

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-56115

Woodbridge Liquidation Trust

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

36-7730868

(I.R.S. Employment Identification No.)

14140 Ventura Boulevard

Suite 302

Sherman Oaks, California

(Address of principal executive offices)

91423

(Zip Code)

Registrant's telephone number, including area code: (310) 765-1550

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

Woodbridge Liquidation Trust
Form 10-Q
March 31, 2021
INDEX

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements	
	Consolidated Statements of Net Assets in Liquidation (Unaudited) as of March 31, 2021 and June 30, 2020	1
	Consolidated Statements of Changes in Net Assets in Liquidation (Unaudited) for the Three Months Ended March 31, 2021 and 2020	2
	Consolidated Statements of Changes in Net Assets in Liquidation (Unaudited) for the Nine Months Ended March 31, 2021 and 2020	3
	Notes to Consolidated Financial Statements (Unaudited) for the Three and Nine Months Ended March 31, 2021 and 2020	4
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	25
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	35
Item 4.	Controls and Procedures	35

PART II. OTHER INFORMATION

Item 1.	Legal Proceedings	36
Item 1A.	Risk Factors	42
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	42
Item 3.	Defaults upon Senior Securities	43
Item 4.	Mine Safety Disclosures	43
Item 5.	Other Information	43
Item 6.	Exhibits	44

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

**Woodbridge Liquidation Trust and Subsidiaries
Consolidated Statements of Net Assets in Liquidation
As of March 31, 2021 and June 30, 2020***(Unaudited, \$ In Thousands)*

	<u>3/31/2021</u>	<u>6/30/2020</u>
Assets		
Real estate assets held for sale, net (Note 3):		
Single-family homes	\$ 152,045	\$ 281,296
Other real estate assets	2,922	8,041
Subtotal	<u>154,967</u>	<u>289,337</u>
Cash and cash equivalents	66,700	86,073
Restricted cash (Note 4)	7,914	5,358
Other assets (Note 5)	4,699	4,183
Total assets	<u>\$ 234,280</u>	<u>\$ 384,951</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 102	\$ 615
Distributions payable	4,899	2,368
Accrued liquidation costs (Note 6)	63,328	117,451
Total liabilities	<u>\$ 68,329</u>	<u>\$ 120,434</u>
Commitments and Contingencies (Note 13)		
Net Assets in Liquidation:		
Restricted for Qualifying Victims (Note 7)	3,459	-
All Interestholders	<u>162,492</u>	<u>264,517</u>
Total net assets in liquidation	<u>\$ 165,951</u>	<u>\$ 264,517</u>

See accompanying notes to unaudited consolidated financial statements.

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries
Consolidated Statements of Changes in Net Assets in Liquidation
For the Three Months Ended March 31, 2021 and 2020
(Unaudited, \$ in Thousands)

	Three Months Ended March 31, 2021			Three Months Ended March 31, 2020		
	Restricted For Qualifying Victims	All Interestholders	Total	Restricted For Qualifying Victims	All Interestholders	Total
Net Assets in Liquidation as of beginning of period	\$ -	\$ 210,476	\$ 210,476	\$ -	\$ 334,583	\$ 334,583
Change in assets and liabilities (Note 8):						
Restricted for Qualifying Victims -						
Change in carrying value of assets and liabilities, net	3,459	-	3,459	-	-	-
All Interestholders -						
Change in carrying value of assets and liabilities, net	-	1,974	1,974	-	12,905	12,905
Distributions (declared) reversed, net	-	(49,958)	(49,958)	-	(77,678)	(77,678)
Net change in assets and liabilities	-	(47,984)	(47,984)	-	(64,773)	(64,773)
Net Assets in Liquidation as of end of period	\$ 3,459	\$ 162,492	\$ 165,951	\$ -	\$ 269,810	\$ 269,810

See accompanying notes to unaudited consolidated financial statements.

PART I. FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

**Woodbridge Liquidation Trust and Subsidiaries
Consolidated Statements of Changes in Net Assets in Liquidation
For the Nine Months Ended March 31, 2021 and 2020***(Unaudited, \$ in Thousands)*

	Nine Months Ended March 31, 2021			Nine Months Ended March 31, 2020		
	Restricted For Qualifying Victims	All Interestholders	Total	Restricted For Qualifying Victims	All Interestholders	Total
Net Assets in Liquidation as of beginning of period	\$ -	\$ 264,517	\$ 264,517	\$ -	\$ 329,971	\$ 329,971
Change in assets and liabilities (Note 8):						
Restricted for Qualifying Victims -						
Change in carrying value of assets and liabilities, net	3,459	-	3,459	-	-	-
All Interestholders -						
Change in carrying value of assets and liabilities, net	-	7,529	7,529	-	17,440	17,440
Distributions (declared) reversed, net	-	(109,554)	(109,554)	-	(77,601)	(77,601)
Net change in assets and liabilities	-	(102,025)	(102,025)	-	(60,161)	(60,161)
Net Assets in Liquidation as of end of period	\$ 3,459	\$ 162,492	\$ 165,951	\$ -	\$ 269,810	\$ 269,810

See accompanying notes to unaudited consolidated financial statements.

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries

Notes to Consolidated Financial Statements

For the Three and Nine Months Ended March 31, 2021 and 2020

(Unaudited)

1) Formation and Description of Business

Formation

Woodbridge Liquidation Trust (Trust) was established (i) for the purpose of collecting, administering, distributing and liquidating the Trust assets for the benefit of the Trust beneficiaries in accordance with the Liquidation Trust Agreement and the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors dated August 22, 2018, as amended, modified, supplemented or restated from time to time (Plan); (ii) to resolve disputed claims asserted against the Debtors, as defined in the Plan; (iii) to litigate and/or settle causes of action (Causes of Action); and (iv) to pay certain allowed claims and statutory fees, as required by the Plan. Woodbridge Group of Companies, LLC and its affiliated debtors are individually referred to herein as a Debtor and collectively as the Debtors. The Trust was formed on February 15, 2019 (Plan Effective Date) as a statutory trust under Delaware law.

On the Plan Effective Date, in accordance with the Plan, (a) the following assets automatically vested in the Trust: (i) an aggregate \$5,000,000 in cash from the Debtors for the purpose of funding the Trust's initial expenses of operation; (ii) certain claims and Causes of Action; (iii) all of the outstanding equity interests of the Wind-Down Entity (as defined below); and (iv) certain other non-real estate related assets, (b) the equity interests of Woodbridge Group of Companies, LLC and Woodbridge Mortgage Investment Fund 1, LLC (together, Remaining Debtors) were cancelled and new equity interests representing all of the newly issued and outstanding equity interests in the Remaining Debtors were issued to the Trust, (c) all of the other Debtors other than the Remaining Debtors were dissolved and (d) the real estate-related assets of the Debtors were automatically vested in the Trust's wholly-owned subsidiary, Woodbridge Wind-Down Entity LLC (Wind-Down Entity) or one of the Wind-Down Entity's 43 wholly-owned single member LLCs (Wind-Down Subsidiaries) formed to own the respective real estate assets. The Trust, the Remaining Debtors, the Wind-Down Entity and the Wind-Down Subsidiaries are collectively referred to herein as the Company.

The Trust has two classes of liquidation trust interests, Class A Liquidation Trust Interests (Class A Interests) and Class B Liquidation Trust Interests (Class B Interests). The holders of Class A Interests and Class B Interests are collectively referred to as All Interestholders.

On December 24, 2019, the Trust's Registration Statement on Form 10 became effective under the Securities Exchange Act of 1934 (Exchange Act). The trading symbol for the Trust's Class A Interests is WBQNL. The Trust's Class A Interests are quoted on the OTC Link ATS, the SEC-registered alternative trading system, and are eligible for the Depository Trust Company's Direct Registration System (DRS) services. The Class B Interests are not registered with the SEC.

Description of Business

The Trust is prosecuting various Causes of Action acquired by the Trust pursuant to the Plan and is resolving claims asserted against the Debtors. As of March 31, 2021, the Company is the plaintiff in several pending lawsuits. The Company is unable to estimate the amount of recovery, if any, related to these lawsuits. During the three and nine months ended March 31, 2021 and 2020, the Company recorded approximately \$1,278,000 and \$1,179,000 and \$8,443,000 and \$4,845,000, respectively, from the settlement of certain Causes of Action. The Company has accrued an estimate of the amount of legal costs to be incurred to pursue these litigations, excluding contingent fees. As more fully discussed in Note 2, the Company's consolidated financial statements do not include any estimate of future net recoveries from litigation and settlement, since the Company cannot reasonably estimate them.

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries

Notes to Consolidated Financial Statements

For the Three and Nine Months Ended March 31, 2021 and 2020

(Unaudited)

As of March 31, 2021, the Wind-Down Subsidiaries own eight single-family homes, all except one are located in Los Angeles, California. One single-family home is listed for sale. All of the other single-family homes are under construction. The Wind-Down Subsidiaries also own secured loans (performing and non-performing) and other properties located in other states.

The Company is required to liquidate its assets and distribute available cash to the Trust beneficiaries. The liquidation activities are carried out by the Trust, the Wind-Down Entity and the Wind-Down Subsidiaries. The Trust currently operates as one reportable segment comprised primarily of real estate assets held for sale.

Net assets in liquidation represent the remaining estimated aggregate value available to Trust beneficiaries upon liquidation, with no discount for the timing of proceeds (undiscounted).

Due to the unpredictability of real estate selling prices, the impact of the COVID-19 virus (see below), as well as the uncertainty in the timing of liquidation of the real estate and other assets, net liquidation proceeds, other recoveries and actual liquidation costs may differ materially from the estimated amounts.

The Trust's expectations about the amount of any additional distributions and when they will be paid are subject to risks and uncertainties and are based on certain estimates and assumptions, one or more of which may prove to be incorrect. Therefore, the actual amount of any additional distributions may differ materially, perhaps in negative ways, from the Trust estimates. Furthermore, it is not possible to predict the timing of any other distributions and any such distributions may not be made within the timing referenced in the consolidated financial statements.

No assurance can be given that total distributions will equal or exceed the estimate of net assets in liquidation presented in the consolidated statements of net assets in liquidation.

As a result of the COVID-19 outbreak, three of the Wind-Down Subsidiaries' home construction sites were closed for about three months during the summer of 2020. One construction site was closed for about two weeks in late December 2020. The Company continues to observe health and safety guidelines, including allowing its employees to work remotely. The Company will continue to evaluate the impact of the COVID-19 outbreak on its activities, including the cost of construction, the timing of completion of the single-family homes that are under construction, the time needed to market and sell the single-family homes, and the price at which these single-family homes will be sold.

The ultimate impact of the COVID-19 outbreak will depend on many factors, some of which cannot be foreseen, including the duration, severity, and geographic concentrations of the pandemic and any resurgence of the disease; the impact of COVID-19 on the nation's economy and debt and equity markets and the local economies in the markets in which our real estate assets are located; the development and availability of COVID-19 infection and antibody testing, therapeutic agents and vaccines and the prioritization of such resources among businesses and demographic groups; government financial and regulatory relief efforts that may become available to companies and individuals; and changes in unemployment rates, consumer confidence and equity markets caused by COVID-19.

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries

Notes to Consolidated Financial Statements

For the Three and Nine Months Ended March 31, 2021 and 2020

(Unaudited)

2) Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) and pursuant to the rules and regulations of the Securities and Exchange Commission (SEC), including the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, the consolidated financial statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary for a fair and consistent presentation of the results for such periods. These consolidated financial statements have been presented in accordance with Accounting Standards Codification (ASC) Subtopic 205-30, "Liquidation Basis of Accounting," as amended by Accounting Standards Update (ASU) No. 2013-07, "Presentation of Financial Statements (Topic 205), Liquidation Basis of Accounting." The June 30, 2020 consolidated statement of net assets in liquidation included herein was derived from the audited consolidated financial statements but does not include all disclosures or notes required by U.S. GAAP for complete financial statements.

All material intercompany accounts and transactions have been eliminated.

Use of Estimates

U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and for the period then ended. Actual results could differ from these estimates. Estimates and assumptions are reviewed periodically and the carrying amounts of assets and liabilities are revised in the period that available information supports a change in the carrying amount.

Liquidation Basis of Accounting

Under the liquidation basis of accounting, all assets are recorded at their estimated net realizable value or liquidation value, which represents the estimated amount of net cash that will be received upon the disposition of the assets (on an undiscounted basis). The measurement of real estate assets held for sale is based on current contracts (if any), estimates and other indications of sales value, net of estimated selling costs. To estimate the selling prices of real estate assets held for sale, the Company considers the three traditional approaches to value (cost, income and sales comparison) commonly used by the real estate appraisal community. The applicability and relevancy of each valuation approach as applied may differ by asset. In most cases, the sales comparison approach was accorded the greatest weight. This approach compares a property to other properties with similar characteristics that have recently sold. To validate management's estimate, the Company also considers opinions from qualified real estate professionals and local real estate brokers and, in some cases, obtained third-party appraisals. The estimated selling costs range from 5.0% to 6.0% of the property sales price.

Liabilities, including estimated costs associated with implementing and completing the Plan, are measured in accordance with U.S. GAAP that otherwise applies to those liabilities. The Company has also recorded the estimated development costs to be incurred to prepare the assets for sale as well as the estimated holding costs to be incurred until the projected sale date and the estimated general and administrative costs to be incurred until the completion of the liquidation of the Company. When estimating development costs, the Company considered third-party construction contracts and estimates of costs to complete based on construction status, progress and projected completion timing. Estimated development costs also include the costs of design and furnishings necessary to prepare and stage the homes for marketing. Holding cost estimates consider property taxes, insurance, utilities, maintenance and other costs to be incurred until the sale of the property is closed. Projected general and administrative cost estimates take into account operating costs, marketing and advertising through the liquidation of the Company.

These estimated amounts are presented in the accompanying consolidated statements of net assets in liquidation. All changes in the estimated liquidation value of the Company's real estate held for sale or other assets and liabilities are reflected as a change to the Company's net assets in liquidation.

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries

Notes to Consolidated Financial Statements

For the Three and Nine Months Ended March 31, 2021 and 2020

(Unaudited)

The Company has not recorded any amount for future recoveries from unsettled Causes of Action or Fair Funds in the accompanying consolidated financial statements since they cannot be reasonably estimated. The amount recovered may be material to the Company's net assets in liquidation.

On a quarterly basis, the Company reviews the estimated net realizable values and liquidation costs and records any significant changes. The Company will also revalue an asset when it is under contract for sale and the buyer's contingencies have been removed. During the period when this occurs, the carrying value of the asset and the estimated closing and other costs will be adjusted, if necessary. If the Company has a change in its plan for the disposition of an asset, the carrying value will be adjusted to reflect this change in the period that the change is approved. The change in value may include the accrued liquidation costs related to the asset.

Other Assets

The Company recognizes recoveries from the settlement of Causes of Action when an agreement is executed and collectability is reasonably assured. An allowance for uncollectible settlement installment receivables is recorded when there is doubt about the collectability of the receivable. Insurance claims are recognized when the insurance company accepts the claim or if a claim is pending and the recoverable amount can be estimated. The Company records escrow receivables at the amount expected to be received when the escrow receivable is released. The Forfeited Assets (Note 7) received from the United States Department of Justice (DOJ), other than cash, have been recorded at their estimated net realizable value. In addition, the Company recognizes other amounts to be received based on contractual terms or when the amounts to be received are certain.

Accrued Liquidation Costs

The Company accrues for estimated liquidation costs to the extent they are reasonably determinable. These costs consist of (a) estimated development costs of the single-family homes under development, other project-related costs, architectural and engineering, project management, city fees, bond payments (net of refunds), furnishings, marketing and other costs; (b) estimated holding costs, including property taxes, insurance, maintenance, utilities and other; and (c) estimated general and administrative costs including payroll, legal and other professional fees, trustee and board fees, marketing and advertising, rent and other office related expenses, interest on financing and other general and administrative costs to operate the Company.

Cash Equivalents

The Company considers short-term investments that have a maturity date of ninety days or less at the time of investment to be a cash equivalent. The Company's cash equivalents include money market savings deposits and money market funds.

Restricted Cash

Restricted cash includes cash that can only be used for certain specified purposes.

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents and restricted cash. At times, balances in any one financial institution may exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. The Company mitigates this risk by depositing its cash, cash equivalents and restricted cash in high-credit quality financial institutions. In addition, the Company uses strategies to reduce deposit balances at any one financial institution consistent with FDIC insurance limits.

Income Taxes

The Trust is intended to be treated as a grantor trust for income tax purposes and, accordingly, is not subject to federal or state income tax on any income earned or gain recognized by the Trust. The Trust's beneficiaries will be treated as the owner of a pro-rata portion of each asset, including cash and each liability received by and held by the Trust. Each beneficiary will be required to report on his or her federal and state income tax return his or her pro-rata share of taxable income, including gains and losses recognized by the Trust. Accordingly, there is no provision for federal or state income taxes recorded in the accompanying consolidated financial statements.

The Company regularly analyzes its various federal and state filing positions and only recognizes the income tax effect in the consolidated financial statements when certain criteria regarding uncertain income tax positions have been met. The Company believes that its income tax positions would be more likely than not be sustained upon examination by all relevant taxing authorities. Therefore, no provision for uncertain income tax positions has been recorded in the consolidated financial statements.

Net Assets in Liquidation - Restricted for Qualifying Victims

The Company separately presents the portion of net assets in liquidation that are restricted for Qualifying Victims (Note 7) from the net assets in liquidation that are available to All Interestholders.

Reclassifications

Certain amounts in the June 30, 2020 consolidated statement of net assets in liquidation have been reclassified to conform with the March 31, 2021 presentation.

3) Real Estate Assets Held for Sale, Net

The Company's real estate assets held for sale as of March 31, 2021, with comparative information as of June 30, 2020, are as follows (\$ in thousands):

	March 31, 2021				June 30, 2020			
	Number of Assets	Gross Value	Closing and Other Costs	Net Value	Number of Assets	Gross Value	Closing and Other Costs	Net Value
Single-family homes	8	\$ 161,750	\$ (9,705)	\$ 152,045	13	\$ 298,368	\$ (17,072)	\$ 281,296
Other real estate assets:								
Lots	-	-	-	-	2	3,500	(193)	3,307
Secured loans	4	1,956	(86)	1,870	4	1,984	(86)	1,898
Other properties	2	1,107	(55)	1,052	13	3,018	(182)	2,836
Subtotal	6	3,063	(141)	2,922	19	8,502	(461)	8,041
Total	14	\$ 164,813	\$ (9,846)	\$ 154,967	32	\$ 306,870	\$ (17,533)	\$ 289,337

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*

The single-family homes, except one, are located in the Los Angeles, California area. One of the single-family homes is listed for sale. All of the other single-family homes are under construction. The loans are secured by properties located primarily in the eastern United States. The other properties are located in the states of Hawaii and New York.

During the three months ended March 31, 2021, the Company did not sell any real estate assets. During the three months ended March 31, 2020, the Company sold two single-family homes, two lots and settled one secured loan for net proceeds of approximately \$74,269,000. During the nine months ended March 31, 2021, the Company sold five single-family homes, two lots and eleven other properties for net proceeds of approximately \$121,208,000. One of the single-family homes sold during the nine months ended March 31, 2021 was under construction and the buyer assumed the remaining obligations to complete construction of approximately \$11,253,000. During the nine months ended March 31, 2020, the Company sold ten single-family homes, eighteen lots, and two other properties and settled three secured loans for net proceeds of approximately \$177,974,000.

4) Restricted Cash

The Company's restricted cash as of March 31, 2021, with comparative information as of June 30, 2020, is as follows (\$ in thousands):

	<u>March 31, 2021</u>	<u>June 30, 2020</u>
Distributions restricted by the Company related to unresolved claims, distributions for recently allowed claims, uncashed distribution checks, distributions withheld due to pending avoidance actions and distributions that the Trust is waiting for further beneficiary information	\$ 4,900	2,372
Interest reserve (Note 9)	1,750	1,750
Fair Funds, legally restricted for distribution	1,236	1,236
Forfeited Assets (Note 7)	<u>28</u>	<u>-</u>
Total restricted cash	<u>\$ 7,914</u>	<u>5,358</u>

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)***5) Other Assets**

The Company's other assets as of March 31, 2021, with comparative information as of June 30, 2020, are as follows (\$ in thousands):

	<u>March 31, 2021</u>	<u>June 30, 2020</u>
Forfeited Assets (Note 7)	\$ 3,442	\$ -
Settlement installment receivables, net (a)	838	575
Other	419	208
Insurance claim receivable (b)	-	1,900
Escrow receivables (c)	-	1,500
Total other assets	<u>\$ 4,699</u>	<u>\$ 4,183</u>

(a) The allowance for uncollectible settlement installment receivables was approximately \$9,000 and \$40,000 at March 31, 2021 and June 30, 2020, respectively.

(b) During the three months ended March 31, 2021, the insurance claim receivable was adjusted as a result of a negative court ruling on March 25, 2021.

(c) Escrow holdbacks relating to two single-family homes sold prior to June 30, 2020, respectively; amounts were released upon completion of repairs and construction.

