

**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: March 28, 2018, at 9:00 a.m. (ET)

Objection Deadline: March 21, 2018, at 4:00 p.m. (ET)

Related Docket No. 713

**OBJECTION OF UTAH NOTEHOLDERS GROUP RE: THE INTERESTS OF
NOTEHOLDERS WEST COAST PHARMACEUTICAL, INC. DEFINED BENEFIT PLAN
AND TRUST, ANTHONY J. BARACK, TRUSTEE, JEFFREY E. WOLK, AND JEFFREY
SUN TO DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE
SALE OF 11541 BLUCHER AVENUE, GRANADA HILLS, CALIFORNIA, PROPERTY
OWNED BY THE DEBTORS FREE AND CLEAR OF LIENS, CLAIMS,
ENCUMBRANCES AND OTHER INTERESTS; (II) APPROVING THE RELATED
PURCHASE AGREEMENT AND (III) GRANTING RELATED RELIEF**

The Ad Hoc Utah Noteholders Group (see Dkt. No. 319) (“Utah Group”)² with respect to the interests of Noteholders The West Coast Pharmaceutical, Inc. Defined Benefit Plan and Trust, Anthony J. Barack, Trustee (“West Coast”) Jeffrey E. Wolk, an individual (“Wolk”), and Jeffrey Sun, an individual (“Sun,” and together with West Coast and Wolk, the “Affected

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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.

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The Utah Group filed its Rule 2019 statement with the court on January 18, 2018 (Dkt. No.319). Since the filing of the 2019 statement, the Utah Group has increased in number and also had certain members withdraw. The Utah Group has closed its membership and will shortly file an amended appearance and amended 2019 statement. The Affected Noteholders are original members of the Utah Group.

Noteholders”), by and through undersigned counsel, hereby object (the “Objection”) to the Debtors’ Motion for Entry of an Order (I) Authorizing the Sale of 11541 Blucher Avenue, Granada Hills, California, Property Owned by the Debtors Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (II) Approving the Related Purchase Agreements; and (III) Granting Related Relief (Dkt. No.713) (the “Motion”).

PRELIMINARY STATEMENT

1. The Utah Group is a part, and represents a small fraction, of a group of some 6,900 defrauded noteholders (collectively “Noteholders” or the “Noteholder Group”) who invested in excess of \$750,000,000 in secured notes in what the Securities Exchange Commission has characterized as the Woodbridge Ponzi scheme. Woodbridge sold the notes held by Utah Group by representing that the investments were backed by security interests in specific real properties.³

2. Certain members of the Utah Group, the Affected Noteholders, hold notes that purport to be, and were promoted to be, secured by interests in the real property known as 11541 Blucher Avenue, Granada Hills, California (the “Property”). In the Motion, Debtors seek authority to sell the Property free and clear of liens, claims, encumbrances, and other interests.

3. The Debtors own over 100 high-end real properties in Colorado and California that constitute the core assets of these jointly administered estates, liquidation of which will be the primary, if not the only, source of payments to the Noteholders who hold the large majority of total claims against the estates.

³ See Omnibus Objection of the Ad Hoc Committee of Holders of Promissory Notes of Woodbridge Mortgage Investment Fund Entities and Affiliates to the pending motions for appointment of a Chapter 11 Trustee, Dkt. No. 245 at P. 2, ¶ 3 (“Ad Hoc Noteholder Objection to Trustee”).

4. On January 23, 2018, the Court approved the settlement providing for, among other things, the formation of an “Official” Ad Hoc Noteholder Group (the “Noteholder Committee”) as well as an “Official” Ad Hoc Unit Holder Group (Dkt. No. 357). The Utah Noteholders are constituents of the Noteholder Committee, and one of the Utah Noteholders serves on the Noteholder Committee.

5. The question of whether the Noteholders’ notes are secured, unsecured, or something else, is the core issue in this case. The three “official” committees constituted in the case by the Court have been charged, among other things, with identifying avenues for reaching a consensual plan to address the Noteholder secured claim disputes, to avoid a protracted claims process, and to avoid the necessity of filing thousands of adversary actions seeking avoidance of claimed security interests that the Noteholders have, which interests secure the obligations of their notes.⁴

6. In conjunction with the final approval of the Debtors’ post-petition financing, the Debtors and the three committees negotiated a multi-tiered provision of contingent adequate protection for the Noteholders affected by the lender’s priming liens on certain properties as well as contingent adequate protection for Noteholders generally. This adequate protection consists of contingent replacement liens on 17 properties in addition to the 28 properties used as collateral for the financing, and the creation of an interest reserve to be funded by 10 percent of the net proceeds of the sale of Debtors’ properties (after satisfaction of the lender’s obligations secured by 28 of the 100 plus properties) and an additional 10 percent interest reserve for adequate

⁴ See transcript of hearing of March 8, 2018 (“March 8 Transcript”), relevant portions of which are attached as Exhibit A, at 10: 3-16.

protection of the Noteholders' claims to interest payable on their notes also funded by a percentage of net proceeds from the sale of the property owned by the Debtors.

7. However, while these adequate protection arrangements provide limited protection for accruing post-petition interest on the notes, the arrangements are not specifically directed to adequate protection of the principal of the same notes. The Noteholders assert that the entire note obligation, principal and interest, is secured. The point of significance is that the final financing order recognizes the need to provide contingent adequate protection to Noteholders in light of the fact that the core issue, whether the Noteholders are secured, is yet to be determined.

8. The final financing order provides that after satisfaction of third-party liens, commissions, and closing costs (but excluding the adequate protection liens given in the final financing order and excluding secured lending obligations owed to the insider Woodbridge Funds), the Debtors can use the net proceeds any way they choose, subject only to the obligations to the lender and other cash collateral restrictions.

9. The notes held by the Affected Noteholders have one of the Woodbridge Funds as the Obligor with a security interest granted in the attributes of a note and trust deed between the particular Woodbridge Fund, as lender, and the Debtor owner of the particular parcel of real property securing the multi-million dollar loan from the Woodbridge Fund to the debtor owner. Under normal commercial circumstances, once a particular property is sold, the secured loan of the Woodbridge Fund would need to be satisfied, which, in turn, would result in proceeds of that collateral (the interest in the note and trust deed) being paid, in accordance with the inter-creditor agreement, to the noteholder whose note was connected with that property. However, the

adequate protection arrangements provided in the final financing order whistle past the Woodbridge Fund secured loan (and the Affected Noteholders' purported security interest in it). The Debtors furnish only the contingent interest reserve, pay other liens and customary sales costs, and retain the remainder of the proceeds to be commingled in the Debtors' general cash accounts to be used in the ordinary course of the Debtors' businesses, subject to the budget in the final financing order. The final financing order reserves to Noteholders the right to object to the sale of each property for lack of adequate protection as motions to approve those individual sales are filed.

10. The Affected Noteholders hold notes payable by a Woodbridge fund that loaned money to the owner of the Property in two loans, a mortgage loan and a "mezzanine loan," both secured by what appear to be deeds of trust recorded on the Property. The Motion proposes to pay third-party liens, traditional closing costs, and commissions, but not the obligation owed to the secured lender Woodbridge Fund in which the Affected Noteholders claim to have a security interest. The Debtors do not specify the total amount that is proposed to be paid on closing. What is clear is that the Debtors do not propose to pay any amounts due on the Woodbridge Fund secured loan (other than contingent interest reserve) and that, if the Debtors were to pay such secured obligations, on top of the other closing costs and lien payments that the Debtors do intend to pay, there might still be assets available, *i.e.*, the holders of the Woodbridge Fund secured loan are likely oversecured with respect to the Property. Notwithstanding this, there is no adequate protection provided in the Motion or in the final financing order for the principal of the notes, let alone attorneys' fees and other expenses to which the holders of such notes may be entitled.

11. The legal principles compelling provision of adequate protection for the Noteholders' contingent security interests is the same for both interest, for which some protection is provided (with the 10 percent funding mechanism), and the principal, for which no adequate protection is provided. This is because the Debtors can consume all the funds that normally would be paid to the Woodbridge Fund, as secured lender, which in turn would distribute the proceeds to the Noteholders holding an interest in the lending documents. While the Utah Group appreciates the negotiations and effort for provision of some protection to accruing interest, adequate protection of their claimed security interest in the proceeds of the Woodbridge note secured by the Property that would pay the principal of the note is absent. This is a classic example of lack of adequate protection.

12. The Utah Group, therefore, objects to the Motion and requests that proceeds from the sale of the Property that, under normal circumstances, would be paid to the lender, Woodbridge Fund 4 (described below), be held and segregated until there is a final determination (by decision or agreement) of whether the Affected Noteholders have a security interest in the proceeds of the sale of the Property.

BACKGROUND FACTS

13. The Utah Group formed in mid-January and now consists of approximately 100 members holding more than \$27 million in notes (Dkt. No. 319). With the formation of the Noteholders Committee by Order dated January 23, 2018 (Dkt. No. 357), all of the members of the Utah Group are constituents represented by the Noteholders Committee.

14. The Noteholders are, by any measure, the primary creditor constituency in the above-captioned cases (collectively, the “Chapter 11 Cases”), having approximately \$750 million in claims compared to the approximately \$6 to \$11 million in trade claims.

15. As explained in Mr. Perkins’ “first-day” declaration (Dkt. No. 12), the 140 “PropCo” debtors own the real estate that comprises substantially all of the asset value available for creditors in these cases. The 127 “MezzCo” debtors, in turn, own the PropCos. Some of the MezzCos (that is, those related to the 28 properties pledged to secure the post-petition financing) are owned by Woodbridge Group of Companies LLC (the “OpCo”), the principal operating company that has the relationship with trade creditors and had historically exercised the cash management function. Other MezzCos (i.e., those related to non-collateral properties) are owned directly by the ultimate parent company. The OpCo also owns WMF Management, LLC (the “FundCo”) which in turn owns seven Woodbridge “fund entities” (the “Funds”) that were the retail fundraising vehicles for the Woodbridge enterprise. The MezzCos and the PropCos issued promissory notes to the funds secured by mortgages in the underlying real estate, and the funds sold notes to retail investors that were, in essence, participations in the underlying real estate mortgages with the MezzCos and PropCos.⁵

16. The notes were promoted and sold to retail investors (the Noteholders) as notes that were secured by an interest in a particular real property, such as the Property that is the subject of the Motion. For example, the address of a specific real property is endorsed on the upper right hand corner of the first page of each set of note lending documents. However, in fact, the Noteholders were granted a security interest in a loan from the Woodbridge Fund (which

⁵ The funds also sold five-year private placement securities (“Units”) to retail investors.

is the obligor on the Noteholders' note) secured by a mortgage or a deed of trust recorded on the particular real estate. In other words, the reference to the real property, in reality, and unbeknownst to the Affected Noteholders, referred to the collateral for the Fund loan to the property owner (both insiders) in which the Noteholders took a security interest in the payment intangible.

17. The note promoted and sold to Affected Noteholder Wolk illustrates how these notes were structured.

a. Promissory Note: Wolk invested \$250,000 in a note dated February 16, 2017 ("Wolk Note"). A copy of the Wolk Note is attached as Exhibit B. The borrower under the Wolk Note is one of the funds, Woodbridge Mortgage Investment Fund 4 LLC ("Woodbridge 4"). At the top of the first page and on each successive page, the Wolk Note has the following legend: "Property ID: Blucher Avenue – Granada Hills, CA." Each page of the Wolk Note bears that legend.

b. Loan Agreement: A Loan Agreement was executed as part of the Wolk Note transaction. The pertinent Wolk Loan Agreement is attached as Exhibit C. The Wolk Loan Agreement contains the following grant of a security interest:

2. Security Interest. Woodbridge⁶ hereby grants to the Lender [Wolk] a security interest in all of the [sic] 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 Thirteen Million Six Hundred Fifty Thousand and 00/100 Dollars (\$13,650,000.00) (the "Pledged Loan") extended or to be extended to Pinehurst Investments LLC (the "Borrower") secured by a first priority lien

⁶ "Woodbridge" is the truncation used in the Wolk Note and Wolk Loan Agreement for the lender, Woodbridge 4.

on the real property located at 11541 Blucher Avenue, Granada Hills, CA 91344 (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 (“Underlying Mortgage”);

(d) [Title insurance policies and other instruments of documentation];

(e) Upon consummation of the Pledged Loan, Woodbridge will execute and deliver to Lender [Wolk] collateral assignment documents substantially in the form attached hereto as Exhibits B and C;

(f) Lender acknowledges that they (sic) 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 . . .⁷

18. The note held by Affected Noteholder West Coast is structured the same way except the security interest is in the \$5.8 million mezzanine loan. A copy of the West Coast Note documentation, including the Promissory Note, Loan Agreement, and exhibits is attached as Exhibit D.

19. The note held by Affected Noteholder Sun is structured the same way and is also in the mezzanine. A copy of the Sun Note documentation, including the Promissory Note, Loan Agreement, and exhibits is attached as Exhibit E.

20. In Mr. Perkins’ first-day declaration, the Debtors, as they have consistently done throughout the case, take the position that the Noteholders have no security for their notes either because there are no recorded liens on real estate or that the interests in the Fund loans were not

⁷ Unfortunately, the Debtors did not deliver traditionally complete documents to many of the Noteholders.

perfected. The Noteholders have asserted and continue to assert that their interests are, in fact, secured. The Noteholders also continue to evaluate legal support for their secured position. In all events, with the Noteholders holding apparently 70-80% of all claims against the estate, their status as secured or unsecured creditors is the core issue in these Chapter 11 Cases that will drive any plan. Indeed, as noted in the March 8 hearing before the Court, the three committees, the Debtors, and other constituencies are holding a series of meetings in Los Angeles to attempt to reach a consensual resolution of the issue. See March 8 Transcript, relevant portions of which are attached hereto as Exhibit A, at 7:10-14, 10:9-16.⁸

21. The Debtors received a commitment at the beginning of the case from Henke Capital (“Henke”) for a secured line of credit up to \$100 million. To secure its loans, Henke was given a priming lien on 28 (out of a group of many more) of the Debtors’ properties as security for the loan. The Debtors then filed their Debtors’ Motion for Entry of Interim and Final Orders (I) Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 507 and 552 Authorizing Debtors to (A) Obtain Post-Petition Secured Financing, (B) Use Cash Collateral, (C) Grant Adequate Protection to Pre-Petition Secured Parties; and (II) Modify in the Automatic Stay and (IV) Granting Related Relief (Dkt. No. 22) (the “Financing Motion”). By the Financing Motion, Debtors obtained four interim orders allowing draws against the line of credit, but in sums less

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The Utah Group reserves all rights as to the proper legal characterization of the notes, e.g., as evidencing a pledge of a security interest in a payment intangible or promissory note, on the one hand, or the sale of a fractional interest in a payment intangible or promissory note, on the other hand, or having been sold and delivered under an exception to perfection provided by the California Business and Professions Code in the case of California properties, or any other theory. See ad hoc committee’s objection to the Second Interim Debtor-in-Possession Financing Order (Dkt. No. 113) at ¶ 15 (explaining the differences in the manner of perfection of a security interest in, versus the sale of, a payment intangible or promissory note under Article 9 of the Uniform Commercial Code); see also, In re First T.D. & Inv., Inc., 253 F.3d 520, 526-31 (9th Cir. 2001) (interpreting provisions of the California Business and Professions Code and holding that secured interests could not be avoided because exception in the California Code provided for perfection of certain real estate securities without possession).

than the \$100 million availability. Ultimately, the final order on Debtors' Motion for Entry of Interim and Final Orders for Post-Petition Secured Financing (Dkt. No. 724) ("Final Financing Order") was entered by the Court on March 8, 2018. See also Dkt. Nos. 56, 59, 130, 363 and 572.

