hearing date scheduled in the Debtors' bankruptcy cases, beginning with the April 5, 2018 omnibus hearing.
- G. Tintarella consents to the Debtors immediately commencing and performing the work on the Property as described in Exhibit A hereto (the "Grading Work").
- H. The Debtors shall timely pay for the Grading Work on the Property under their direction and shall not cause any liens or claims to be placed against the Property.
- I. The Debtors shall deposit \$500,000.00 in the Escrow Account solely for, and to the extent of, remediating any Grading Work, to the extent that (1) Tintarella is granted relief from the automatic stay to pursue its contractual and state law rights with respect to the Property, (2) Tintarella reasonably determines that such remediation is necessary to preserve the value of the Property, and (3) Tintarella actually performs such remediation.
- J. Nothing in this Stipulation waives any rights of Tintarella to request at the Final Hearing that the Court provide additional or further protection of its interests in the Property, or to seek further or additional adequate protection, provided that Tintarella acknowledges and agrees that absent changed circumstances, the adequate protection provided under this Stipulation is sufficient until the Final Hearing; *provided, however*, the Parties reserve all rights and arguments concerning whether any changed circumstances have occurred.
- K. Notwithstanding anything herein that may be construed to the contrary, the Parties' rights, claims, and interests are fully preserved, including, without limitation, the Parties' respective interests in the Property, Tintarella's right to request stay relief at the Final Hearing, and any rights, claims, protections or defenses under California state law.
- L. The terms of this Stipulation shall be binding on any assignee, predecessor in interest, or successor in interest of the Parties, including any successor trustee appointed in the Debtors' bankruptcy cases.
- M. The Parties agree that the Court shall retain jurisdiction over all matters arising from or related to implementation of this Stipulation and the Consent Order.

Dated: March 8, 2018
Wilmington, Delaware

/s/ Michael S. Neiburg

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Dated: March 8, 2018
Wilmington, Delaware

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EXHIBIT A

WRITTEN CONSENT

Woodbridge Group of Companies, LLC et al., Case No. 17-12560 (KJC)

Written Consent Authorizing Debtors to Construct Improvements

I. WRITTEN CONSENT

Pursuant to section 5.4 of the *Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing* (the “Deed of Trust”) by Grand Midway Investments, LLC (“Debtor”) in favor of Tintarella, LLC (“Tintarella”) and together with the Debtor, the “Parties”) with respect to 800 Stradella Road, Los Angeles, CA 90077 (the “Stradella Property”), Tintarella hereby provides its prior written consent (the “Written Consent”) ¹ and authorizes Debtor and its affiliated debtors-in-possession in the above-referenced bankruptcy cases (collectively, the “Debtors”) to complete Improvements² to the Stradella Property as described below.

II. IMPROVEMENTS AUTHORIZED TO BE COMPLETED

Pursuant to the Written Consent, the Debtors are irrevocably and unconditionally authorized to construct and complete the following Improvements:

- a. All grading work required to maintain existing design and basement square footage for the Stradella Property pursuant to that certain City of Los Angeles Dept. of Building and Safety (“LADBS”) permit number 15030-10002-02925, as amended and extended;
- b. The physical excavation and setting of approximately 10 feet of GB-2 (ref. Grade Beam Schedule, S-1.1) along gridline 11 (ref. S-2.1B), per detail 6/s-3.2 for the family dwelling contemplated by and pursuant to that certain LADBS permit number 15010-10001-01594, as amended and extended;
- c. The physical excavation and setting of approximately 10 feet of CB (ref. Concrete Beam Schedule, S-1.1) along Retaining Wall F – ref. grid line C (Ref S-2.0 & S-2.1C), per details 15/S-3 & 3/S-6.0 for the wall contemplated by and pursuant to that certain LADBS permit number 15020-10002-01133, as amended and extended;

[Continued on Next Page]

¹ The Debtors reserve all rights and interests as to the validity and enforceability of the consent provisions contained in the Deed of Trust regarding Improvements.

² Article I of the Deed of Trust defines “Improvements” as “all buildings, structures and replacements thereof and other improvements now or hereafter existing, erected or placed on the Land, including all plant, equipment, apparatus, machinery and fixtures of every kind and nature whatsoever forming part of said structures and/or buildings together with any on-site improvements and off-site improvements owned by Trustor in any way used or to be used in connection with the use, enjoyment, occupancy or operation of the Land.”

- d. The physical excavation and setting of pile P-1 (ref. Pile Schedule, S1.1) north of gridline L (Ref S-2.1C), per details 12/S-3.0 for the family dwelling contemplated by and pursuant to that certain LADBS permit number 15010-10001-01595, as amended and extended.

Dated: March 8, 2018

/s/ -----

James Bowen
Manager, Tintarella LLC

Dated: March 8, 2018

/s/ -----

Frederick Chin
CEO, WGC Independent Manager LLC