PART I FINANCIAL INFORMATION (Continued)**Item 1. Financial Statements (Continued)****Woodbridge Liquidation Trust and Subsidiaries****Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)***6) Accrued Liquidation Costs**

The following is a summary of the items included in accrued liquidation costs as of March 31, 2021, with comparative information as of June 30, 2020 (\$ in thousands):

	<u>March 31, 2021</u>	<u>June 30, 2020</u>
Development costs:		
Construction costs	\$ 31,515	\$ 67,204
Construction warranty	2,870	2,870
Indirect costs	774	1,407
Bond refunds	(1,355)	(1,562)
Total development costs	<u>33,804</u>	<u>69,919</u>
Holding costs:		
Property tax	1,842	5,918
Insurance	1,523	2,125
Maintenance, utilities and other	817	1,518
Total holding costs	<u>4,182</u>	<u>9,561</u>
General and administrative costs:		
Legal and other professional fees	10,786	17,588
Payroll and payroll-related	9,364	13,425
State, local and other taxes	2,014	1,725
Board fees and expenses	1,138	2,118
Marketing	666	765
Other	1,374	2,350
Total general and administrative costs	<u>25,342</u>	<u>37,971</u>
Total accrued liquidation costs	<u>\$ 63,328</u>	<u>\$ 117,451</u>

7) Forfeited Assets - Restricted for Qualifying Victims

The Trust entered into a resolution agreement with the United States Department of Justice (DOJ) which provided that the Trust would receive the assets forfeited (Forfeited Assets) by Robert and Jeri Shapiro. The Bankruptcy Court approved the settlement on September 17, 2020 and the District Court approved the settlement on October 1, 2020.

PART I FINANCIAL INFORMATION (Continued)**Item 1. Financial Statements (Continued)****Woodbridge Liquidation Trust and Subsidiaries****Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*

The agreement provides for the release of specified forfeited assets by the DOJ to the Trust and for the Trust to liquidate those assets and distribute the net sale proceeds to Qualifying Victims. Qualifying Victims include the vast majority of Trust beneficiaries (specifically, all former holders of allowed Class 3 and 5 claims and their permitted assigns), but do not include former holders of Class 4 claims. Distributions to Qualifying Victims are allocated pro-rata based on their net allowed claims without considering the (i) 5% enhancement for contributing their causes of action and (ii) 72.5% Class 5 coefficient.

In March 2021, the Trust received certain Forfeited Assets from the DOJ, including cash, wine, jewelry, handbags, clothing, shoes, art, gold and other assets. The Company recorded the total estimated net realizable value of the Forfeited Assets of approximately \$3,459,000, which includes a receivable for approximately \$1,892,000 of additional cash that the Trust expects to receive from the DOJ (Note 14). The Forfeited Assets included in the Company's March 31, 2021 and June 30, 2020 consolidated financial statements are as follows:

	<u>March 31, 2021</u>	<u>June 30, 2020</u>
Restricted cash (Note 4)	\$ 28	\$ -
Other assets (Note 5)	3,442	-
Accounts payable and accrued liabilities	<u>(11)</u>	<u>-</u>
Net assets in liquidation - restricted for Qualifying Victims	<u>\$ 3,459</u>	<u>\$ -</u>

8) Net Change In Assets and LiabilitiesRestricted for Qualifying Victims:

The following is a summary of the change in the carrying value of assets and liabilities, net during the three and nine months ended March 31, 2021 (\$ in thousands):

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*

	<u>Cash Activities</u>	<u>Remeasure- ment</u>	<u>Total</u>
Real estate assets held for sale, net	\$ -	\$ -	\$ -
Cash and cash equivalents	-	-	-
Restricted cash	28	-	28
Other assets	-	3,442	3,442
Total assets	<u>\$ 28</u>	<u>\$ 3,442</u>	<u>\$ 3,470</u>
Accounts payable and accrued liabilities	\$ -	\$ 11	\$ 11
Accrued liquidation costs	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</u>
Change in carrying value of assets and liabilities, net	<u>\$ 28</u>	<u>\$ 3,431</u>	<u>\$ 3,459</u>

There was no activity relating to net assets restricted for Qualifying Victims during the three and nine months ended March 31, 2020.

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*All Interestholders

The following is a summary of the change in the carrying value of assets and liabilities, net during the three months ended March 31, 2021 (\$ in thousands):

	<u>Cash Activities</u>	<u>Remeasure- ment</u>	<u>Total</u>
Real estate assets held for sale, net	\$ (9)	\$ -	\$ (9)
Cash and cash equivalents	(11,199)	-	(11,199)
Restricted cash	1,262	-	1,262
Other assets	(287)	(1,091)	(1,378)
Total assets	<u>\$ (10,233)</u>	<u>\$ (1,091)</u>	<u>\$ (11,324)</u>
Accounts payable and accrued liabilities	\$ 42	\$ 30	\$ 72
Accrued liquidation costs	(11,238)	(2,132)	(13,370)
Total liabilities	<u>\$ (11,196)</u>	<u>\$ (2,102)</u>	<u>\$ (13,298)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 963</u>	<u>\$ 1,011</u>	<u>\$ 1,974</u>

The following is a summary of the distributions (declared) reversed, net during the three months ended March 31, 2021 (\$ in thousands):

Distributions (declared)	\$ (50,005)
Distributions reversed	47
Distributions (declared) reversed, net	<u>\$ (49,958)</u>

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*

The following is a summary of the change in the carrying value of assets and liabilities, net during the three months ended March 31, 2020 (\$ in thousands):

	Cash Activities	Remeasure- ment	Total
Real estate assets held for sale, net	\$ (74,279)	\$ 14,009	\$ (60,270)
Cash and cash equivalents	55,324	-	55,324
Restricted cash	1,035	-	1,035
Other assets	(717)	1,484	767
Total assets	<u>\$ (18,637)</u>	<u>\$ 15,493</u>	<u>\$ (3,144)</u>
Accounts payable and accrued liabilities	\$ -	\$ 820	\$ 820
Accrued liquidation costs	(20,367)	3,498	(16,869)
Total liabilities	<u>\$ (20,367)</u>	<u>\$ 4,318</u>	<u>\$ (16,049)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 1,730</u>	<u>\$ 11,175</u>	<u>\$ 12,905</u>

The following is a summary of the distributions (declared) reversed, net during the three months ended March 31, 2020 (\$ in thousands):

Distributions (declared)	\$ (78,427)
Distributions reversed	749
Distributions (declared) reversed, net	<u>\$ (77,678)</u>

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*

The following is a summary of the change in the carrying value of assets and liabilities, net during the nine months ended March 31, 2021 (\$ in thousands):

	Cash Activities	Remeas- urement	Total
Real estate assets held for sale, net	\$ (121,186)	\$ (13,184)	\$ (134,370)
Cash and cash equivalents	87,650	-	87,650
Restricted cash	2,528	-	2,528
Other assets	(2,164)	(762)	(2,926)
Total assets	<u>\$ (33,172)</u>	<u>\$ (13,946)</u>	<u>\$ (47,118)</u>
Accounts payable and accrued liabilities	\$ (947)	\$ 423	\$ (524)
Accrued liquidation costs	(41,236)	(12,887)	(54,123)
Total liabilities	<u>\$ (42,183)</u>	<u>\$ (12,464)</u>	<u>\$ (54,647)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 9,011</u>	<u>\$ (1,482)</u>	<u>\$ 7,529</u>

The following is a summary of the distributions (declared) reversed, net during the nine months ended March 31, 2021 (\$ in thousands):

Distributions (declared)	\$ (109,932)
Distributions reversed	378
Distributions (declared) reversed, net	<u>\$ (109,554)</u>

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*

The following is a summary of the change in the carrying value of assets and liabilities, net during the nine months ended March 31, 2020 (\$ in thousands):

	Cash Activities	Remeasure- ment	Total
Real estate assets held for sale, net	\$ (178,207)	\$ 8,757	\$ (169,450)
Cash and cash equivalents	119,155	-	119,155
Restricted cash	642	-	642
Other assets	(2,113)	4,040	1,927
Total assets	<u>\$ (60,523)</u>	<u>\$ 12,797</u>	<u>\$ (47,726)</u>
Accounts payable and accrued liabilities	\$ (371)	\$ 1,047	\$ 676
Accrued liquidation costs	(72,082)	6,240	(65,842)
Total liabilities	<u>\$ (72,453)</u>	<u>\$ 7,287</u>	<u>\$ (65,166)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 11,930</u>	<u>\$ 5,510</u>	<u>\$ 17,440</u>

The following is a summary of the distributions (declared) reversed, net during the nine months ended March 31, 2020 (\$ in thousands):

Distributions (declared)	\$ (78,427)
Distributions reversed	826
Distributions (declared) reversed, net	<u>\$ (77,601)</u>

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries

Notes to Consolidated Financial Statements

For the Three and Nine Months Ended March 31, 2021 and 2020

(Unaudited)

9) Credit Agreements

Revolving Line of Credit

On June 19, 2020, two wholly-owned subsidiaries of the Wind-Down Entity entered into a \$25,000,000 revolving line of credit (LOC) with a financial institution. The LOC matures on June 19, 2022 but may be extended for one additional year thereafter. The LOC required the borrowers to establish an interest reserve of \$1,750,000 (Note 4), which is to be used to pay the potential monthly interest payments. Outstanding borrowings bear interest at a fixed rate of 3.50% per annum. Indebtedness under the LOC was secured by a deed of trust on one property, the personal property associated therewith and the interest reserve. The Wind-Down Entity is the guarantor of the LOC. The Company is required to keep a cash balance of \$20,000,000 on deposit with the lender in order to avoid a non-compliance fee of 2% of the shortfall in the required deposit and is required to comply with various covenants.

The property that was collateral for the LOC was sold in December 2020. The LOC agreement provides that the borrower has 60 days after the sale of the collateral to add borrower(s) and additional property(ies) as collateral. During the 60-day period, the available borrowings under the LOC were reduced to \$100,000. On February 11, 2021, the LOC was amended. Two additional wholly owned subsidiaries of the Wind-Down Entity were joined to the LOC as co-borrowers and two properties were added as replacement collateral as allowed for in the original agreement. As a result of this amendment, the available borrowing commitment was adjusted back up to \$25,000,000. The maturity date of the LOC was changed to January 31, 2023 with an option to extend for one additional year. There were no other significant changes to the LOC.

As of March 31, 2021, the Company was in compliance with the financial covenants of the LOC. No amounts were outstanding under the LOC as of March 31, 2021 or June 30, 2020.

PPP Loan

On April 20, 2020, the Wind-Down Entity obtained unsecured credit in the form of a loan under the federal government's Paycheck Protection Program (PPP) in the amount of \$324,700. The loan bears interest at a rate of 1.00% per annum. The Company expected to have 100% of the loan balance forgiven and therefore no amounts were accrued under the liquidation basis of accounting as of June 30, 2020. On February 16, 2021, the PPP loan and the related interest were forgiven in full.

10) Beneficial Interests

The following table summarizes the Liquidation Trust Interests (rounded) for the nine months ended March 31, 2021 and 2020:

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*

Liquidation Trust Interests	For the Nine Months Ended March 31,			
	2021		2020	
	Class A	Class B	Class A	Class B
Outstanding at beginning of period	11,518,232	675,558	11,433,623	655,261
Allowed claims	10,367	1,133	85,743	21,334
5% enhancement for certain allowed claims	182	56	459	5
Settlement of claims by cancelling Liquidation Trust Interests	(15,121)	(435)	(3,640)	(891)
Duplicate claim allowed in error	-	-	(84)	-
Outstanding at end of period	<u>11,513,660</u>	<u>676,312</u>	<u>11,516,101</u>	<u>675,709</u>

Of the 11,513,660 Class A Interests outstanding at March 31, 2021, 11,439,782 are held by Qualifying Victims (Note 7).

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*

As of the Plan Effective Date, certain claims were disputed. As those disputed claims are resolved, additional Class A Interests and (if applicable) Class B Interests are issued on account of allowed claims. No Class A Interests or Class B Interests are issued on account of disallowed claims. The following table summarizes the unresolved claims against the Debtors as they relate to Liquidation Trust Interests (rounded) for the nine months ended March 31, 2021 and 2020:

Liquidation Trust Interests	For the Nine Months Ended March 31,			
	2021		2020	
	Class A	Class B	Class A	Class B
Outstanding at beginning of period	193,559	7,118	482,734	34,697
Allowed claims	(10,367)	(1,133)	(85,743)	(21,334)
5% enhancement for certain allowed claims	(32)	-	-	-
Disallowed claims	(44,372)	(974)	(122,433)	(5,406)
Outstanding at end of period	<u>138,788</u>	<u>5,011</u>	<u>274,558</u>	<u>7,957</u>

Of the 138,788 Class A Interests relating to unresolved claims at March 31, 2021, 24,760 would be held by Qualifying Victims (Note 7).

11) Distributions

The Plan provides for a distribution waterfall that specifies the priority and manner of distribution of available cash to All Interestholders, excluding distributions of the net sales proceeds from Forfeited Assets. Distributions are to be made (a) to the Class A Interests until they have received distributions of \$75.00 per Class A Interest; thereafter (b) to the Class B Interests until they have received distributions of \$75.00 per Class B Interest; thereafter (c) to each Liquidation Trust Interest (whether a Class A Interest or Class B Interest) until the aggregate of all distributions made pursuant to this clause equals an amount equivalent to interest, at a per annum fixed rate of 10%, compounded annually, accrued on the aggregate principal amount of all Net Note Claims, Allowed General Unsecured Claims and Net Unit Claims, all as defined, treating each distribution pursuant to (a) and (b) above as reductions of such principal amount; and thereafter (d) to the holders of Allowed Subordinated Claims, as defined, until such claims are paid in full, including interest, at a per annum fixed rate of 10% or such higher rate as may be agreed to, as provided for in the Plan, compounded annually, accrued on the principal amount of each Allowed Subordinated Claim, as defined.

On January 2, 2020, a distribution of approximately \$53,426,000 was declared which represented \$4.50 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims of approximately \$51,188,000, which was paid on January 10, 2020 and (ii) a deposit of approximately \$2,238,000 into a restricted cash account, which was made on January 10, 2020, for amounts (a) payable for Class A Interests that may be issued in the future upon the allowance of unresolved claims; (b) in respect of Class A Interests issued on account of recently allowed claims; (c) to holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) that were withheld due to pending avoidance actions; and (e) in respect of which the Trust is waiting for further beneficiary information.

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries

Notes to Consolidated Financial Statements

For the Three and Nine Months Ended March 31, 2021 and 2020

(Unaudited)

On March 31, 2020, a distribution of approximately \$25,000,000 was declared which represented \$2.12 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims of approximately \$24,193,000, which was paid on April 10, 2020 and (ii) a deposit of approximately \$807,000 into a restricted cash account, which was made on April 10, 2020, for amounts (a) payable for Class A Interests that may be issued in the future upon the allowance of unresolved claims; (b) in respect of Class A Interests issued on account of recently allowed claims; (c) to holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) that were withheld due to pending avoidance actions; and (e) in respect of which the Trust is waiting for further beneficiary information.

On July 13, 2020, a distribution of approximately \$29,934,000 was declared which represented \$2.56 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims of approximately \$29,201,000, which was paid on July 16, 2020 and (ii) a deposit of approximately \$733,000 into a restricted cash account, which was made on August 25, 2020, for amounts (a) payable for Class A Interests that may be issued in the future upon the allowance of unresolved claims; (b) in respect of Class A Interests issued on account of recently allowed claims; (c) to holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) that were withheld due to pending avoidance actions; and (e) in respect of which the Trust is waiting for further beneficiary information.

On October 19, 2020, a distribution of approximately \$29,957,000 was declared which represented \$2.56 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims of approximately \$29,204,000, which was paid on November 6, 2020 and (ii) a deposit of approximately \$753,000 into a restricted cash account, which was made on November 3, 2020, for amounts (a) payable for Class A Interests that may be issued in the future upon the allowance of unresolved claims; (b) in respect of Class A Interests issued on account of recently allowed claims; (c) to holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) that were withheld due to pending avoidance actions; and (e) in respect of which the Trust is waiting for further beneficiary information.

On January 7, 2021, a distribution of approximately \$50,005,000 was declared which represented \$4.28 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims of approximately \$48,665,000, which was paid on January 27, 2021 and (ii) a deposit of approximately \$1,340,000 into a restricted cash account, which was made on January 28, 2021, for amounts (a) payable for Class A Interests that may be issued in the future upon the allowance of unresolved claims; (b) in respect of Class A Interests issued on account of recently allowed claims; (c) to holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) that were withheld due to pending avoidance actions; and (e) in respect of which the Trust is waiting for further beneficiary information.

During the three and nine months ended March 31, 2021 and 2020, distributions of approximately \$229,000 and \$495,000, and \$351,000 and \$606,000, respectively, were paid from the restricted cash account to holders of Class A Interests as (a) claims were resolved, (b) claims were recently allowed, (c) addresses for holders of uncashed distribution checks were obtained, (d) pending avoidance actions were resolved and (e) further beneficiary information was received.

During the three and nine months ended March 31, 2021 and 2020, as a result of claims being disallowed or Class A Interests being cancelled, approximately \$47,000 and \$749,000, and \$379,000 and \$826,000, respectively, were released from the restricted cash account and distributions payable were reduced by the same amount.

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries

Notes to Consolidated Financial Statements

For the Three and Nine Months Ended March 31, 2021 and 2020

(Unaudited)

During the three and nine months ended March 31, 2021 and 2020, approximately \$197,000 and \$37,000, and \$431,000 and \$149,000, respectively, were received from the Company's transfer agent and others relating to distribution checks that were returned or not cashed. These amounts were deposited into the restricted cash account and distributions payable were increased by the same amount.

12) Related Party Transactions

Terry Goebel, a member of the Trust Supervisory Board, is president and a principal owner of G3 Group LA, a construction firm specializing in the development of high-end luxury residences. G3 Group LA is owned by Terry Goebel and his son Kelly Goebel. As of March 31, 2021, the Company was under contract with G3 Group LA for the development of one single-family home in Los Angeles, California. One additional construction contract was assumed by the buyer of a single-family home in November 2019. As of March 31, 2021 and June 30, 2020, the remaining amounts payable were approximately \$5,845,000 and \$8,133,000, respectively. During the three and nine months ended March 31, 2021 and 2020, approximately \$1,496,000 and \$2,877,000, and \$5,887,000 and \$8,801,000, respectively, were paid by the Company to G3 Group LA.

The Liquidation Trustee of the Trust is entitled to receive 5% of the total gross amount recovered by the Trust from the pursuit of Trust claims and Causes of Action. During the three and nine months ended March 31, 2021 and 2020, approximately \$72,000 and \$59,000, and \$462,000 and \$238,000, respectively, were accrued as amounts due to the Liquidation Trustee. As of March 31, 2021 and June 30, 2020, approximately \$90,000 and \$119,000, respectively, were payable to the Liquidation Trustee. These amounts are included in accounts payable and accrued liabilities in the accompanying consolidated statements of net assets in liquidation. During the three and nine months ended March 31, 2021 and 2020, approximately \$0 and \$0, and \$491,000 and \$0, respectively, were paid to the Liquidation Trustee.

In November 2019, the Trust entered into an arrangement with Akerman LLP, a law firm based in Miami, Florida of which the Liquidation Trustee is a partner, for the provision, at the option of the Trust on an as-needed basis, of e-discovery and related litigation support services in connection with the Trust's prosecution of Causes of Action. Under the arrangement, the Trust is charged for the services at scheduled rates per task which, depending on specific task, include flat rates, rates based on the volume of data processed, rates based on the number of data users, the hourly rates of Akerman LLP personnel, or other rates. During the three and nine months ended March 31, 2021 and 2020, approximately \$109,000 and \$426,000, and \$314,000 and \$426,000, respectively, were paid related to these services and there are no outstanding payables as of March 31, 2021 or June 30, 2020.

The executive officers of the Wind-Down Entity are entitled to a bonus based on the Wind-Down Entity achieving certain specified cumulative amounts of distributions to the Trust. Based on the carrying amounts of the net assets in liquidation included in the accompanying consolidated statements of net assets in liquidation, approximately \$3,040,000 and \$3,840,000, were accrued as of March 31, 2021 and June 30, 2020, respectively, as the estimated amount of the bonus (including associated payroll taxes). These amounts are included in the payroll and payroll-related costs portion of accrued liquidation costs in the accompanying consolidated statement of net assets in liquidation. During the three and nine months ended March 31, 2021 and 2020, approximately \$1,025,000 and \$831,000 and \$1,025,000 and \$831,000, respectively, were paid related to the bonuses.

13) Commitments and Contingencies

As of March 31, 2021, the Company had construction contracts, of which approximately \$15,200,000 was unpaid.

The Company has a lease for its office space that expires on August 31, 2021. The Company has one three-month option to extend the lease. The amount of rent paid, including common area maintenance and parking charges, during the three and nine months ended March 31, 2021 and 2020 were approximately \$76,000 and \$74,000, and \$221,000 and \$208,000, respectively.

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*

The Company is not presently the defendant in any material litigation nor, to the Company's knowledge, is any material litigation threatened against the Company.