22. The Final Financing Order attaches Schedule 7.4.1 describing the 28 Debtor properties subject to the Henke priming lien. See Schedule 7.4.1 to Senior Secured Debtor-in-Possession Loan and Security Agreement (Dkt. No. 724-1).⁹ The Final Financing Order (as well as the prior interim orders) also includes a list of the 28 properties with the names of the Noteholders claiming some interest in the properties through their notes under each property. See Final Financing Order, Exhibit C, Noteholders (Dkt. No. 724-1) at 113-147.¹⁰

23. As a product of intensive negotiations with constituent groups, the Final Financing Order granted adequate protection to the Noteholders listed on Schedule C with respect to each of the 28 properties serving as collateral for the financing, even though the Debtors have disputed, and continue to dispute, that the Noteholders claiming an interest in the 28 properties, (and indeed all of the Noteholders), have no security for their notes whatsoever. This adequate protection consisted of the following:

- a. Replacement liens on a total of 17 properties (see Exhibit D to the Final Financing Order) owned by the Debtors;¹¹

⁹ Debtors also attached this schedule to the four interim orders and the Financing Motion.

¹⁰ The priming liens are expressly senior to the Fund liens on the 28 properties. The funds loans, as noted above with respect to the specific Affected Noteholders, are secured by a trust deed on the real estate. The lending documents forming the same are the Noteholders' actual security.

¹¹ Presumably, the replacement liens are junior to the same type of contingent liens of Noteholders on the adequate protection properties as are listed on Schedule C with respect to the 28 collateral properties. In other words, there would be Noteholders with the same quantum of claims of security in the adequate protection properties as Noteholders with claims on the 28 properties. However, the Debtors supplied no

- b. Creation of an interest payment reserve both for the Noteholders affected by the priming liens on the 28 properties as well as Noteholders generally (see discussion below).

24. As explained by Debtors' counsel during the March 8 hearing, generally speaking, the interest reserve, in summary, is funded by 10% of the proceeds of the sale of the adequate protection properties for those Noteholders who are primed by Henke. Another bucket of funding for an interest reserve comes from the sales of property that are not collateral for the post-petition financing and not adequate protection collateral – 90% of those sales proceeds would be used by the Debtors and 10% would be reserved for “investors” for a possible interim interest distribution. See March 8 Transcript, relevant portions of which are attached hereto as Exhibit A, at 31:1-18.¹²

25. However, the Final Financing Order creates an extremely difficult issue with respect to the proceeds generated from the sale of properties that are subject to secured loans in favor of one of the Funds. As set forth herein, if the Debtors are permitted to simply take those net funds from the sale of the Property (apart from the 10% reserve), place them into the Debtors' general fund and spend those funds as they please (subject, of course, to the lending documents and cash collateral orders of this Court), those funds could be completely dissipated and commingled before the rights and security interests in those funds, as a result of the

schedule of affected Noteholders with respect to the adequate protection properties (nor with the Motion regarding the Blucher Road property). The Property sought to be sold in the Motion, Blucher Road, Los Angeles, is one of the adequate protection properties.

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The language of the Final Financing Order does not specifically limit the fund created by these 10% reserve payments to the payment of interest, as opposed to principal, although the clear implication is that the interim distributions are for interest payments. However, 10% of the proceeds certainly will not pay in full both principal and accrued interest on the Noteholders' notes, nor do the Debtors represent that it will. Also, because the funding is a percentage of net sale proceeds of certain groups of properties, the amount of money that will ultimately go into the fund is indeterminate.

necessity to pay off the Woodbridge 4 loan and honor security interests therein, could be determined in the Affected Noteholders' favor. Indeed, simply pooling those funds given that the owner of the Property is itself a jointly administered debtor, would result in de facto substantive consolidation.

26. Specifically, section 3.1.2.4 of the Final Financing Order provides, in relevant part:

... any net sale proceeds (i.e. proceeds remaining after payment or reserve for: (i) all liens on a Sale Property (as defined below)¹³ that are customarily paid at closing (for the avoidance of doubt **excluding liens held by Funds and/or Investors**), (ii) all sales and other commissions, and (iii) all other customary closing costs) that are realized by the Debtors from the real estate assets of the Debtors or their non-Debtor affiliates (whether directly as a result of the sale or indirectly as a result of payment of the inter-company obligations from the proceeds of such sale), including, **without limitation**, the Lender Properties (provided the proceeds from the Lender Properties are first paid to the Lender until all Obligations are paid in full) and the Adequate Protection Properties (such real estate assets the "Sale Properties" and each a "Sale Property") shall (to the extent available) be distributed as follows: (a) [the initial 10% reserve for those holding Adequate Protection Liens], (b) [ten percent (10%) into a reserve for the benefit of investors, if any, holding interests or liens (for the avoidance of doubt, other than Adequate Protection Liens) in (1) the Sale Property that is sold; or (2) any instrument or payment intangible in favor of a Debtor that is payable directly or indirectly from the proceeds of the sale of the Sale Property, and (c) the balance to the Debtors' estates to be used for any purpose subject to (1) the loan documents, as applicable, and (2) the rights of the Noteholder Group and affected investors to object to such use as set forth below.

The Property (Blucher Road) subject of the Motion is one of the Adequate Protection Properties and a Sale Property as defined in the Final Order.

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"Sale Property" and "Sale Properties" are defined as "real estate assets of the debtors or their non-debtor affiliates . . . including, without limitation, the lender properties . . . and the adequate protection properties." Final Sale Order at 14-15. The "without limitation" language suggests that Sale Property means all of the Debtors' real estate, whether it is pledged to the DIP loan, is used as adequate protection property, or is property not subject to either.

27. The “rights of the Noteholder Group and the affected investors to object” is described as follows:

Nothing herein shall affect any right of any Investor or the Noteholder Group to object to the sale of any Sale Property (other than any of the Lender Properties to the extent Obligations remain outstanding) or the use of any sale proceeds (other than from the sale of any of the Lender Properties to the extent obligations remain outstanding) on any ground other than payment of any proceeds from the sale of any properties to Lender including, without limitation, there is insufficient “adequate protection” for affected Investors within the meaning of Section 361 of the Bankruptcy Code with respect to the proposed sale of the Sale Property (other than any of the Lender Properties to the extent Obligations remain outstanding), or the use of the sale proceeds (other than from the sale of any Lender Properties to the extent the Obligations remain outstanding).

Final Financing Order § 3.1.2.4 at pp. 15-16.

28. The adequate protection provision, although creating the reserve of 10% of the net proceeds, excludes the facial obligation to pay off the “liens held by Funds.” Applied to the structure of the notes held by the Affected Noteholders, the Debtors can, under this provision, sell the Property without tendering the portion of the proceeds otherwise needed to pay off the Woodbridge 4 Fund loan secured by that Property in which the Affected Noteholders have a security interest. In other words, the very security interest that the Affected Noteholders hold in the Property (that is, the right to a portion of the proceeds under the Note and Trust Deed between Woodbridge 4 to the owner) is ignored. Thus, the only adequate protection of the Affected Noteholders’ entire security interest in the Woodbridge 4 secured loan is a reserve created in an unknown dollar amount funded by a percentage (10%) of net sales proceeds from the various properties as they sell.

29. The security interest in the Woodbridge 4 loan secured by the Property (Blucher Road) is completely bypassed, and indeed subverted, with this provision and proceeds that would

be subject to the Affected Noteholders' security interest (i.e., the funds to pay off the Woodbridge 4 note in the sale) is, in whole or in part, available for other purposes. As noted above, this is a quintessential example of lack of adequate protection.

30. The Affected Noteholders are entitled to adequate protection of their security interest in the proceeds of the payoff of the secured Woodbridge 4 loan secured by the Blucher Road Property every bit as much as those affected by the priming liens on the 28 collateral properties are entitled to adequate protection. Indeed, the Noteholders with interests on the 28 properties would have exactly the same interests in the proceeds of the payoff of the Fund loans on those properties as do the Affected Noteholders here. There is no difference except that the Affected Noteholders are not affected by the priming lien in favor of the lender and, therefore, do not receive any replacement liens or specific funded adequate protection. This arrangement begs the question of what happens if the Objecting Noteholders (or any other noteholder holding a security interest in the fund loans secured by the real estate) are determined to be fully secured in those loan documents and the proceeds thereof.

OBJECTION

31. Based upon the foregoing, the Utah Noteholders object in the interests of the Affected Noteholders to the sale of the Property because the Debtors have failed to provide adequate protection of their security interest in the Note and Trust Deed comprising the Woodbridge 4 secured loan to the owner of the Property, which must be paid off in connection with the sale. In order to honor the terms of the loan agreements and notes for all parties who have a claim on the proceeds of the Woodbridge 4 secured loan to the owner of the Property, the Debtors should be compelled to hold the amount of proceeds otherwise payable to Woodbridge 4

to obtain a release of its lien on the Property pending a determination of the rights of the Affected Noteholders (and other Noteholders) in those proceeds.

32. Attached hereto as Exhibit F is a property profile on Blucher Road obtained by Wolk. The profile shows that the purchase price paid by the Owner/Debtor, Pinnhurst Investments LLC, in April of 2017 was \$19,525,000. According to the property profile, the balance of the Woodbridge 4 note and mortgage on the Property was \$13,667,500 indicating that the Woodbridge 4 fund funded a substantial part, but not all, of the purchase price. Given the sale price of the property of \$21,500,000, it seems there will be sufficient funds to segregate the proceeds otherwise necessary to pay off the Woodbridge 4 note and mortgage and realize significant cash to the Debtor, both to fund the 10% reserve and provide adequate protection for the Affected Noteholders' notes.

ARGUMENT

33. A trustee may sell property "free and clear of any interest in such property" if "such interest is in bona fide dispute." 11 U.S.C. § 363(f)(4). "A 'bona fide dispute' is not specifically defined by the Bankruptcy Code, but the requirement is satisfied whenever there is some factual or legal dispute as to the validity of a claim." In re Atl. Gulf Cmty. Corp., 326 B.R. 294, 300 (Bankr. D. Del. 2005); In re Revel AC, Inc., 802 F.3d 558, 573 (3d Cir. 2015). The burden is on the trustee to demonstrate that a bona fide dispute exists. See In re Scimeca Found., Inc., 497 B.R. 753, 773 (Bankr. E.D. Pa. 2013).

34. The court must determine whether such dispute exists, but it is not required to resolve the underlying dispute as a condition to authorizing the sale. See In re Atl. Gulf Cmty., 326 B.R. at 300; In re Octagon Roofing, 123 B.R. 583, 590 (Bankr. N.D. Ill. 1991) ("Under this

standard, a court need not determine the probable outcome of the dispute, but merely whether one exists.”). However, the court must still ensure adequate protection of the disputed interests in the interim. See In re Townley, 256 B.R. 697, 700 (Bankr. D.N.J. 2000) (“The right of a secured creditor to the value of its collateral is a property right protected by the Fifth Amendment. Before the plan is confirmed, that property right is protected by the requirement of Code section 361 for adequate protection.”).

35. Indeed, any entity with “an interest in property” that is proposed to be sold can request the bankruptcy court to “prohibit or condition such . . . sale . . . as is necessary to provide adequate protection of such interest.” 11 U.S.C. § 363(e); see also 3 Collier on Bankruptcy ¶ 361.02 (A. Resnick & H. Sommer eds., 16th ed. 2017) (“An entity is entitled to adequate protection as a matter of right, not merely as a matter of discretion, . . . when the estate proposes to use, sell or lease property in which the entity has an interest” (citing H.R. Rep. No. 595, 95th Cong., 1st Sess. 340, 343-44 (1977))).

36. One way in which a court may provide adequate protection to those interests is to order “the sale of property free and clear of constructive trust claims or equitable liens, so long as [the disputed interests] attach to the proceeds of sale.” In re DVI, Inc., 306 B.R. 496, 504–05 (Bankr. D. Del. 2004) (holding proceeds of sale in escrow until creditor’s disputed rights could be determined); see also In re Wells, 296 B.R. 728, 734 (Bankr. E.D. Va. 2003) (concluding that trustee could sell property free and clear of equitable interest in property with interest to attach to proceeds); 3 Collier on Bankruptcy ¶ 363.06[9] (A. Resnick & H. Sommer eds., 16th ed. 2017) (“The holder of the affected interest may seek adequate protection in connection with the

proposed sale. The most common form of adequate protection is to have the lien or other interest attach to the proceeds of the sale.” (citing H.R. Rep. No. 595, 95th Cong., 1st Sess. 345 (1977)).

37. In In re Washington Mutual, Inc., the debtors and a group of noteholders disputed the amount of interest that they were entitled to receive from the debtors’ sale of a judgment award. 442 B.R. 314, 340 (Bankr. D. Del. 2011). The debtors proposed setting aside a certain amount of the proceeds from the sale, but the noteholders asserted the amount was insufficient to cover their claimed security interest. The court rejected the debtors’ proposed set aside concluding the noteholders were not adequately protected, and required the debtors to hold in reserve the entire amount that the noteholders claimed, until the disputes could be resolved. Id. at 341 (“In the interim, however, the Court concludes that the interests of the LTW Holders are adequately protected by the disputed claims holdback provisions of the Plan so long as the reserve for their claims is set at \$347 million.”).

38. As in Washington Mutual, here the Debtors are attempting to sell the property “free and clear” of any liens. In order to do this, the Debtors must provide adequate protection for the Noteholders, who assert that they have secured claims with respect to the Property. Moreover, these claims of the noteholders are presumptively valid unless and until the Debtors have objected to the claims through an adversary proceeding. See 11 U.S.C. § 502(a) (“[a] claim . . . proof of which is filed under section 501 . . . is deemed allowed, unless a party in interest . . . objects”); In re Heritage Highgate, Inc., 679 F.3d 132, 140 (3d Cir. 2012) (Bankruptcy Code section 502(a) and Rule 3001(f) of the Federal Rules of Bankruptcy Procedure “grant prima facie effect to the validity and amount of a properly filed claim”); see also Fed. R. Bankr. P. 7001 (identifying a proceeding to determine the validity, priority, or extent of a lien as an adversary

proceeding); In re Whitehall Jewelers Holdings, Inc., 2008 WL 2951974, at * 6 (Bankr. D. Del. July 28, 2008) (recognizing that controlling precedent in the Third Circuit dictates that a lien can only be invalidated through an adversary proceeding) (citing SLW Capital, LLC v. Mansaray-Ruffin, In re Mansaray-Ruffin, 530 F.3d 230, 242 (3d Cir. 2008)). The Utah Group accordingly requests that the court reject the Debtors' proposed set aside and instead hold the sale proceeds in reserve until any disputes surrounding their secured claims may be resolved.

RESERVATION OF RIGHTS

39. The Utah Group specifically reserves all rights to amend or supplement this objection, to present any and all evidence supporting this objection, to request discovery to support this objection, and to argue additional or different legal theories supporting this objection.

CONCLUSION

The Utah Group respectfully requests that the Motion be denied unless and until adequate protection of the Affected Noteholders who have asserted a security interest in the Woodbridge 4 loan secured by the Property are adequately protected by segregating the proceeds that would otherwise be necessary to pay off the Woodbridge 4 loan upon closing of the Sale and for such other and further relief as the Court may deem appropriate under the circumstances.

Dated: March 21, 2018



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Attorneys for Ad Hoc Utah Noteholders Group

EXHIBIT A

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE: Chapter 11
WOODBRIDGE GROUP OF COMPANIES, Case No. 17-12560 (KJC)
LLC, et al.,
Courtroom No. 5
824 North Market Street
Wilmington, Delaware 19801
Debtors. March 8, 2018
11:00 A.M.

