

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
WOODBRIIDGE GROUP OF COMPANIES,)	
LLC, <i>et al.</i> ¹)	Case No. 17-12560 (KJC)
)	
Debtors and Debtors In Possession.)	(Jointly Administered)
)	
LISE DE LA ROCHELLE, PROVIDENT TRUST)	
GROUP, LLC FBO ARNOLD L. BERMAN IRA,)	
STEPHEN and ZOILA THOMPSON,)	
THE BERNARD & SYLVIA FINEBERG)	
LIVING TRUST, BETTY FOSTER, RUTH E.)	
SCOTT, EDNA M. WATTERS, IRENE OLIN)	
TRUST DTD 02/25/1998, KURT FAUDEL,)	
C. SPENCER and VIRGINIA VAN GULICK,)	
PROVIDENT TRUST GROUP, LLC FBO)	
NANCY E. KICHERER IRA, DONALD A. and)	
FLORENCE H. BOTTARO, LAURENCE)	
POPOLIZIO, MICHAEL L. GROSS, AND)	
JONATHAN W. GREENLEAF and BARBARA K.)	
GREENLEAF AS TRUSTEES OF THE)	
GREENLEAF FAMILY TRUST)	
)	
Plaintiffs,)	
)	
v.)	Adversary Proceeding
)	No. 18-_____ (KJC)
WOODBRIIDGE GROUP OF COMPANIES,)	
LLC, <i>et al.</i>)	
)	
Defendants.)	
)	

**COMPLAINT FOR DECLARATORY JUDGMENT THAT PLAINTIFFS ARE
SECURED CREDITORS OF THE DEBTORS WITH A VALID, PERFECTED,
FIRST PRIORITY LIEN IN CERTAIN REAL PROPERTY,
AND/OR PROCEEDS FROM SALE OF CERTAIN REAL PROPERTY**

¹ The last four digits of Woodbridge Group of Companies, LLC’s federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14225 Ventura Boulevard #100, Sherman Oaks California 91423. The Debtors’ cases are being jointly administered pursuant to Bankruptcy Court Order, dated December 5, 2017 (ECF Docket No. 45). The complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses are not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent, Garden City Group, LLC, at www.gardencitygroup.com/cases/wgc.

Plaintiffs, LISE DE LA ROCHELLE, PROVIDENT TRUST GROUP, LLC FBO ARNOLD L. BERMAN IRA, STEPHEN and ZOILA THOMPSON, THE BERNARD & SYLVIA FINEBERG LIVING TRUST, BETTY FOSTER, RUTH E. SCOTT, EDNA M. WATTERS, IRENE OLIN TRUST DTD 02/25/1998, KURT FAUDEL, C. SPENCER and VIRGINIA VAN GULICK, PROVIDENT TRUST GROUP, LLC FBO NANCY E. KICHERER IRA, DONALD A. and FLORENCE H. BOTTARO, LAURENCE POPOLIZIO, MICHAEL L. GROSS, and JONATHAN W. GREENLEAF and BARBARA K. GREENLEAF AS TRUSTEES OF THE GREENLEAF FAMILY TRUST, by and through their undersigned counsel, file this complaint (the “Complaint”) against WOODBRIDGE GROUP OF COMPANIES, LLC, *et al.* (the “Debtors”). In support thereof, the Plaintiffs allege as follows:

INTRODUCTION

1. This adversary proceeding is brought pursuant to 28 U.S.C. § 2201, and Federal Rule of Bankruptcy Procedure 7001(2) and 7001(9), seeking a declaratory judgment that the Plaintiffs hold: (i) pre-petition valid, perfected, first priority liens against that certain real property of the Debtors; or, alternatively, (ii) pre-petition valid, perfected, first priority liens against any and all proceeds from the sale and/or liquidation of that certain real property of the Debtors; (iii) or, alternatively, (iii) a constructive trust and/or equitable liens against that certain real property of the Debtors, and/or any and all proceeds from the sale and/or liquidation of that certain real property of the Debtors.

PARTIES

2. Plaintiff Lise De La Rochelle maintains her residence in Fort Lauderdale, Florida.
3. Upon information and belief, Plaintiff Provident Trust Group, LLC FBO Arnold L. Berman is an entity organized under California law, with a principal address of Ontario,

California.

4. Plaintiffs Stephen and Zoila Thompson maintain their residence in Sebastian, Florida.

5. Upon information and belief, Plaintiff the Bernard & Sylvia Fineberg Living Trust is an entity organized under Florida law, with a principal address of Boynton Beach, Florida.