The Company is not aware of any environmental liabilities that it believes would have a material adverse effect on its net assets in liquidation.

14) Subsequent Events

The Company evaluates subsequent events up until the date the unaudited consolidated financial statements are issued.

The following table summarizes the Liquidation Trust Interests during the period from April 1, 2021 through May 13, 2021:

<u>Liquidation Trust Interests</u>	<u>Class A</u>	<u>Class B</u>
Outstanding at April 1, 2021	11,513,660	676,312
Allowed claims	1,600	-
5% enhancement for certain allowed claims	-	-
Settlement of claims by cancelling Liquidation Trust Interests	(1,011)	(416)
Outstanding at May 13, 2021	<u>11,514,249</u>	<u>675,896</u>

PART I FINANCIAL INFORMATION (Continued)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2021 and 2020***(Unaudited)*

The following table summarizes unresolved claims against the Debtors as they relate to Liquidation Trust Interests (rounded) during the period from April 1, 2021 through May 13, 2021:

Liquidation Trust Interests	Class A	Class B
Outstanding at April 1, 2021	138,788	5,011
Allowed claims	(1,600)	-
Disallowed claims	(12,579)	-
Outstanding at May 13, 2021	124,609	5,011

During the period from April 1, 2021 through May 13, 2021, distributions of approximately \$230,000 were paid from the restricted cash account.

During the period from April 1, 2021 through May 13, 2021, as a result of claims being disallowed or Class A Interests being cancelled, approximately \$789,000 was released from the restricted cash account and distributions payable were reduced by the same amount.

During the period from April 1, 2021 through May 13, 2021, the Trust recorded approximately \$769,000 from the settlement of certain Causes of Action. The Company recorded approximately \$38,000 as the amount due to the Liquidation Trustee on account of such settlement.

On April 29, 2021, the Company received approximately \$1,883,000 of cash from the DOJ relating to Forfeited Assets (Note 7).

During the period from April 1, 2021 through May 13, 2021, the Company sold one single-family home and realized net proceeds of approximately \$12,950,000. The Company also has an escrow receivable of approximately \$2,500,000 related to this sale, which is to be released upon the Company's completion of construction and obtaining a certificate of occupancy.

As of May 13, 2021, the Company has one single-family home under contract. Although the contingencies relating to this pending sale have been removed, no assurance can be given that the sale will close.

On May 13, 2021, a distribution in the amount of approximately \$30,000,000 was approved which represented \$2.58 per Class A Interest. The distribution is payable on or about June 15, 2021. The distribution included (i) a cash distribution on account of then-allowed claims in the amount of approximately \$29,400,000, and (ii) a deposit of approximately \$600,000 into a restricted cash account, for amounts (a) payable for Class A Interests that may be issued in the future upon the allowance of unresolved claims; (b) in respect of Class A Interests issued on account of recently allowed claims; (c) to holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) that were withheld due to pending avoidance actions; and (e) in respect of which the Trust is waiting for further beneficiary information.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying unaudited consolidated financial statements of Woodbridge Liquidation Trust and the related notes thereto. The Trust, the Remaining Debtors, the Wind-Down Entity and the Wind-Down Subsidiaries, as used herein, are defined in Note 1 to the consolidated financial statements and are collectively referred to herein as the Company.

Forward-Looking Statements

Certain statements included in this Quarterly Report on Form 10-Q are forward-looking statements. Those statements include, without limitation, financial guidance, and projections and statements with respect to expectation of future financial condition, changes in net assets in liquidation, cash flows, plans, targets, goals, objectives and performance of the Trust. Such forward-looking statements also include statements that are preceded by, followed by, or that include the words “believes”, “estimates”, “plans”, “expects”, “intends”, “is anticipated”, “will continue”, “project”, “outlook”, “evaluate”, “may”, “could”, “would”, “should” and similar expressions, and all other statements that are not historical facts. All such forward-looking statements are based on the Trust’s current expectations and involve risks and uncertainties which may cause actual results to differ materially from those set forth in such statements. Such risks and uncertainties include the amount of sales proceeds, timing of sales of real estate assets, timing and amount of funds needed to complete construction of single-family homes, amount of general and administrative costs, the number and amount of successful litigations and/or settlements and the ability to recover thereon, the amount of funding required to continue litigations, the continuing impact of the COVID-19 pandemic, interest rates, adverse weather conditions in the regions in which properties to be sold are located, economic and political conditions, changes in tax and other governmental rules and regulations applicable to the Trust and its subsidiaries and other risks and uncertainties identified in Item 1A. Risk Factors of the Company’s Annual Report on Form 10-K, or contained in any of the Trust’s subsequent filings with the SEC. These risks and uncertainties are beyond the ability of the Trust to control, and in many cases, the Trust cannot predict the risks and uncertainties, that could cause its actual results to differ materially from those indicated by the forward-looking statements.

In connection with the “safe harbor” provisions of the Securities Act of 1933 and the Exchange Act, the Trust has identified and is disclosing important factors, risks and uncertainties that could cause its actual results to differ materially from those projected in forward-looking statements made by the Trust, or on the Trust’s behalf. (See “Part II. Other Information, Item 1A. Risk Factors” of this Form 10-Q.) These cautionary statements are to be used as a reference in connection with any forward-looking statements. The factors, risks and uncertainties identified in these cautionary statements are in addition to those contained in any other cautionary statements, written or oral, which may be made or otherwise addressed in connection with a forward-looking statement or contained in any of the Trust’s subsequent filings with the SEC. Because of these factors, risks and uncertainties, the Trust cautions against placing undue reliance on forward-looking statements. Although the Trust believes that the assumptions underlying forward-looking statements are currently reasonable, any of the assumptions could be incorrect or incomplete, and there can be no assurance that forward-looking statements will prove to be accurate. Forward-looking statements speak only as of the date on which they are made. Except as may be required by law, the Trust does not undertake any obligations to modify, update or revise any forward-looking statement to take into account or otherwise reflect subsequent events, corrections in or revisions of underlying assumptions, or changes in circumstances arising after the date that the forward-looking statement was made.

Overview

Pursuant to the Plan, the Trust was formed on February 15, 2019 to hold, either directly or indirectly through the Wind-Down Entity and the Wind-Down Subsidiaries, the assets and equity interests formerly owned by the Debtors. Each of the real properties formerly owned by the Debtors was, as of February 15, 2019, owned by one of the Wind-Down Subsidiaries. The purpose of the Wind-Down Entity and the Wind-Down Subsidiaries is to develop (as applicable), market and sell those properties to generate cash. Assets formerly owned by the Debtors other than real estate assets and certain cash were transferred to the Trust. The purpose of the Trust is to receive remittances of cash from the Wind-Down Entity, to resolve disputed claims, to prosecute the Causes of Action, to pay allowed unimpaired claims and, subject to the payment of Trust expenses and the retention of various reserves, to make distributions of cash to All Interestholders in accordance with the Plan.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (Continued)

The Trust operates pursuant to the Plan and the Trust Agreement. The Trust was formed as a Delaware statutory trust and is administered by the Liquidation Trustee under the supervision of its Supervisory Board. The Wind-Down Entity, a wholly-owned subsidiary of the Trust, operates pursuant to the Plan and the Wind-Down Entity LLC Agreement. The Wind-Down Entity was formed as a Delaware limited liability company and is administered by its Board of Managers, one of which is the chief executive officer. One member of the Board of Managers is also a member of the Supervisory Board of the Trust.

The Bankruptcy Court has retained certain jurisdictions regarding the Trust, the Liquidation Trustee, the Supervisory Board, the Wind-Down Entity, the Board of Managers, and assets of the Trust and the Wind-Down Entity, including the determination of all disputes arising out of or related to administration of the Trust and the Wind-Down Entity and its subsidiaries.

As of March 31, 2021, the number of Liquidation Trust Interests outstanding in each class is as follows:

<u>Class of Interest</u>	<u>Number Outstanding</u>
Class A Liquidation Trust Interests	11,513,660
Class B Liquidation Trust Interests	676,312

For each of the classes of Liquidation Trust Interests, the number of Liquidation Trust Interests outstanding will increase to the extent that the disputed claims become allowed claims. In addition, the number of Liquidation Trust Interests outstanding will decrease to the extent that claims are settled by cancelling Liquidation Trust Interests.

On December 24, 2019, the Trust’s Registration Statement on Form 10 became effective under the Exchange Act. The trading symbol for the Trust’s Class A Interests is WBQNL. The Trust’s Class A Interests are quoted on OTC Link ATS, the SEC-registered alternative trading system, and are eligible for the Depository Trust Company’s DRS services.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Since the Plan Effective Date through March 31, 2021, the Wind-Down Subsidiaries have disposed of approximately 131 properties for aggregate net sales proceeds of approximately \$403.73 million. As of March 31, 2021, the Company owned fourteen real estate assets with a gross carrying value of approximately \$164.81 million. Therefore, it is unlikely that the amount of net sales proceeds that the Company will receive in the future will be consistent with the amount received from the Plan Effective Date through March 31, 2021. During the three months ended March 31, 2021 and 2020, the Company completed the construction of zero and one single-family home, respectively. During the nine months ended March 31, 2021, the Company sold one single-family home that was under construction. The buyer assumed the remaining obligations to complete the construction of the property. The Company expects to complete the liquidation of its assets during the fiscal year ending June 30, 2023.

Discussion of the Company’s Operations

Three months ended March 31, 2021

Consolidated Statement of Changes in Net Assets in Liquidation
For the three months ended March 31, 2021
(\$ in thousands)

	Restricted for Qualifying Victims	All Interestholders	Total
Net assets in liquidation as of December 31, 2020	\$ -	\$ 210,476	\$ 210,476
Change in assets and liabilities:			
Restricted for Qualifying Victims - change in carrying value of assets and liabilities, net	3,459	-	3,459
All Interestholders:			
Change in carrying value of assets and liabilities, net	-	1,974	1,974
Distributions (declared) reversed, net	-	(49,958)	(49,958)
Net change in assets and liabilities	-	(47,984)	(47,984)
Net assets in Liquidation, as of March 31, 2021	\$ 3,459	\$ 162,492	\$ 165,951

Net assets in liquidation – Restricted for Qualifying Victims increased by approximately \$3.46 million during the three months ended March 31, 2021. The increase was the result of receiving the Forfeited Assets from the DOJ during the three months ended March 31, 2021.

Net assets in liquidation – All Interestholders decreased by approximately \$47.98 million during the three months ended March 31, 2021. This decrease was due to: (a) an increase in the carrying value of assets and liabilities of approximately \$1.97 million and (b) net distributions of approximately \$49.95 million.

The components of the change in the carrying value of assets and liabilities, net are as follows (\$ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Recognition of Forfeited Assets	\$ 3,459	\$ -	\$ 3,459
Remeasurement of assets and liabilities, net	-	2,473	2,473
Settlement recoveries recognized, net	-	1,326	1,326
Adjustment to insurance claim receivable	-	(1,900)	(1,900)
Other	-	75	75
Change in carrying value of assets and liabilities, net	\$ 3,459	\$ 1,974	\$ 5,433

During the three months ended March 31, 2021, the Company:

- Declared a distribution of \$4.28 per Class A Liquidation Trust Interest, which totaled approximately \$50.01 million.
- Signed agreements to settle certain Causes of Action for payment to the Trust of approximately \$1.28 million.
- Recorded Forfeited Assets with an estimated net realizable value of approximately \$3.46 million.
- Paid construction costs of approximately \$5.77 million relating to single-family homes under development.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

- Paid holding costs of approximately \$0.77 million.
- Paid general and administrative costs of approximately \$4.29 million, including approximately \$0.21 million of board member fees and expenses, approximately \$1.90 million of payroll and other general and administrative costs and approximately \$2.18 million of post Plan Effective Date professional fees.

Three months ended March 31, 2020

Consolidated Statement of Changes in Net Assets in Liquidation
For the three months ended March 31, 2020
(\$ in thousands)

Net assets in liquidation, as of December 30, 2019	\$ 334,583
Change in assets and liabilities:	
Change in carrying value of assets and liabilities, net	12,905
Distributions (declared) reversed, net	(77,678)
Net change in assets and liabilities	(64,773)
Net assets in liquidation, as of March 31, 2020	\$ 269,810

Net assets in liquidation decreased by approximately \$64.77 million during the three months ended March 31, 2020. This increase was due to: (a) an increase in the carrying value of assets and liabilities of approximately \$12.91 million and (b) net distributions of approximately \$77.68 million. The components of the approximately \$12.91 million change in the carrying value of assets and liabilities, net are as follows (\$ in thousands):

Settlement recoveries recognized, net	\$ 1,120
Sales proceeds in excess of carrying value	16,873
Remeasurement of assets and liabilities, net	(5,345)
Other	257
Change in carrying value of assets and liabilities, net	\$ 12,905

During the three months ended March 31, 2020, the Company:

- Declared distributions of \$4.50 and \$2.12 per Class A Liquidation Trust Interest, which totaled approximately \$78.43 million.
- Completed construction of one single-family home (1241 Loma Vista).
- Sold two single-family homes, two lots and settled one secured loan for net proceeds of approximately \$74.27 million.
- Adopted a strategy to auction certain secured loans and other properties. As a result of this change in strategy, the net carrying value of these real estate assets was reduced by approximately \$1.86 million.
- Signed agreements to settle certain Causes of Action of approximately \$1.18 million.
- Paid construction costs of approximately \$11.79 million relating to single-family homes under development.
- Paid holding costs of approximately \$2.11 million.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (Continued)

- Paid general and administrative costs of approximately \$5.52 million, including approximately \$0.26 million of board member fees and expenses, approximately \$2.23 million of payroll and other general and administrative costs and approximately \$3.03 million of post Plan Effective Date professional fees.

Nine months ended March 31, 2021

Consolidated Statement of Changes in Net Assets in Liquidation
For the nine months ended March 31, 2021
(\$ in thousands)

	<u>Restricted for Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>
Net assets in liquidation as of June 30, 2020	\$ -	\$ 264,517	\$ 264,517
Change in assets and liabilities:			
Restricted for Qualifying Victims - change in carrying value of assets and liabilities, net	3,459	-	3,459
All Interestholders:			
Change in carrying value of assets and liabilities, net	-	7,529	7,529
Distributions (declared) reversed, net	-	(109,554)	(109,554)
Net change in assets and liabilities	-	(102,025)	(102,025)
Net assets in Liquidation, as of March 31, 2021	\$ 3,459	\$ 162,492	\$ 165,951

Net assets in liquidation – Restricted for Qualifying Victims increased by approximately \$3.46 million during the nine months ended March 31, 2021.

Net assets in liquidation – All Interestholders decreased by approximately \$102.02 million during the nine months ended March 31, 2021. This decrease was due to: (a) an increase in the carrying value of assets and liabilities of approximately \$7.53 million and (b) net distributions of approximately \$109.55 million.

The components of the change in the carrying value of assets and liabilities, net are as follows (\$ in thousands):

	<u>Restricted for Qualifying Victims</u>	<u>All Interestholders</u>	<u>Total</u>
Recognition of Forfeited Assets	\$ 3,459	\$ -	\$ 3,459
Settlement recoveries recognized, net	-	8,013	8,013
Carrying value in excess of sales proceeds	-	(1,540)	(1,540)
Remeasurement of assets and liabilities, net	-	2,775	2,775
Adjustment to insurance claim receivable	-	(1,900)	(1,900)
Other	-	181	181
Change in carrying value of assets and liabilities, net	\$ 3,459	\$ 7,529	\$ 10,988

During the nine months ended March 31, 2021, the Company:

- Declared three distributions, two each of \$2.56 and one of \$4.28 per Class A Liquidation Trust Interest, which totaled approximately \$109.93 million.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

- Sold five single-family homes, two lots and eleven other properties for net proceeds of approximately \$121.16 million.
- Signed agreements to settle certain Causes of Action for payment to the Trust of approximately \$8.44 million.
- Recorded forfeited assets with an estimated net realizable value of approximately \$3.46 million.
- Paid construction costs of approximately \$22.04 million relating to single-family homes under development.
- Paid holding costs of approximately \$4.13 million.
- Paid general and administrative costs of approximately \$14.39 million, including approximately \$0.68 million of board member fees and expenses, approximately \$6.35 million of payroll and other general and administrative costs and approximately \$7.36 million of post Plan Effective Date professional fees.

Nine months ended March 31, 2020

Consolidated Statement of Changes in Net Assets in Liquidation
For the nine months ended March 31, 2020
(\$ in thousands)

Net assets in liquidation, as of June 30, 2019	\$ 329,971
Change in assets and liabilities:	
Change in carrying value of assets and liabilities, net	17,440
Distributions (declared) reversed, net	(77,601)
Net change in assets and liabilities	(60,161)
Net assets in liquidation, as of March 31, 2020	\$ 269,810

Net assets in liquidation decreased by approximately \$60.16 million during the nine months ended March 31, 2020. This increase was due to: (a) changes in the carrying value of assets and liabilities, net of approximately \$17.44 million and (b) net distributions of approximately \$77.60 million. The components of the approximately \$17.44 million change in the carrying value of assets and liabilities, net are as follows (\$ in thousands):

Reduction of state, local and other taxes	\$ 2,890
Settlement recoveries recognized, net	4,596
Sales proceeds in excess of carrying value	20,164
Remeasurement of assets and liabilities, net	(10,660)
Other	450
Change in carrying value of assets and liabilities, net	\$ 17,440

During the nine months ended March 31, 2020, the Company:

- Declared distributions of \$4.50 and \$2.12 per Class A Liquidation Trust Interest, which totaled approximately \$78.43 million.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

- Completed construction of three single-family homes (25210 Jim Bridger, 1241 Loma Vista and 24055 Hidden Ridge).
- Sold ten single-family homes, 18 lots, two other properties and settled three secured loans for net proceeds of approximately \$177.97 million.
- Adopted a strategy to auction certain secured loans and other properties. As a result of this change in strategy, the net carrying value of these real estate assets were reduced by approximately \$1.86 million.
- Signed agreements to settle certain Causes of Action of approximately \$4.84 million.
- Paid construction costs of approximately \$37.33 million relating to single-family homes under development.
- Paid holding costs of approximately \$8.69 million.
- Paid general and administrative costs of approximately \$17.09 million, including approximately \$0.85 million of board member fees and expenses, approximately \$5.37 million of payroll and other general and administrative costs and approximately \$10.87 million of post Plan Effective Date professional fees.
- Paid professional fees incurred before the Plan Effective Date of approximately \$0.36 million.

Liquidity and Capital Resources

Liquidity

The Company's primary sources for meeting its capital requirements are its cash, availability under the LOC, proceeds from the sale of its real estate assets and recoveries from certain Causes of Action. The Company's primary uses of funds are and will continue to be for distributions, development costs, holding costs and general and administrative costs, all of which the Company expects to be able to adequately fund over the next twelve months from its primary sources of capital.

Capital Resources

In addition to consolidated cash and cash equivalents at March 31, 2021 of approximately \$74.61 million (of which approximately \$7.91 million is restricted), the capital resources available to the Company and its uses of liquidity are as follows:

Revolving Line of Credit

On June 19, 2020, two wholly-owned subsidiaries of the Wind-Down Entity entered into a \$25,000,000 revolving LOC. On February 11, 2021, the LOC was amended. Two additional wholly owned subsidiaries of the Wind-Down Entity were joined to the LOC as co-borrowers and two properties were added as replacement collateral as allowed for in the original agreement. The maturity date of the LOC was changed to January 31, 2023 with an option to extend for one additional year. The LOC required the borrowers to establish an interest reserve of \$1,750,000, which is to be used to pay the potential monthly interest payments. Outstanding borrowings bear interest at a fixed rate of 3.50% per annum. Indebtedness under the LOC is secured by a deed of trust on two properties, the personal property associated therewith and the interest reserve. The Wind-Down Entity is the guarantor of the LOC. The Company is required to keep a cash balance of \$20,000,000 on deposit with the lender in order to avoid a non-compliance fee of 2% of the shortfall in the required deposit and is required to comply with various covenants.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

No amounts were outstanding under the LOC as of March 31, 2021 or May 13, 2021.

Sales of Real Estate Assets

The Wind-Down Entity and the Wind-Down Subsidiaries are in the process of developing, marketing and selling their real estate assets. As of March 31, 2021, one of the single-family homes was listed for sale. All of the other single-family homes are under construction. There can be no assurance as to the amount of net proceeds that the Company will receive from the sale of real estate assets or when the net sales proceeds will be received. As of March 31, 2021, the Company owned fourteen real estate assets with a gross carrying value of approximately \$164.81 million. Therefore, it is unlikely that the net proceeds for the nine months ended March 31, 2021 will be indicative of future net proceeds, which may be significantly lower. In addition, it may take longer to sell the properties than the Company has estimated.

Causes of Action and Fair Funds Recoveries

During the three and nine months ended March 31, 2021, the Company recognized approximately \$1.33 and \$8.01 million, net, respectively, from the settlement of certain Causes of Action. There can be no assurance that the amounts the Company receives from settling other Causes of Action and Fair Funds recoveries in the future will be consistent with the amount recovered during the three and nine months ended March 31, 2021.