TRANSCRIPT OF HEARING
BEFORE THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For the Debtors: Sean Beach, Esquire
Edmon Morton, Esquire
Ian Bambrick, Esquire
Allison Mielke, Esquire
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1 (Proceedings commenced at 11:00 a.m.)

2 (Call to order of the Court)

3 THE COURT: Good morning, everyone.

4 ALL: Good morning, Your Honor.

5 MR. BEACH: Good morning, Your Honor. May I

6 please the court; Sean Beach from Young Conaway Stargatt &
7 Taylor on behalf of the Woodbridge Group of Company debtors.

8 Your Honor, just a few preliminary remarks to give
9 Your Honor a sense of what has transpired since we last were
10 before you in February. Your Honor, in connection with the
11 transition since the resolution on the governance issues the
12 case remains busy, and challenging and complicated, but the
13 transition process has been very cooperative among all
14 parties. The resolution of the governance issues has allowed
15 the company to now focus on the business issues and bridging
16 toward a plan.

17 To that end, Your Honor, you'll note that a number
18 of parties are not present in the courtroom today and that's
19 because they're out in Los Angeles preparing for meetings to
20 work towards, what might be, the right resolution for a
21 consensual plan of reorganization.

22 In connection with that, Your Honor --

23 THE COURT: Mr. Beach, let me ask you to pause.

24 Let me ask the phone participants, please, to put
25 their phones on mute. Thank you.

1 Go ahead.

2 MR. BEACH: Thank you, Your Honor.

3 In connection with these transition issues the
4 board of directors interviewed a number of firms to be co-
5 counsel with Young Conaway for the company. They've chosen
6 the firm of Klee, Tuchin, Bogdanoff & Stern. Sorry, Your
7 Honor.

8 THE COURT: Mr. or Ms. Stern thanks you.

9 (Laughter)

10 MR. BEACH: Your Honor, Mr. Tuchin is on the phone
11 today as well as Mr. (indiscernible), and Mr. Kortanek and
12 Mr. Pachulski who are all in Los Angeles preparing for the
13 meetings that I mentioned, as well as their colleagues for
14 each of the constituencies.

15 Your Honor, in the courtroom, today, is Mr. Chin
16 who is the debtors' chosen chief restructuring -- chief
17 executive officer. And he has been working with his team to
18 develop a business plan focused on maximizing the asset
19 recoveries for the company.

20 Mr. Sharp is managing the restructuring efforts
21 and is not present in the courtroom today, but is available
22 telephonically. For the hearing his team has been focused on
23 managing the restructuring efforts of the company including
24 collecting and protecting the debtors' business records,
25 evaluating employees, and professional resources and other

1 Among the other tasks that Gibson Dunn has been
2 significantly helping on is our efforts to get a number of
3 additional entities and assets into the bankruptcy estates --
4 well, I should say into the control of the independent board;
5 some of which may ultimately become additional debtors to the
6 extent they have assets or other reasons they should be
7 filed, but those efforts are ongoing.

8 Your Honor, unless you have any questions for me
9 or any of our colleagues who are on the phone I would move to
10 the agenda for today.

11 THE COURT: Just one comment and that is to
12 express the court's thanks for the cooperative nature of
13 those involved in the transition. I do appreciate that.

14 MR. BEACH: Thank you, Your Honor.

15 MR. SANDLER: Good morning, Your Honor; Brad
16 Sandler, Pachulski Stang Ziehl & Jones, on behalf of the
17 committee.

18 I would like to echo much of what Mr. Beach said
19 to Your Honor. First of all, Mr. Newman and Mr. Kelsey, on
20 behalf of the Gibson Firm, have been extremely cooperative
21 and we thank them for their efforts throughout the case and
22 their continuing efforts.

23 We welcome the Klee Tuchin Firm. They have been,
24 also, extremely cooperative and constructive to this process
25 which, as Your Honor knows, is very complex. They have

1 worked very, very hard trying to get their arms around the
2 facts of this case and we thank them for that.

3 Just to put a little bit of a finer point on the
4 meeting that is happening today, that Mr. Beach mentioned, a
5 few days ago white papers were exchanged among the parties,
6 in particular the three committees, each asserting their
7 various positions as to whether the noteholders are secured
8 or not and whether the unitholders are equity or unsecured.

9 Later this month, on the 21st or the 22nd, the
10 parties and many of the people in this courtroom will be also
11 meeting in Los Angeles along with members of their committees
12 in an effort to try to work through some of these complicated
13 issues and hope to put in place some type of construct for a
14 plan with the idea of getting these cases out of the
15 bankruptcy as soon as possible; hopefully before the end of
16 this year.

17 Your Honor, when I was in front of you, at the
18 last hearing, I had mentioned an issue with certain
19 professionals who were improperly soliciting one such
20 professional, Mr. Sarachek, who was actually in the courtroom
21 that day. And I had informed Your Honor that we would be
22 filing a motion seeking relief from this court. I want Your
23 Honor to know we, obviously, have not filed the motion or
24 maybe not obviously, but certainly we have not filed the
25 motion; however, we have been in substantial dialogue with

1 proceeds.

2 Your Honor, the second bucket of reserves are the
3 money generated from the prepetition sales of nine non-debtor
4 properties. So while the sales were prepetition and the
5 properties were non-debtor Woodbridge entities held mortgage
6 notes against those properties and received distributions,
7 and those funds were held in reserve. Its approximately \$15
8 million dollars.

9 The proposed resolution in the final order, Your
10 Honor, is that the debtors would be able to use immediately
11 90 percent of those proceeds; 10 percent of those proceeds
12 would be put in a reserve for investors and then subject to
13 appropriate reconciliation in identifying the right investors
14 and interim distribution would be made of 10 percent of that
15 amount

16 The third bucket, Your Honor, is post-petition
17 sales of DIP collateral; what happens to those proceeds. In
18 one sense it's easy. The DIP lender gets 100 percent of all
19 those proceeds until the DIP is paid in full. And to the
20 extent there are DIP collateral value in excess of paying off
21 the DIP, if those properties are sold the debtor would
22 receive 90 percent and the effected noteholders would receive
23 10 percent subject again to accounting and reconciliation to
24 identify which noteholders would be entitled to a
25 distribution.

1 The fourth bucket, Your Honor, would be the post-
2 petition sales of adequate protection properties. So these
3 are the properties, the 17 properties that we've set aside.
4 With respect to those sales 80 percent of the proceeds would
5 go to the debtors, 10 percent of the proceeds will be held in
6 reserve for investors subject to reconciliation and
7 accounting to make sure that we identify the investors who
8 are entitled to a distribution and then an interim
9 distribution which would be credited against future
10 distribution under a plan. Then 10 percent held in reserve
11 for those noteholders who are primed by the DIP.

12 Lastly, Your Honor, there's just regular way post-
13 petition sales of property that aren't' DIP collateral and
14 are not adequate protection collateral. And with respect to
15 those sales 90 percent of the proceeds of those sales would
16 be used by the debtors and 10 percent would be reserved for
17 investors, then subject to interim distribution.

18 We filed a revised order on March 1st that the
19 substance of these changes in 3.2.1.4 were reflected. I
20 think it was -- excuse me, this order was served on the 2002
21 list and that's reflected on docket number 686. Also, notice
22 of it was blasted out to all noteholders; that was docket
23 number 687. Our claims agent filed a certificate of service
24 and that's reflected at docket number 703.

25 So interested parties and the significant change

1 supports the compensation package for Mr. Chin.

2 THE COURT: I read it.

3 Is there anything else that we need to talk about
4 today?

5 MR. BEACH: No, Your Honor. I believe that
6 concludes the hearing.

7 THE COURT: Thank you all very much. That
8 concludes this hearing. Court will stand in recess.

9 ALL: Thank you, Your Honor.

10 (Proceedings concluded at 12:07 p.m.)

11

12

13

CERTIFICATE

14

15 We certify that the foregoing is a correct transcript from
16 the electronic sound recording of the proceedings in the
17 above-entitled matter.

18

19 /s/Mary Zajaczkowski
Mary Zajaczkowski, CET**D-531

February 1, 2018
Date

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EXHIBIT B

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

PROMISSORY NOTE

February 16, 2017
Sherman Oaks, California

\$250,000.00

FOR VALUE RECEIVED, the undersigned, WOODBRIDGE 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 JEFFREY E. WOLK, an individual having an address of 49 La Cresta Road, Orinda, California 94563 (hereinafter referred to as "Lender"), at such place as the Lender may designate by written notice to Borrower, the principal sum of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00), 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 Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) shall bear interest from the date hereof through March 1, 2018, at a fixed rate of interest equal to five and 00/100 percent (5.00%) per annum. After March 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 March 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 June 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, shall constitute a "Payment Default" under this Note. Borrower shall have a cure period of not less

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

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 : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
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 4, LLC

By: _____
Robert Reed
its Authorized Representative

Accepted and Agreed to by Lender:



JEFFREY E. WOLK



EXHIBIT C

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") made on this February 16, 2017, by and between JEFFREY E. WOLK, an individual having an address of 49 La Cresta Road, Orinda, California 94563 (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 Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00). The foregoing obligation shall be evidenced by Woodbridge's promissory note to Lender, in the original principal amount of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00), 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 June 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 Thirteen Million Six Hundred Fifty Thousand and 00/100 Dollars (\$13,650,000.00) (the "Pledged Loan") extended or to be extended to Pennhurst Investments, LLC (the "Borrower") secured by a first priority lien on the real property located at 11541 Blucher Avenue, Granada Hills, California 91344 (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 : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
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 : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
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]

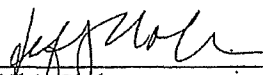
Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

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)



JEFFREY E. WOLK



WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC

By: _____
Robert Reed
Its Authorized Representative

B 28

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

EXHIBIT LIST

- EXHIBIT A Note from Woodbridge to Lender
- EXHIBIT B Form of Assignment
- EXHIBIT C Form of Collateral Assignment
- EXHIBIT D Form of Intercreditor Agreement

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

EXHIBIT A

Note from Woodbridge to Lender

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

EXHIBIT B

Form of Assignment

ASSIGNMENT OF PROMISSORY NOTE AND MORTGAGE

THIS ASSIGNMENT OF PROMISSORY NOTE AND MORTGAGE (this "Assignment") made as of the ___ day of _____, 20__ by WOODBRIDGE MORTGAGE INVESTMENT FUND 4, LLC, a Delaware limited liability company with an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 (the "Assignor"), in favor of _____, having an address of _____ (the "Assignee").

WHEREAS, Assignee has extended a term loan (the "Loan") in the original principal amount of ___ Hundred Thousand and 00/100 Dollars (\$____,000.00) to Assignor (the obligations of Assignor in respect of the Promissory Note evidencing said Loan being hereinafter referred to as the "Obligations"); and

WHEREAS, it is a condition of Assignee's agreement to extend such Loan that Assignor assign to Assignee its interest in certain documents hereinafter described, and the indebtedness related thereto, as security for the Obligations;

NOW, THEREFORE, as security for the Obligations, and as an inducement to Assignee to extend the Loan and in consideration therefor, and in consideration of Ten Dollars (\$10.00) to Assignor paid, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, bargains, sells, assigns, conveys, transfers and sets over unto Assignee a security interest in and lien upon, all of Assignor's right, title and interest in, to and under: (a) a certain Mortgage from _____, dated _____, 20__, in favor of Assignor (the "Assigned Mortgage"), encumbering certain real and personal property described therein, (b) a certain Promissory Note in the principal amount of ___ Hundred Thousand and 00/100 Dollars (\$____,000.00), dated _____, 20__, made by _____ and payable to the order of Assignor (the "Assigned Note"), and all proceeds thereof and all other documents securing or guarantying the same (the Assigned Mortgage, the Assigned Note, and all other documents or instruments securing or guarantying the same being hereinafter referred to collectively as the "Assigned Documents").

Assignor further covenants and agrees as follows:

1. The occurrence of an "Event of Default" under the Promissory Note evidencing the Loan, or under the Collateral Assignment dated of even date herewith, beyond the applicable notice and cure period shall constitute an "Event of Default" under this Assignment. So long as no Event of Default shall have occurred, Assignor shall be entitled to collect all payments of interest and all scheduled payments of principal (collectively, "Scheduled Payments") on the Assigned Documents,

2. In the event of any payment (other than Scheduled Payments or pre-payments) under the Assigned Note, the obligor under the Assigned Documents ("Borrower") is hereby irrevocably authorized and directed to make such payment directly to Assignee or to such person as Assignee shall otherwise direct. Assignor shall immediately pay over to Assignee any such payment received directly from Borrower.

3. Upon written notice from Assignee that an Event of Default exists, Borrower shall thereafter make, and is hereby irrevocably authorized and directed to make, all payments under the Assigned Documents directly to Assignee or to such person as Assignee shall otherwise direct, to be applied against the Obligations until such Obligations are satisfied. Upon satisfaction of such Obligations, all remaining payments under the Assigned Documents, if any, shall resume to be made and directed to Assignor.

4. Upon the occurrence of an Event of Default, Assignor will not grant any waivers, indulgences, modifications, extensions or other departures by Borrower from or of the obligations required to be performed by Borrower under the Assigned Documents and any security or other agreement executed in connection therewith, without the prior written consent of Assignee. At Assignee's request, Assignor shall also provide to Assignee such other information regarding the Borrower or the Premises secured by the Assigned Mortgage as Assignor may have in its possession.

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

5. This Assignment is executed only as security for the Obligations. The execution and delivery of this Assignment shall not subject Assignee to, or transfer or pass to Assignee, or in any way affect or modify, the liability of Assignor under any or all of the Assigned Documents.

6. In the exercise of its powers hereunder or under any documents relating to the Obligations, no liability shall be asserted or enforced against Assignee, all such liability being hereby expressly waived and released by Assignor. Assignor hereby agrees to indemnify Assignee, and hold it harmless, from any and all liabilities, losses, or damages which Assignee shall incur by reason of this Assignment or the Assigned Documents and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or, undertakings required to be performed by Assignor in connection with the Assigned Documents.

7. Assignor hereby agrees and acknowledges that neither the acceptance of this Assignment by Assignee nor the exercise of, or failure to exercise, any right, power or remedy in this instrument conferred upon Assignee shall be deemed or construed to obligate Assignee, or its successors or assigns, to pay any sum of money, take any action or incur any liability in connection with any of the Assigned Documents. It is further agreed and understood by Assignor that neither Assignee nor its successors or assigns shall be liable in any way for any costs, expenses or liabilities connected with, or any charges or liabilities resulting from, any of the Assigned Documents.

8. This Assignment shall be binding upon Assignor and its successors and assigns, and shall inure to the benefit of Assignee and its successors and assigns. Notwithstanding anything contained herein, however, neither the Note nor the other Loan Documents are assignable by Assignee without the Assignor's written consent, and any such attempted assignment without such consent shall be null and void. This Assignment shall be governed by and construed and enforced in accordance with the laws of the State of Delaware.

9. (a) Any notice, report, demand, request or other instrument or communication authorized or required under this Assignment to be given to Assignor or Assignee shall be deemed given if addressed to the party intended to receive the same, at the address of such party set forth below, (i) when delivered at such address by hand or by overnight delivery service, or (ii) three (3) days after the same is deposited in the United States mail as first class certified mail, return receipt requested, postage paid, whether or not the same is actually received by such party:

Assignor: Woodbridge Mortgage Investment Fund 4, LLC
14225 Ventura Boulevard
Suite 100
Sherman Oaks, California 91423

Assignee: _____

(b) Any party may change the address to which any such notice, report, demand, request or other instrument or communication to such party is to be delivered or mailed, by giving written notice of such change to the other parties, but no such notice of change shall be effective unless and until received by such other parties.