6. Plaintiff Betty Foster maintains her residence in Fort Pierce, Florida.

7. Plaintiff Ruth E. Scott maintains her residence in Vero Beach, Florida.

8. Plaintiff Edna M. Watters maintains her residence in Vero Beach, Florida.

9. Upon information and belief, Plaintiff Irene Olin Trust DTD 02/25/1998 is an entity organized under Florida law, with a principal address of Fort Pierce, Florida.

10. Plaintiff Kurt Faudel maintains his residence in Coconut Creek, Florida.

11. Plaintiffs C. Spencer & Virginia Van Gulick maintain their residence in Stuart, Florida.

12. Upon information and belief, Plaintiff Provident Trust Group, LLC FBO Nancy E. Kicherer IRA is an entity organized under California law, with a principal address of Ontario, California.

13. Plaintiff Donald A. and Florence H. Bottaro maintain their residence in Palm Beach Gardens, Florida.

14. Plaintiff Laurence Popolizio maintains his residence in Vero Beach, Florida.

15. Plaintiff Michael L. Gross maintains his residence in Vero Beach, Florida.

16. Upon information and belief, Plaintiff Jonathan W. and Barbara K. Greenleaf as Trustees of the Greenleaf Family Trust is an entity organized under California law, with a

principal address of Santa Barbara, California.

17. Woodbridge Group of Companies, LLC, *et al.*, are a debtor and debtor in possession in the above-captioned Chapter 11 cases, and are Delaware limited liability companies, with their principal place of business in Los Angeles, Sherman Oaks, California.

18. On December 4, 2017 (the "Petition Date") each of the Debtors filed a voluntary petition for relief in this Court under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

JURISDICTION AND VENUE

19. This adversary proceeding is brought pursuant to 11 U.S.C. §§ 105 and 506, 28 U.S.C. § 2201, the Declaratory Judgments Act, and Federal Rule of Bankruptcy Procedure 7001(2) and 7001(9).

20. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334.

21. This matter is a core proceeding as that term is defined in 28 U.S.C. §§ 157(b)(2)(A), (K), and (O).

22. Venue of this adversary proceeding in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409(a).

23. In accordance with Rule 7008-1 of the Local Rules for the United States Bankruptcy Court for the District of Delaware, the Plaintiffs hereby consent to entry of final orders on judgment by this Court if it is determined that this Court, absent consent of the parties, cannot enter final orders or judgment consistent with Article III of the United States Constitution.

RELEVANT BACKGROUND

A. The Debtors' Organizational Structure and Operation

24. Prior to the commencement of the Debtors' bankruptcy proceedings, the Debtors bought, improved and sold high-end, luxury homes, as well as owned and operated full-service real estate brokerages, a private investment company, and real estate lending operations.

25. In the ordinary course of their business, the Debtors both: (a) purchased and improved existing homes, and (b) purchased undeveloped land and built new homes thereon.

26. The Debtors conducted their businesses through a network of affiliated companies that own the various assets comprising its businesses.

27. The Debtors' ultimate parent is RS Protection Trust.

28. WMF Management, LLC ("WMF Management") is a wholly owned subsidiary of RS Protection Trust.

29. WMF Management is a debtor before this Court.

30. WMF Management operated the retail fundraising aspect of the Debtors' business.

31. WMF Management directly owns seven investment fund entities (the "Funds").

32. The Funds are debtors before this Court.

33. The business purpose of the Funds was to solicit and raise money from the members of the general public to fund the Debtors' real estate and investment operations. The Funds also serviced the debt they raised by collecting loan proceeds from the property owners and paying noteholders.

34. The members of the public included, but were not limited to, individual noteholders, couples, trusts, and small businesses.

35. In a typical transaction, a noteholder would loan a fixed amount to a Fund pursuant to a loan agreement for the stated purpose of enabling the Fund to lend money to a third-party borrower.

36. The Fund would contemporaneously enter into a promissory note with the noteholder evidencing the Fund's financial obligation to the noteholder.

37. The third-party borrower contemplated by the loan agreement was either a mezzanine holding company ("MezzCo") owned by the Debtors' parent company, or a single property real estate company ("PropCo") owned by a MezzCo.

38. The Fund would solicit several noteholders for funds to facilitate the third-party borrower's purchase of a parcel of real property.

39. The MezzCo or PropCo would utilize the money from the Fund to purchase, or construct upon, an individual real property.