Forfeited Assets

Forfeited Assets consist of cash and other assets (jewelry, art, wine, purses, clothing, a car and other items). During the three months ended March 31, 2021, the Trust received certain of the Forfeited Assets from the DOJ. During the three and nine months ended March 31, 2021, the Company recognized approximately \$3.46 million and \$3.46 million, respectively of Forfeited Assets, including a \$1.89 million receivable for cash not yet received from the DOJ.

The Trust is required to distribute the net sale proceeds from liquidating the Forfeited Assets to the Qualifying Victims. Qualifying Victims are the former holders of Class 3 and Class 5 Claims and their permitted assigns. Former holders of Class 4 Claims are not Qualifying Victims. Because of the requirement to distribute the net sale proceeds of the Forfeited Assets to the Qualifying Victims only, the Forfeited Assets at March 31, 2021 are presented in the consolidated statement of net assets as restricted net assets in liquidation. At March 31, 2021, 11,439,782 of the 11,513,660 Class A Interests were held by Qualifying Victims. Of the 138,788 Class A Interests relating to unresolved claims at March 31, 2021, 24,760 would be held by Qualifying Victims.

Uses of Liquidity

The primary uses of the Company's liquidity are to pay (a) distributions payable, (b) development costs, (c) holding costs, and (d) general and administrative costs. As of March 31, 2021, the Company's total liabilities were approximately \$68.33 million. The total liabilities recorded as of March 31, 2021 may not be indicative of the costs paid in future periods, which may be significantly higher.

Given current cash and cash equivalent balances, projected sales of real estate assets, availability under the LOC, Causes of Action recoveries, distributions declared and expected cash needs, the Company does not expect a deficiency in liquidity in the next twelve months. Due to the uncertain nature of future net sales proceeds, recoveries and costs to be incurred, it is not possible to be certain that the current liquidity will be adequate to cover all future financial needs of the Company. Creating contingent obligation agreements and/or seeking methods to reduce professional costs, including legal fees, and administrative costs are strategies that could be undertaken to address liquidity issues should they arise. These strategies could impact the Company's ability to maximize recoveries from the settlement of other Causes of Action.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Distributions

Distributions will be made at the sole discretion of the Liquidation Trustee in accordance with the provisions of the Plan and the Trust Agreement. As of May 13, 2021, the Liquidation Trustee has declared six distributions on account of Class A Interests. The distributions are paid on account of the then-allowed claims and a deposit is made into a restricted cash account for amounts (a) payable for Class A Interests that may be issued in the future upon the allowance of unresolved claims, (b) in respect of Class A Interests on account of recently allowed claims, (c) to holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions, (d) that were withheld due to pending avoidance actions and (e) in respect of which the Trust is waiting for further beneficiary information.

The following tables summarize the distributions declared, distributions paid and the activity in the restricted cash account for the periods from February 15, 2019 (inception) through March 31, 2021 and from February 15, 2019 (inception) through May 13, 2021:

	Date	\$ per Class A Interest	During the Period From February 15, 2019 (inception) through March 31, 2021 (\$ in Millions)			During the Period From February 15, 2019 (inception) through May 13, 2021 (\$ in Millions)		
			Total Declared	Paid	Distribution Reserve Account	Total Declared	Paid	Distribution Reserve Account
Distributions Declared								
First	3/15/2019	\$ 3.75	\$ 44.70	\$ 42.32	\$ 2.38	\$ 44.70	\$ 42.32	\$ 2.38
Second	1/2/2020	4.50	53.43	51.19	2.24	53.43	51.19	2.24
Third	3/31/2020	2.12	25.00	24.19	0.81	25.00	24.19	0.81
Fourth	7/13/2020	2.56	29.97	29.24	0.73	29.97	29.24	0.73
Fifth	10/19/2020	2.56	29.95	29.20	0.75	29.95	29.20	0.75
Sixth	1/7/2021	4.28	50.01	48.67	1.34	50.01	48.67	1.34
Seventh (a)	5/13/2021	2.58	-	-	-	30.00	-	-
Subtotal		\$ 22.35	\$ 233.06	\$ 224.81	\$ 8.25	\$ 263.06	\$ 224.81	\$ 8.25
Distributions Reversed								
Disallowed/cancelled (b)					(2.02)			(2.81)
Returned (c)					0.58			0.58
Subtotal					(1.44)			(2.23)
Distributions Paid from Reserve Account (d)					(1.91)	(2.14)		
Distributions Payable, Net					as of 3/31/2021: \$ 4.90	as of 5/13/2021: \$ 3.88		

- (a) Approved on May 13, 2021.
- (b) As a result of claims being disallowed or Class A Interests being cancelled.
- (c) Distribution checks returned or not cashed.
- (d) Paid as claims are allowed or resolved.

The Liquidation Trustee will continue to assess the adequacy of funds held and expects to make additional cash distributions on account of Class A Interests but does not currently know the timing or amount of any such distribution(s).

Contractual Obligations

As of March 31, 2021, the Company has contractual commitments related to construction contracts totaling approximately \$15.20 million. The Company expects to complete the construction of these single-family homes during the fiscal year ending June 30, 2022. The Company has an office lease that expires in August 2021. The Company expects that it will continue to lease office space until the liquidation process is completed.

Quantitative Disclosures about Market Risk

As of March 31, 2021, the Company does not have any market risk exposure as defined by Securities and Exchange Commission Regulation 229.305.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Critical Accounting Policies and Practices

The Company's consolidated financial statements are prepared in accordance with U.S. GAAP. The accounting policies and practices that the Company believes are the most critical are discussed below. These accounting policies and practices require management to make decisions on subjective and/or complex matters that may inherently be uncertain. Estimates are required to prepare the consolidated financial statements in conformity with U.S. GAAP. Significant estimates, judgments and assumptions are required in a number of areas, including, but not limited to, the sales price of real estate assets, selling costs, development costs, holding costs and general and administrative costs to be incurred until the completion of the liquidation of the Company. In many instances, changes in the accounting estimates are likely to occur from period to period. Actual results may differ from the estimates. The Company believes the current assumptions and other considerations used in preparing the consolidated financial statements are appropriate. However, if actual experience differs from the assumptions and other considerations used in estimating amounts reflected in the Company's consolidated financial statements, the resulting changes could have a material adverse effect on the Company's net assets in liquidation.

Liquidation Basis of Accounting

Under the liquidation basis of accounting, all assets are recorded at their estimated net realizable value or liquidation value, which represents the estimated amount of net cash that may be received upon the disposition of the assets (on an undiscounted basis). Liabilities are measured in accordance with U.S. GAAP that otherwise applies to those liabilities. The Company has not recorded any amount for future recoveries from unsettled Causes of Action or Fair Funds recoveries in the accompanying consolidated financial statements because they cannot be reasonably estimated.

Valuation of Real Estate

The measurement of real estate assets held for sale is based on current contracts (if any), estimates and other indications of sales value, net of estimated selling costs. To determine the value of real estate assets held for sale, the Company considers the three traditional approaches to value (cost, income and sales comparison) commonly used by the real estate appraisal community. The applicability and relevancy of each valuation approach as applied may differ by asset. In most cases, the sales comparison approach was accorded the greatest weight. This approach compares a property to other properties with similar characteristics that have recently sold. To validate management's estimate, the Company also considers opinions from qualified real estate professionals and local real estate brokers and, in some cases, obtained third-party appraisals.

Accrued Liquidation Costs

The estimated costs associated with implementing and completing the Company's plan of liquidation are recorded as accrued liquidation costs. The Company has also recorded the estimated development costs to be incurred to prepare the assets for sale as well as the estimated holding costs to be incurred until the projected sale date and the estimated general and administrative costs to be incurred until the completion of the liquidation of the Company.

Changes in Carrying Value

On a quarterly basis, the Company reviews the estimated net realizable values and liquidation costs and records any significant changes. The Company will also evaluate an asset when it is under contract for sale and the buyer's contingencies have been removed. During the period that this occurs, the carrying value of the asset and the estimated closing and other costs will be adjusted, if necessary. If the Company has a change in its plan for the disposition of an asset, the carrying value will be adjusted to reflect this change in the period that the change is approved. The change in value may also include the accrued liquidation costs related to the asset.

All changes in the estimated liquidation value of the Company's assets, real estate held for sale, or other assets and liabilities are reflected as a change to the Company's net assets in liquidation.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable, as the Company is a “smaller reporting company” within the meaning of Rule 12b-2 of the Exchange Act.

Item 4. Controls and Procedures

This quarterly report does not include a report of management’s assessment of internal controls over financial reporting due to a transition period established by rules of the SEC for newly public companies.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Below is a description of pending litigation. As the Company is the plaintiff in these legal proceedings and does not have the ability to estimate the ultimate recovery amount until they are settled, and in accordance with the Company's accounting policy, no recoveries have been recorded in the Company's consolidated financial statements for these legal proceedings, other than for settlements for which the Trust has entered into a signed settlement agreement.

Goldberg v. Halloran & Sage LLP, et al., Case No. 19STCV42900 (Cal. Super. Ct., L.A. Cnty., filed Dec. 2, 2019), is an action by the Trust against nine law firms (Halloran & Sage LLP; Balcomb & Green, P.C.; Rome McGuigan, P.C.; Haight Brown & Bonesteel LLP; Bailey Cavalieri LLC; Sidley Austin LLP; Davis Graham & Stubbs LLP; Robinson & Cole LLP; and Finn Dixon & Herling LLP) and ten individual attorneys (Richard Roberts, Lawrence R. Green, Jon H. Freis, Brian Courtney, Ted Handel, Thomas Geyer, Neal Sullivan, S. Lee Terry, Jr., Shant Chalian, and Reed Balmer) for conduct in connection with their representation of Robert Shapiro, the Debtors or their affiliates before the commencement of the Bankruptcy Cases, as well as against up to 100 "Doe" defendants. The conduct challenged in the complaint includes knowingly and/or negligently preparing loan documents and investment agreements with material misstatements and omissions, designing deceptive securities products, preparing incorrect legal opinion memoranda on which investors relied, and assisting in the creation of nominally third-party borrower entities that were in fact controlled by Robert Shapiro.

The first set of counts in the complaint are against law firm Halloran & Sage LLP, attorney Richard Roberts, and the "Doe" defendants for aiding and abetting securities fraud (First Count), aiding and abetting fraud (Second Count), aiding and abetting breach of fiduciary duty (Third Count), negligent misrepresentation (Fourth Count), professional negligence (Fifth Count), and aiding and abetting conversion (Sixth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of \$500 million, as well as for punitive damages.

The second set of counts in the complaint are against law firm Balcomb & Green, P.C., attorney Lawrence R. Green, and the "Doe" defendants for aiding and abetting securities fraud (Seventh Count), aiding and abetting fraud (Eighth Count), aiding and abetting breach of fiduciary duty (Ninth Count), negligent misrepresentation (Tenth Count), professional negligence (Eleventh Count), and aiding and abetting conversion (Twelfth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of \$500 million, as well as for punitive damages.

The third set of counts in the complaint are against attorney Jon H. Freis and the "Doe" defendants for aiding and abetting securities fraud (Thirteenth Count), aiding and abetting fraud (Fourteenth Count), aiding and abetting breach of fiduciary duty (Fifteenth Count), negligent misrepresentation (Sixteenth Count), professional negligence (Seventeenth Count), and aiding and abetting conversion (Eighteenth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of \$500 million, as well as for punitive damages.

The fourth set of counts in the complaint are against law firm Rome McGuigan, P.C., attorney Brian Courtney, and the "Doe" defendants for aiding and abetting securities fraud (Nineteenth Count), aiding and abetting fraud (Twentieth Count), aiding and abetting breach of fiduciary duty (Twenty-First Count), negligent misrepresentation (Twenty-Second Count), professional negligence (Twenty-Third Count), and aiding and abetting conversion (Twenty-Fourth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of \$500 million, as well as for punitive damages.

The fifth set of counts in the complaint are against law firm Haight Brown & Bonesteel LLP, attorney Ted Handel, and the "Doe" defendants for aiding and abetting securities fraud (Twenty-Fifth Count), aiding and abetting fraud (Twenty-Sixth Count), aiding and abetting breach of fiduciary duty (Twenty-Seventh Count), negligent misrepresentation (Twenty-Eighth Count), professional negligence (Twenty-Ninth Count), and aiding and abetting conversion (Thirtieth Count). These defendants are alleged to be jointly and severally liable for rescission of investors' purchases of securities and for damages in an amount believed to be in excess of \$20 million, as well as for punitive damages.

PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (Continued)

The sixth set of counts in the complaint are against law firm Bailey Cavalieri LLC, Thomas Geyer, and the “Doe” defendants for aiding and abetting securities fraud (Thirty-First Count), aiding and abetting fraud (Thirty-Second Count), aiding and abetting breach of fiduciary duty (Thirty-Third Count), negligent misrepresentation (Thirty-Fourth Count), professional negligence (Thirty-Fifth Count), and aiding and abetting conversion (Thirty-Sixth Count). These defendants are alleged to be jointly and severally liable for rescission of investors’ purchases of securities and for damages in an amount believed to be in excess of \$500 million, as well as for punitive damages.

The seventh set of counts in the complaint are against law firm Sidley Austin LLP, attorney Neal Sullivan, and the “Doe” defendants for aiding and abetting securities fraud (Thirty-Seventh Count), aiding and abetting fraud (Thirty-Eighth Count), aiding and abetting breach of fiduciary duty (Thirty-Ninth Count), negligent misrepresentation (Fortieth Count), professional negligence (Forty-First Count), and aiding and abetting conversion (Forty-Second Count). These defendants are alleged to be jointly and severally liable for rescission of investors’ purchases of securities and for damages in an amount believed to be in excess of \$500 million, as well as for punitive damages.

The eighth set of counts in the complaint are against law firm Davis Graham & Stubbs LLP, attorney S. Lee Terry, Jr., and the “Doe” defendants for aiding and abetting securities fraud (Forty-Third Count), aiding and abetting fraud (Forty-Fourth Count), aiding and abetting breach of fiduciary duty (Forty-Fifth Count), negligent misrepresentation (Forty-Sixth Count), professional negligence (Forty-Seventh Count), and aiding and abetting conversion (Forty-Eighth Count). These defendants are alleged to be jointly and severally liable for rescission of investors’ purchases of securities and for damages in an amount believed to be in excess of \$200 million, as well as for punitive damages.

The ninth set of counts in the complaint are against law firm Robinson & Cole LLP, attorney Shant Chalian, and the “Doe” defendants for aiding and abetting securities fraud (Forty-Ninth Count), aiding and abetting fraud (Fiftieth Count), aiding and abetting breach of fiduciary duty (Fifty-First Count), negligent misrepresentation (Fifty-Second Count), professional negligence (Fifty-Third Count), and aiding and abetting conversion (Fifty-Fourth Count). These defendants are alleged to be jointly and severally liable for rescission of investors’ purchases of securities and for damages in an amount believed to be in excess of \$5 million, as well as for punitive damages.

The tenth set of counts in the complaint are against law firm Finn Dixon & Herling LLP, attorney Reed Balmer, and the “Doe” defendants for aiding and abetting securities fraud (Fifty-Fifth Count), aiding and abetting fraud (Fifty-Sixth Count), aiding and abetting breach of fiduciary duty (Fifty-Seventh Count), negligent misrepresentation (Fifty-Eighth Count), professional negligence (Fifty-Ninth Count), and aiding and abetting conversion (Sixtieth Count). These defendants are alleged to be jointly and severally liable for rescission of investors’ purchases of securities and for damages in an amount believed to be in excess of \$5 million, as well as for punitive damages.

The eleventh set of counts in the complaint are against law firms Halloran & Sage LLP; Balcomb & Green, P.C.; Rome McGuigan, P.C.; Haight Brown & Bonesteel LLP; Bailey Cavalieri LLC; Sidley Austin LLP; Davis Graham & Stubbs LLP; Robinson & Cole LLP; and Finn Dixon & Herling LLP; attorney Jon H. Freis, and the “Doe” defendants for actual-intent fraudulent transfer (Sixty-First Count) and constructive fraudulent transfer (Sixty-Second Count). These defendants are alleged to be liable for damages in an amount believed to be in excess of \$5 million, as well as for provisional remedies, avoidance of the transfers, and punitive damages.

The case was designated as a complex matter on December 18, 2019, and was assigned to the Honorable Amy Hogue.

PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (Continued)

On March 20, 2020, two sets of defendants – Sidley Austin LLP and Neal Sullivan; and Davis Graham & Stubbs LLP and S. Lee Terry, Jr. – filed special motions to strike the portions of the complaint directed at them under a California statute (Civil Procedure Code section 425.16) that permits defendants to bring early challenges to causes of action against them that allegedly arise from protected litigation activity if those causes of action lack minimal merit. The defendants that filed these special motions to strike asserted that the claims against them arise from communicative conduct in the course of quasi-judicial proceedings, such as regulatory inquiries, and that the Trust cannot establish a likelihood of prevailing on its claims against them. The Trust opposed these motions, and the matters were heard on July 28, 2020, and taken under submission on that date. On August 14, 2020, the Court entered orders: (i) granting the motion to strike filed by Sidley Austin LLP and Neal Sullivan, and (ii) granting in part and denying in part the motion to strike filed by Davis Graham & Stubbs LLP and S. Lee Terry, Jr. In September 2020, the Trust filed notices of appeal of the foregoing orders, and Davis Graham & Stubbs LLP and S. Lee Terry, Jr. subsequently filed a cross-appeal. On January 27, 2021, the Court entered an order granting, in part, a motion for attorneys’ fees filed by Sidley Austin LLP and Neal Sullivan, pursuant to which the movants were awarded \$282,500.00 in fees and \$5,557.87 in costs.

On April 13, 2020, four sets of defendants – Rome McGuigan, P.C. and Brian Courtney; Bailey Cavalieri LLC and Thomas Geyer; Robinson & Cole LLP and Shant Chalian; and Finn Dixon & Herling LLP and Reed Balmer – filed motions to quash the service of summonses. The defendants that filed these motions asserted that they are not subject to suit in California because they do not have sufficient contacts with California to justify a California court’s exercise of jurisdiction over them. The Trust opposed these motions, and the matters were heard in part on July 15, 2020 and in part on July 20, 2020, and (with exception of the motion filed by Finn Dixon & Herling LLP and Reed Balmer) were taken under submission on July 20, 2020. The motion filed by Finn Dixon & Herling LLP and Reed Balmer was taken off calendar prior to July 20, 2020, and the parties thereafter reached a confidential settlement. On July 21, 2020, the Court entered orders granting the motions to quash filed by Rome McGuigan, P.C. and Brian Courtney; Bailey Cavalieri LLC and Thomas Geyer; and Robinson & Cole LLP and Shant Chalian. On September 10, 2020, the Trust filed a notice of appeal of the foregoing orders.

On June 16, 2020, the Trust reached a confidential settlement with Balcomb & Green, P.C. and Lawrence R. Green. On July 6, 2020, these defendants filed a motion seeking the Court’s determination that the settlement was made in good faith under a California statute (Civil Procedure Code section 877.6) that permits settling defendants to seek a good faith settlement finding in order to bar any other defendant from seeking contribution or indemnity. The motion was unopposed, and the Court entered an order granting it on August 12, 2020.

On January 21, 2021, the Trust reached a confidential settlement with Robinson & Cole LLP and Shant Chalian. As part of that settlement, the appeal of the jurisdictional ruling as to those parties has been dismissed.

On October 28, 2020, the Trust filed a federal lawsuit against four defendants that prevailed on the motions to quash service of summons in the California state court action (Rome McGuigan, P.C.; Brian Courtney; Bailey Cavalieri LLC; and Thomas Geyer), as well as a fifth defendant (Ivan Acevedo), and certain “Doe” defendants.” The case is styled *Goldberg v. Rome McGuigan, P.C., et al.*, Case No. 2:20-cv-09958-JFW-SK (C.D. Cal.). The complaint contains counts for (i) violations of section 10(b) of the Exchange Act and Rule 10b-5; (ii) aiding and abetting fraud; (iii) aiding and abetting breach of fiduciary duty; (iv) negligent misrepresentation; (v) professional negligence; (vi) aiding and abetting conversion; (vii) actual fraudulent transfer; and (viii) constructive fraudulent transfer. The conduct challenged in the complaint includes certain of the same conduct challenged in the California state court action, and a footnote in the complaint explains: “Plaintiff filed an action in Los Angeles Superior Court against [four of these defendants] raising some of the claims asserted in this action. Those defendants filed a motion to quash service, alleging that the court did not have personal jurisdiction. The Court granted those motions, and Plaintiff appealed. Plaintiff brings this action to preserve his rights and ensure that his claims against [the defendants] are adjudicated on the merits. Should the state court appeal be successful, resulting in two cases being simultaneously litigated on the merits in two forums, [plaintiff] will consider dismissing this action and litigating the case in state court.” On January 4, 2021, the four defendants from the California state court action filed motions to dismiss this federal lawsuit, and on March 4, 2021, the court entered an order granting those motions in part by dismissing the first count (arising under the federal securities laws), without ruling on the remaining counts (arising under state law) in light of potential personal jurisdiction issues. On March 29, 2021, the same four defendants again moved to dismiss the remaining counts for lack of personal jurisdiction, and on April 23, 2021 the federal court granted those motions. The Trust is considering its appellate options.

PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (Continued)

Comerica Bank litigation. There are two pending actions against Comerica Bank, the institution at which the Debtors maintained all of their bank accounts, alleging various causes of action:

(1) *In re Woodbridge Investments Litigation*, Case No. 2:18-cv-00103-DMG-MRW (C.D. Cal.), is a consolidated class action (Class Action) in the United States District Court for the Central District of California (California District Court) brought on behalf of former Noteholders and Unitholders against Comerica Bank. It is comprised of five separate lawsuits filed between January 4, 2018 and April 26, 2018. The five lawsuits were consolidated, Lead Class Counsel was appointed, and Lead Class Counsel filed a Consolidated Class Action Complaint on September 19, 2019. The Consolidated Class Action Complaint asserted claims for aiding and abetting fraud (Count 1), aiding and abetting breach of fiduciary duty (Count 2), negligence (Count 3), and violations of California's unfair competition law (Count 4).

On November 1, 2019, Comerica moved to dismiss the Consolidated Class Action Complaint under Federal Rule of Civil Procedure 12(b)(6) (failure to state a claim upon which relief can be granted) and Federal Rule of Civil Procedure 12(b)(1) (lack of subject matter jurisdiction). With respect to Count 1 (aiding and abetting fraud) and Count 2 (aiding and abetting breach of fiduciary duty), Comerica argued that the Class Plaintiffs' allegations did not demonstrate that Comerica had actual knowledge of the underlying fraud and breach of fiduciary duty that Comerica is alleged to have aided and abetted; with respect to Count 3 (negligence), Comerica argued that there is no duty of care owed to non-customers of Comerica; and with respect to Count 4 (California Unfair Competition Law), Comerica argued that a claim for unfair competition fails when there is no actual knowledge of fraud or breach of fiduciary duty and no duty owed. In addition, Comerica argued that all causes of action failed to state a claim for the additional reason that Comerica's filing or non-filing of a Suspicious Activity Report (SAR) under federal law cannot support any of the causes of action, and that the Court lacked subject matter jurisdiction because all of the causes of action belong to the Trust such that the Class Plaintiffs lack standing to pursue them.

On August 5, 2020, the Court entered an order granting in part and denying in part Comerica's motion to dismiss. The Court denied Comerica's request to dismiss Counts 1 and 2 on the ground that the allegations of the Consolidated Class Action Complaint sufficiently alleged that Comerica had the requisite knowledge of the underlying fraud and breach of fiduciary duty. The Court granted Comerica's request to dismiss Count 3 on the ground that the allegations of the Consolidated Class Action Complaint did not sufficiently allege a duty of care owed to non-customers of Comerica. On Count 4, the Court granted the motion to dismiss to the extent it relied on a failure to file a SAR (which claim the Court found was preempted by federal law, which prohibits disclosure of a SAR), but denied the motion to dismiss to the extent the complaint relied on violations arising from non-SAR-related conduct, and the Court granted the class leave to amend the complaint. The Court also denied Comerica's request to dismiss based on Comerica's allegations that the class lacked standing and that the Trust cannot be a member of a class, finding instead that the class has plausibly alleged standing to sue, and that the question of whether the Trust can be a class member did not need to be answered at this stage.

On August 26, 2020, the putative class filed a First Amended Consolidated Class Action Complaint, which asserted claims for aiding and abetting fraud (Count 1), aiding and abetting breach of fiduciary duty (Count 2), and violations of California's unfair competition law (Count 3). Comerica answered the First Amended Consolidated Class Action Complaint on September 16, 2020. Discovery is now proceeding in the litigation, and on April 16, 2021 the plaintiffs moved to certify a class. The class certification motion remains pending. The Court has entered a schedule setting the following dates and deadlines: (i) August 3, 2021 as the fact discovery cut-off; (ii) August 20, 2021 as the deadline to file dispositive motions; (iii) September 7, 2021 as the deadline for initial expert disclosures and reports; (iv) October 22, 2021 as the expert discovery cut-off; (v) December 14, 2021 as the final pretrial conference; and (vi) January 11, 2022 as the start of what is estimated to be a 10-day jury trial.

The Liquidation Trustee asserts that he is a member of the putative class and Comerica disputes that assertion.

PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (Continued)

(2) *Goldberg vs. Comerica Bank*, Adv. Pro. No. 20-ap-50452-BLS (Bankr. D. Del., originally filed Apr. 26, 2019 in California and transferred on February 5, 2020 to Delaware), is an action by the Trust against Comerica Bank alleging fraudulent transfer liability under the California Civil Code. The Trust's complaint also incorporates the claims asserted against Comerica Bank in the class action (referenced in paragraph (1) above) to the extent that such claims are ultimately determined to belong to the Trust rather than to individual former Noteholders and Unitholders.

On June 28, 2019, Comerica filed three motions: (i) a motion to transfer venue to the Bankruptcy Court; (ii) alternatively, a motion to dismiss the action for failure to state a claim; and (iii) a motion to strike the portion of the Complaint that incorporates the class action claims. Comerica argued that venue should be transferred to the Bankruptcy Court on the grounds that, *inter alia*, that court is familiar with the facts underlying the litigation and is best positioned to adjudicate it. In the alternative, in the event that the court declines to transfer venue, Comerica argued that the Complaint should be dismissed on the grounds that, among other grounds, (i) the Trust's claims are barred by the doctrine of *in pari delicto*, and (ii) the transfers that the Trust seeks to recover are not avoidable as a matter of law because the payment of a secured banking obligation cannot be the subject of a fraudulent transfer claim.

On July 22, 2019, the Trust filed its omnibus opposition to the three Comerica motions. On February 5, 2020, the court entered an order granting Comerica's motion to transfer the case to the Bankruptcy Court in Delaware, and denying the remaining two motions (to dismiss and to strike) as moot in light of the transfer, without prejudice to renewal by Comerica in the Bankruptcy Court. On February 6, 2020, the Bankruptcy Court opened the above-referenced docket number for the transferred case. On March 23, 2020, the Trust and Comerica filed a stipulation, which was approved by the Bankruptcy Court, agreeing to stay the action pending disposition of the motion to dismiss the class action (referenced in paragraph (1) above). On September 3, 2020, the Trust and Comerica filed a stipulation, which was also approved by the Bankruptcy Court, agreeing to further stay the action until thirty days after the California District Court enters a scheduling order in the Class Action. On December 18, 2020, the Bankruptcy Court approved a stipulation staying the action until one of the parties or the court determines to vacate the stay.

Avoidance actions. The Trust is currently prosecuting numerous legal actions to recover preferential payments, fraudulent transfers, and other funds subject to recovery by the bankruptcy estate. These actions were filed in the United States Bankruptcy Court for the District of Delaware, are pending before the Honorable J. Kate Stickles, and generally fall into the following categories:

- *Preferential transfers.* Certain of the actions include claims arising under chapter 5 of the Bankruptcy Code, and seek to avoid or recover payments made by the Debtors during the 90 days prior to the December 4, 2017 bankruptcy filing, including payments to miscellaneous vendors and former Noteholders and Unitholders.
- *Fraudulent transfers (Interest to Noteholders and Unitholders).* Certain of the actions include claims arising under chapter 5 of the Bankruptcy Code, and seek to avoid or recover payments made by the Debtors during the course of the Ponzi scheme (from July 2012 through the December 4, 2017 bankruptcy filing) for interest paid to former Noteholders and Unitholders.
- *Fraudulent transfers (Shapiro personal expenses).* Certain of the actions include claims arising under chapter 5 of the Bankruptcy Code, and seek to avoid and recover payments made by the Debtors during the course of the Ponzi scheme (from July 2012 through the December 4, 2017 bankruptcy filing) for the personal expenses of Robert and Jeri Shapiro, including those identified in a forensic report prepared in connection with an SEC enforcement action in the United States District Court for the Southern District of Florida.

PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (Continued)

The Trust has filed over 400 legal actions of this nature, many of which have been resolved, resulting in recoveries by or judgments in favor of the Trust. Since inception and as of April 30, 2021, the Trust has obtained judgments of approximately \$6.8 million and has entered into settlements in approximately 158 legal actions and approximately 245 potential avoidance claims for which litigation was not filed, resulting in an aggregate of approximately \$14.6 million of cash payments made or due to the Trust and approximately \$9.6 million in reductions of claims against the Trust.

In addition, other legal proceedings are being prosecuted by the Trust and United States governmental authorities, which actions may result in recoveries in favor of the Trust. Such actions currently include:

- *Fraudulent transfers and fraud (against former agents).* These actions, which arise under chapter 5 of the Bankruptcy Code and applicable state law governing fraudulent transfers, seek to avoid and recover payments made by the Debtors during the course of the Ponzi scheme (from July 2012 through the December 4, 2017 bankruptcy filing) for commissions to former agents, as well as for fraud, aiding and abetting fraud, and the unlicensed sale of securities asserted by the Trust based on claims contributed to the Trust by defrauded investors. These actions were filed by the Trust in the United States Bankruptcy Court for the District of Delaware between November 15, 2019 and December 4, 2019. Actions of this type are also being pursued by the SEC, and it is the Trust's understanding that any recoveries obtained by the SEC will be transmitted to the Trust pursuant to a "Fair Fund" established by the SEC.
- *Actions regarding the Shapiros' personal assets.* On December 4, 2019, the Trust filed an action in the United States Bankruptcy Court for the District of Delaware, Adv. Pro. No. 10-51076 (BLS), *Woodbridge Liquidation Trust v. Robert Shapiro, Jeri Shapiro, 3X a Charm, LLC, Carbondale Basalt Owners, LLC, Davana Sherman Oaks Owners, LLC, In Trend Staging, LLC, Midland Loop Enterprises, LLC, Schwartz Media Buying Company, LLC and Stover Real Estate Partners LLC*. In this action, the Trust asserts claims under chapter 5 of the Bankruptcy Code and applicable state law for avoidance of preferential and fraudulent transfers together with claims for fraud, aiding and abetting fraud, the unlicensed sale of securities, breach of fiduciary duty and unjust enrichment. The Trust seeks to recover damages and assets held in the names of Robert Shapiro, Jeri Shapiro and their family members and entities owned or controlled by them, which assets the Trust contends are beneficially owned by the Debtors or for which the Debtors are entitled to recover based on the Shapiros' defalcations, including over \$20 million in avoidable transfers.
- *Criminal Proceeding and Forfeiture.* In connection with the United States' criminal case against Robert Shapiro (Case No. No. 19-20178-CR-ALTONAGA (S.D. Fla. 2019)), Shapiro agreed to the forfeiture of certain assets. The Trust filed a petition in the Florida court to claim the Forfeited Assets as property of the Debtors' estates, and therefore as property that had vested in the Trust pursuant to the Plan. The Trust has entered into an agreement with the United States Department of Justice to resolve its claim. The agreement was approved by the Bankruptcy Court on September 17, 2020 and was approved by the United States District Court on October 1, 2020. Among other things, the agreement provides for the release of specified Forfeited Assets by the United States to the Trust, and for the Trust to liquidate those assets and distribute the net sale proceeds to Qualifying Victims, which include the vast majority of Trust beneficiaries—specifically, all former holders of Class 3 and 5 claims and their permitted assigns—but do not include former holders of Class 4 claims. The Trust has taken possession of most of the Forfeited Assets, and is working with the Department of Justice to obtain possession of the remainder of the Forfeited Assets.
- *Wind-Down Group Litigation.* The Wind-Down Group owns a portfolio of real estate assets, which includes secured loans and other properties. As part of its recovery efforts, the Wind-Down Group, through its subsidiaries, is involved in ordinary routine litigation incidental to such assets. Among other litigation, certain Woodbridge entities (including the Trust, the Wind-Down Entity, and WB 8607 Honoapiilani, LLC) filed an action against Certain Underwriters at Lloyd's of London in Los Angeles Superior Court, alleging that the defendant insurer breached its obligations under an insurance policy purchased to protect a property owned by WB 8607 Honoapiilani (a subsidiary of the Wind-Down Entity) in Hawaii, which property was destroyed by fire in August 2017. The Superior Court granted the defendant's motion for summary judgment, and on March 25, 2021 entered judgment in favor of the defendant. The judgment provided that plaintiffs take nothing by way of the complaint. Further, the judgment provided that defendant refund plaintiffs for the premium payments under the insurance policy at issue in the lawsuit (approximately \$111,000), less all amounts paid by the defendant in respect of claims under the policy (approximately \$98,000) and less defendant's costs (defendant has requested costs of approximately \$10,000). Plaintiffs are considering their appellate options.

PART II. OTHER INFORMATION (CONTINUED)**Item 1A. Risk Factors**

Please see the applicable risks in Item 1A of our Annual Report on Form 10-K filed with the SEC on September 28, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In accordance with the Plan, all Liquidation Trust Interests have been issued without registration under the Securities Act. The Liquidation Trust Interests have been issued only to holders of allowed claims in Class 3, Class 4, and Class 5 entirely in exchange for such claims. See “Item 1. Business - D. Plan Provisions Regarding the Company - 2. Treatment under the Plan of holders of claims against and equity interests in the Debtors” of our Annual Report on Form 10-K filed with the SEC on September 28, 2020. During the period from February 15, 2019 (inception) through March 31, 2021, the Trust has issued an aggregate of 11,534,097 Class A Interests and an aggregate of 677,790 Class B Interests. As of March 31, 2021, the Trust has 11,513,660 Class A Interests and 676,312 Class B Interests outstanding. All Liquidation Trust Interests were issued on the Plan Effective Date and from time to time thereafter as soon as practicable as and when claims in respect of which Liquidation Trust Interests were issuable have become allowed.

During the three months ended March 31, 2021, the Trust issued the following Liquidation Trust Interests:

Date of Sale	Number of Class A Interests Sold	Number of Class B Interests Sold	Nature of the Transaction	Consideration Received
March 4, 2021	328.30	-	Allowance of claims	Allowance of claims
March 31, 2021	2,666.67	-	Allowance of claims	Allowance of claims
Total	2,994.97	-		

The issuance of Liquidation Trust Interests has occurred in reliance upon the exemption from the registration requirements of the Securities Act afforded by Section 1145(a)(1) of the Bankruptcy Code. Section 1145(a)(1) exempts the offer and sale of securities under a plan of reorganization from registration under the Securities Act and state securities laws and regulation if (i) the securities are offered and sold under a plan of reorganization and are securities of the debtor, of an affiliate of the debtor participating in a joint plan with the debtor, or of a successor to the debtor under the plan; (ii) the recipients of the securities hold a pre-petition or administrative claim against the debtor or an interest in the debtor; and (iii) the securities are issued entirely in exchange for the recipient’s claim against or interest in the debtor, or principally in such exchange and partly for cash or property. The Trust believes that the Liquidation Trust Interests are securities of a “successor” to the Debtors within the meaning of Section 1145(a)(1), and such securities were issued under the Plan entirely in exchange for allowed claims in Class 3, Class 4, and Class 5.

PART II. OTHER INFORMATION (CONTINUED)

Item 3. Defaults upon Senior Securities

None

Item 4. Mine Safety Disclosures

None

Item 5. Other Information

None

PART II. OTHER INFORMATION (CONTINUED)

Item 6. Exhibits

<u>Exhibit</u>	<u>Description</u>
2.1	First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors dated August 22, 2018, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
3.1	Certificate of Trust of Woodbridge Liquidation Trust dated February 14 and effective February 15, 2019, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
3.2	Liquidation Trust Agreement of Woodbridge Liquidation Trust dated February 15, 2019, as amended by Amendment No. 1 dated August 21, 2019 and Amendment No. 2 dated September 13, 2019, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
3.3	Amendment No. 3 to Liquidation Trust Agreement dated as of November 1, 2019, incorporated herein by reference to Amendment No. 1 to Registration Statement on Form 10 filed by the Trust on December 13, 2019.
3.4	Amendment No. 4 to Liquidation Trust Agreement dated as of February 5, 2020, incorporated herein by reference to the Current Report on Form 8-K filed by the Trust on February 6, 2020.
3.5	Amended and Restated Bylaws of Woodbridge Liquidation Trust effective August 21, 2019, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
10.1	Limited Liability Company Agreement of Woodbridge Wind-Down Entity LLC dated February 15, 2019, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
10.2	Loan and Security Agreement dated June 19, 2020 by and among WB Propco, LLC and WB 141 S. Carolwood, LLC, as Borrowers, Woodbridge Wind-Down Entity LLC, as Guarantor, and City National Bank of Florida, as Lender, incorporated herein by reference to Amendment No. 1 to the Current Report on Form 8-K filed by the Trust on June 29, 2020.
10.3*	Agreement and Amendment to Loan and Security Agreement dated December 18, 2020 by and among WB Propco, LLC and WB 141 S. Carolwood, LLC, as Borrowers, Woodbridge Wind-Down Entity, LLC, as Guarantor, and City National Bank of Florida, as Lender.
10.4*	Assumption Agreement and Joinder dated February 11, 2021 by and among WB Propco, LLC, WB 638 Siena, LLC and WB 642 St. Cloud, LLC, as co-borrowers, Woodbridge Wind Down Entity, LLC, as guarantor, and City National Bank of Florida.
10.5*	Amended and Restated Security Agreement dated February 11, 2021 by WB Propco, LLC, WB 638 Siena, LLC and WB 642 St. Cloud, LLC in favor of City National Bank of Florida.
10.6	Amended and Restated Employment Agreement dated July 31, 2019 between Woodbridge Wind-Down Entity LLC and Frederick Chin, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.
10.7	First Amendment to Amended and Restated Employment Agreement dated September 24, 2020 between Woodbridge Wind-Down Entity LLC and Frederick Chin, incorporated herein by reference to the Form 10-K filed by the Trust on September 28, 2020.
10.8	Indemnification Agreement dated February 27, 2019 between Woodbridge Wind-Down Entity LLC and Frederick Chin, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.

PART II. OTHER INFORMATION (CONTINUED)

- [10.9](#) Employment Agreement dated November 12, 2019 between Woodbridge Wind-Down Entity LLC and Marion W. Fong, incorporated herein by reference to Amendment No. 1 to Registration Statement on Form 10 filed by the Trust on December 13, 2019.
- [10.10](#) First Amendment to Employment Agreement dated September 24, 2020 between Woodbridge Wind-Down Entity LLC and Marion W. Fong, incorporated herein by reference to the Form 10-K filed by the Trust on September 28, 2020.
- [10.11](#) Indemnification Agreement dated November 12, 2019 between Woodbridge Wind-Down Entity LLC and Marion W. Fong, incorporated herein by reference to Amendment No. 1 to Registration Statement on Form 10 filed by the Trust on December 13, 2019.
- [10.12](#) Employment Agreement dated November 12, 2019 between Woodbridge Wind-Down Entity LLC and David Mark Kemper, incorporated herein by reference to Amendment No. 1 to Registration Statement on Form 10 filed by the Trust on December 13, 2019.
- [10.13](#) First Amendment to Employment Agreement dated September 24, 2020 between Woodbridge Wind-Down Entity LLC and David Mark Kemper, incorporated herein by reference to the Form 10-K filed by the Trust on September 28, 2020.
- [10.14](#) Indemnification Agreement dated November 12, 2019 between Woodbridge Wind-Down Entity LLC and David Mark Kemper, incorporated herein by reference to Amendment No. 1 to Registration Statement on Form 10 filed by the Trust on December 13, 2019.
- [10.15](#) Stipulation and Settlement Agreement between the United States and Woodbridge Liquidation Trust, as approved by order of the United States Bankruptcy Court for the District of Delaware entered September 17, 2020, incorporated herein by reference to the Form 10-K filed by the Trust on September 28, 2020.
- [31.1*](#) Certification of Liquidation Trustee pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- [32.1*](#) Certification of Liquidation Trustee pursuant to 18 U.S.C. 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- [99.1](#) Findings of Fact, Conclusions of Law, and Order Confirming the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors, entered October 26, 2018, incorporated herein by reference to the Registration Statement on Form 10 filed by the Trust on October 25, 2019.

XBRL

*Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Woodbridge Liquidation Trust

Date: May 14, 2021

By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee

AGREEMENT AND AMENDMENT TO LOAN AND SECURITY AGREEMENT

THIS AGREEMENT AND AMENDMENT ("Agreement" or "Amendment") is made, executed and delivered on December 18, 2020 ("Effective Date"), by and among (i) as co-Borrowers, WB PROPCO, LLC ("WB Propco") and WB 141 S. CAROLWOOD, LLC ("WB Carolwood") (each a "Borrower" and collectively the "Borrowers"), jointly and severally, and (ii) as Guarantor, WOODBRIDGE WIND DOWN ENTITY, LLC, a Delaware limited liability company ("WWDE" or "Guarantor"), and (iii) as Lender, CITY NATIONAL BANK OF FLORIDA, a national banking association (the "Lender").

RECITALS

The following provisions form the basis for, and are made a part of, this Agreement:

A. Lender, the Borrowers and WWDE as Guarantor are parties to a Loan and Security Agreement dated as of June 19, 2020 (the "Base Loan Agreement"). Pursuant to the Base Loan Agreement, Lender made a revolving line of credit available to the Borrowers in an aggregate principal amount of up to \$25,000,000; subject to the Loan Availability Amount (the "Loan").