10. Upon full payment and performance of the Obligations, this Assignment shall terminate and shall be of no further force and effect. Upon such termination, Assignee shall indorse the Assigned Note to the order of Assignor (or otherwise as Assignor may direct), without recourse, warranty or representation, and Assignee shall deliver the Assigned Note to Assignor.

11. Notwithstanding anything to the contrary set forth in this Assignment, unless and until Assignee shall have exercised its rights under paragraph 3 above, Assignor shall be entitled to foreclose the Assigned Mortgage. The proceeds of such foreclosure shall be applied to payment of the Obligations before being used for any other purpose.

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the date first written above.

Assignor:

**WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC**

By: _____
Robert Reed
Its Authorized Representative

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

EXHIBIT C

Form of Collateral Assignment

COLLATERAL ASSIGNMENT OF NOTE, MORTGAGE, AND OTHER LOAN DOCUMENTS

THIS COLLATERAL ASSIGNMENT OF NOTE, MORTGAGE, AND OTHER LOAN DOCUMENTS (this "Assignment"), dated as of this ____ day of ____ 20__, is made and given by **WOODBRIIDGE MORTGAGE INVESTMENT FUND 4, LLC**, a Delaware limited liability company ("Borrower"), having an address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423, and in favor of _____, having an address of _____, his or her successors and assigns ("Lender").

Background:

Lender has agreed to make, and Borrower has agreed to accept, a loan in the original maximum principal amount of ____ Hundred Thousand and 00/100 Dollars (\$____,000.00) (the "Loan") upon the terms and conditions set forth in that certain Promissory Note, dated _____, in the original principal amount of ____ Hundred Thousand and 00/100 Dollars (\$____,000.00) made by Borrower and payable to Lender (as the same may be amended or modified from time to time, the "Note").

Lender understands that Borrower shall utilize the proceeds of the Loan to fund a loan to a third party borrower, such loan to be made pursuant to the "Underlying Documents" more particularly described in Section 2.1.1 below. As a condition to making the Loan, Lender has required Borrower to assign to Lender, as additional security for the Loan, all of Borrower's right, title and interest in and to the promissory notes, security instruments and other loan documents conveyed including without limiting the generality of the foregoing, all rights to receive payments under such collateral.

Statement of Agreement

NOW, THEREFORE, for valuable consideration, separate and distinct from the consideration given by Lender with respect to the Loan, the receipt and adequacy of which are hereby acknowledged, Borrower agrees as follows:

1. **Recitals.** The Recitals are incorporated herein by this reference.
2. **Assignment.** As security for the performance of all obligations of Borrower to Lender under the Note, the Assignment of Promissory Note and Mortgage, and all other documents now or hereafter evidencing, securing or related to the Loan (collectively, the "Loan Documents"), Borrower hereby assigns and transfers to Lender, on a non-exclusive basis, all of its right, title and interest in and to the following collateral (the "Collateral");
 - 2.1.1. All right, title, interest, claims or rights of Borrower now or hereafter in and to the notes, deeds to secure debt, security instruments, guaranties and other loan documents (collectively, the "Underlying Documents") described on Exhibit "A" attached hereto and incorporated herein by this reference; and
 - 2.1.2. Any and all proceeds of a casualty or condemnation, repayment of loans, proceeds of foreclosure sales, and payments of any kind or nature whatsoever, now or hereafter distributable or payable to Borrower by reason of Borrower's ownership of the Underlying Documents; and
 - 2.1.3. All accounts, contract rights, security entitlements, investment property and general intangibles now or hereafter evidencing, arising from or relating to any of the foregoing; and
 - 2.1.4. All right of Borrower to collect and enforce payments pursuant to the terms of the Underlying Documents; and
 - 2.1.5. All documents, writings, leases, books, files, records, computer tapes, programs, ledger books and ledger pages arising from or used in connection with any of the foregoing; and
 - 2.1.6. All renewals, extensions, additions, substitutions or replacements of any of the foregoing; and
 - 2.1.7. All powers, options, rights, privileges and immunities pertaining to any of the foregoing; and

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

2.1.8. All proceeds of any of the foregoing and all cash, security or other property distributed on account of any of the foregoing.

3. **Representations and Warranties.** Borrower hereby represents and warrants that: (a) Borrower is or will be the true owner of the interests under the Underlying Documents; (b) Borrower has not assigned or granted a security interest in the Collateral to any person or entity that is or will be superior to that of the Lender; and (c) to Borrower's knowledge, (i) Borrower's interest in the Collateral is not and will not be subject to any claims, setoffs, encumbrances or deductions, and (ii) the Loan Documents constitute and will constitute valid and binding obligations of Borrower.

4. **No Assumption by Lender and Covenants of Borrower.** Neither this Assignment nor any action or actions on the part of Lender after the date hereof shall constitute an assumption by Lender of any obligations under the Underlying Documents, and Borrower shall continue to be liable for all obligations thereunder arising after the date hereof. Borrower agrees to perform punctually any and all obligations it may have under the Underlying Documents, to take such steps as it may deem necessary or appropriate to secure performance by the obligor(s) and guarantor(s) of the Underlying Documents thereon of all of its obligations under the applicable Underlying Documents.

5. **Benefits Conditionally Retained by Borrower.** Lender hereby grants Borrower the right to continue to receive the benefits of, and exercise the rights under, the Underlying Documents unless an Event of Default (as described in Section 14 below) exists, in which event such rights may be revoked at any time thereafter at the option of Lender.

6. **Action by Lender Following Event of Default.** Lender shall have the right, but not an obligation, at any time while an Event of Default exists, without notice and without taking possession of the Property or any part thereof, to take in Lender's name or in the name of Borrower such action as Lender may, at any time or from time to time, reasonably determine to be necessary to cure any default under the Underlying Documents or to protect or exercise the rights of Borrower or Lender thereunder, and may otherwise exercise any other rights or remedies Lender has under the Loan Documents. Lender shall incur no liability if any action taken by it or on its behalf pursuant to this Assignment shall prove to be in whole or in part inadequate or invalid; and Borrower hereby agrees to indemnify, defend, and hold Lender free and harmless from and against any loss, costs, liability or reasonable expense (including, without limitation, reasonable attorneys' and accountants' fees and expenses, court costs and investigation expenses) actually incurred by Lender in connection with its actions under this Section 6.

7. **Power of Attorney.** Borrower hereby irrevocably constitutes and appoints Lender as its true and lawful agent and attorney-in-fact, with full power of substitution, to demand, receive and enforce all rights of Borrower under the Underlying Documents, following the occurrence and during the continuance of an Event of Default, to modify, supplement and terminate the Underlying Documents, to transfer the Underlying Documents to Lender, to give appropriate releases, receipts for or on behalf of Borrower in connection with the Underlying Documents, to file, pursue, receive payment and acquittances for or otherwise compromise each and every claim Borrower has or may have against the obligor(s) and guarantor(s) of the Underlying Documents for payment or otherwise under the Underlying Documents, all in the name, place and stead of Borrower or in Lender's name, with the same force and effect as Borrower could have if this Assignment had not been made. Borrower authorizes any third party to rely exclusively on the certificate of an officer of Lender or its successor for the establishment of an Event of Default and hereby waives and releases any claim Borrower may have against such third party for such reliance. Borrower hereby agrees to deliver to Lender, upon Lender's written demand and after the occurrence and during the continuance of an Event of Default, all instruments and documents as Lender may reasonably require in order to permit Lender's succession to the right, title and interest of Borrower in and to the Underlying Documents as provided herein. Borrower appoints Lender as its attorney-in-fact to execute any and all such documents on Borrower's behalf upon any failure of Borrower to so execute such documents, it is hereby recognized that the power of attorney herein granted is coupled with an interest and is irrevocable. At Lender's option, Lender may record this Assignment in the recording office. By acceptance of this Assignment, Lender agrees that it shall not exercise the power of attorney granted herein unless there shall have occurred and be continuing an Event of Default.

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

8. **Binding Effect.** This Assignment shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns, including without limitation any purchaser upon foreclosure of the lien and security interests created by the Underlying Documents or under a deed in lieu of such foreclosure and any receiver in possession of the Property.
9. **No Release or Termination.** The taking of this Assignment by Lender shall not affect the release of any other collateral now or hereafter held by Lender as security for the obligations of Borrower under the Loan Documents, nor shall the taking of additional security for any such obligations hereafter effect a release or termination of this Assignment, or any terms or provisions hereof.
10. **No Waiver.** No failure or delay on the part of Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder are cumulative and may be exercised by Lender either independently of or concurrently with any other right, remedy or power contained herein or in any instrument executed in connection with the Loan Documents.
11. **Captions.** The section titles or captions contained in this Assignment are for convenience only and shall not be deemed to define, limit or otherwise modify the scope or intent of this Assignment.
12. **Variation in Pronouns.** All the terms and words used in this Assignment, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Assignment or any paragraph or clause herein may require, the same as if such word had been fully and properly written in the correct number and gender.
13. **Notices.** Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be given in the manner required by the Loan Documents.
14. **Event of Default.** The occurrence of an Event of Default under the Note or any of the other Loan Documents beyond the applicable notice and cure period shall constitute an "Event of Default" under this Assignment.
15. **Successors and Assigns.** This Assignment shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of the Lender and Lender's successors; provided, however, and notwithstanding anything contained herein, neither the Note nor the Loan Documents are assignable by Lender, in whole or in part, and any such attempted assignment shall be null and void.
16. **Governing Law.** The parties hereby acknowledge, consent and agree this Assignment and the rights of all parties mentioned herein shall be governed by the laws of the State of Delaware.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK - SIGNATURE PAGE FOLLOWS]

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

IN WITNESS WHEREOF, the Borrower, acting by its duly authorized officer, has signed, sealed and delivered this Assignment on the date above written.

BORROWER:

WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC

By: _____
Robert Reed
Its Authorized Representative

STATE OF CONNECTICUT)
)
) ss:
COUNTY OF TOLLAND)

On this ___ of _____, 20___, before me, the undersigned notary public, personally appeared Robert Reed, Authorized Representative of Woodbridge Mortgage Investment Fund 4, LLC, a Delaware limited liability company, to me known and known by me to be the party executing the foregoing Collateral Assignment of Note, Mortgage and Other Loan Documents instrument on behalf of said limited liability company, in favor of _____, and acknowledged said instrument and the execution thereof, to be his free act and deed as such officer and the free act and deed of said limited liability company.

Notary Public _____
Printed Name: _____
My commission expires _____
(Notary Seal)

EXHIBIT A TO COLLATERAL ASSIGNMENT

1. That certain Mortgage from _____, dated _____, in favor of Woodbridge Mortgage Investment Fund 4, LLC, encumbering certain real and personal property described therein.
2. That certain Promissory Note in the original principal amount of _____ Hundred Thousand and 00/100 Dollars (\$____,000.00), dated _____, 20___, made by _____ and payable to the order of Woodbridge Mortgage Investment Fund 4, LLC.

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

EXHIBIT D

Form of Intercreditor Agreement

INTERCREDITOR AGREEMENT (PARI PASSU)

THIS INTERCREDITOR AGREEMENT ("Agreement") is entered into by and between _____, having an address at _____ ("First Party") and _____, having an address at _____ ("Second Party") (First Party and Second Party are sometimes herein referred to collectively as the "Lenders" and individually as a "Lender"), as of the date written below.

WITNESSETH

WHEREAS, the Lenders have agreed collectively to lend \$_____ to Woodbridge Mortgage Investment Fund 4, LLC, a Delaware limited liability company ("Woodbridge"), and

WHEREAS, in return for the loans by the Lenders, Woodbridge will execute and deliver to each of them promissory notes each in the original principal amount of \$_____ (the "Notes"), and

WHEREAS, Woodbridge intends to use the funds (the "Loans") provided by Lenders to finance a mortgage loan in the principal amount of \$_____ to _____, to be evidenced by a promissory note and secured by a mortgage on property located at _____ (the "Underlying Note" and the "Mortgage" respectively), and

WHEREAS, upon closing of the Loans, Woodbridge will deliver to each of the Lenders a collateral assignment of the Underlying Note and Mortgage as security for the Notes (the "Collateral Assignments"); and

WHEREAS, the Lenders wish that each of them shall be treated equally with reference to the payment under the respective Notes and/or enforcement of the Collateral Assignments; and

WHEREAS, this Agreement shall be effective and bind the parties hereto.

NOW THEREFORE, the parties hereto agree as follows:

1. The above recitals are hereby made a part of this Agreement.
2. Unless explicitly agreed to the contrary in writing, the Lenders shall have equal rights of enforcement, priorities, duties, and obligations under the Notes, and the Collateral Assignments and any other documentation executed and delivered in connection therewith (the "Loan Documents").
3. In the event of a default under any of the Notes, the Collateral Assignments or other Loan Documents, all of the Notes shall be in default, and shall be due and payable at the option of the Lenders acting in concert.
4. If any of the Lender(s) desire to exercise any rights it may have under the Loan Documents, it shall notify the other Lender(s) as soon as practicable.
5. All notices, consents, waivers, and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by fax (with written confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and fax numbers as set forth below (or to such other addresses and fax numbers as a party may designate by notice to the other parties):

LENDER S:

First Party

and

Second Party

6. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this

Property ID : Blucher Avenue - Granada Hills, CA
Principal : \$250,000.00
Int. Rate : 5.00%

Agreement may be brought against any of the parties in the courts of the State of Delaware, or, if it has or can acquire jurisdiction, in the United States District Court for the District of Delaware, and each of the parties consents to the jurisdiction of such courts (and of the appropriate Appellate Courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

7. This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the Agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

8. If any provision of this Agreement is held invalid or unenforceable by any court or competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

9. This Agreement will be governed by the laws of the State of Delaware without regard to conflicts of interest principles.

10. This Agreement may be executed in any number of counterparts, each of which taken together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the ____ day of _____, 20__.

LENDER(S):

FIRST PARTY

SECOND PARTY

Acknowledged and Agreed to by:

**WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC**

By: _____
Robert Reed
Its Authorized Representative

EXHIBIT D



February 28, 2017

Mr. Anthony J. Barrack
The West Coast Pharmaceutical, Inc.
15529 Broad Oaks Road
El Cajon, CA 92021

RE: Senior Interest Package – Blucher Avenue - Mezzanine

Dear Mr. Barrack,

We wanted to welcome you as a new lender with Woodbridge Mortgage Investment Fund 4, LLC and congratulate you on your new loan.

Enclosed please find a copy of the executed documents for your records.

Beginning on the first of every month, you will receive an interest check. If you purchased your senior interest in the middle of the month, you will receive a pro-rated amount for your first month.

This is an exciting business which is expanding quickly and I'm sure you'll enjoy being a part of it.

If you have any questions, please contact myself or Lianna Iranossian.

Very Truly Yours,


Robert Shapiro

Property ID : Blucher Avenue - Mezzanine
Principal : \$50,000.00
Int. Rate : 8.00%

FOR YOUR RECORDS

PROMISSORY NOTE

February 16, 2017
Sherman Oaks, California

\$50,000.00

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 **THE WEST COAST PHARMACEUTICAL, INC., DEFINED BENEFIT PLAN AND TRUST**, an entity having an address of 15529 Broad Oaks Road, El Cajon, California 92021 (hereinafter referred to as "Lender"), at such place as the Lender may designate by written notice to Borrower, the principal sum of Fifty Thousand and 00/100 Dollars (\$50,000.00), 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 Fifty Thousand and 00/100 Dollars (\$50,000.00) shall bear interest from the date hereof through September 1, 2018, at a fixed rate of interest equal to eight and 00/100 percent (8.00%) 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, or after the maturity of the loan evidenced hereby, by acceleration or otherwise, interest shall accrue from and after such event 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:

a. Monthly payments of interest shall be made commencing on March 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 the Lender hereunder, unless sooner paid, shall be due and payable on September 1, 2018 (the "Maturity Date").

b. On or after (but not before) the earlier to occur of the Maturity Date or the date upon which Pennhurst Investments, LLC, a Delaware limited liability company having an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423, or its successors or assigns, sells or disposes of the property described in the "Underlying Documents" as that term is defined in the Collateral Assignment Documents (hereinafter defined), **and provided at such time Lender continues to be owed any principal due hereunder**, an additional payment of Two and 00/100 percent (2.00%) per annum of such unpaid balance of principal shall be made to Lender.