40. The loan from the Fund to the MezzCo or PropCo would be collateralized by liens by the real property, and a pledge of the MezzCo's ownership interest in the PropCo.

41. The loan agreement stated that the noteholder's loan would be secured by a security interest in the Fund's present and future right, title and interest in and to: (i) the loan from the Fund to the third-party borrower; (ii) the promissory note evidencing that loan; (iii) the mortgage or deed of trust securing that loan; and (iv) insurance policies in connection with the loan.

42. In connection therewith, the Fund would execute: (i) an assignment to the noteholder of the Fund's right, title, and interest in the promissory note reflecting the loan, and the related mortgage or deed of trust in connection with the real property; and (ii) a collateral assignment, pursuant to which the Fund assigned to the noteholder the Fund's right, title, and

interest in and to the same underlying documents, proceeds, and rights thereunder.

43. Upon information and belief, the original documents evidencing these transactions were not retained by the noteholder, and remained in the applicable Fund's and/or the Debtors' possession at all times.

44. The purpose of these transactions was to solicit and raise funds from the public in order to enable the Debtors to purchase, and subsequently sell, the real properties at a profit for the benefit of the Debtors.

45. The proceeds from the sale of the real property would be disbursed by the applicable PropCo or MezzCo to the Fund, which in turn would use the proceeds to repay the lenders, among other things.

46. The Debtors estimate that the Funds, and thereby the Debtors, received approximately Seven Hundred and Fifty Million Dollars (\$750,000,000) in loans from approximately 9,000 noteholders.

47. One of the Funds is Woodbridge Mortgage Investment Fund 3A, LLC ("WMIF 3A").

48. WMIF 3A is a debtor before this Court.

49. WMIF 3A was the largest of the Funds in so far as it received over Two Hundred and Forty Eight Million Dollars (\$248,000,000) from approximately 2,822 noteholders.

50. WMIF 3A was in the business of exchanging with members of the public promissory notes collateralized by liens on real properties acquired by a PropCo.

51. WMIF 3A was in the business of making agreements with members of the public for the collection of payments and/or for the performance of services in connection with promissory notes collateralized by liens on real properties acquired by PropCos.

52. Upon information and belief, in the course of WMIF 3A's practices, WMIF 3A exchanged with the public eight or more real property promissory notes secured or collateralized by liens on real property in a calendar year.

53. The Plaintiffs were noteholders with WMIF 3A.

B. Plaintiffs' Loans to the Funds

54. The Plaintiffs were solicited by the Funds to invest money.

55. The Plaintiffs were noteholders with WMIF 3A in connection with the real property located at 141 South Carolwood Drive, Holmby Hills, California (the "Owlwood Estate").

56. Upon information and belief, the Plaintiffs entered into written loan agreements with WMIF 3A prior to lending funds to WMIF 3A (the "Owlwood Loan Agreements"). An example of the Owlwood Loan Agreements is attached to this Complaint as Exhibit 1.

57. Upon information and belief, pursuant to the Owlwood Loan Agreements, the Plaintiffs lent WMIF 3A funds for the stated purpose of funding a secured loan from WMIF 3A to a "third-party borrower" (the "Owlwood Loans").

58. Upon information and belief, the "third-party borrower" was Sturmer Pippen Investments, LLC ("Sturmer Pippen").

59. Upon information and belief, Sturmer Pippen is the PropCo that owns the Owlwood Estate.

60. Sturmer Pippen is a debtor before this Court.

61. Under the terms of the Owlwood Loan Agreements, the Plaintiffs were granted a "security interest in all of [WMIF 3A's] present and future right, title and interest in and to any and all of the following":

(a) That certain loan in the principal amount of Sixty-Three Million and 00/100 Dollars (\$63,000,000.00) (the “Pledged Loan”) extended or to be extended to Sturmer Pippin Investments, LLC (the “Borrower”) secured by a first priority lien on the real property located at 141 South Carolwood Drive, Holmby Hills, California (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 “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.”

The Owlwood Loan Agreements, Paragraph 2.

62. The Funds also serviced the debt they raised by collecting loan proceeds from the property owners and paying the Plaintiffs-noteholders.

63. Upon information and belief, WMIF 3A collected the amounts due under notes and serviced the promissory notes.

64. Paragraph 2(f) of the Owlwood Loan Agreements states that “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 [as defined in the Owlwood Loan Agreement] on a pari passu basis with such other lenders.” (Underline in original).