B. As Collateral security for the Loan, WB Carolwood as grantor executed and delivered in favor of the Trust Deed Trustee the Deed of Trust encumbering the Carolwood Property ("Carolwood Trust Deed"). Borrowers have advised Lender that the Carolwood Property is being sold to a third-party purchaser. In connection therewith, at Borrowers' request, Lender has agreed to reconvey and terminate the Carolwood Trust Deed and to release WB Propco as a co-Borrower, as provided more fully below.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Lender and Borrowers, intending to be legally bound, agree as follows, and Guarantor joins in this Amendment to evidence its acknowledgment and consent to the terms hereof:

1. Amended Loan Document. This Agreement supplements and is cumulative and in addition to the Base Loan Agreement, but except as expressly modified by this Agreement, all provisions of the Base Loan Agreement and other Loan Documents remain unmodified and in full force and effect. Borrowers acknowledge, ratify, reaffirm, confirm, and agree to all of the terms, covenants and conditions of the Base Loan Agreement and all Loan Documents, as amended by this Agreement. The term "Loan Agreement" as used in any Loan Documents shall be deemed to refer to the Base Loan Agreement as amended by this Agreement. References to the Loan Documents shall be deemed to include, in addition to the other Loan Documents, this Agreement.

2. Defined Terms. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given to such terms in the Base Loan Agreement, and all such defined terms are deemed incorporated herein by this reference.

3. Loan Estoppel. For purposes of clarification and avoidance of doubt, as of December 17, 2020, [Borrowers have not borrowed any money under the Loan].

4. Reconveyance of Carolwood Trust Deed; No Release Price. In connection with the closing of sale of the Carolwood Property, Lender shall execute and deliver (in escrow) an instrument in recordable form by which Lender will replace the initial Trust Deed Trustee with itself, and reconvey and terminate the Carolwood Deed of Trust ("Trust Deed Release"). Lender confirms that inasmuch as no borrowings have yet occurred under the Loan, the Release Price for the Carolwood Property is \$0. The escrow arrangements relative to the Trust Deed Release will be reasonably acceptable to Lender, and will provide that Borrowers are authorized to release and record the Trust Deed Release when Borrowers provide Lender with written confirmation that the Carolwood Property sale is ready to close. Borrowers will bear all costs associated with the Trust Deed Release.

5. Release of WB Carolwood as a co-Borrower. Consistent with Section 2.8 (c) of the Base Loan Agreement, effective upon Lender's receipt of written confirmation that closing of sale of the Carolwood Property has occurred, WB Carolwood is released from in personam liability as a co- Borrower under the Loan, and thereafter WB Propco shall be the sole Borrower (unless and until one or more Replacement Borrowers join in and assume the Loan, as contemplated and provided for under the Base Loan Agreement).

6. Loan Availability Amount. Upon escrow release of the Trust Deed Release, the Loan Availability Amount is \$100,000.00 consistent with Section 2.8 (h) of the Base Loan Agreement.

7. Replacement Properties and Loan Availability Amount Adjustments. If a Replacement Borrower submits a Replacement Property to a Deed of Trust in favor of Lender, the Loan Availability Amount will be adjusted based on the Appraised Value of the Replacement Property then constituting a Trust Property. The procedures and requirements governing inclusion of a Replacement Borrower as a co-Borrower is subject to the Replacement Borrower's and Guarantor's execution and delivery of counterparts of a Replacement Borrower Joinder, as well as authorizing resolutions and closing certificates, and a Trust Deed for the Replacement Property, together with UCC financing statements and additional documentation as may be reasonably required by Lender.

(a) Upon execution and delivery of a Replacement Borrower Joinder, the designated Replacement Borrower will for all purposes be deemed a Borrower hereunder, jointly and severally liable with the other Borrowers for the Loan and all Obligations, and the Replacement Property owned by such Replacement Borrower will become a Trust Property and part of the Collateral when encumbered by a Trust Deed granted by such Replacement Borrower.

(b) The documentation and procedures for encumbering a Replacement Property with a Trust Deed will include (among other things), issuance of a title insurance policy in favor of Lender identifying the Replacement Borrower as owner of the Trust Property and grantor of the Trust Deed, and Lender as Trust Deed beneficiary, and insuring the first lien status of the Trust Deed, setting forth no exceptions to title or coverage exclusions that are not reasonably acceptable to Lender. All proceedings and documentation relating to the Replacement Borrower and Replacement Property will be subject to Lender's reasonable approval and will be effectuated at Borrowers' expense.

(c) At such time as a Replacement Property becomes a Trust Property in accordance with the provisions set forth in Section 2.8 of the Base Loan Agreement, WB Propco and the Replacement Borrower(s) may request Advances during the Advance Period based on the then current Loan Availability Amount, taking into account the aggregate Appraised Value of the Trust Properties at that time.

(d) The provisions of Section 2.8 (h) of the Base Loan Agreement remain unmodified and in full force and effect with respect to the Joinder Option Period and the Loan Availability Amount.

8. Guarantor Joinder. The Guarantor has executed and delivered a counterpart of this Agreement to evidence its acknowledgment of and consent to the terms and provisions hereof.

9. Miscellaneous.

(a) This Agreement may be executed in identical counterparts, by manuscript or electronic signatures, each of which shall be deemed an original for any and all purposes and all of which, collectively, shall constitute one and the same instrument. The Parties agree that any copy of this Agreement or any Loan Documents signed by the parties who are signatories and transmitted by telecopier or otherwise for delivery to Lender, shall be admissible in evidence as the original itself in any judicial, bankruptcy or administrative proceeding, whether or not the original is in existence.

(b) This Agreement and all of the transactions hereunder, and all of the rights of the Parties, shall be governed as to validity, construction and enforcement and in all other respects by the laws of the State of Florida, exclusive of its choice of law principles, and applicable laws of the United States of America. In any dispute arising out of this Agreement, the prevailing party shall be entitled to reasonable attorneys' and paralegals' fees and costs, including those for pretrial, trial, appellate and bankruptcy proceedings.

(c) If any provision of this Agreement or any of the other Loan Documents is held to be illegal, invalid or unenforceable under present or future laws effective during the term thereof, such provision shall be fully severable, this Agreement and the other Loan Documents shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof or thereof, and the remaining provisions hereof or thereof shall remain in full force and effect.

(d) WB Propco hereby agrees to pay (i) reasonable legal fees and disbursements incurred by Lender in connection with the preparation, negotiation and closing under this Agreement, and (ii) charges associated with delivery of and recording the Trust Deed Release; and (iii) other reasonable costs or expenses incurred by Lender in consummating the transactions contemplated hereby.

(e) Section headings have been inserted in this Agreement as a matter of convenience of reference only; such headings are not part of this Agreement and shall not be used in the interpretation of this Agreement.

(f) Borrowers (and the Guarantor) acknowledges that each has had full opportunity to consult with counsel of its or their choosing in connection with negotiating and entering into this Agreement.


(g) THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS. BORROWER, GUARANTORS AND LENDER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. BORROWER, GUARANTORS AND LENDER WARRANT AND REPRESENT THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

IN WITNESS WHEREOF, the Borrowers, jointly and severally, joined by the Guarantor, and Lender, have each caused this Agreement to be authorized, executed and delivered on the date first above written.

BORROWERS:


WB PROPCO, LLC, a Delaware limited liability company

By: Woodbridge Wind Down Entity, LLC, a Delaware limited liability company, its managing member

By:  _____
Name: Fredrick Chin
Title: Chief Executive Office

WB 141 S. CAROLWOOD, LLC, a Delaware limited liability company

By: Woodbridge Wind Down Entity, LLC, a Delaware limited liability company, its managing member

By:  _____
Name: Fredrick Chin
Title: Chief Executive Office

LENDER:

CITY NATIONAL BANK OF FLORIDA

By: _____
Name: _____
Title: _____

JOINDER OF GUARANTOR

The undersigned as Guarantor hereby joins in and consents to the foregoing Agreement and Amendment to Loan and Security Agreement, and agrees that its Guaranty Agreement and agreements under the Base Loan Agreement remain in full force and effect:

WOODBIDGE WIND DOWN ENTITY, LLC,
a Delaware limited liability company

DocuSigned by:


By: _____
Name: Frederick Chin
Title: CEO



ASSUMPTION AGREEMENT AND JOINDER

THIS ASSUMPTION AGREEMENT AND JOINDER ("Agreement" or "Joinder #1") is made, executed and delivered on February 11, 2021 ("Effective Date"), by and among (i) as co- Borrowers, WB PROPCO, LLC ("WB Propco"), WB 638 Siena, LLC ("WB Siena"), and WB 642 St. Cloud, LLC ("WB St. Cloud"), each a Delaware limited liability company (each a "Borrower" and collectively the "Borrowers"), jointly and severally, and (ii) as Guarantor, WOODBRIDGE WIND DOWN ENTITY, LLC, a Delaware limited liability company ("WWDE" or "Guarantor"), and (iii) as Lender, CITY NATIONAL BANK OF FLORIDA, a national banking association (the "Lender").

Preliminary Statement

The following provisions form the basis for, and are made a part of, this Agreement:

A. WB Propco and its Affiliate, WB 141 S. Carolwood, LLC ("WB Carolwood"), as co- Borrowers, and WWDE as Guarantor, and Lender, entered into a Loan and Security Agreement dated as of June 19, 2020 (the "Base Agreement"). Pursuant to the Base Agreement, Lender made a revolving line of credit available to the Borrowers identified therein in an aggregate principal amount of up to \$25,000,000; subject to the Loan Availability Amount (the "Loan"). The Borrowers' joint and several liability for the Loan are further evidenced by the Note and the other Loan Documents. The Loan was secured initially by the Trust Deed encumbering the Carolwood Property and all of the Collateral.

B. WB Carolwood sold and conveyed the Carolwood Property to a third-party purchaser. In connection therewith, the Carolwood Property has been released as a Trust Property, and WB Carolwood has been released as a co-Borrower pursuant to Section 2.8 (c) of the Base Agreement, and as further evidenced by and provided for in an Agreement and Amendment to Loan and Security Agreement dated December 18, 2020, between WB Propco, WB Carolwood, Guarantor and Lender ("First Amendment").

C. With the release of WB Carolwood and the Carolwood Trust Deed, the Loan Availability Amount was limited as provided in the Base Loan Agreement and First Amendment.

D. As provided in Sections 2.1 (c) and 2.8 of the Base Agreement, and Section 7 of the First Amendment, from time to time during the Advance Period, WP Propco may elect to cause an Additional Borrower (or more than one) to join in and assume the Loan as a new co-Borrower(s), in which case the Additional Property owned by the Additional Borrower will be deemed to be Trust Property upon execution of an Additional Borrower Joinder and a Deed of Trust, whereupon the Loan Availability Amount will be adjusted based on the Allocated Par Loan Value of the Additional Property then constituting a Trust Property.

E. WB Propco has identified its Affiliates, WB Siena and WB St. Cloud, to join in the Loan as Additional Borrowers. WB Siena owns fee simple title to the real property and improvements located at 638 Siena Way, Los Angeles, California (the "Siena Property"), and WB St. Cloud owns fee simple title to the real property and improvements located at 642 St. Cloud Road, Los Angeles, California (the "St. Cloud Property"). The Siena Property and the St. Cloud Property are each to be encumbered by a Trust Deed and serve as an Additional Property. To effectuate WB Siena's and WB St. Cloud's inclusion as Additional Borrowers, and their respective joint and several assumption of the Loan and joinder in and to the Loan Documents as co-Borrowers, the Parties have agreed to enter into this Agreement, which constitutes an Additional Borrower Joinder as defined in Section 2.8 (e) of the Base Agreement.

F. Based on the adjusted Loan Availability Amount as reflected in Schedule 2.6 of the Base Agreement (as amended and restated in its entirety), Borrowers may request and Lender will make Advances, in accordance with the terms and conditions set forth in Section 2.9 of the Base Agreement.

NOW, THEREFORE, for and in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto, each intending to be legally bound, agree as follows:

1. Agreement and Amendment. This Joinder No. 1 supplements and is cumulative and in addition to the Base Agreement, as previously amended by the First Amendment, and the other Loan Documents entered into prior to the Effective Date hereof. The provisions of this Joinder No. 1 nevertheless shall govern and control over conflicting or inconsistent provisions in the Base Agreement, as amended by the First Amendment, and in the other Loan Documents as in effect prior to the Effective Date, but except as expressly modified by this Joinder No. 1, all provisions of the Base Agreement (as amended by the First Amendment) and other Loan Documents remain unmodified and in full force and effect. Borrowers (meaning WB Propco, WB Siena and WB St. Cloud) each acknowledge, ratify, reaffirm, confirm, and agree to all of the terms, covenants and conditions of the Base Agreement, as amended by the First Amendment, and all Loan Documents, as amended by this Joinder No. 1.

2. Defined Terms. Capitalized terms used in this Joinder No. 1 and not otherwise defined or redefined herein shall have the meanings given to them in the Base Agreement, and all such defined terms are deemed incorporated herein by this reference. References to the Loan Agreement and/or any Loan Documents shall be deemed to include the First Amendment and this Joinder No. 1 in addition to the other Loan Documents as in effect prior to the Effective Date.

3. Loan Estoppel. For purposes of clarification and avoidance of doubt, as of the Effective Date, Borrowers have not borrowed any money under the Loan.

4. Assumption and Joinder.

(a) In consideration of the Base Agreement and the Loan, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, WB Siena and WB St. Cloud, each intending to be legally bound, each hereby assumes the full and timely payment and performance of the Loan and primary and continuing full-recourse personal liability as a Borrower, jointly and severally with WB Propco, for all of the Borrowers' covenants and agreements set forth in the Base Agreement and other Loan Documents and for all Obligations.

(b) To further evidence and provide for their assumption of and joint and several liability for the Loan and Obligations, on or before the Effective Date, WB Siena and WB St. Cloud each shall have taken and caused to be taken all necessary action under their respective Governing Documents, as appropriate, to approve and ratify this Agreement, the Base Agreement as amended hereby, and the other Loan Documents, and the Borrowers shall execute and deliver to the order of Lender an Amended and Restated Secured Promissory Note evidencing the Loan as amended hereby (“Restated Note”), and other agreements, certificates and financing statements as required by Lender in connection with this Agreement (collectively, together with this Agreement, the “Assumption Documents”). Without limiting the foregoing, the Assumption Documents include a Trust Deed encumbering the Siena Property and the St. Cloud Property (the “Siena Trust Deed” and “St. Cloud Trust Deed”, respectively, each of which is or is to be recorded in the Public Records. The term “Loan Documents” shall include and encompass the Restated Note, the Siena Trust Deed, the St. Cloud Trust Deed, and other Assumption Documents executed and delivered in connection with this Joinder #1.

(c) WB Siena and WB St. Cloud each agrees to be bound by all of the terms, conditions, provisions, covenants and agreements of or applicable to a Borrower under the Loan Documents. WB Siena and WB St. Cloud each is automatically and for all purposes hereby made and confirmed a co-Borrower, and a Party (as Borrower) to all of the Loan Documents to which Borrowers are parties, bound by all provisions of the Loan Documents applicable to a Borrower as fully as if each were an original signatory to the Base Agreement and other Loan Documents, other than representations, warranties or covenants applicable specifically to WB Carolwood or the Carolwood Property (collectively, “Excluded Carolwood Provisions”).

(d) WB Siena and WB St. Cloud, severally (i) each represents and confirms that it and its member and manager, and their respective partners, officers, directors and shareholders, each have received and reviewed with counsel of their choice, true, correct and complete copies of this Agreement, the Base Agreement, and the other Loan Documents; (ii) accepts and consents to the terms of this Agreement, the Base Agreement and the other Loan Documents (including as amended hereby) and the transactions provided for herein and therein; (iii) represents, warrants, acknowledges and agrees that it receives and has received material benefit and valuable consideration as a result of the Loan and the transactions provided for under the Loan Documents; and (iv) hereby ratifies, affirms, joins in and adopts the Loan Documents and all of the terms, provisions, agreements, conditions, covenants, waivers and undertakings contained in any of the Loan Documents (as applicable to a Borrower, as amended hereby or by any of the Assumption Documents), but excluding the Excluded Carolwood Provisions.

5. Additional Properties. To further secure and evidence and confirm the securing of the prompt and complete payment and performance by the Borrowers, jointly and severally, of the Loan and all of the Obligations, for value received: (a) WB Siena assigns, pledges and grants to Lender a continuing first priority Lien in and to the Siena Property, and all rights and interests of WB Siena comprising the Collateral, whether now existing or hereafter acquired; and (b) WB St. Cloud assigns, pledges and grants to Lender a continuing first priority Lien in and to the Siena Property, and all rights and interests of WB Siena comprising the Collateral, whether now existing or hereafter acquired. Each of WB Siena and WB St. Cloud will coordinate with the Title Company and Trust Deed Trustee, and with Lender, to cause the Siena Trust Deed and St. Cloud Trust Deed to be recorded in the Public Records and a Title Policy to be issued in favor of Lender, subject to Permitted Liens approved by Lender prior to the Effective Date. Lender is authorized to file Financing Statements identifying WB Siena and WB St. Cloud as Borrowers in addition to WB Propco, and the Collateral pledged and assigned by each of them.

6. Release of WB Carolwood. As provided in the First Amendment, WB Carolwood has been fully, finally and irrevocably released of its in personam liability as a Borrower. Notwithstanding such release, WB Propco, WB Siena and WB St. Cloud are and shall remain jointly and severally liable as Borrowers and subject to all covenants, conditions, agreements, undertakings and other Obligations set forth in the Loan Documents, except as relate directly to the Excluded Carolwood Provisions.

7. Allocated Par Loan Value and Release Prices: Loan Availability Amount.

(a) In connection with the sale of the Carolwood Property, and WB Siena's and WB St. Cloud's assumption of the Loan as Additional Borrowers, and the inclusion of the Siena Property and St. Cloud Property as Additional Properties, Borrowers and Lender, working in good faith, have amended and restated Schedule 2.6 of the Base Agreement to set forth the Allocated Par Loan Values and Release Prices for the Additional Properties as Trust Properties. Such amended and restated Schedule 2.6 is attached hereto as Exhibit A and is incorporated within and made a part of the Loan Agreement as new Schedule 2.6. Based on the new Schedule 2.6, the Loan Availability Amount as in effect from and after the Effective Date is as reflected in Exhibit B hereto.

(b) The Parties acknowledge and agree that the Allocated Par Loan Values attributed to the Siena Property and the St. Cloud Property and the resulting Loan Availability Amount have been determined based on a 50% loan to value ratio, taking into account the Appraised Value of the Trust Properties on a combined "as is" basis, and a 35% loan to value ratio, taking into account the estimated Appraised Value of the Trust Properties on a combined "as completed" basis. The definition of Allocated Par Loan Value as set forth in the Base Agreement is amended to reflect the loan to value ratio benchmarks as set forth in this Section 7 (b).

8. Maturity Date. Section 2.5 of the Base Agreement specifies the Maturity Date as June 19, 2022. Lender and Borrowers (and Guarantor) have now agreed to extend the Maturity Date, and hereby confirm that the Maturity Date is now extended from June 19, 2022 until January 31, 2023. Notwithstanding the stated Maturity Date, as now extended, of January 31, 2023, if Borrowers elect and inform Lender no later than six months before such scheduled date, Borrowers may extend the Maturity Date for one year until January 31, 2024, so long as (a) no Event of Default has occurred and is then continuing, and (b) the Borrowers are then in compliance with the covenants specified in the Loan Agreement in all material respects. In addition, in connection with such extension, Lender, at its election, may obtain (or request the Borrowers obtain) Appraisals (to the extent that the most recent Appraisal on such Trust Property was completed earlier than June 30, 2021) on each Trust Property and pursuant to the results of such Appraisals, if any, Lender and the Borrowers will work together in good faith to amend and restate the Allocated Par Loan Values and Release Prices on Schedule 2.6, if necessary, and adjust the Available Loan Amount, if necessary, as a result, taking into account the loan to value ratios specified in Section 7 (b) above. Section 2.5 of the Base Agreement, and corresponding provisions in any Loan Document, are amended to conform to this Section 8.

9. Restated Note. As provided in Section 4 (b) above, the Loan as assumed by WB Siena and WB St. Cloud, along with WB Propco, and as otherwise amended, shall be further evidenced by the Restated Note. As used herein or in any Loan Documents, the “Note” shall mean and refer to the (a) Secured Promissory Note dated June 19, 2020 as referenced in Section 2.4 of the Base Agreement (the “Initial Note”), and (b) the Restated Note, as the same may be amended, restated, modified or replaced from time to time. The Initial Note shall be marked “replaced”, shall be superseded and replaced by the Restated Note, and the Initial Note (marked “replaced”) shall be attached to the newly issued Restated Note if and to the extent required by applicable law.