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

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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, 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

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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.

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

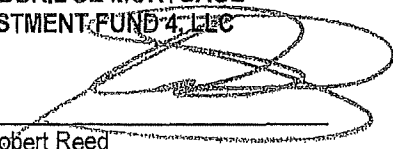
14. **No Assignment.** Neither this Note, the Loan Agreement of even date herewith between Borrower and Lender, nor all other instruments executed or to be executed in connection therewith (collectively, the "Collateral Assignment Documents") are assignable by Lender without the Borrower's written consent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

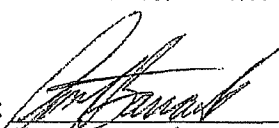
17. **No Additional Profits Payment.** LENDER SHALL NOT RECEIVE ANY SHARE WHATSOEVER OF ANY PROFITS GENERATED IN CONNECTION WITH THE SALE OR DISPOSITION OF THE PROPERTY DESCRIBED IN THE UNDERLYING DOCUMENTS.

**WOODBRIIDGE MORTGAGE
INVESTMENT FUND 4, LLC**

By: 
Robert Reed
Its Authorized Representative

Accepted and Agreed to by Lender:

**THE WEST COAST PHARMACEUTICAL, INC.,
DEFINED BENEFIT PLAN AND TRUST**

By: 
Name: Anthony James Biazatek
Title: President / owner

Property ID : Blucher Avenue - Mezzanine
Principal : \$50,000.00
Int. Rate : 8.00%

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") made on this February 16, 2017, by and between **THE WEST COAST PHARMACEUTICAL, INC., DEFINED BENEFIT PLAN AND TRUST**, an entity having an address of 15529 Broad Oaks Road, El Cajon, California 92021 (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 Mezzanine 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 Mezzanine Loan; and

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

WHEREAS, Woodbridge has agreed to execute and deliver to Lender a promissory note payable to Lender in the amount tendered by Lender to Woodbridge pursuant to the Loan; and

WHEREAS, Woodbridge has further agreed to execute and deliver a collateral assignment of its interest in the Loan Documents (as defined below) in favor of Lender on a pari passu basis as security for the Loan; 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. Amount and Terms of Lender's Loan. Lender has agreed to lend Woodbridge the sum of Fifty Thousand and 00/100 Dollars (\$50,000.00). The foregoing obligation shall be evidenced by Woodbridge's promissory note to Lender, in the original principal amount of Fifty Thousand and 00/100 Dollars (\$50,000.00), 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 eight and 00/100 percent (8.00%) per annum, subject to such default rates and additional interest payments 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 September 1, 2018, unless sooner prepaid. Woodbridge may prepay the Note without penalty at any time.

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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 mezzanine loan in the principal amount of Five Million Eight Hundred Fifty Thousand and 00/100 Dollars (\$5,850,000.00) (the "Pledged Mezzanine Loan") extended or to be extended by Woodbridge to H64 Pennhurst Holding Company, LLC ("Borrower") and secured by a pledge of Borrower's entire and controlling membership interest in Pennhurst Investments, LLC, an entity which owns real property located at 11541 Blucher Avenue, Granada Hills, California 91344 ("Premises"), subject to any first or second priority mortgage loans secured by the Premises to which that certain mezzanine loan would be structurally subordinate;
- (b) The promissory note evidencing the Pledged Loan (the "Underlying Note");
- (c) The pledge and security agreement securing the Pledged Mezzanine Loan to Woodbridge (the "Underlying Pledge and Security Agreement"); and
- (d) Title insurance policies and such other instruments or documentation as may be executed and delivered to Woodbridge in conjunction with the Pledged Mezzanine Loan (said Underlying Note, Underlying Pledge and Security Agreement and other associated loan documents collectively hereafter referred to as the "Loan Documents").
- (e) Upon the consummation of the Pledged Mezzanine 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 Mezzanine 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 Mezzanine 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 Mezzanine 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 Mezzanine 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 Mezzanine 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

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its own credit decision with respect to the Pledged Mezzanine 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;

(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]

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Int. Rate : 8.00%

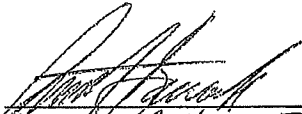
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the day and year first above written.

Signed, Sealed, and Delivered
in the Presence of:

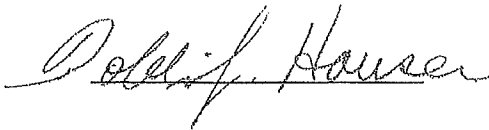
(Witness)

(Witness)


**THE WEST COAST PHARMACEUTICAL, INC.,
DEFINED BENEFIT PLAN AND TRUST**

By: 
Name: Anthony J. Barzack
Title: President/owner





**WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC**

By: 
Robert Reed
Its Authorized Representative

Property ID : Blucher Avenue - Mezzanine
Principal : \$50,000.00
Int. Rate : 8.00%

EXHIBIT LIST

- EXHIBIT A Note from Woodbridge to Lender
- EXHIBIT B Form of Assignment
- EXHIBIT C Form of Collateral Assignment
- EXHIBIT D Form of Intercreditor Agreement

Property ID : Blucher Avenue - Mezzanine
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EXHIBIT A

Note from Woodbridge to Lender

Property ID : Blucher Avenue - Mezzanine
Principal : \$50,000.00
Int. Rate : 8.00%

EXHIBIT B

Form of Assignment

**ASSIGNMENT OF PROMISSORY NOTE
AND PLEDGE AND SECURITY AGREEMENT**

THIS ASSIGNMENT OF PROMISSORY NOTE AND PLEDGE AND SECURITY AGREEMENT (this "Assignment") made as of the ___ day of _____, 20___, by **WOODBRI****GE MORTGAGE INVESTMENT FUND 4, LLC**, a Delaware limited liability company with an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 (the "Assignor"), in favor of _____, having an address of _____ (the "Assignee").

WHEREAS, Assignee has extended a mezzanine loan (the "Loan") in the original principal amount of ___ Hundred Thousand and 00/100 Dollars (\$___,000.00) to Assignor (the obligations of Assignor in respect of the Promissory Note evidencing said Loan being hereinafter referred to as the "**Obligations**"); and

WHEREAS, it is a condition of Assignee's agreement to extend such Loan that Assignor assign to Assignee its interest in certain documents hereinafter described, and the indebtedness related thereto, as security for the Obligations;

NOW, THEREFORE, as security for the Obligations, and as an inducement to Assignee to extend the Loan and in consideration therefor, and in consideration of Ten Dollars (\$10.00) to Assignor paid, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, bargains, sells, assigns, conveys, transfers and sets over unto Assignee a security interest in and lien upon, all of Assignor's right, title and interest in, to and under: (a) a certain mezzanine pledge and security agreement from _____ ("**Borrower**"), dated _____, 20___, in favor of Assignor (the "**Assigned Pledge**"), (b) a certain mezzanine promissory note in the principal amount of ___ Hundred Thousand and 00/100 Dollars (\$___,000.00), dated _____, 20___, made by _____ and payable to the order of Assignor (the "**Assigned Note**"), (c) a certain mezzanine loan agreement dated _____, 20___, by and between Assignor and Borrower (the "**Assigned Loan Agreement**"), and all proceeds thereof and all other documents securing or guarantying the same (the Assigned Pledge, the Assigned Note, and all other documents or instruments securing or guarantying the same being hereinafter referred to collectively as the "**Assigned Documents**").

Assignor further covenants and agrees as follows:

1. The occurrence of an "Event of Default" under the Promissory Note evidencing the Loan, or under the Collateral Assignment dated of even date herewith, beyond the applicable notice and cure period shall constitute an "**Event of Default**" under this Assignment. So long as no Event of Default shall have occurred, Assignor shall be entitled to collect all payments of interest and all scheduled payments of principal (collectively, "**Scheduled Payments**") on the Assigned Documents.

2. In the event of any payment (other than Scheduled Payments or pre-payments) under the Assigned Note, the obligor under the Assigned Documents ("**Borrower**") is hereby irrevocably authorized and directed to make such payment directly to Assignee or to such person as Assignee shall otherwise direct. Assignor shall immediately pay over to Assignee any such payment received directly from Borrower.

3. Upon written notice from Assignee that an Event of Default exists, Borrower shall thereafter make, and is hereby irrevocably authorized and directed to make, all payments under the Assigned Documents directly to Assignee or to such person as Assignee shall otherwise direct, to be applied against the Obligations until such Obligations are satisfied. Upon satisfaction of such Obligations, all remaining payments under the Assigned Documents, if any, shall resume to be made and directed to Assignor.

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4. Upon the occurrence of an Event of Default, Assignor will not grant any waivers, indulgences, modifications, extensions or other departures by Borrower from or of the obligations required to be performed by Borrower under the Assigned Documents and any security or other agreement executed in connection therewith, without the prior written consent of Assignee. At Assignee's request, Assignor shall also provide to Assignee such other information regarding the Borrower or the Premises (as defined in the Assigned Documents), as Assignor may have in its possession.

5. This Assignment is executed only as security for the Obligations. The execution and delivery of this Assignment shall not subject Assignee to, or transfer or pass to Assignee, or in any way affect or modify, the liability of Assignor under any or all of the Assigned Documents.

6. In the exercise of its powers hereunder or under any documents relating to the Obligations, no liability shall be asserted or enforced against Assignee, all such liability being hereby expressly waived and released by Assignor. Assignor hereby agrees to indemnify Assignee, and hold it harmless, from any and all liabilities, losses, or damages which Assignee shall incur by reason of this Assignment or the Assigned Documents and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or undertakings required to be performed by Assignor in connection with the Assigned Documents.

7. Assignor hereby agrees and acknowledges that neither the acceptance of this Assignment by Assignee nor the exercise of, or failure to exercise, any right, power or remedy in this instrument conferred upon Assignee shall be deemed or construed to obligate Assignee, or its successors or assigns, to pay any sum of money, take any action or incur any liability in connection with any of the Assigned Documents. It is further agreed and understood by Assignor that neither Assignee nor its successors or assigns shall be liable in any way for any costs, expenses or liabilities connected with, or any charges or liabilities resulting from, any of the Assigned Documents.

8. This Assignment shall be binding upon Assignor and its successors and assigns, and shall inure to the benefit of Assignee and its successors and assigns. Notwithstanding anything contained herein, however, neither the Note nor the other Loan Documents are assignable by Assignee without the Assignor's written consent, and any such attempted assignment without such consent shall be null and void. This Assignment shall be governed by and construed and enforced in accordance with the laws of the State of Delaware.

9. (a) Any notice, report, demand, request or other instrument or communication authorized or required under this Assignment to be given to Assignor, Assignee or Borrower shall be deemed given if addressed to the party intended to receive the same, at the address of such party set forth below, (i) when delivered at such address by hand or by overnight delivery service, or (ii) three (3) days after the same is deposited in the United States mail as first class certified mail, return receipt requested, postage paid, whether or not the same is actually received by such party:

Assignor: Woodbridge Mortgage Investment Fund 4, LLC
14225 Ventura Boulevard
Suite 100
Sherman Oaks, California 91423

Assignee: _____

(b) Any party may change the address to which any such notice, report, demand, request or other instrument or communication to such party is to be delivered or mailed, by giving written notice of such change to the other parties, but no such notice of change shall be effective unless and until received by such other parties.

10. Upon full payment and performance of the Obligations, this Assignment shall terminate and shall be of no further force and effect. Upon such termination, Assignee shall indorse the Assigned Note to the order of Assignor

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(or otherwise as Assignor may direct), without recourse, warranty or representation, and Assignee shall deliver the Assigned Note to Assignor.

11. Notwithstanding anything to the contrary set forth in this Assignment, unless and until Assignee shall have exercised its rights under paragraph 3 above, Assignor shall be entitled to enforce the Assigned Pledge.

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the date first written above.

Assignor:

**WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC**

By: _____
Robert Reed
Its Authorized Representative

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EXHIBIT C

Form of Collateral Assignment

**COLLATERAL ASSIGNMENT OF PROMISSORY
NOTE, PLEDGE AND SECURITY AGREEMENT,
AND OTHER LOAN DOCUMENTS**

THIS COLLATERAL ASSIGNMENT OF PROMISSORY NOTE, PLEDGE AND SECURITY AGREEMENT, AND OTHER LOAN DOCUMENTS (this "Assignment"), dated as of this ___ day of ___ 20___, is made and given by **WOODBRIIDGE MORTGAGE INVESTMENT FUND 4, LLC**, a Delaware limited liability company ("Borrower"), having an address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423, and in favor of _____, having an address of _____, his or her successors and assigns ("Lender").

Background:

Lender has agreed to make, and Borrower has agreed to accept, a loan in the original maximum principal amount of ___ Hundred Thousand and 00/100 Dollars (\$____,000.00) (the "Loan") upon the terms and conditions set forth in that certain Promissory Note, dated _____, in the original principal amount of ___ Hundred Thousand and 00/100 Dollars (\$____,000.00) made by Borrower and payable to Lender (as the same may be amended or modified from time to time, the "Note").

Lender understands that Borrower shall utilize the proceeds of the Loan to fund a mezzanine loan to a third party borrower, such loan to be made pursuant to the "Underlying Documents" more particularly described in Section 2.1.1 below. As a condition to making the Loan, Lender has required Borrower to assign to Lender, as additional security for the Loan, all of Borrower's right, title and interest in and to the promissory notes, security instruments and other loan documents conveyed including without limiting the generality of the foregoing, all rights to receive payments under such collateral.

Statement of Agreement

NOW, THEREFORE, for valuable consideration, separate and distinct from the consideration given by Lender with respect to the Loan, the receipt and adequacy of which are hereby acknowledged, Borrower agrees as follows:

1. **Recitals.** The Recitals are incorporated herein by this reference.
2. **Assignment.** As security for the performance of all obligations of Borrower to Lender under the Note, the Assignment of Promissory Note and Pledge and Security Agreement, and all other documents now or hereafter evidencing, securing or related to the Loan (collectively, the "Loan Documents"), Borrower hereby assigns and transfers to Lender, on a non-exclusive basis, all of its right, title and interest in and to the following collateral (the "Collateral"):
 - 2.1.1. All right, title, interest, claims or rights of Borrower now or hereafter in and to the notes, security instruments, guaranties and other loan documents (collectively, the "Underlying Documents") described on Exhibit "A" attached hereto and incorporated herein by this reference; and
 - 2.1.2. Any and all proceeds of a casualty or condemnation, repayment of loans, membership interests, distributions, proceeds of enforcement of security interests, and payments of any kind or nature whatsoever, now or hereafter distributable or payable to Borrower by reason of Borrower's ownership of the Underlying Documents; and

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2.1.3. All accounts, contract rights, security entitlements, investment property and general intangibles now or hereafter evidencing, arising from or relating to any of the foregoing; and

2.1.4. All right of Borrower to collect and enforce payments pursuant to the terms of the Underlying Documents; and

2.1.5. All documents, writings, leases, books, files, records, computer tapes, programs, ledger books and ledger pages arising from or used in connection with any of the foregoing; and

2.1.6. All renewals, extensions, additions, substitutions or replacements of any of the foregoing; and

2.1.7. All powers, options, rights, privileges and immunities pertaining to any of the foregoing; and

2.1.8. All proceeds of any of the foregoing and all cash, security or other property distributed on account of any of the foregoing.