65. Upon information and belief, in exchange for the Owlwood Loans, WMIF 3A executed promissory notes in favor of the Plaintiffs (the “Owlwood Notes”) evidencing WMIF 3A’s financial obligation to the Plaintiffs pursuant to the Owlwood Loan Agreements. An example of the Owlwood Lender Notes is attached to this Complaint as Exhibit 2.

66. Paragraph 14 of the Owlwood Lender Notes provides that the Owlwood Lenders Notes were secured by the “Collateral Assignment Documents”, defined therein as the “Note, the Loan Agreement of even date herewith between [WMIF 3A] and [Plaintiffs] ... [and] all other instruments executed or to be executed in connection therewith.”

67. Upon information and belief, WMIF 3A executed other notes, loan agreements, assignments, and collateral assignments as contemplated in the Owlwood Loan Agreements.

68. Upon information and belief, pursuant to the terms of the Owlwood Loan Agreements and the Owlwood Lender Notes, WMIF 3A executed an “Assignment of Promissory Note and Mortgage” and “Collateral Assignment of Note, Mortgage, and Other Loan Documents” (collectively, the “Collateral Assignment”). An example of the Collateral Assignment documents are attached as part of Exhibit 1.

69. As stated in the Collateral Assignment, a condition of the Owlwood Loans was that WMIF 3A would assign to the Plaintiffs, as additional security for the Owlwood Loan, all of WMIF 3A’s right, title and interest in and to the Deed of Trust, the promissory note secured by the deed of trust, and all rights to receive payments as set forth in the Collateral Assignment.

70. Upon information and belief, WMIF 3A, by and through the Collateral Assignment intended, and did exchange to the Plaintiffs, WMIF 3A’s interest in the real property contract between WMIF 3A and Sturmer Pippen for the Owlwood Estate, and WMIF 3A performed services in connection therewith.

71. Upon information and belief, WMIF 3A, by and through the Collateral Assignment, exchanged to the Plaintiffs, the promissory note secured by Sturmer Pippen’s lien on the Owlwood Estate, and WMIF 3A performed services in connection therewith.

C. The Plaintiffs Are Secured Against the Real Property

72. Upon information and belief, the Plaintiffs were solicited and enticed to effectuate the Owlwood Loans on the understanding that WMIF 3A would record the collateral assignment in order to protect the Plaintiffs in the event of WMIF 3A's default on the repayment of the Owlwood Loans.

73. Upon information and belief, WMIF 3A represented to the Plaintiffs that by recording the Collateral Assignment, the Owlwood Loans would be secured against the Owlwood Estate.

74. Upon information and belief, WMIF 3A informed the Plaintiffs that they would hold first position liens on the Owlwood Estate, which was valued higher than the outstanding indebtedness.

75. In connection therewith, WMIF 3A was in possession of the original documents, and was acted as custodian of the records on behalf of the Plaintiffs, in addition to the other noteholders solicited by WMIF 3A for the financing of the Owlwood Estate.

76. Upon information and belief, WMIF 3A recorded the Collateral Assignment against the Owlwood Estate with the Los Angeles County Registrar-Record/County Clerk.

77. Pursuant to the California Code of Business and Professions, WMIF 3A acted as a "broker" in connection with its actions to solicit the Owlwood Loans, service the Owlwood Loans, remit payments from Sturmer Pippen to the Plaintiffs, and record and collateralize the Owlwood Loans and Collateral Assignment against the Owlwood Estate.

78. WMIF 3A's execution of the Owlwood Loan Agreements, the Owlwood Lender Notes, and the Collateral Assignment collectively evidence WMIF 3A's intent to divest itself of all right, title and interest in and to the Owlwood Estate and the proceeds of sale and/or

liquidation of the Owlwood Estate until it satisfied the Owlwood Loans.

79. At the time that WMIF 3A recorded the Collateral Assignment, it transferred all of its rights and interests in the Owlwood Estate to the Plaintiffs to collateralize the Owlwood Lender Notes.

80. Upon information and belief, by virtue of the recording of the Collateral Assignment against the Owlwood Estate, the Plaintiffs are the holders of first in priority, valid, and properly perfected security interest in the Owlwood Estate as well as the proceeds of such assets.

81. WMIF 3A failed to fully satisfy the Owlwood Loans prior to the commencement of the Debtors' bankruptcy proceeding before this Court.

82. The Debtors contend that despite the recording of the documents, the representations made by WMIF 3A and/or its representatives to the Plaintiffs, and the actions taken by WMIF 3A and/or the Debtors as discussed herein, the Owlwood Loans is not secured against the Owlwood Estate.