10. No Novation. The Parties acknowledge, confirm and agree that the Assumption Documents and WB Siena’s and WB St. Cloud’s assumption of the Loan and Obligations, shall in no way adversely affect the Lien, or perfection or priority of Lien, of Lender in and to any Collateral, and are not intended to constitute, and do not constitute or give rise to, any novation, cancellation or extinguishment of any of the Borrowers’ Obligations; it being the intention of the Parties that the transactions provided for or contemplated herein shall be effectuated without any interruption in the value given to Borrowers pursuant to the Loan Agreement, or the Borrowers’ joint and several Obligations, or in the continuity of the attachment, priority and perfection in favor of Lender in and to all of the Collateral.

11. Amendment: Tax. If any documentary stamp taxes are determined to be due and payable in respect of this Agreement or the Restated Note or any Assumption Documents, Borrowers shall be responsible for such payment, together with any penalties or late charges.

12. Conditions Precedent. Lender’s agreement to enter into and accept this Joinder No. 1 is conditioned on the following:

(a) Lender shall have received from Borrowers this Agreement, and originals or counterpart originals of the Assumption Documents together with the Title Policy (or marked commitment therefor) relating to the Siena Trust Deed and the St. Cloud Trust Deed.

(b) The representations and warranties contained in this Agreement, the Base Agreement and in the other Loan Documents, shall be true and correct in all material respects (except with respect to Excluded Carolwood Provisions affected by the sale of the Carolwood Property and release of WB Carolwood as a Borrower), and all covenants and agreements to have been complied with and performed by Borrowers shall have been fully complied with and performed to Lender’s satisfaction. No Event of Default shall exist immediately prior to the closing hereof, or after giving effect to such closing, immediately after the making of any Advance requested in connection with such closing.

(c) Borrowers shall have delivered to Lender, to the extent not previously delivered, each Borrower's current Governing Documents, and the other due diligence materials identified by Lender.

(d) Borrowers agree to pay (i) reasonable legal fees and disbursements incurred by Lender in connection with the preparation, negotiation and closing under this Agreement, and (ii) charges associated with delivery of and recording the Trust Deeds; and (iii) premiums and charges incurred in procuring the Title Policies; and (iv) other reasonable costs or expenses incurred by Lender in consummating the transactions contemplated hereby.

13. Additional Representations and Warranties. With exception for the Excluded Carolwood Provisions, WB Siena and WB St. Cloud each adopts and affirms as its own the representations and warranties of Borrowers as set forth in the Base Agreement and the other Loan Documents, and the Borrowers collectively hereby reaffirm, restate and incorporate by this reference all of their respective representations, warranties and covenants made in the Base Agreement (including as amended hereby), as if the same were made as of the Amendment Date and with reference to the Base Agreement and Loan Documents as amended hereby. In addition, each Borrower, severally, represents and warrants as follows:

(a) Borrower is a Delaware limited liability company, duly organized and in current good standing as such under Delaware law, and Borrower is qualified to transact business in the State of California. WWDE is WB Propco's sole member. WB Propco is the sole member and managing member of WB Siena and WB St. Cloud.

(b) This Agreement has been duly authorized by the Borrowers, and is the legal, valid and binding Obligation of the Borrowers, jointly and severally, enforceable against each and all of them in accordance with its terms.

(c) The execution, delivery and performance of this Agreement and the transactions contemplated hereby does not and will not result in any breach of, or constitute a default under, or result in the creation of any Lien, charge or encumbrance upon the Collateral (except in favor of Lender), or pursuant to any provision of law, or any indenture, agreement or instrument to which any Borrower may be bound or affected.

(d) No Event of Default has occurred and is continuing.

14. Further Assurances. Borrowers will execute and deliver, or cause to be executed and delivered, such other and further agreements, documents, instruments, certificates and assurances as in Lender's reasonable judgment, exercised in good faith, may be necessary or appropriate to more effectively evidence or secure, and to ensure the performance of, the Obligations.

15. Guarantor Acknowledgment. Guarantor acknowledges and consents to the First Amendment and this Agreement, and to WB Carolwood's release as a Borrower and WB Siena's and WB St. Cloud's joinder as additional Borrowers. By executing and delivering this Agreement, Guarantor reaffirms and incorporates all of its representations, warranties and covenants as set forth in the Base Agreement.

16. Counterparts; Amendments. This Agreement may be executed in counterparts and by manuscript or electronic signatures. Each executed counterpart of this Agreement will constitute an original document, and all executed counterparts, together, will constitute the same agreement. Any counterpart evidencing signature by one party that is delivered by facsimile or electronic means such as a PDF transmission by such party to the other party hereto shall be binding on the sending party when such facsimile is sent, and such sending party shall within ten (10) days thereafter deliver to the other parties a hard copy of such executed counterpart containing the original signature of such party or its authorized representative. This Agreement may not be amended except by written instrument signed by the Parties.

17. Governing Law. The laws of the State of Florida (exclusive of its choice of law principles) shall govern the interpretation and enforcement of this Agreement; provided that (a) California law shall govern to the extent it is required to govern under the substantive laws and choice of law provisions of California as to attachment, perfection, priority and enforcement of Lender's Liens and rights with respect to the Trust Properties and the Trust Deeds, and with respect to personal property Collateral governed by the California UCC, and Lender's rights and remedies with respect to such Liens, and (b) Delaware law shall govern to the extent it is required to govern under the substantive laws and choice of law provisions of Delaware as to attachment, perfection, priority and enforcement of Lender's Liens and rights with respect to personal property Collateral governed by the Delaware UCC, and Lender's rights and remedies with respect to such Liens.

18. Severability. If any provision or portion of this Agreement is found by a court of competent jurisdiction to be unenforceable, invalid or illegal, the validity of all other terms of this Agreement shall in no way be affected thereby.

19. Section Headings: Interpretation. Section headings have been inserted in this Agreement as a matter of convenience of reference only; such headings are not part of the Agreement and shall not be used in the interpretation of this Agreement. The words "herein", "hereunder", "hereof" and words of similar import shall refer to this Agreement as a whole and not to any particular paragraphs or sections herein.

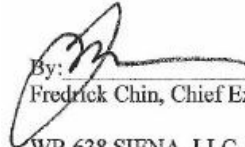
20. Notices. The provisions of Section 8.11 of the Base Agreement are unchanged. Notices to WB Siena and WB St. Cloud will be provided in care of WB Propco at the address and by the means set forth in such Section 8.11.

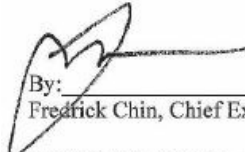
21. WAIVER OF JURY TRIAL. BORROWERS, GUARANTOR AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION OR DISPUTE BASED HEREON OR ARISING OUT OF OR UNDER OR IN CONNECTION WITH ANY OF THE LOAN DOCUMENTS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, ORAL OR WRITTEN STATEMENT OR ACTIONS OF ANY OF THE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

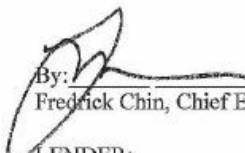
IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement as of the Effective Date first above written.

BORROWERS:

WB PROPCO, LLC, a Delaware limited liability company


By: _____
Fredrick Chin, Chief Executive Officer
WB 638 SIENA, LLC, a Delaware limited liability company


By: _____
Fredrick Chin, Chief Executive Officer
WB 642 ST. CLOUD, LLC, a Delaware limited liability company


By: _____
Fredrick Chin, Chief Executive Officer
LENDER:

CITY NATIONAL BANK OF FLORIDA

By: _____
Name: _____
Title: _____

[Signature Page to Assumption Agreement and Joinder]

LENDER:

CITY NATIONAL BANK OF FLORIDA

By: /s/ DAVID POLLO

Name: DAVID POLLO

Title: AVP

(Signature Page to Assumption Agreement and Joinder)

ACKNOWLEDGEMENT GUARANTOR

The undersigned as Guarantor hereby acknowledges and consents to the foregoing Assumption Agreement and Joinder, and agrees that its Guaranty Agreement and agreements under the Base Agreement (as amended) remain in full force and effect:

WOODBIDGE WIND DOWN ENTITY, LLC,
a Delaware limited liability company

By: 
Frederick Chin, Chief Executive Officer

[Signature Page to Assumption Agreement and Joinder]

EXHIBIT A

SCHEDULE 2.6

TRUST PROPERTY	ALLOCATED PAR LOAN VALUE / LOAN AVAILABILITY AMOUNT PER TRUST PROPERTY*	RELEASE PRICE	LOAN AVAILABILITY AMOUNT UPON RELEASE
Siena Property	\$ 9,800,000	\$ 2,250,000	\$9,800,000 if 642 St. Cloud is released
St. Cloud Property	\$ 22,750,000	\$ 15,200,000	\$22,750,000 if 638 Siena is released

EXHIBIT B

LOAN AVAILABILITY AMOUNT

*The Loan Availability Amount is limited to \$25,000,000 in the aggregate notwithstanding the Allocated Par Loan Value for individual Trust Properties or all Trust Properties.

AMENDED AND RESTATED SECURITY AGREEMENT

THIS AMENDED AND RESTATED SECURITY AGREEMENT dated as of February 11, 2021 (the “Security Agreement” or this “Agreement”), is executed and delivered by WB PROPCO, LLC (“WB Propco”), WB 638 SIENA, LLC (“WB Siena”), and WB 642 ST. CLOUD, LLC (“WB St. Cloud”), each a Delaware limited liability partnership (each a “Borrower” and collectively the “Borrowers”), jointly and severally, whose mailing address is at 14140 Ventura Boulevard, Suite 302, Sherman Oaks, California 91423, to and in favor of CITY NATIONAL BANK OF FLORIDA, whose address is 100 S.E. 2nd Street, 13th Floor, Miami, Florida 33131 (“Lender”).

RECITALS:

A. WB Propco and its Affiliate, WB 141 S. Carolwood, LLC (“WB Carolwood”), as co-Borrowers, and WWDE as Guarantor, and Lender, entered into a Loan and Security Agreement dated as of June 19, 2020 (the “Base Agreement”). Pursuant to the Base Agreement, Lender made a revolving line of credit available to the Borrowers identified therein in an aggregate principal amount of up to \$25,000,000; subject to the Loan Availability Amount (the “Loan”). The Borrowers’ joint and several liability for the Loan are further evidenced by the Note and the other Loan Documents. The Loan was secured initially by the Trust Deed encumbering the Carolwood Property and all of the Collateral.

B. WB Carolwood sold and conveyed the Carolwood Property to a third-party purchaser. In connection therewith, the Carolwood Property has been released as a Trust Property, and WB Carolwood has been released as a co-Borrower pursuant to Section 2.8 (c) of the Base Agreement, and as further evidenced by and provided for in an Agreement and Amendment to Loan and Security Agreement dated December 18, 2020, between WB Propco, WB Carolwood, Guarantor and Lender (“First Amendment”).

C. Pursuant to Sections 2.1 (c) and 2.8 of the Base Agreement, and Section 7 of the First Amendment, WP Propco elected to cause its Affiliates, WB Siena and WB St. Cloud, to join in and assume the Loan as new co-Borrowers, and for the respective Additional Properties owned by WB Siena and WB Propco, respectively, to become Trust Properties as more fully provided for in and evidenced by that certain Assumption Agreement and Joinder dated the date hereof among the Borrowers and Lender and joined in by Guarantor (“Joinder #1”).

D. In connection with the transactions effectuated pursuant to Joinder #1, Lender requires Borrowers to enter into this Agreement (together with other Loan Documents) in order to secure Borrowers’ joint and several obligations in respect of the Loan (as amended) and related financial accommodations.

NOW THEREFORE, in consideration of the premises, and the mutual covenants and agreements set forth herein, the Borrowers, jointly and severally, and the Lender hereby agree as follows:

AGREEMENTS:

Section 1 **DEFINITIONS.**

1.1 Defined Terms. As used herein, the “Loan Agreement” shall mean the Base Agreement, as amended and supplemented by the First Amendment and by Joinder #1. Capitalized terms used herein without otherwise being defined herein shall have the meanings given to them in the Loan Agreement. All other capitalized words and phrases used herein and not otherwise specifically defined herein or in the Loan Agreement shall have the respective meanings assigned to such terms in the UCC, as the context may require. Without limiting the generality of the foregoing, the following terms shall have the meanings given to them in the UCC: Account, Account Debtor, Chattel Paper, Commercial Tort Claim, Deposit Account, Document, Electronic Chattel Paper, Equipment, Fixtures, Goods, General Intangible, Instrument, Inventory, Investment Property, Letter-of-Credit Right, Payment Intangible, Security, Securities Account, and Software.

1.2 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. Whenever the context so requires, the neuter gender includes the masculine and feminine, the single number includes the plural, and vice versa.

(b) Section and Schedule references are to this Security Agreement unless otherwise specified. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Security Agreement shall refer to this Security Agreement as a whole and not to any particular provision of this Security Agreement.

(c) The term “including” is not limiting, and means “including, without limitation”.

(d) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including”.

(e) Unless otherwise expressly provided herein, (i) references to agreements (including this Security Agreement and the other Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, supplements and other modifications thereto, but only to the extent such amendments, restatements, supplements and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation shall be construed as including all statutory and regulatory provisions amending, replacing, supplementing or interpreting such statute or regulation.

(f) To the extent any of the provisions of the other Loan Documents are inconsistent with the terms of this Security Agreement, the provisions of the Loan Agreement shall govern.

(g) This Security Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and each shall be performed in accordance with its terms.

Section 2 **SECURITY FOR THE OBLIGATIONS.**

2.1 Security for Obligations. For value received and as security for the full and timely payment and performance of the Obligations, Borrowers jointly and severally do hereby pledge, assign, transfer, deliver and grant to the Lender, for its own benefit and as agent for its Affiliates, a continuing and unconditional first priority Lien and security interest in and to any and all right, title and interest of any or all personal property of the respective Borrowers, of any kind or description, tangible or intangible, wheresoever located and whether now existing or hereafter arising or acquired, including the following (all of which personal property, along with the products and proceeds therefrom, are individually and collectively referred to as the "Collateral"):

(a) all personal property of, or for the account of, the Borrower now or hereafter coming into the possession, control or custody of, or in transit to, the Lender or any agent or bailee for the Lender or any parent, affiliate or subsidiary of the Lender or any participant with the Lender in the Obligations (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise), including all earnings, dividends, interest, or other rights in connection therewith, including all depository accounts established at the Lender in Borrower's name, and the funds on deposit therein from time to time, and the products and proceeds of or deriving from all of the foregoing, including the proceeds of insurance thereon;

(b) the additional personal property of the Borrower comprising the Collateral as described in the Loan Agreement, whether now existing or hereafter arising or acquired, and wherever now or hereafter located, together with all additions and accessions thereto, substitutions, betterments and replacements therefor, products and Proceeds therefrom, and all of the respective Borrower's books and records and recorded data relating thereto (regardless of the medium of recording or storage), together with all of the Borrower's right, title and interest in and to all computer software required to utilize, create, maintain and process any such records or data on electronic media, including, without limitation, Borrower's rights, title and interests in and to the following, now existing or hereafter created or arising, and including after-acquired properties:

(i) All Accounts and all Goods whose sale, lease or other disposition by the Borrower has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, the Borrower, or rejected or refused by an Account Debtor;

(ii) All Inventory, including raw materials, work-in-process and finished goods;

(iii) All Goods (other than Inventory), including embedded software, Equipment, vehicles, furniture and Fixtures;

(iv) All Software and computer programs;

(v) All Securities, Investment Property, Financial Assets and Deposit Accounts;

(vi) All Chattel Paper, Electronic Chattel Paper, Instruments, Documents, Letter of Credit Rights, all proceeds of letters of credit, Health-Care-Insurance Receivables, Supporting Obligations, notes secured by real estate, Commercial Tort Claims and General Intangibles, including Payment Intangibles; and

(vii) All Proceeds (whether Cash Proceeds or Noncash Proceeds) of the foregoing property, including all insurance policies and proceeds of insurance payable by reason of loss or damage to the foregoing property, including unearned premiums, and of eminent domain or condemnation awards. Notwithstanding the foregoing, the "Collateral" shall not include any Excluded Property.

2.2 Possession and Transfer of Collateral. Until an Event of Default has occurred hereunder and except during the continuance thereof, the respective Borrowers shall be entitled to possession or use of the Collateral (other than Instruments or Documents (including Tangible Chattel Paper and Investment Property consisting of certificated securities, and other Collateral required to be delivered to the Lender pursuant to this Section 2); subject, however, to the provisions of the Loan Agreement relative to the Control Accounts and funds on deposit therein.

2.3 Financing Statements. Borrowers authorize and authenticate (to the extent necessary) such financing statements, amendments and other documents and do such acts as the Lender deems reasonably necessary in order to establish and maintain valid, attached and perfected first priority security interests in the Collateral in favor of the Lender, free and clear of all Liens and claims and rights of third parties whatsoever, except Permitted Liens. Borrowers hereby irrevocably authorize the Lender at any time, and from time to time, to file in any jurisdiction necessary for perfection of the security interests granted hereunder any initial financing statements and amendments thereto or continuations thereof¹ that (a) indicate the Collateral (i) is comprised of all assets of the Borrowers or words of similar effect, regardless of whether any particular asset comprising a part of the Collateral falls within the scope of Article 9 of the UCC, or (ii) as being of an equal or lesser scope or within greater detail as the grant of the security interest set forth herein, and (b) contain any other information required by Section 5 of Article 9 of the UCC regarding the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether Borrower is an organization, the type of organization and any Organizational Identification Number issued to Borrower, and (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of the real property to which the Collateral relates. In addition, Borrower shall make appropriate entries on its books and records disclosing the security interests of the Lender, for its own benefit and as agent for its Affiliates, in the Collateral.

2.4 Preservation of the Collateral. The Lender may, but is not required, after the occurrence and continuance of an Event of Default, to take such actions from time to time as the Lender reasonably deems appropriate, consistent with the Loan Documents and/or applicable law, to maintain or protect the Collateral. The Lender shall have exercised reasonable care in the custody and preservation of the Collateral if the Lender takes such action as Borrowers' Representative shall reasonably request in writing which is not inconsistent with the Lender's status as a secured party, but the failure of the Lender to comply with any such request shall not be deemed a failure to exercise reasonable care; provided, however, the Lender's responsibility for the safekeeping of the Collateral shall (i) be deemed reasonable if such Collateral is accorded treatment substantially equal to that which the Lender ordinarily accords its own property or the property of others of a similar nature, and (ii) not extend to matters beyond the reasonable control of the Lender, including acts of God, war, insurrection, riot or governmental actions. In addition to the foregoing, any failure of the Lender to preserve or protect any rights with respect to the Collateral against prior or third parties, or to do any act with respect to preservation of the Collateral, not so requested by Borrower, shall not be deemed a failure to exercise reasonable care in the custody or preservation of the Collateral. Borrower shall have the sole responsibility for taking such action as may be necessary, from time to time, to preserve all rights of Borrower and the Lender in the Collateral against prior or third parties. Without limiting the generality of the foregoing, where Collateral consists in whole or in part of securities, Borrowers represent to and covenant with the Lender that Borrowers have made arrangements for keeping informed of changes or potential changes affecting the securities (including rights to convert or subscribe, payment of dividends, reorganization or other exchanges, tender offers and voting rights), and Borrowers agree that the Lender shall have no responsibility or liability for informing Borrowers of any such or other changes or potential changes or for taking any action or omitting to take any action with respect thereto.

2.5 Other Actions as to any and all Collateral. Borrowers further agree to take any other action reasonably requested by the Lender to ensure the attachment, perfection and first priority (subject to any Permitted Liens) of, and the ability of the Lender to enforce, the security interest of the Lender, for its own benefit and as agent for its Affiliates, in any and all of the Collateral including (a) causing the Lender's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of the Lender to enforce, the security interest of the Lender, for its own benefit and as agent for its Affiliates, in such Collateral, (b) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Lender to enforce, the security interest of the Lender, for its own benefit and as agent for its Affiliates, in such Collateral, and (c) taking all actions required or allowed by the UCC in effect from time to time or by other law, as applicable in any relevant UCC jurisdiction. Borrowers further agree to indemnify and hold the Lender harmless against claims of any Persons not a party to this Security Agreement concerning disputes arising over the Collateral.

2.6 Commercial Tort Claims. If Borrowers shall at any time hold or acquire a Commercial Tort Claim in an amount reasonably estimated to be in excess of \$250,000, Borrower's Representative shall promptly notify the Lender in writing signed by the Borrowers' Representative of the details thereof and grant to the Lender, for its own benefit and as agent for its Affiliates, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Security Agreement, in each case in form and substance reasonably satisfactory to the Lender, and shall execute any amendments hereto deemed reasonably necessary by the Lender to perfect the security interest of the Lender, for its own benefit and as agent for its Affiliates, in such Commercial Tort Claim.

Section 3 **REPRESENTATIONS AND WARRANTIES.**

In order to induce the Lender to make the Loan, the respective Borrowers make the following representations and warranties to the Lender, as of the date hereof. Borrowers may update representations from time to time as provided under the Loan Agreement.

3.1 **Organization and Name.** Each Borrower is a limited liability company, duly organized and in current active status under the laws of the State of Delaware, and each is qualified to do business in the State of California. The exact legal name of each Borrower is as set forth in the first paragraph of this Security Agreement, and the Borrowers currently do not conduct, nor during the last five (5) years have either conducted, business under any other name or trade name.