3. Representations and Warranties. Borrower hereby represents and warrants that: (a) Borrower is or will be the true owner of the interests under the Underlying Documents; (b) Borrower has not assigned or granted a security interest in the Collateral to any person or entity that is or will be superior to that of the Lender; and (c) to Borrower's knowledge, (i) Borrower's interest in the Collateral is not and will not be subject to any claims, setoffs, encumbrances or deductions, and (ii) the Loan Documents constitute and will constitute valid and binding obligations of Borrower.

4. No Assumption by Lender and Covenants of Borrower. Neither this Assignment nor any action or actions on the part of Lender after the date hereof shall constitute an assumption by Lender of any obligations under the Underlying Documents, and Borrower shall continue to be liable for all obligations thereunder arising after the date hereof. Borrower agrees to perform punctually any and all obligations it may have under the Underlying Documents, to take such steps as it may deem necessary or appropriate to secure performance by the obligor(s) and guarantor(s) of the Underlying Documents thereon of all of its obligations under the applicable Underlying Documents.

5. Benefits Conditionally Retained by Borrower. Lender hereby grants Borrower the right to continue to receive the benefits of, and exercise the rights under, the Underlying Documents unless an Event of Default (as described in Section 14 below) exists, in which event such rights may be revoked at any time thereafter at the option of Lender.

6. Action by Lender Following Event of Default. Lender shall have the right, but not an obligation, at any time while an Event of Default exists, without notice and without taking possession of the security interest or any part thereof; to take in Lender's name or in the name of Borrower such action as Lender may, at any time or from time to time, reasonably determine to be necessary to cure any default under the Underlying Documents or to protect or exercise the rights of Borrower or Lender thereunder, and may otherwise exercise any other rights or remedies Lender has under the Loan Documents. Lender shall incur no liability if any action taken by it or on its behalf pursuant to this Assignment shall prove to be in whole or in part inadequate or invalid; and Borrower hereby agrees to indemnify, defend, and hold Lender free and harmless from and against any loss, costs, liability or reasonable expense (including, without limitation, reasonable attorneys' and accountants' fees and expenses, court costs and investigation expenses) actually incurred by Lender in connection with its actions under this Section 6.

7. Power of Attorney. Borrower hereby irrevocably constitutes and appoints Lender as its true and lawful agent and attorney-in-fact, with full power of substitution, to demand, receive and enforce all rights of Borrower under the Underlying Documents, following the occurrence and during the continuance of an Event of Default, to modify, supplement and terminate the Underlying Documents, to transfer the Underlying Documents to Lender, to give appropriate releases, receipts for or on behalf of Borrower in connection with the Underlying

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Principal : \$50,000.00
Int. Rate : 8.00%

Documents, to file, pursue, receive payment and acquittances for or otherwise compromise each and every claim Borrower has or may have against the obligor(s) and guarantor(s) of the Underlying Documents for payment or otherwise under the Underlying Documents, all in the name, place and stead of Borrower or in Lender's name, with the same force and effect as Borrower could have if this Assignment had not been made. Borrower authorizes any third party to rely exclusively on the certificate of an officer of Lender or its successor for the establishment of an Event of Default and hereby waives and releases any claim Borrower may have against such third party for such reliance. Borrower hereby agrees to deliver to Lender, upon Lender's written demand and after the occurrence and during the continuance of an Event of Default, all instruments and documents as Lender may reasonably require in order to permit Lender's succession to the right, title and interest of Borrower in and to the Underlying Documents as provided herein. Borrower appoints Lender as its attorney-in-fact to execute any and all such documents on Borrower's behalf upon any failure of Borrower to so execute such documents, it is hereby recognized that the power of attorney herein granted is coupled with an interest and is irrevocable. At Lender's option, Lender may record this Assignment in the recording office. By acceptance of this Assignment, Lender agrees that it shall not exercise the power of attorney granted herein unless there shall have occurred and be continuing an Event of Default.

8. Binding Effect. This Assignment shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns, including without limitation any purchaser upon enforcement of the security interests created by the Underlying Documents.

9. No Release or Termination. The taking of this Assignment by Lender shall not affect the release of any other collateral now or hereafter held by Lender as security for the obligations of Borrower under the Loan Documents, nor shall the taking of additional security for any such obligations hereafter effect a release or termination of this Assignment, or any terms or provisions hereof.

10. No Waiver. No failure or delay on the part of Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder are cumulative and may be exercised by Lender either independently of or concurrently with any other right, remedy or power contained herein or in any instrument executed in connection with the Loan Documents.

11. Captions. The section titles or captions contained in this Assignment are for convenience only and shall not be deemed to define, limit or otherwise modify the scope or intent of this Assignment.

12. Variation in Pronouns. All the terms and words used in this Assignment, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Assignment or any paragraph or clause herein may require, the same as if such word had been fully and properly written in the correct number and gender.

13. Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be given in the manner required by the Loan Documents.

14. Event of Default. The occurrence of an Event of Default under the Note or any of the other Loan Documents beyond the applicable notice and cure period shall constitute an "Event of Default" under this Assignment.

15. Successors and Assigns. This Assignment shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of the Lender and Lender's successors; provided, however, and notwithstanding anything contained herein, neither the Note nor the Loan Documents are assignable by Lender, in whole or in part, and any such attempted assignment shall be null and void.

Property ID : Blucher Avenue - Mezzanine
Principal : \$50,000.00
Int. Rate : 8.00%

EXHIBIT A TO COLLATERAL ASSIGNMENT

1. That certain mezzanine pledge and security agreement from _____, dated _____, in favor of Woodbridge Mortgage Investment Fund 4, LLC, encumbering certain membership interests described therein.
2. That certain mezzanine promissory note in the original principal amount of _____ Hundred Thousand and 00/100 Dollars (\$____,000.00), dated _____, 20____, made by _____ and payable to the order of Woodbridge Mortgage Investment Fund 4, LLC.
3. That certain mezzanine loan agreement dated _____, 20____, by and between _____ and Woodbridge Mortgage Investment Fund 4, LLC.
4. That certain UCC1 Financing Statement filed with the Secretary of State Office for the State of Delaware identifying _____ as the "Debtor" and Woodbridge Mortgage Investment Fund 4, LLC as the "Secured Party" and covering certain membership interests in _____.

Property ID : Blucher Avenue - Mezzanine
Principal : \$50,000.00
Int. Rate : 8.00%

EXHIBIT D

Form of Intercreditor Agreement

INTERCREDITOR AGREEMENT (PARI PASSU)

THIS INTERCREDITOR AGREEMENT ("Agreement") is entered into by and between _____, having an address at _____ ("First Party") and _____, having an address at _____ ("Second Party") (First Party and Second Party are sometimes herein referred to collectively as the "Lenders" and individually as a "Lender"), as of the date written below.

WITNESSETH

WHEREAS, the Lenders have agreed collectively to lend \$ _____ to Woodbridge Mortgage Investment FUND 4, LLC, a Delaware limited liability company ("Woodbridge"), and

WHEREAS, in return for the loans by the Lenders, Woodbridge will execute and deliver to each of them promissory notes each in the original principal amount of \$ _____ (the "Notes"), and

WHEREAS, Woodbridge intends to use the funds (the "Loans") provided by Lenders to finance a mezzanine loan in the principal amount of \$ _____ to _____, to be evidenced by a promissory note and secured by a pledge of _____'s entire and controlling membership interest in _____, LLC, which owns property located at _____ ("Premises") (the "Underlying Mezzanine Note" and the "Pledge" respectively), and

WHEREAS, upon closing of the Loans, Woodbridge will deliver to each of the Lenders a collateral assignment of the Underlying Mezzanine Note, Pledge and Security Agreement, and Other Documents as security for the Notes (the "Collateral Assignments"); and

WHEREAS, the Lenders wish that each of them shall be treated equally with reference to the payment under the respective Notes and/or enforcement of the Collateral Assignments; and

WHEREAS, this Agreement shall be effective and bind the parties hereto.

NOW THEREFORE, the parties hereto agree as follows:

1. The above recitals are hereby made a part of this Agreement.
2. Unless explicitly agreed to the contrary in writing, the Lenders shall have equal rights of enforcement, priorities, duties, and obligations under the Notes, and the Collateral Assignments and any other documentation executed and delivered in connection therewith (the "Loan Documents").
3. In the event of a default under any of the Notes, the Collateral Assignments or other Loan Documents, all of the Notes shall be in default, and shall be due and payable at the option of the Lenders acting in concert.
4. If any of the Lender(s) desire to exercise any rights it may have under the Loan Documents, it shall notify the other Lender(s) as soon as practicable.
5. All notices, consents, waivers, and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by fax (with written confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and fax numbers as set forth below (or to such other addresses and fax numbers as a party may designate by notice to the other parties):

Property ID : Blucher Avenue - Mezzanine
Principal : \$50,000.00
Int. Rate : 8.00%

LENDERS:

First Party

And

Second Party

6. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties in the courts of the State of Delaware, or, if it has or can acquire jurisdiction in the United States District Court for the District of Delaware and each of the parties consents to the jurisdiction of such courts (and of the appropriate Appellate Courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

7. This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the Agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

8. If any provision of this Agreement is held invalid or unenforceable by any court or competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

9. This Agreement will be governed by the laws of the State of Delaware without regard to conflicts of interest principles.

10. This Agreement may be executed in any number of counterparts, each of which taken together shall constitute a single agreement.

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

Property ID : Blucher Avenue - Mezzanine
Principal : \$50,000.00
Int. Rate : 8.00%

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the
____ day of _____, 20__.

LENDER(S):

FIRST PARTY

SECOND PARTY

Acknowledged and Agreed to by:

**WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC**

By: _____
Robert Reed
Its Authorized Representative

EXHIBIT E

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

FOR YOUR RECORDS

PROMISSORY NOTE

February 16, 2017
Sherman Oaks, California

\$200,000.00

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 **JEFFREY SUN**, an individual having an address of 5426 Calle Carmenita, Laguna Woods, California 92637 (hereinafter referred to as "Lender"), at such place as the Lender may designate by written notice to Borrower, the principal sum of Two Hundred Thousand and 00/100 Dollars (\$200,000.00), 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 Two Hundred Thousand and 00/100 Dollars (\$200,000.00) shall bear interest from the date hereof through September 1, 2018, at a fixed rate of interest equal to nine and 50/100 percent (9.50%) 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, or after the maturity of the loan evidenced hereby, by acceleration or otherwise, interest shall accrue from and after such event 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:

a. Monthly payments of interest shall be made commencing on March 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 the Lender hereunder, unless sooner paid, shall be due and payable on September 1, 2018 (the "Maturity Date").

b. On or after (but not before) the earlier to occur of the Maturity Date or the date upon which Pennhurst Investments, LLC, a Delaware limited liability company having an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423, or its successors or assigns, sells or disposes of the property described in the "Underlying Documents" as that term is defined in the Collateral Assignment Documents (hereinafter defined), **and provided at such time Lender continues to be owed any principal due hereunder**, an additional payment of Two and 00/100 percent (2.00%) per annum of such unpaid balance of principal shall be made to Lender.

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.

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

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, 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

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

force and effect, shall be valid, legal and enforceable and shall in no way be affected, prejudiced or disturbed thereby.

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.

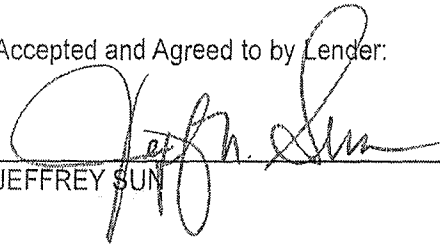
17. **No Additional Profits Payment.** LENDER SHALL NOT RECEIVE ANY SHARE WHATSOEVER OF ANY PROFITS GENERATED IN CONNECTION WITH THE SALE OR DISPOSITION OF THE PROPERTY DESCRIBED IN THE UNDERLYING DOCUMENTS.

WOODBRIIDGE MORTGAGE
INVESTMENT FUND 4, LLC

By: _____

Robert Reed
Its Authorized Representative

Accepted and Agreed to by Lender:


JEFFREY SUN

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") made on this February 16, 2017, by and between **JEFFREY SUN**, an individual having an address of 5426 Calle Carmenita, Laguna Woods, California 92637 (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 Mezzanine 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 Mezzanine Loan; and

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

WHEREAS, Woodbridge has agreed to execute and deliver to Lender a promissory note payable to Lender in the amount tendered by Lender to Woodbridge pursuant to the Loan; and

WHEREAS, Woodbridge has further agreed to execute and deliver a collateral assignment of its interest in the Loan Documents (as defined below) in favor of Lender on a pari passu basis as security for the Loan; 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. **Amount and Terms of Lender's Loan.** Lender has agreed to lend Woodbridge the sum of Two Hundred Thousand and 00/100 Dollars (\$200,000.00). The foregoing obligation shall be evidenced by Woodbridge's promissory note to Lender, in the original principal amount of Two Hundred Thousand and 00/100 Dollars (\$200,000.00), 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 nine and 50/100 percent (9.50%) per annum, subject to such default rates and additional interest payments 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 September 1, 2018, unless sooner prepaid. Woodbridge may prepay the Note without penalty at any time.

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

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 mezzanine loan in the principal amount of Five Million Eight Hundred Fifty Thousand and 00/100 Dollars (\$5,850,000.00) (the "Pledged Mezzanine Loan") extended or to be extended by Woodbridge to H64 Pennhurst Holding Company, LLC ("Borrower") and secured by a pledge of Borrower's entire and controlling membership interest in Pennhurst Investments, LLC, an entity which owns real property located at 11541 Blucher Avenue, Granada Hills, California 91344 ("Premises"), subject to any first or second priority mortgage loans secured by the Premises to which that certain mezzanine loan would be structurally subordinate;
- (b) The promissory note evidencing the Pledged Loan (the "Underlying Note");
- (c) The pledge and security agreement securing the Pledged Mezzanine Loan to Woodbridge (the "Underlying Pledge and Security Agreement"); and
- (d) Title insurance policies and such other instruments or documentation as may be executed and delivered to Woodbridge in conjunction with the Pledged Mezzanine Loan (said Underlying Note, Underlying Pledge and Security Agreement and other associated loan documents collectively hereafter referred to as the "Loan Documents").
- (e) Upon the consummation of the Pledged Mezzanine 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 Mezzanine 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 Mezzanine 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 Mezzanine 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 Mezzanine 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 Mezzanine 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

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

its own credit decision with respect to the Pledged Mezzanine 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;

(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]

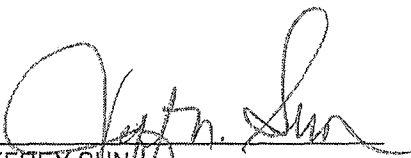
Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

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

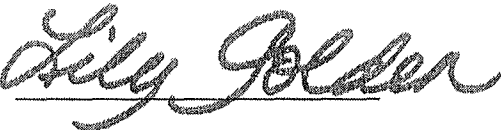
Signed, Sealed, and Delivered
in the Presence of:

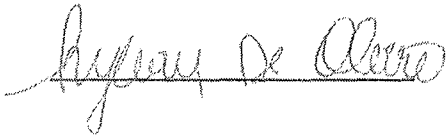
(Witness)

(Witness)




JEFFREY SUN





WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC

By: 

Robert Reed
Its Authorized Representative

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

EXHIBIT LIST

- EXHIBIT A Note from Woodbridge to Lender
- EXHIBIT B Form of Assignment
- EXHIBIT C Form of Collateral Assignment
- EXHIBIT D Form of Intercreditor Agreement

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

EXHIBIT A

Note from Woodbridge to Lender

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

EXHIBIT B

Form of Assignment

ASSIGNMENT OF PROMISSORY NOTE AND PLEDGE AND SECURITY AGREEMENT

THIS ASSIGNMENT OF PROMISSORY NOTE AND PLEDGE AND SECURITY AGREEMENT (this "Assignment") made as of the ___ day of _____, 20___, by **WOODBRIIDGE MORTGAGE INVESTMENT FUND 4, LLC**, a Delaware limited liability company with an office and a mailing address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 (the "Assignor"), in favor of _____, having an address of _____ (the "Assignee").

WHEREAS, Assignee has extended a mezzanine loan (the "Loan") in the original principal amount of ___ Hundred Thousand and 00/100 Dollars (\$___,000.00) to Assignor (the obligations of Assignor in respect of the Promissory Note evidencing said Loan being hereinafter referred to as the "Obligations"); and

WHEREAS, it is a condition of Assignee's agreement to extend such Loan that Assignor assign to Assignee its interest in certain documents hereinafter described, and the indebtedness related thereto, as security for the Obligations;

NOW, THEREFORE, as security for the Obligations, and as an inducement to Assignee to extend the Loan and in consideration therefor, and in consideration of Ten Dollars (\$10.00) to Assignor paid, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, bargains, sells, assigns, conveys, transfers and sets over unto Assignee a security interest in and lien upon, all of Assignor's right, title and interest in, to and under: (a) a certain mezzanine pledge and security agreement from _____ ("Borrower"), dated ____, 20__, in favor of Assignor (the "Assigned Pledge"), (b) a certain mezzanine promissory note in the principal amount of ___ Hundred Thousand and 00/100 Dollars (\$___,000.00), dated ____, 20__, made by _____ and payable to the order of Assignor (the "Assigned Note"), (c) a certain mezzanine loan agreement dated _____, 20__, by and between Assignor and Borrower (the "Assigned Loan Agreement"), and all proceeds thereof and all other documents securing or guarantying the same (the Assigned Pledge, the Assigned Note, and all other documents or instruments securing or guarantying the same being hereinafter referred to collectively as the "Assigned Documents").

Assignor further covenants and agrees as follows:

1. The occurrence of an "Event of Default" under the Promissory Note evidencing the Loan, or under the Collateral Assignment dated of even date herewith, beyond the applicable notice and cure period shall constitute an "Event of Default" under this Assignment. So long as no Event of Default shall have occurred, Assignor shall be entitled to collect all payments of interest and all scheduled payments of principal (collectively, "Scheduled Payments") on the Assigned Documents.

2. In the event of any payment (other than Scheduled Payments or pre-payments) under the Assigned Note, the obligor under the Assigned Documents ("Borrower") is hereby irrevocably authorized and directed to make such payment directly to Assignee or to such person as Assignee shall otherwise direct. Assignor shall immediately pay over to Assignee any such payment received directly from Borrower.

3. Upon written notice from Assignee that an Event of Default exists, Borrower shall thereafter make, and is hereby irrevocably authorized and directed to make, all payments under the Assigned Documents directly to Assignee or to such person as Assignee shall otherwise direct, to be applied against the Obligations until such Obligations are satisfied. Upon satisfaction of such Obligations, all remaining payments under the Assigned Documents, if any, shall resume to be made and directed to Assignor.

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

4. Upon the occurrence of an Event of Default, Assignor will not grant any waivers, indulgences, modifications, extensions or other departures by Borrower from or of the obligations required to be performed by Borrower under the Assigned Documents and any security or other agreement executed in connection therewith, without the prior written consent of Assignee. At Assignee's request, Assignor shall also provide to Assignee such other information regarding the Borrower or the Premises (as defined in the Assigned Documents), as Assignor may have in its possession.

5. This Assignment is executed only as security for the Obligations. The execution and delivery of this Assignment shall not subject Assignee to, or transfer or pass to Assignee, or in any way affect or modify, the liability of Assignor under any or all of the Assigned Documents.

6. In the exercise of its powers hereunder or under any documents relating to the Obligations, no liability shall be asserted or enforced against Assignee, all such liability being hereby expressly waived and released by Assignor. Assignor hereby agrees to indemnify Assignee, and hold it harmless, from any and all liabilities, losses, or damages which Assignee shall incur by reason of this Assignment or the Assigned Documents and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or, undertakings required to be performed by Assignor in connection with the Assigned Documents.

7. Assignor hereby agrees and acknowledges that neither the acceptance of this Assignment by Assignee nor the exercise of, or failure to exercise, any right, power or remedy in this instrument conferred upon Assignee shall be deemed or construed to obligate Assignee, or its successors or assigns, to pay any sum of money, take any action or incur any liability in connection with any of the Assigned Documents. It is further agreed and understood by Assignor that neither Assignee nor its successors or assigns shall be liable in any way for any costs, expenses or liabilities connected with, or any charges or liabilities resulting from, any of the Assigned Documents.

8. This Assignment shall be binding upon Assignor and its successors and assigns, and shall inure to the benefit of Assignee and its successors and assigns. Notwithstanding anything contained herein, however, neither the Note nor the other Loan Documents are assignable by Assignee without the Assignor's written consent, and any such attempted assignment without such consent shall be null and void. This Assignment shall be governed by and construed and enforced in accordance with the laws of the State of Delaware.

9. (a) Any notice, report, demand, request or other instrument or communication authorized or required under this Assignment to be given to Assignor, Assignee or Borrower shall be deemed given if addressed to the party intended to receive the same, at the address of such party set forth below, (i) when delivered at such address by hand or by overnight delivery service, or (ii) three (3) days after the same is deposited in the United States mail as first class certified mail, return receipt requested, postage paid, whether or not the same is actually received by such party:

Assignor: Woodbridge Mortgage Investment Fund 4, LLC
14225 Ventura Boulevard
Suite 100
Sherman Oaks, California 91423

Assignee: _____

(b) Any party may change the address to which any such notice, report, demand, request or other instrument or communication to such party is to be delivered or mailed, by giving written notice of such change to the other parties, but no such notice of change shall be effective unless and until received by such other parties.

10. Upon full payment and performance of the Obligations, this Assignment shall terminate and shall be of no further force and effect. Upon such termination, Assignee shall indorse the Assigned Note to the order of Assignor

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

(or otherwise as Assignor may direct), without recourse, warranty or representation, and Assignee shall deliver the Assigned Note to Assignor.

11. Notwithstanding anything to the contrary set forth in this Assignment, unless and until Assignee shall have exercised its rights under paragraph 3 above, Assignor shall be entitled to enforce the Assigned Pledge.

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the date first written above.

Assignor:

**WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC**

By: _____
Robert Reed
Its Authorized Representative

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

EXHIBIT C

Form of Collateral Assignment

COLLATERAL ASSIGNMENT OF PROMISSORY NOTE, PLEDGE AND SECURITY AGREEMENT, AND OTHER LOAN DOCUMENTS

THIS COLLATERAL ASSIGNMENT OF PROMISSORY NOTE, PLEDGE AND SECURITY AGREEMENT, AND OTHER LOAN DOCUMENTS (this "Assignment"), dated as of this ___ day of ___ 20___, is made and given by **WOODBIDGE MORTGAGE INVESTMENT FUND 4, LLC**, a Delaware limited liability company ("Borrower"), having an address at 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423, and in favor of _____, having an address of _____, his or her successors and assigns ("Lender").

Background:

Lender has agreed to make, and Borrower has agreed to accept, a loan in the original maximum principal amount of ___ Hundred Thousand and 00/100 Dollars (\$____,000.00) (the "Loan") upon the terms and conditions set forth in that certain Promissory Note, dated _____, in the original principal amount of ___ Hundred Thousand and 00/100 Dollars (\$____,000.00) made by Borrower and payable to Lender (as the same may be amended or modified from time to time, the "Note").

Lender understands that Borrower shall utilize the proceeds of the Loan to fund a mezzanine loan to a third party borrower, such loan to be made pursuant to the "Underlying Documents" more particularly described in Section 2.1.1 below. As a condition to making the Loan, Lender has required Borrower to assign to Lender, as additional security for the Loan, all of Borrower's right, title and interest in and to the promissory notes, security instruments and other loan documents conveyed including without limiting the generality of the foregoing, all rights to receive payments under such collateral.

Statement of Agreement

NOW, THEREFORE, for valuable consideration, separate and distinct from the consideration given by Lender with respect to the Loan, the receipt and adequacy of which are hereby acknowledged, Borrower agrees as follows:

1. **Recitals.** The Recitals are incorporated herein by this reference.
2. **Assignment.** As security for the performance of all obligations of Borrower to Lender under the Note, the Assignment of Promissory Note and Pledge and Security Agreement, and all other documents now or hereafter evidencing, securing or related to the Loan (collectively, the "Loan Documents"), Borrower hereby assigns and transfers to Lender, on a non-exclusive basis, all of its right, title and interest in and to the following collateral (the "Collateral"):
 - 2.1.1. All right, title, interest, claims or rights of Borrower now or hereafter in and to the notes, security instruments, guaranties and other loan documents (collectively, the "Underlying Documents") described on **Exhibit "A"** attached hereto and incorporated herein by this reference; and
 - 2.1.2. Any and all proceeds of a casualty or condemnation, repayment of loans, membership interests, distributions, proceeds of enforcement of security interests, and payments of any kind or nature whatsoever, now or hereafter distributable or payable to Borrower by reason of Borrower's ownership of the Underlying Documents; and

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Int. Rate : 9.50%

2.1.3. All accounts, contract rights, security entitlements, investment property and general intangibles now or hereafter evidencing, arising from or relating to any of the foregoing; and

2.1.4. All right of Borrower to collect and enforce payments pursuant to the terms of the Underlying Documents; and

2.1.5. All documents, writings, leases, books, files, records, computer tapes, programs, ledger books and ledger pages arising from or used in connection with any of the foregoing; and

2.1.6. All renewals, extensions, additions, substitutions or replacements of any of the foregoing; and

2.1.7. All powers, options, rights, privileges and immunities pertaining to any of the foregoing; and

2.1.8. All proceeds of any of the foregoing and all cash, security or other property distributed on account of any of the foregoing.

3. Representations and Warranties. Borrower hereby represents and warrants that: (a) Borrower is or will be the true owner of the interests under the Underlying Documents; (b) Borrower has not assigned or granted a security interest in the Collateral to any person or entity that is or will be superior to that of the Lender; and (c) to Borrower's knowledge, (i) Borrower's interest in the Collateral is not and will not be subject to any claims, setoffs, encumbrances or deductions, and (ii) the Loan Documents constitute and will constitute valid and binding obligations of Borrower.

4. No Assumption by Lender and Covenants of Borrower. Neither this Assignment nor any action or actions on the part of Lender after the date hereof shall constitute an assumption by Lender of any obligations under the Underlying Documents, and Borrower shall continue to be liable for all obligations thereunder arising after the date hereof. Borrower agrees to perform punctually any and all obligations it may have under the Underlying Documents, to take such steps as it may deem necessary or appropriate to secure performance by the obligor(s) and guarantor(s) of the Underlying Documents thereon of all of its obligations under the applicable Underlying Documents.

5. Benefits Conditionally Retained by Borrower. Lender hereby grants Borrower the right to continue to receive the benefits of, and exercise the rights under, the Underlying Documents unless an Event of Default (as described in Section 14 below) exists, in which event such rights may be revoked at any time thereafter at the option of Lender.

6. Action by Lender Following Event of Default. Lender shall have the right, but not an obligation, at any time while an Event of Default exists, without notice and without taking possession of the security interest or any part thereof, to take in Lender's name or in the name of Borrower such action as Lender may, at any time or from time to time, reasonably determine to be necessary to cure any default under the Underlying Documents or to protect or exercise the rights of Borrower or Lender thereunder, and may otherwise exercise any other rights or remedies Lender has under the Loan Documents. Lender shall incur no liability if any action taken by it or on its behalf pursuant to this Assignment shall prove to be in whole or in part inadequate or invalid; and Borrower hereby agrees to indemnify, defend, and hold Lender free and harmless from and against any loss, costs, liability or reasonable expense (including, without limitation, reasonable attorneys' and accountants' fees and expenses, court costs and investigation expenses) actually incurred by Lender in connection with its actions under this Section 6.

7. Power of Attorney. Borrower hereby irrevocably constitutes and appoints Lender as its true and lawful agent and attorney-in-fact, with full power of substitution, to demand, receive and enforce all rights of Borrower under the Underlying Documents, following the occurrence and during the continuance of an Event of Default, to modify, supplement and terminate the Underlying Documents, to transfer the Underlying Documents to Lender, to give appropriate releases, receipts for or on behalf of Borrower in connection with the Underlying

Property ID : Blucher Avenue - Mezzanine
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Documents, to file, pursue, receive payment and acquittances for or otherwise compromise each and every claim Borrower has or may have against the obligor(s) and guarantor(s) of the Underlying Documents for payment or otherwise under the Underlying Documents, all in the name, place and stead of Borrower or in Lender's name, with the same force and effect as Borrower could have if this Assignment had not been made. Borrower authorizes any third party to rely exclusively on the certificate of an officer of Lender or its successor for the establishment of an Event of Default and hereby waives and releases any claim Borrower may have against such third party for such reliance. Borrower hereby agrees to deliver to Lender, upon Lender's written demand and after the occurrence and during the continuance of an Event of Default, all instruments and documents as Lender may reasonably require in order to permit Lender's succession to the right, title and interest of Borrower in and to the Underlying Documents as provided herein. Borrower appoints Lender as its attorney-in-fact to execute any and all such documents on Borrower's behalf upon any failure of Borrower to so execute such documents, it is hereby recognized that the power of attorney herein granted is coupled with an interest and is irrevocable. At Lender's option, Lender may record this Assignment in the recording office. By acceptance of this Assignment, Lender agrees that it shall not exercise the power of attorney granted herein unless there shall have occurred and be continuing an Event of Default.

8. Binding Effect. This Assignment shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns, including without limitation any purchaser upon enforcement of the security interests created by the Underlying Documents.

9. No Release or Termination. The taking of this Assignment by Lender shall not affect the release of any other collateral now or hereafter held by Lender as security for the obligations of Borrower under the Loan Documents, nor shall the taking of additional security for any such obligations hereafter effect a release or termination of this Assignment, or any terms or provisions hereof.

10. No Waiver. No failure or delay on the part of Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder are cumulative and may be exercised by Lender either independently of or concurrently with any other right, remedy or power contained herein or in any instrument executed in connection with the Loan Documents.

11. Captions. The section titles or captions contained in this Assignment are for convenience only and shall not be deemed to define, limit or otherwise modify the scope or intent of this Assignment.

12. Variation in Pronouns. All the terms and words used in this Assignment, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Assignment or any paragraph or clause herein may require, the same as if such word had been fully and properly written in the correct number and gender.

13. Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be given in the manner required by the Loan Documents.

14. Event of Default. The occurrence of an Event of Default under the Note or any of the other Loan Documents beyond the applicable notice and cure period shall constitute an "Event of Default" under this Assignment.

15. Successors and Assigns. This Assignment shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of the Lender and Lender's successors; provided, however, and notwithstanding anything contained herein, neither the Note nor the Loan Documents are assignable by Lender, in whole or in part, and any such attempted assignment shall be null and void.