COUNT I – DECLARATORY JUDGMENT ACTION
THE PLAINTIFFS' PERFECTED SECURITY INTERESTS IN REAL PROPERTY

83. The Plaintiffs reallege and incorporate by reference paragraphs 1 through 82 above as though fully set forth herein.

84. Pursuant to 28 U.S.C. § 2201, the Declaratory Judgments Act, and Fed. R. Bankr. P. 7001(2) and 7001(9), the Plaintiffs seeks declaratory relief against the Debtors in order to determine the validity, priority, or extent of the Plaintiffs' liens or other interests in the Owlwood Estate.

85. An actual case or controversy has arisen and now exists between the Plaintiffs and the Debtors concerning the Plaintiffs' right, title and interest in the Owlwood Estate.

86. The harm to the Plaintiffs and the Debtors caused by the uncertainty over the Plaintiffs' and the Debtors' right, title and interest in the Owlwood Estate is sufficiently real and imminent to warrant the issuance of a conclusive declaratory judgment.

87. The Plaintiffs and the Debtors have actual present, adverse and competing interest in the Owlwood Estate either in law or fact.

88. Such a declaration deals with a present, ascertainable state and set of facts, as alleged herein.

89. The declaration requested herein would settle the legal issues involved in the dispute between the Plaintiffs and Debtors, and would offer relief from uncertainty.

COUNT II – DECLARATORY JUDGMENT ACTION
THE PLAINTIFFS' PERFECTED SECURITY INTERESTS IN
PROCEEDS FROM SALE OF REAL PROPERTY

90. The Plaintiffs reallege and incorporate by reference paragraphs 1 through 89 above as though fully set forth herein.

91. Pursuant to 28 U.S.C. § 2201, the Declaratory Judgments Act, and Fed. R. Bankr. P. 7001(2) and 7001(9), the Plaintiffs seeks declaratory relief against the Debtors in order to determine the validity, priority, or extent of the Plaintiffs' liens or other interests in and to any and all proceeds from the sale and/or liquidation of the Owlwood Estate.

92. An actual case or controversy has arisen and now exists between the Plaintiffs and the Debtors concerning the Plaintiffs' right, title and interest in any and all proceeds derived from the sale and/or liquidation of the Owlwood Estate.

93. The harm to the Plaintiffs and the Debtors caused by the uncertainty over the Plaintiffs' and the Debtors' right, title and interest in and to the proceeds derived from the sale and/or liquidation of the Owlwood Estate is sufficiently real and imminent to warrant the issuance of a conclusive declaratory judgment.

94. The Plaintiffs and the Debtors have actual present, adverse and competing interest in and to the proceeds derived from the sale and/or liquidation of the Owlwood Estate either in law or fact.

95. Such a declaration deals with a present, ascertainable state and set of facts, as alleged herein.

96. The declaration requested herein would settle the legal issues involved in the dispute between the Plaintiffs and Debtors, and would offer relief from uncertainty.

COUNT III – CONSTRUCTIVE TRUST OR EQUITABLE LIEN
THE PLAINTIFFS’ CONSTRUCTIVE TRUST OR
EQUITABLE LIEN AGAINST REAL PROPERTY

97. The Plaintiffs reallege and incorporate by reference paragraphs 1 through 96 above as though fully set forth herein.

98. The Plaintiffs have a first-in-priority, valid security interests in the Owlwood Estate, and/or the proceeds derived from the sale and/or liquidation of same pursuant to the doctrine of constructive trust.

99. The Plaintiffs have a first-in-priority, valid security interests in the Owlwood Estate and/or the proceeds derived from the sale and/or liquidation of same pursuant to the doctrine of an equitable lien.

WHEREFORE, the Plaintiffs respectfully request that this Court enter a judgment in their favor as follows:

- (a) Declaring that the Plaintiffs hold pre-petition, valid, perfected, first priority liens against the Owlwood Estate at some other time prior to the Petition Date;
- (b) Alternatively, declaring that the Plaintiffs hold pre-petition, valid, perfected, first priority liens against proceeds derived from the sale and/or liquidation of

the Owlwood Estate;

- (c) Alternatively, declaring that the Plaintiffs hold a constructive trust over the Owlwood Estate and/or the proceeds derived from the sale and/or liquidation of the Owlwood Estate;
- (d) Alternatively, declaring that the Plaintiffs hold an equitable lien against the Owlwood Estate and/or the proceeds derived from the sale and/or liquidation of the Owlwood Estate; and
- (c) Granting all other relief deemed just and proper.

Dated: March 27, 2018
Wilmington, Delaware

THE ROSNER LAW GROUP LLC

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Counsel for the Plaintiffs

EXHIBIT 1

Property ID : Owlwood Estates - Holmby Hills, CA
 Principal : \$50,000.00
 Int. Rate : 6.00%

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") made on this May 2, 2017, by and between **KURT FAUDEL**, an individual having an address of 2379 NW 34th Terrace, Coconut Creek, Florida 33066 (hereinafter referred to as the "Lender") and **WOODBIDGE MORTGAGE INVESTMENT FUND 3A, 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 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 six and 00/100 percent (6.00%) 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 September 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 Sixty-Three Million and 00/100 Dollars (\$63,000,000.00) (the "Pledged Loan") extended or to be extended to Sturmer Pippin Investments, LLC (the "Borrower") secured by a first priority lien on the real property located at 141 South Carolwood Drive, Holmby Hills, California (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 : Owlwood Estates - Holmby Hills, CA
 Principal : \$50,000.00
 Int. Rate : 6.00%

"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 : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

(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

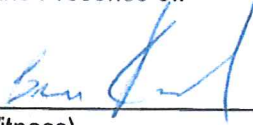
(f) This Agreement, the security interest hereby granted to Lender by Woodbridge and every representation, warranty, covenant, promise and other then herein contained shall survive until the Note has been paid in full.

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

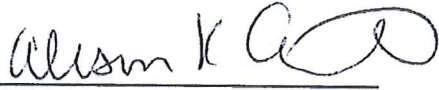
Property ID : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

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)

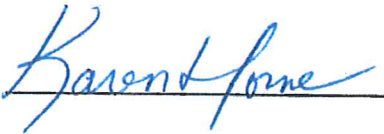


(Witness)

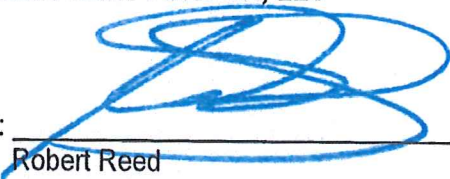


KURT FAUDEL





**WOODBIDGE MORTGAGE
INVESTMENT FUND 3A, LLC**

By: 

Robert Reed
Its Authorized Representative

Property ID : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

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 : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

EXHIBIT A

Note from Woodbridge to Lender

Property ID : Owlwood Estates - Holmby Hills, CA
 Principal : \$50,000.00
 Int. Rate : 6.00%

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 **WOODBIDGE MORTGAGE INVESTMENT FUND 3A, 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 : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

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, 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 3A, 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 : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

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

Assignor:

**WOODBIDGE MORTGAGE
INVESTMENT FUND 3A, LLC**

By: _____
Robert Reed
Its Authorized Representative

Property ID : Owlwood Estates - Holmby Hills, CA
 Principal : \$50,000.00
 Int. Rate : 6.00%

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 3A, 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 : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

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 : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

- 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 : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

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 3A, 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 3A, 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 3A, 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 3A, LLC.

Property ID : Owlwood Estates - Holmby Hills, CA
 Principal : \$50,000.00
 Int. Rate : 6.00%

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 3A, 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):

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

Property ID : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

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:

**WOODBRIIDGE MORTGAGE
INVESTMENT FUND 3A, LLC**

By: _____
Robert Reed
Its Authorized Representative

EXHIBIT 2

Property ID : Owlwood Estates - Holmby Hills, CA
 Principal : \$50,000.00
 Int. Rate : 6.00%

PROMISSORY NOTE

\$50,000.00

May 2, 2017
 Sherman Oaks, California

FOR VALUE RECEIVED, the undersigned, **WOODBIDGE MORTGAGE INVESTMENT FUND 3A, 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 **KURT FAUDEL**, an individual having an address of 2379 NW 34th Terrace, Coconut Creek, Florida 33066 (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 June 1, 2018, at a fixed rate of interest equal to six and 00/100 percent (6.00%) per annum. After June 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 June 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 September 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 : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

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 : Owlwood Estates - Holmby Hills, CA
Principal : \$50,000.00
Int. Rate : 6.00%

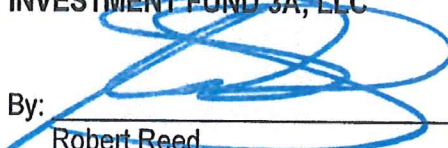
13. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the State of Delaware.

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 3A, LLC**

By: 
Robert Reed
Its Authorized Representative

Accepted and Agreed to by Lender:


KURT FAUDEL