3.2 **Authorization.** Each Borrower has full right, power and authority to enter into this Security Agreement and to perform all of its duties and obligations under this Security Agreement.

3.3 **Validity and Binding Nature.** This Security Agreement is the legal, valid and binding obligation of each Borrower and the Borrowers jointly and severally, enforceable against Borrowers in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity.

3.4 **Consent; Absence of Breach.** Except for any failure that could not reasonably be expected to have a Material Adverse Effect, the execution, delivery and performance of this Security Agreement and any other documents or instruments to be executed and delivered by the Borrowers in connection herewith, do not and will not violate any Governmental Requirement, or any provision of each Borrower's Governing Documents, and do not and will not result in a breach of, or constitute a default or require any consent under, or result in the creation of any Lien upon any property or assets of Borrower (except as provided in the Loan Documents) pursuant to, any law, regulation, instrument or agreement to which Borrower is a party or by which Borrower or its properties may be subject or bound, other than Liens in favor of the Lender created pursuant to this Security Agreement.

3.5 **Ownership of Collateral; Liens.** To each Borrower's knowledge, Borrower is the owner or has other assignable rights in all of the Collateral owned or held by it, free and clear of all Liens, charges and claims (including infringement claims with respect to patents, trademarks, service marks, copyrights and the like), other than Permitted Liens.

3.6 **Security Interest.** This Security Agreement creates a valid security interest in favor of the Lender in the Collateral and, when properly perfected by filing in the appropriate jurisdictions, or by possession or Control of such Collateral by the Lender or delivery of such Collateral to the Lender, shall constitute a valid, perfected, first-priority security interest (subject to Permitted Liens) in such Collateral to the extent a security interest in such Collateral may be perfected under Article 9 of the UCC.

3.7 Place of Business. The principal place of business and books and records of Borrowers is set forth in the preamble to this Security Agreement.

3.8 Complete Information. All information furnished to Lender under this Security Agreement, taken as a whole, is and will be true, correct and complete in all material respects.

Section 4 **AFFIRMATIVE COVENANTS.**

4.1 Borrower Existence. Borrowers shall at all times preserve and maintain their (a) existence and good standing in the jurisdiction of their organization, and (b) qualification to do business and good standing in each jurisdiction where the nature of their business makes such qualification necessary (other than such jurisdictions, in each case, in which the failure to be qualified or in good standing could not reasonably be expected to have a Material Adverse Effect).

4.2 Compliance with Laws. Borrowers shall comply promptly, in all material respects, with all material laws, rules, regulations, decrees, orders, judgments, licenses and permits applicable to the Collateral or to the primary use thereof, except where failure to comply could not reasonably be expected to have a Material Adverse Effect.

4.3 Payment of Taxes and Liabilities. Borrowers will pay and discharge all of their respective Taxes prior to the date on which such Taxes become delinquent or any penalties attach thereto, except and to the extent only that such Taxes are (a) being Properly Contested or (b) (i) do not exceed \$100,000 in the aggregate at any time outstanding, and (ii) to the extent resulting in a Lien attaching to any Collateral, such Lien is promptly bonded and removed or satisfied within 60 days of being imposed.

4.4 Maintain Insurance. Borrowers shall maintain insurance coverages as provided in the Loan Agreement.

Section 5 **DEFAULT; REMEDIES.**

Upon the occurrence and during the continuation of an Event of Default, the Lender shall have all rights, powers and remedies set forth in this Security Agreement or the other Loan Documents or in any other written agreement or instrument relating to any of the Obligations or any security therefor, as a secured party under the UCC or as otherwise provided at applicable law or in equity. Without limiting the generality of the foregoing, the Lender may, at its option upon the occurrence and during the continuation of an Event of Default, with notice to the Borrowers' Representative, declare any commitments to Borrowers (if any) to be terminated and all Obligations to be immediately due and payable, or, to the extent provided in the Loan Documents, all commitments of the Lender to Borrowers (if any) shall immediately terminate and all Obligations shall be automatically due and payable. Except as otherwise expressly provided in any of the other Loan Documents, Borrowers hereby consent to, and waives notice of release, with or without consideration, of any Collateral.

In addition to the foregoing, upon the occurrence and during the continuance of an Event of Default:

5.1 Possession and Assembly of Collateral. The Lender may exercise any or all of its rights and remedies under the Uniform Commercial Code-Secured Transactions as adopted by the State of Florida or the State of Delaware, or other applicable law (including, without limitation, remedies in respect of the Collateral, including the right to require the Borrowers at the Lender's request, to assemble the Collateral, at the Borrowers' sole expense, and make it available to the Lender at a place or places to be designated by the Lender which is reasonably convenient to the Lender and Borrowers' Representative.

5.2 Sale of Collateral. The Lender may sell any or all of the Collateral at public or private sale, upon such terms and conditions as the Lender may deem proper, and the Lender may purchase any or all of the Collateral at any such public sale in accordance with the terms of Article 9 of the UCC. Borrowers acknowledge that the Lender may be unable to effect a public sale of all or any portion of the Collateral because of certain legal and/or practical restrictions and provisions which may be applicable to the Collateral and, therefore, may be compelled to resort to one or more private sales to a restricted group of offerees and purchasers. Borrowers consent to any such private sale so made even though at places and upon terms less favorable than if the Collateral was sold at public sale. The Lender shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Lender may apply the net proceeds, after deducting all reasonable costs, expenses, attorneys' and paralegals' fees incurred or paid at any time in the collection, protection and sale of the Collateral and the Obligations, to the payment of the Obligations, returning the excess proceeds, if any, to Borrowers. Borrowers shall remain liable for any amount remaining unpaid after such application, with interest at the Default Rate. Any notification of intended disposition of the Collateral required by law shall be conclusively deemed reasonably and properly given if given by the Lender at least (30) calendar days before the date of such disposition. To the maximum extent permitted by applicable law, Borrowers hereby confirm, approve and ratify all acts and deeds of the Lender relating to the foregoing in exercising its remedies under the Loan Documents upon the occurrence and during the continuation of an Event of Default, and expressly waives any and all claims of any nature, kind or description which it has or may hereafter have against the Lender or its representatives, by reason of taking, selling or collecting any portion of the Collateral carried out in accordance with the terms and provisions of the Loan Documents in exercising its remedies under the Loan Documents upon the occurrence and during the continuation of an Event of Default. Borrowers expressly absolve the Lender from any loss or decline in market value of any Collateral by reason of delay in the enforcement or assertion or nonenforcement of any rights or remedies under this Security Agreement.

5.3 Standards for Exercising Remedies. To the extent that applicable law imposes duties on the Lender to exercise remedies in a commercially reasonable manner, Borrowers acknowledge and agree that it is not commercially unreasonable for the Lender (a) to fail to incur expenses reasonably deemed significant by the Lender to prepare Collateral for disposition or otherwise to complete raw material or work-in-process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against Account Debtors or other Persons obligated on Collateral or to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against Account Debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other Persons, whether or not in the same business as Borrower, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, including any warranties of title, (k) to purchase insurance or credit enhancements to insure the Lender against risks of loss, collection or disposition of Collateral or to provide to the Lender a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by the Lender, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Lender in the collection or disposition of any of the Collateral. Borrower acknowledges that the purpose of this section is to provide non- exhaustive indications of what actions or omissions by the Lender would not be commercially unreasonable in the Lender's exercise of remedies against the Collateral and that other actions or omissions by the Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this section. Without limitation upon the foregoing, nothing contained in this section shall be construed to grant any rights to Borrowers or to impose any duties on the Lender that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this section.

5.4 UCC and Offset Rights. The Lender may exercise, from time to time, any and all rights and remedies available to it under the UCC or under any other applicable law in addition to, and not in lieu of, any rights and remedies expressly granted in this Security Agreement or in any other agreements between the Borrowers and the Lender, and may, except as otherwise expressly provided in the Loan Documents, without demand or notice of any kind, appropriate and apply toward the payment of such of the matured Obligations, including costs of collection and attorneys' and paralegals' fees, and in such order of application as the Lender may, from time to time, elect, any indebtedness of the Lender to the Borrowers, however created or arising, including balances, credits, deposits, accounts or moneys of the Borrowers in the possession, control or custody of, or in transit to the Lender. The Borrowers hereby waive the benefit of any law that would otherwise restrict or limit the Lender in the exercise of its right, which is hereby acknowledged, to appropriate at any time hereafter any such indebtedness owing from the Lender to the Borrowers.

5.5 Additional Remedies. The Lender shall have the right and power to:

(a) instruct Borrowers, at their own expense, to notify any parties obligated on any of the Collateral, including any Account Debtors, to make payment directly to the Lender of any amounts due or to become due thereunder, or, the Lender may directly notify such obligors of the security interest of the Lender, and/or of the assignment to the Lender of the Collateral and direct such obligors to make payment to the Lender of any amounts due or to become due with respect thereto, and thereafter, collect any such amounts due on the Collateral directly from such Persons obligated thereon;

(b) enforce collection of any of the Collateral, including any Accounts, by suit or otherwise, or make any compromise or settlement with respect to any of the Collateral, or surrender, release or exchange all or any part thereof, or compromise, extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder;

(c) take possession or control of any proceeds and products of any of the Collateral, including the proceeds of insurance thereon;

(d) extend, renew or modify for one or more periods (whether or not longer than the original period) the Obligations or any obligation of any nature of any other obligor with respect to the Obligations;

(e) grant releases, compromises or indulgences with respect to the Obligations, any extension or renewal of any of the Obligations, any security therefor, or to any other obligor with respect to the Obligations;

(f) transfer the whole or any part of securities which may constitute Collateral into the name of the Lender or the Lender's nominee with disclosing that such securities so transferred are subject to the security interest of the Lender;

(g) make an election with respect to the Collateral under Section 1111 of the Bankruptcy Code or take action under Section 364 or any other section of the Bankruptcy Code; and

(h) at any time, and from time to time, accept additions to, releases, reductions, exchanges or substitution of the Collateral, without in any way altering, impairing, diminishing or affecting the provisions of this Security Agreement, the Loan Documents, or any of the other Obligations, or the Lender's rights hereunder, under the Obligations.

5.6 Attorney-in-Fact. Borrowers hereby irrevocably make, constitute and appoint the Lender (and any officer of the Lender or any Person designated by the Lender for that purpose) as Borrowers' true and lawful proxy and attorney-in-fact (and agent-in-fact) in the Borrowers' name, place and stead, with full power of substitution until the repayment in full of the Obligations and the termination of the Loan Documents, to (i) file such financing statements and execute such other documents as are required to perfect the Lender's security interest in the Collateral and (ii) to do the following in carrying out any remedy provided for in this Security Agreement: endorsing Borrower's name to checks, drafts, instruments and other items of payment, and proceeds of the Collateral, executing change of address forms with the postmaster of the United States Post Office serving the address of the Borrowers, changing the address of Borrowers to that of the Lender, opening all envelopes addressed to a Borrower and applying any payments contained therein to the Obligations. Borrowers hereby acknowledge that the constitution and appointment of such proxy and attorney-in-fact are coupled with an interest and are irrevocable until the repayment in full of the Obligations and the termination of the Loan Documents. Borrowers hereby ratify and confirm all that such attorney-in-fact may do or cause to be done by virtue of any provision of this Security Agreement; provided, however, the Lender shall not make or execute any such documents under such power until 10 Business Days after notice has been given to Borrowers by the Lender of Lender's intent to exercise its rights under such power.

5.7 No Marshaling. The Lender shall not be required to marshal any present or future collateral security (including this Security Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order. To the extent that they lawfully may, Borrowers hereby agree that they will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of the Lender's rights under this Security Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that they lawfully may, Borrowers hereby irrevocably waive the benefits of all such laws.

5.8 Application of Proceeds. After the occurrence and continuation of any Event of Default, any proceeds of any disposition by the Lender of all or any part of the Collateral may be first applied by the Lender to the payment of expenses incurred by the Lender in connection with the Collateral, including Loan Costs comprising reasonable and documented attorneys' fees and expenses, as provided for in Section 6.13 hereof.

5.9 No Waiver. No Event of Default shall be waived by the Lender except in writing. No failure or delay on the part of the Lender in exercising any right, power or remedy hereunder shall operate as a waiver of the exercise of the same or any other right at any other time; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. There shall be no obligation on the part of the Lender to exercise any remedy available to the Lender in any order. The remedies provided for herein are cumulative and not exclusive of any remedies provided at law or in equity.

Section 6 MISCELLANEOUS.

6.1 Entire Agreement. This Security Agreement and the other Loan Documents (i) are valid, binding and enforceable against Borrowers and the Lender in accordance with their respective provisions and no conditions exist as to their legal effectiveness; (ii) constitute the entire agreement between the parties with respect to the subject matter hereof and thereof; and (iii) are the final expression of the intentions of Borrowers and the Lender. No promises, either expressed or implied, exist between Borrowers and the Lender, unless contained herein or therein. This Security Agreement, together with the other Loan Documents, supersedes all negotiations, representations, warranties, commitments, term sheets, discussions, negotiations, offers or contracts (of any kind or nature, whether oral or written) prior to or contemporaneous with the execution hereof with respect to any matter, directly or indirectly related to the terms of this Security Agreement and the other Loan Documents. This Security Agreement supersedes and replaces the Security Agreement executed and delivered by WB Propco and WB Carolwood in connection with the initial closing of the Loan. This Security Agreement and the other Loan Documents are the result of negotiations among the Lender, Borrowers and Guarantor, and have been reviewed (or have had the opportunity to be reviewed) by counsel to all such parties, and are the products of all parties. Accordingly, this Security Agreement and the other Loan Documents shall not be construed more strictly against the Lender merely because of the Lender's involvement in their preparation.

6.2 Amendments; Waivers. No delay on the part of the Lender in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Security Agreement or the other Loan Documents shall in any event be effective unless the same shall be in writing and acknowledged by the Lender, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6.3 WAIVER OF DEFENSES. BORROWERS WAIVE EVERY PRESENT AND FUTURE DEFENSE, CAUSE OF ACTION, COUNTERCLAIM OR SETOFF WHICH THE BORROWERS MAY NOW HAVE OR HEREAFTER MAY HAVE TO ANY ACTION BY THE LENDER IN ENFORCING THIS SECURITY AGREEMENT; PROVIDED, HOWEVER, THAT THE FOREGOING SHALL NOT BE DEEMED A WAIVER BY BORROWERS OF ANY BORROWER'S RIGHT TO ASSERT ANY COMPULSORY COUNTERCLAIM OR THE GOOD FAITH DENIAL OF FACTS ALLEGED BY THE HOLDER OF THE LOAN DOCUMENTS OR THE GOOD FAITH ASSERTION OF DEFENSES IN ANY ACTION OF PROCEEDING BROUGHT BY THE HOLDER OF THE LOAN DOCUMENTS, NOR SHALL THE PROVISIONS OF THIS SECURITY AGREEMENT BE DEEMED A WAIVER OF BORROWERS' RIGHT TO ASSERT ANY CLAIM WHICH CONSTITUTES A SET-OFF, DEFENSE, CAUSE OF ACTION RECOURPMENT, COUNTERCLAIM OR CROSS-CLAIM OF ANY NATURE WHATSOEVER AGAINST LENDER IN ANY SEPARATE ACTION OR PROCEEDING. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER GRANTING ANY FINANCIAL ACCOMMODATION TO THE BORROWERS.

6.4 FORUM SELECTION AND CONSENT TO JURISDICTION. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF MIAMI-DADE COUNTY, THE STATE OF FLORIDA OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA; PROVIDED THAT NOTHING IN THIS SECURITY AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE THE LENDER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION. THE BORROWERS HEREBY EXPRESSLY AND IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE COURTS OF MIAMI-DADE COUNTY, STATE OF FLORIDA AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. THE BORROWERS FURTHER IRREVOCABLY CONSENT TO THE SERVICE OF PROCESS IN THE MANNER PROVIDED BY APPLICABLE LAW. THE BORROWERS HEREBY EXPRESSLY AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

6.5 WAIVER OF JURY TRIAL. THE LENDER AND THE BORROWERS, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, EACH KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS SECURITY AGREEMENT, ANY NOTE, ANY OTHER LOAN DOCUMENT, ANY OF THE OTHER OBLIGATIONS, THE COLLATERAL, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH OR ARISING FROM ANY LENDING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, OR ANY COURSE OF CONDUCT OR COURSE OF DEALING IN WHICH THE LENDER AND THE DEBTOR ARE ADVERSE PARTIES, AND EACH AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER GRANTING ANY FINANCIAL ACCOMMODATION TO THE BORROWERS.

6.6 Assignability. This Agreement shall inure to the benefit of and be binding on the parties hereto and their heirs, legal representatives, successors and assigns; but nothing herein shall authorize the assignment hereof by the Borrowers. Lender may sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, the Loan and Loan Documents (together with its rights and remedies under the Loan Documents) in connection with an assignment of, or granting of a participation interest in, the Loan, in each case with Borrowers' prior consent, which consent shall not be unreasonably withheld; provided that Lender's participant(s) or assignee(s) shall be federally regulated banks or financial institutions in good standing as such, and not be competitors of Borrowers or the Guarantor, and shall not be a restricted person under federal anti-terrorism laws.

6.7 Binding Effect. This Security Agreement shall become effective upon execution by the Borrower and the Lender of the Security Agreement and the other Loan Documents. If this Security Agreement is not dated when executed by the Borrowers, the Lender is hereby authorized, without notice to the Borrowers, to date this Security Agreement as of the date when it was executed by the Borrowers.

6.8 Governing Law. This Security Agreement shall be delivered and accepted in and shall be deemed to be a contract made under and governed by the internal laws of the State of Florida (but giving effect to federal laws applicable to national banks) applicable to contracts made and to be performed entirely within such state, without regard to conflict of laws principles.

6.9 Enforceability. Wherever possible, each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Security Agreement shall be prohibited by, unenforceable or invalid under any jurisdiction, such provision shall as to such jurisdiction, be severable and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Security Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

6.10 Time of Essence. Time is of the essence in making payments of all amounts due the Lender under this Security Agreement and in the performance and observance by the Borrowers of each covenant, agreement, provision and term of this Security Agreement.

6.11 Counterparts: Facsimile Signatures. This Security Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Security Agreement. Receipt of an executed signature page to this Security Agreement by facsimile or other electronic transmission shall constitute effective delivery thereof. Electronic records of executed Loan Documents maintained by the Lender shall be deemed to be originals thereof.

6.12 Notices. All notices from the Borrowers to the Lender and the Lender to Borrowers required or permitted by any provision of this Security Agreement shall be delivered in accordance with Section 8.11 of the Loan Agreement (and any party may designate a change of address as provided therein).

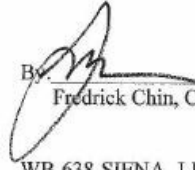
6.13 Costs, Fees and Expenses. Borrowers shall pay or reimburse the Lender, as provided in the Loan Agreement, for all Loan Costs incurred by the Lender in connection with the consummation of this Security Agreement or for which the Lender becomes obligated in connection with the enforcement of this Security Agreement; provided, however, such costs shall not include costs incurred by the Lender prosecuting, or defending, an action against, or by, Borrowers until such time as a final court of competent jurisdiction has held such action to be in favor of Lender.

(Signatures on following page)

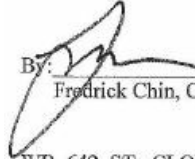
IN WITNESS WHEREOF, Borrowers, jointly and severally, and the Lender, each has executed and delivered this Security Agreement as of the date first above written.

BORROWERS:

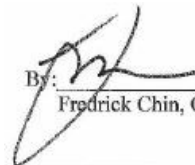
WB PROPCO, LLC, a Delaware limited liability company

By: 
Fredrick Chin, Chief Executive Officer

WB 638 SIENA, LLC, a Delaware limited liability company

By: 
Fredrick Chin, Chief Executive Officer

WB 642 ST. CLOUD, LLC, a Delaware limited liability company

By: 
Fredrick Chin, Chief Executive Officer

THE LENDER:

CITY NATIONAL BANK OF FLORIDA

By: _____
Name: _____
Title: _____

[Signature Page to Amended and Restated Security Agreement]

LENDER:

CITY NATIONAL BANK OF FLORIDA

By: /s/ DAVID POLLO

Name: DAVID POLLO

Title: AVP

(Signature Page to Amended and Restated Security Agreement)

**Certification of Liquidation Trustee pursuant to Section 302
of the Sarbanes-Oxley Act of 2002**

I, Michael I. Goldberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Woodbridge Liquidation Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the net assets in liquidation and changes in net assets in liquidation of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by other within those entities, particularly during the period in which this report is being prepared;
 - b. (Omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-4933);
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2021

By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee

**Certification of Liquidation Trustee pursuant to 18 U.S.C. 1350,
as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Woodbridge Liquidation Trust (the "Registrant") for the quarter ended March 31, 2021, as filed with the Securities and exchange Commission on the date hereof (the "Report"), the undersigned, Michael I. Goldberg, Trustee of the Registrant, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the net assets in liquidation and changes in net assets in liquidation of the Registrant.

Date: May 14, 2021

By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee