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

16. **Governing Law.** The parties hereby acknowledge, consent and agree this Assignment and the rights of all parties mentioned herein shall be governed by the laws of the State of Delaware.

IN WITNESS WHEREOF, the Borrower, acting by its duly authorized officer, has signed, sealed and delivered this Assignment on the date above written.

BORROWER:

**WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC**

By: _____ (Seal)
Robert Reed
Its Authorized Representative

STATE OF CONNECTICUT)
)
COUNTY OF TOLLAND) ss.

On this ___ of _____, 20___, before me, the undersigned notary public, personally appeared Robert Reed, Authorized Representative of Woodbridge Mortgage Investment Fund 4, LLC, a Delaware limited liability company, to me known and known by me to be the party executing the foregoing Collateral Assignment of Promissory Note, Pledge and Security Agreement, and Other Loan Documents instrument on behalf of said limited liability company, in favor of _____, and acknowledged said instrument and the execution thereof, to be his free act and deed as such officer and the free act and deed of said limited liability company.

Notary Public _____
Printed Name: _____
My Commission Expires: _____
(Notary Seal)

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

EXHIBIT A TO COLLATERAL ASSIGNMENT

1. That certain mezzanine pledge and security agreement from _____, dated _____, in favor of Woodbridge Mortgage Investment Fund 4, LLC, encumbering certain membership interests described therein.
2. That certain mezzanine promissory note in the original principal amount of _____ Hundred Thousand and 00/100 Dollars (\$____,000.00), dated _____, 20____, made by _____ and payable to the order of Woodbridge Mortgage Investment Fund 4, LLC.
3. That certain mezzanine loan agreement dated _____, 20____, by and between _____ and Woodbridge Mortgage Investment Fund 4, LLC.
4. That certain UCC1 Financing Statement filed with the Secretary of State Office for the State of Delaware identifying _____ as the "Debtor" and Woodbridge Mortgage Investment Fund 4, LLC as the "Secured Party" and covering certain membership interests in _____.

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

EXHIBIT D

Form of Intercreditor Agreement

INTERCREDITOR AGREEMENT (PARI PASSU)

THIS INTERCREDITOR AGREEMENT ("Agreement") is entered into by and between _____, having an address at _____ ("First Party") and _____, having an address at _____ ("Second Party") (First Party and Second Party are sometimes herein referred to collectively as the "Lenders" and individually as a "Lender"), as of the date written below.

WITNESSETH

WHEREAS, the Lenders have agreed collectively to lend \$_____ to Woodbridge Mortgage Investment FUND 4, LLC, a Delaware limited liability company ("Woodbridge"), and

WHEREAS, in return for the loans by the Lenders, Woodbridge will execute and deliver to each of them promissory notes each in the original principal amount of \$_____ (the "Notes"), and

WHEREAS, Woodbridge intends to use the funds (the "Loans") provided by Lenders to finance a mezzanine loan in the principal amount of \$_____ to _____, to be evidenced by a promissory note and secured by a pledge of _____'s entire and controlling membership interest in _____, LLC, which owns property located at _____ ("Premises") (the "Underlying Mezzanine Note" and the "Pledge" respectively), and

WHEREAS, upon closing of the Loans, Woodbridge will deliver to each of the Lenders a collateral assignment of the Underlying Mezzanine Note, Pledge and Security Agreement, and Other Documents as security for the Notes (the "Collateral Assignments"); and

WHEREAS, the Lenders wish that each of them shall be treated equally with reference to the payment under the respective Notes and/or enforcement of the Collateral Assignments; and

WHEREAS, this Agreement shall be effective and bind the parties hereto.

NOW THEREFORE, the parties hereto agree as follows:

1. The above recitals are hereby made a part of this Agreement.
2. Unless explicitly agreed to the contrary in writing, the Lenders shall have equal rights of enforcement, priorities, duties, and obligations under the Notes, and the Collateral Assignments and any other documentation executed and delivered in connection therewith (the "Loan Documents").
3. In the event of a default under any of the Notes, the Collateral Assignments or other Loan Documents, all of the Notes shall be in default, and shall be due and payable at the option of the Lenders acting in concert.
4. If any of the Lender(s) desire to exercise any rights it may have under the Loan Documents, it shall notify the other Lender(s) as soon as practicable.
5. All notices, consents, waivers, and other communications under this Agreement must be in writing and shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by fax (with written confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and fax numbers as set forth below (or to such other addresses and fax numbers as a party may designate by notice to the other parties):

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

LENDERS:

First Party

And

Second Party

6. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties in the courts of the State of Delaware, or, if it has or can acquire jurisdiction in the United States District Court for the District of Delaware and each of the parties consents to the jurisdiction of such courts (and of the appropriate Appellate Courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

7. This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the Agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

8. If any provision of this Agreement is held invalid or unenforceable by any court or competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

9. This Agreement will be governed by the laws of the State of Delaware without regard to conflicts of interest principles.

10. This Agreement may be executed in any number of counterparts, each of which taken together shall constitute a single agreement.

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

Property ID : Blucher Avenue - Mezzanine
Principal : \$200,000.00
Int. Rate : 9.50%

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the
____ day of _____, 20__.

LENDER(S):

FIRST PARTY

SECOND PARTY

Acknowledged and Agreed to by:

**WOODBIDGE MORTGAGE
INVESTMENT FUND 4, LLC**

By: _____
Robert Reed
Its Authorized Representative

EXHIBIT F

11541 Blucher Ave, Granada Hills, CA 91344-4302, Los Angeles County

Multiple Building Property Summary



88	85,301	99,784	\$19,528,000
Beds	Bldg Sq Ft	Lot Sq Ft	Sale Price
110	2010	APT	04/25/2017
Baths	Yr Built	Type	Sale Date

Owner Information

Owner Name:	Pannhurst Investments LLC	Tax Billing Zip:	91423
Tax Billing Address:	14225 Ventura Blvd #100	Tax Billing ZIP + 4 Code:	2758
Tax Billing City & State:	Sherman Oaks, CA	Owner Occupied:	No

Location Information

Census Tract 1:	1092.00	School District:	Los Angeles
Tract Number:	68781	Comm College District Code:	Los Angeles City
Mailing Carrier Route:	C097	Flood Zone Code:	X
Subdivision:	Porter Land & Water Co	Flood Zone Panel:	06037C1075F
Zoning:	LARD2	Flood Zone Date:	08/26/2008
Topography:	Rolling/Hilly		

Tax Information

APN:	2605-002-220	Lot #:	1
Tax Area:	16	% Improved:	84%
Water Tax Dist:	Southern California		
Legal Description:	TR=68781 LOT 1		

Assessment & Tax

Assessment Year	2017	2016	2015
Assessed Value - Total	\$12,949,251	\$12,695,348	\$12,504,653
Assessed Value - Land	\$2,072,030	\$2,031,402	\$2,000,889
Assessed Value - Improved	\$10,877,224	\$10,663,946	\$10,503,764
YOY Assessed Change (\$)	\$253,906	\$190,695	
YOY Assessed Change (%)	2%	1.52%	

Tax Year	Total Tax	Change (\$)	Change (%)
2015	\$156,396		
2016	\$158,961	\$2,565	1.64%
2017	\$164,188	\$5,227	3.29%

Characteristics

Lot Acres:	2.2907	Full Baths:	110
Lot Sq Ft:	99,784	Cooling Type:	Yes
Gross Area:	85,301	Pool:	Pool
Building Sq Ft:	85,301	Year Built:	2010
Total Units:	52	County Use Code:	Apartment
Bedrooms:	88	Universal Land Use:	Apartment
Total Baths:	110	# of Buildings:	5

Courtesy [Redacted] MetroList Services, Inc
 The data within this report is compiled by CoreLogic from public and private sources. The data is deemed reliable, but not guaranteed. The accuracy of the data contained herein can be independently verified by the recipient of this report with the applicable county or municipality.

Property Detail

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 Page 1 of 4

Last Market Sale & Sales History

Recording Date:	04/26/2017	Sale Type:	Full
Settle Date:	04/25/2017	Deed Type:	Grant Deed
Sale Price:	\$19,525,000	Owner Name:	Pennhurst Investments LLC
Price Per Sq Ft:	\$228.90	Seller Name:	Int Capital 11525 Blucher LLC
Document Number:	462797	Title Company:	Commonwealth Land Title Co.

Recording Date:	04/26/2017	09/30/2010
Settle Date:	04/25/2017	09/29/2010
Sale Price:	\$19,525,000	\$6,250,000
Owner Name:	Pennhurst Investments LLC	Int Capital 11525 Blucher LLC
Seller Name:	Int Capital 11525 Blucher LLC	Coastline Re Holdings Corp
Document Number:	462797	1397625
Deed Type:	Grant Deed	Grant Deed
Title Company:	Commonwealth Land Title Co.	First American Title

Mortgage History

Mortgage Date	04/26/2017	06/05/2012	10/14/2008	03/30/2007	04/01/2004
Mortgage Amount	\$13,667,500	\$500,000,000	\$18,500,000	\$18,500,000	\$13,125,000
Mortgage Lender	Woodbridge Mtg Inv Fund 4 LLC	Federal Home Loan Mtg Corp	Affinity BK	Affinity BK	Marshall Inv Corp
Borrower Name	Pennhurst Investments LLC	Int Capital 11525 Blucher LLC	Renaissance Granada Hills LLC	Renaissance Granada Hills LLC	Henes Renaissance Villas
Mortgage Purpose	Resale	Refi	Nominal	Construction	Nominal
Mortgage Type	Conventional	Conventional			Fixed Rate Loan
Interest Rate Type					Fixed Rate Loan
Mortgage Term	3	3	1	3	5
Mortgage Term Code	Years	Years	Years	Years	Years

Mortgage Date	04/01/2004	06/19/1999	07/01/1985
Mortgage Amount	\$665,000	\$132,000	\$675,000
Mortgage Lender	Marshall Inv Corp	First Credit BK	
Borrower Name	Henes Renaissance Villas	Ghaneelan Mansoor	Keranen Alan R
Mortgage Purpose	Nominal	Resale	Resale
Mortgage Type		Conventional	Private Party Lender
Interest Rate Type	Fixed Rate Loan	Adjustable Int Rate Loan	
Mortgage Term	5		
Mortgage Term Code	Years		

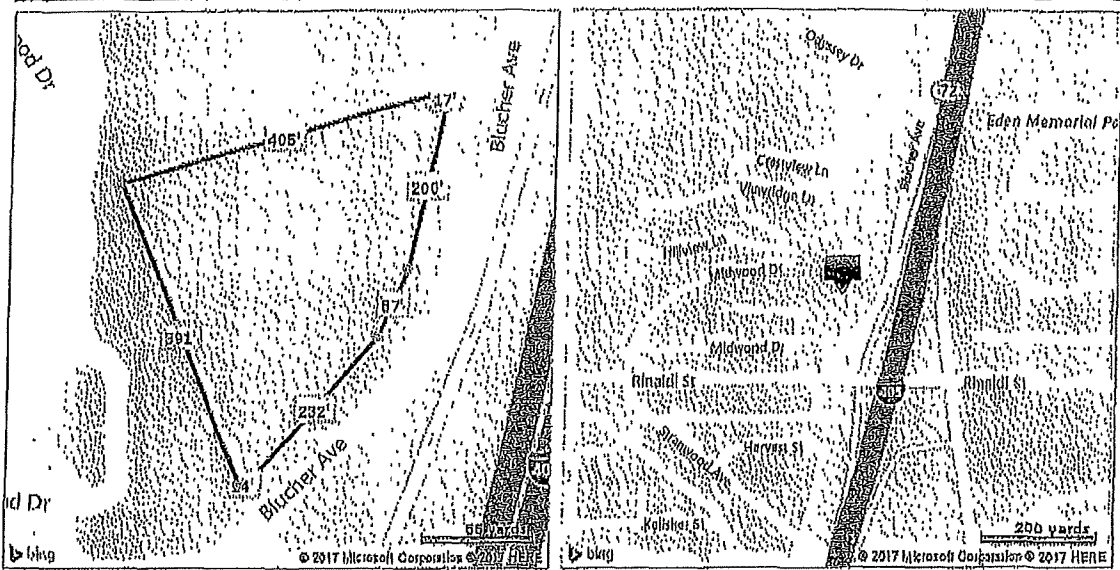
Foreclosure History

Document Type	Release Of Lis Pendens/ Notice	Lis Pendens	Notice Of Trustee's Sale	Notice Of Default
Default Date				06/12/2009
Foreclosure Filing Date		05/21/2012	09/23/2009	06/12/2009
Recording Date	10/08/2013	05/21/2012	09/28/2009	06/15/2009
Document Number	1452025	755123	1467626	891797
Default Amount				\$16,024,799
Final Judgment Amount			\$16,675,033	
Original Doc Date	05/21/2012		03/30/2007	
Original Document Number	755123		50037	750037
Lien Type		Mtg		

Courtesy **Matrolist Services, Inc**
 The data within this report is compiled by Corotrig from public and private sources. The data is deemed reliable, but is not guaranteed. The accuracy of the data contained herein can be independently verified by the recipient of this report with the applicable county or municipality.

Property Detail
 Generated on 01/04/2018
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Property Map



*Lot Dimensions are Estimated

Building 1 of 5

Characteristics

Lot Acres:	2.2907	Total Baths:	25
Lot Sq Ft:	99,784	Cooling Type :	Yes
Gross Area:	85,301	Pool:	Pool
Building Sq Ft:	18,882	Year Built:	2010
Total Units:	52	County Use Code :	Apartment
Bedrooms :	20	Universal Land Use :	Apartment

Building 2 of 5

Characteristics

Lot Acres:	2.2907	Cooling Type :	Yes
Lot Sq Ft:	99,784	Pool:	Pool
Gross Area:	85,301	Year Built:	2010
Building Sq Ft:	19,499	County Use Code :	Apartment
Bedrooms :	20	Universal Land Use :	Apartment
Total Baths:	25		

Building 3 of 5

Characteristics

Lot Acres:	2.2907	Cooling Type :	Yes
Lot Sq Ft:	99,784	Pool:	Pool
Gross Area:	85,301	Year Built:	2010
Building Sq Ft:	15,657	County Use Code :	Apartment
Bedrooms :	16	Universal Land Use :	Apartment
Total Baths:	20		

Building 4 of 5

Courtesy [Redacted], MetroList Services, Inc
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Property Detail

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Characteristics

Lot Acres:	2,2907	Cooling Type :	Yes
Lot Sq Ft:	99,784	Pool:	Pool
Gross Area:	85,301	Year Built:	2010
Building Sq Ft:	19,695	County Use Code :	Apartment
Bedrooms :	20	Universal Land Use :	Apartment
Total Baths:	25		

Building 5 of 5

Characteristics

Lot Acres:	2,2907	Cooling Type :	Yes
Lot Sq Ft:	99,784	Pool:	Pool
Gross Area:	85,301	Year Built:	2010
Building Sq Ft:	11,568	County Use Code :	Apartment
Bedrooms :	12	Universal Land Use :	Apartment
Total Baths:	15		

Courtesy [REDACTED] MetroList Services, Inc
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Property Detail

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CERTIFICATE OF SERVICE

I, Chadd P. Fitzgerald, hereby certify that I am not less than 18 years of age, and that on March 21, 2018, a true and correct copy of the foregoing document was filed *via* the Court's CM/ECF System which will send notification to all registered users, and I caused copies to be served on the parties listed below *via* United States Mail, postage prepaid.

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Under penalty of perjury, I declare the foregoing is true and correct.

Dated: March 21, 2018

/s/ Chadd P. Fitzgerald
Chadd P. Fitzgerald